



Grand Haven, Michigan 49417

2020-21 PROPOSED BUDGET

June 15, 2020

Elementary Education since 1835 - High School Education Since 1871

MEMORANDUM

Date: June 1, 2020
To: Grand Haven Area Public Schools Board of Education
cc: Staff
From: Andrew Ingall, Superintendent
Re: PROPOSED 2020-21 BUDGET

We are pleased to present the proposed 2020-21 budget for your consideration. It is important to note that this budget has been formulated during a period of unprecedented funding reductions. Guiding principles for the development of this budget include:

- Comprehensive K-12 program necessary to support an exceptional educational experience.
- Providing the highest quality curriculum and instruction in a safe and supported environment for students and staff.
- Assuring the support necessary to allow for intentional, continuous improvement.
- Stewardship of resources to maintain a reasonable fund balance now and in the future.

To this end, budget assumptions have been kept at the most realistic and accurate level given the current information available (i.e., enrollment).

It should be understood that the state does not have a long-term solution for the very uncertain and unstable funding model currently in place for Michigan's public schools. This is even more evident when you consider that our district could continue to be funded at a 2006-07 foundation allowance level.

Despite those challenges, our budget adheres to the board and administration's goal of maintaining a reasonable financial position, with the continuation of a quality program structure.

As has been our practice, we plan to provide two amendments during the coming year (December and May) to adjust and refine the budget as key revenue and expenditure factors come more clearly into focus throughout the fiscal year.

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Grand Haven, MI 49417

Andrew Ingall

Superintendent

Scott Grimes

Deputy Superintendent

EDUCATION SERVICE CENTER

1415 S. Beechtree Street
Grand Haven, MI 49417
(616) 850-5000

GRAND HAVEN AREA PUBLIC SCHOOLS

Ottawa and Muskegon Counties, Michigan

PUBLIC HEARING FOR ADOPTION OF THE 2020-21 GENERAL FUND AND SCHOOL SERVICE FUND BUDGETS, AND THE DEBT LEVY

Monday, June 15, 2020

at 7:00 p.m.

Location:
Education Service Center
1415 South Beechtree Street
Grand Haven, MI 49417

**GRAND HAVEN AREA PUBLIC SCHOOLS
2020-2021 GENERAL FUND
PROPOSED BUDGET INFORMATION**

ASSUMPTIONS:

- Blended pupil count (90% - 10%) is projected at 5,995 (equal to 2019-20).
- Foundation allowance per student is \$7,523 = decrease of \$650 per pupil.
- Retirement is budgeted at an average of 40.62% to include the State Unfunded Actuarial Accrued Liability. This UAAL retirement rate is 12.41% which is state funded.
- Health insurance is budgeted with a 3.3% increase in premiums and employees continue paying 20% of their insurance.
- Wage and step freezes for all employees.
- This budget includes a 20% reduction in discretionary expenses.
- This budget is based on assumptions as the State's budget has not yet been approved.

POTENTIAL ADDITIONAL/REDUCED REVENUES AND EXPENDITURES:

- Final State budget
- Blended pupil count of 5,995
- Categorical funding
- Stimulus funds from the Federal budget

RESOLUTION FOR ADOPTION BY THE BOARD
OF EDUCATION OF GRAND HAVEN AREA PUBLIC SCHOOLS
2020-2021 BUDGETS

RESOLVED, that this resolution shall be the general appropriation of the Grand Haven Area Public Schools for the fiscal year 2020-21; a resolution to make appropriations; and to provide for the disposition of all income received by Grand Haven Area Public Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the GENERAL FUND of Grand Haven Area Public Schools, for fiscal year 2020-21 is as follows:

BE IT FURTHER RESOLVED, that, to support the District's proposed budget for fiscal year 2020-21, the Grand Haven Area Public Schools shall levy its authorized millage rate of eighteen (18) mills of ad valorem property taxes on all property (excluding principal residence property and other property exempt by law) in order to generate the local revenue prescribed below; and that such millage, together with the district's other revenues, shall be used to support the expenditures prescribed below.

