

2019-20 Public Budget / Truth-in-Taxation Hearing Holland Public Schools

Wrapping Up the 2018-19 School Year

- Updating the current year budget
 - A factor that sheds light on the upcoming year
- Minimal changes from January amendment
 - Continued structural deficit
 - While less than seen in recent years, it remains an ongoing challenge
- Projected fund balance percentage remains above 5.00%, avoiding potential for additional MDE oversight

2018-19 General Fund Budget Update

	Current Budget	Proposed Amendment
Revenues	43,589,200	44,066,100
Expenditures	43,622,600	44,101,400
Excess Revenues (Expenditures)	(33,400)	(35,300)
Actual 7/1/18 Fund Balance	2,403,808	2,403,808
Projected 6/30/19 Fund Balance	2,370,408	2,368,508
Fund Balance Percentage	5.43%	5.37%

2019-20 Revenue Assumptions

- Blended enrollment of 3383 student FTE, 155 less than the current year
 - Based on Stanfred projections
- Foundation allowance increase of \$100/pupil
- Categorical/grant funding based on best current information available
 - Includes carryover estimates based on 2018-19 spending projections
- County special education funding based on current funding formula
- ISD behavior initiative funding – year 3 of 3
- Enhancement millage funding estimated at \$850,000 – year 1 of 10
- Indirect cost subsidies as follows:

- Food Service - \$125,000
- Property Sale Fund 48 - \$300,000

Enrollment Projections

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Projected	Projected	Projected	Projected	Projected
StanFred Consultants	3,538	3,383	3,238	3,118	2,998	2,914
Year-to-year change		-155	-145	-120	-120	-84
StanFred by building level:						
K - 5	1,351	1,308	1,253	1,230	1,217	1,190
6 - 8	684	654	625	573	535	512
9 - 12	1,122	1,043	985	943	877	846
Self-contained SpecEd/AltEd/Shared Time	381	378	375	372	369	366
Total Enrollment	3,538	3,383	3,238	3,118	2,998	2,914

2019-20 Expenditure Assumptions

- Position eliminations/restructuring to address current and future enrollment declines and ongoing structural deficit
- Estimates for wage adjustments for employees with expiring negotiated contracts
- Employer retirement contribution rate of 27.50% effective October 2019
- Health insurance hard cap increase of 2.0% effective January 2020

2019-20 General Fund Proposed Budget

	2018-19 Final Amended Budget	Proposed 2019-20 Budget
Revenues	44,066,100	43,699,300
Expenditures	44,101,400	43,719,100
Excess Revenues (Expenditures)	(35,300)	(19,800)
Projected Beginning Fund Balance	2,403,808	2,368,508
Projected Ending Fund Balance	2,368,508	2,348,708
Fund Balance Percentage	5.37%	5.37%

2019 Proposed Operating Tax Levy

Voters approved an 18-mill levy for operations in May 2017. As a result of rising property taxable values, a Headlee millage reduction has been applied in accordance with the State's constitution. As such, Holland Public Schools will be levying 17.5437 mills on non-homestead properties for the upcoming year, resulting in roughly \$160,000 in lost revenues.

2019 Proposed Debt Tax Levy

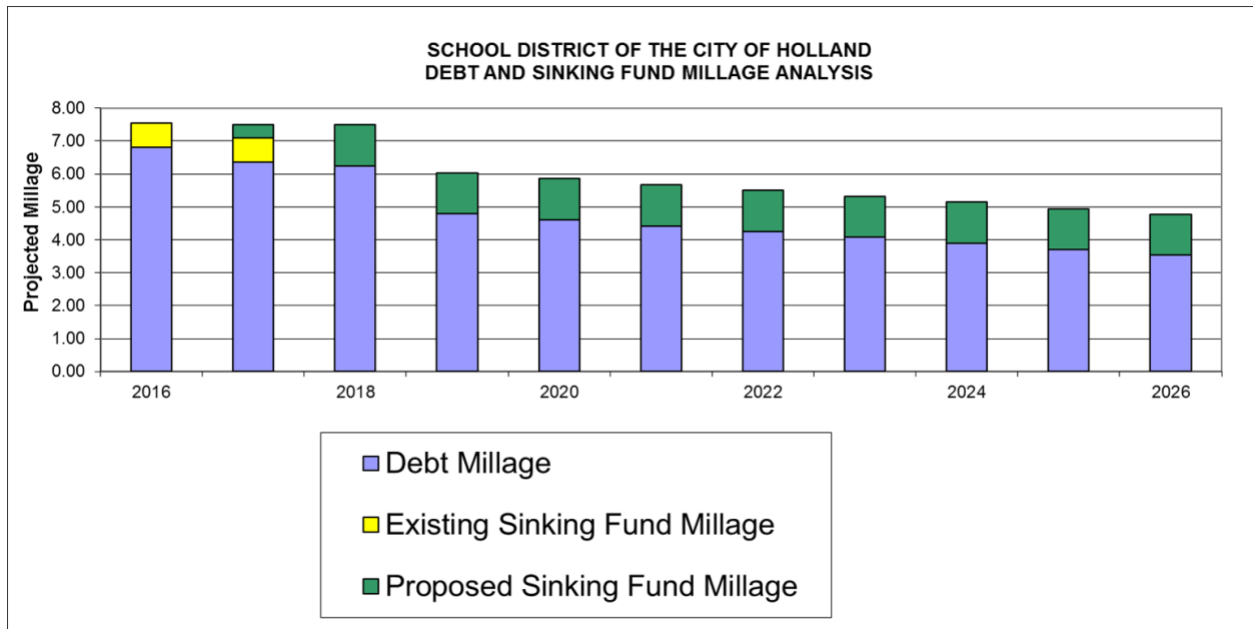
When bonds are approved, voters agree to tax themselves enough to repay the debt over a prescribed number of years.

In order to meet the principal and interest obligation on voter-approved bonds, the District will levy 6.00 mills for the upcoming year.

2019 Proposed Sinking Fund Tax Levy

Voters approved an 1.25-mill levy for a sinking fund in May 2017 to provide resources for capital needs and improvements, safety and security enhancements, and instructional technology. As a result of rising property taxable values, a Headlee millage reduction has been applied in accordance with the State's constitution. As such, Holland Public Schools will be levying 1.2326 mills on all properties for the upcoming year, resulting in roughly \$24,000 in lost revenues.

Anticipated Debt/Sinking Fund Tax Levies



2018-19 Food Service Fund Proposed Budget

	2018-19 Final Amended Budget	Proposed 2019-20 Budget
Revenues	2,008,000	1,987,000
Expenditures	1,953,000	2,170,000
Excess Revenues (Expenditures)	55,000	(183,000)
Projected Beginning Fund Balance	776,384	831,384
Projected Ending Fund Balance	831,384	648,384
Fund Balance Percentage	42.57%	29.88%

Next Steps

At its regular meeting on June 17, the Board will take action on:

- 2019-20 Budget Resolution (General Fund and Food Service Fund)
- 2019 Operating Tax Levy
- 2019 Debt Tax Levy
- 2019 Sinking Fund Tax Levy