REVENUES	
Local	17,463,194
State	40,629,945
Federal	2,541,932
Interdistrict	8,698,605
Incoming Transfers & Other Trans	-
TOTAL REVENUES	<u>69,333,676</u>
 Estimated Fund Balance July 1, 2020	 8,348,787
 TOTAL AVAILABLE TO APPROPRIATE TO GENERAL FUND	 <u><u>77,682,463</u></u>

BE IT FURTHER RESOLVED, that \$73,477,895 of the total available to appropriate in the GENERAL FUND hereby appropriated in the amount and for the purposes set forth below:

EXPENDITURES

Instruction

Basic Instruction	35,755,330
Added Needs	10,836,921

Support Services

Pupil Support	6,138,165
Instruction Staff Support	2,116,025
General Administration	879,653
School Administration	3,718,483
Business Services	879,582
Operations and Maintenance	6,174,645
Transportation	2,945,763
Other Central Support	1,528,951
Athletics	1,260,151

Community Services	1,204,775
Outgoing Transfers and Other	3,716
Other Financing Uses	28,400
Transfers	7,337

TOTAL EXPENDITURES **73,477,895**

ESTIMATED FUND BALANCE June 30, 2021 **4,204,568**

**GRAND HAVEN AREA PUBLIC SCHOOLS
GENERAL FUND
OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2021**

	2018-19 ACTUAL	2019-20 FINAL	2020-21 PROPOSED
REVENUES			
Local	17,164,574	16,873,860	17,463,194
State	43,386,970	44,951,495	40,629,945
Federal	2,515,167	2,955,136	2,541,932
Interdistrict	7,129,701	8,528,792	8,698,605
Incoming Transfers & Other Trans	170,000	21,571	-
TOTAL REVENUES	70,366,411	73,330,853	69,333,676
EXPENDITURES			
Instruction			
Basic Instruction	34,805,066	35,680,838	35,755,330
Added Needs	10,145,243	10,937,549	10,836,921
TOTAL INSTRUCTION	44,950,309	46,618,387	46,592,251
Support Services			
Pupil Support	5,386,710	6,244,976	6,138,165
Instruction Staff Support	2,053,402	2,076,101	2,116,025
General Administration	796,033	883,574	879,653
School Administration	3,435,380	3,745,093	3,718,483
Business Services	857,764	859,530	879,582
Operations and Maintenance	5,541,740	5,875,501	6,174,645
Transportation	2,798,451	2,767,161	2,945,763
Other Central Support	1,337,912	1,519,120	1,528,951
Athletics	1,238,507	1,184,323	1,260,151
TOTAL SUPPORT SERVICES	23,445,900	25,155,379	25,641,417
Community Services	1,057,025	1,194,377	1,204,775
Outgoing Transfers and Other	-	3,716	3,716
Other Financing Uses	29,054	28,554	28,400
Transfers	42,245	35,315	7,337
TOTAL APPROPRIATED	69,524,533	73,035,728	73,477,895
EXCESS REVENUE (APPROPRIATIONS)	841,878	295,125	(4,144,219)
FUND BALANCE, JULY 1	7,211,783	8,053,662	8,348,787
FUND BALANCE, JUNE 30	8,053,661	8,348,787	4,204,568
FUND BALANCE AS A PERCENT OF EXPENDITURES	11.6%	11.4%	5.7%

SPECIAL REVENUE SCHOOL ACITIVITY FUND

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the SPECIAL REVENUE SCHOOL ACTIVITY FUND of Grand Haven Area Public Schools, for the fiscal year 2020-21 is as follows:

Local	<u>\$ 1,400,000</u>
TOTAL REVENUES	\$ 1,400,000
Estimated Fund Balance July 1, 2020	\$ 714,985
TOTAL AVAILABLE TO APPROPRIATE SPECIAL REVENUE SCHOOL ACTIVITY FUND	\$ 2,114,985

BE IT FURTHER RESOLVED, that \$1,400,000 of the total available to appropriate in the SPECIAL REVENUE SCHOOL ACTIVITY FUND is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures	<u>\$ 1,400,000</u>
EXPENDITURES	\$ 1,400,000
Estimated Fund Balance June 30, 2021	\$ 714,985

SPECIAL REVENUE FOOD SERVICE FUND

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the SPECIAL REVENUE FOOD SERVICE FUND of Grand Haven Area Public Schools, for the fiscal year 2020-21 is as follows:

REVENUES:	
Local	820,000
State	90,396
Federal	1,123,081
Incoming Transfers & Other Trans	<u>7,337</u>
TOTAL REVENUES	2,040,814
Estimated Fund Balance July 1, 2020	41,024
TOTAL AVAILABLE TO APPROPRIATE TO GENERAL FUND	<u><u>2,081,838</u></u>

BE IT FURTHER RESOLVED, that \$2,040,814 of the total available to appropriate in the SPECIAL REVENUE FOOD SERVICE FUND is hereby appropriated in the amounts and for the purposes set forth below:

TOTAL EXPENDITURES	
Food Service Activities	<u>2,040,814</u>
TOTAL EXPENDITURES	2,040,814
ESTIMATED FUND BALANCE June 30, 2021	<u><u>41,024</u></u>

**GRAND HAVEN AREA PUBLIC SCHOOLS
FOOD SERVICE FUND**

FOR FISCAL YEAR ENDING JUNE 30, 2021

	2018-19 ACTUAL	2019-20 FINAL	2020-21 PROPOSED
REVENUES:			
Local	751,612	622,482	820,000
State	91,887	87,562	90,396
Federal	1,005,347	1,407,497	1,123,081
Incoming Transfers & Other Trans	42,245	35,315	7,337
TOTAL REVENUES	1,891,091	2,152,856	2,040,814
TOTAL EXPENDITURES			
Food Service Activities	1,891,091	2,152,856	2,040,814
TOTAL APPROPRIATED	1,891,091	2,152,856	2,040,814
FUND BALANCE, JULY 1	41,024	41,024	41,024
FUND BALANCE, JUNE 30	41,024	41,024	41,024
ESTIMATED FUND BALANCE June 30, 2021	41,024	41,024	41,024

FURTHER RESOLVED, that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditures of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED, that the Superintendent is hereby charged with general supervision of the execution of the budgets adopted by the Board and shall hold the Principals, Directors, Supervisors and Department Heads accountable for the performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

BE IT FURTHER RESOLVED, that, for purposes of meeting emergency needs of the school district, changes in appropriations may be made upon the written authorization of the Superintendent. When the Superintendent makes a change in appropriations as permitted by this resolution, such change shall be presented to the Board of Education in the form of an appropriations act amendment, which shall be adopted by the Board of Education at a regularly scheduled meeting.

This appropriation resolution is to take effect July 1, 2020

Andrew Ingall
Superintendent

GRAND HAVEN AREA PUBLIC SCHOOLS

2020-2021 GENERAL FUND BUDGET

JUNE 2020

REVENUES

The general appropriations act shall set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied as follows:

<u>Date of Election</u>	<u>2020-21 Levy</u>	<u>Length of Time Authorized</u>
	6 Mills – Principal Residence and Other Property Taxable by Law	Unlimited
May 5, 2020	18 Mills – Non-Principal Residence and Other Property Taxable by Law	One Year – expires 2020 – renewal in 2021
May 6, 2014	4.2 Mills – 2014 Building and Site Bonds	Not to exceed twelve years from date of issue (2014-2026)

Foundation Allowance Revenue:

Base foundation grant of \$7,523 x 5,995 students = \$45,100,385

Federal Revenue:

IDEA and Title revenues are budgeted at estimated levels. These grants will be adjusted as the new grants are approved.

ALL PROPERTY EXCLUDING PRINCIPAL RESIDENCE AND PROPERTY EXEMPT BY LAW MILLS

– A school district may levy with voter approval up to 18 mills or the number of local school operating mills levied in 1993, whichever is less, on all property excluding principal residence and property exempt by law only. These funds are retained by the local school district to fund a portion of the foundation allowance.

FOUNDATION GRANT – The foundation allowance is a per pupil revenue amount that a district may receive. It is calculated for each district based on a formula in the School Aid Act. In general, the starting point is the amount of eligible base revenue that a district received per pupil in the 1993-94 school year. The base amount is adjusted each year according to an index of per pupil revenue growth (or decline) in the State School Aid Fund. This foundation allowance is multiplied by the blended pupil count to total the foundation grant. This foundation allowance is estimated at \$7,523 per pupil.

The foundation grant is funded from a combination of State Aid and local property tax revenue. In order to receive the full foundation grant, a district must levy local school operating millage as described above.

EXPENDITURES:

Instruction: This area includes all classroom expenses K-12, including added needs and continuing education.

Supporting Services

Pupil Support: These specialized support services include; truancy/absenteeism, guidance, health, psychological, speech pathology, social work, and visual aid services.

Instructional Staff Support: These specialized support services include improvement of instruction, educational media services, educational television, technology assisted instruction, supervision and direction of instructional staff, and academic student assessment.

General Administration: This area includes expenses budgeted for the executive administration wages and supplies, and also the Board of Education expenses.

School Administration: Principals' and school secretaries' wages and items needed for the building administration (supplies and maintenance of equipment) are budgeted in this area.

Business Services: Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district are included here.

Operations and Maintenance: Activities concerned with keeping the physical plant open, clean, and ready for daily use. Also, activities concerned with maintaining order and safety in school building, on the grounds and in the vicinity of schools at all times.

Transportation: Activities concerned with the conveyance of pupils to and from school as provided by state law.

Other Central Services: Activities other than general administration that support each of the other instructional and supporting service programs. Communications, human resources, information management, support services technology and pupil accounting are included.

Support Services, Other: This area includes costs of maintaining the performing arts centers.

Athletic Activities: This area consists of those activities concerned with financing the interscholastic athletic programs that are under the supervision of the school.

Community Services: This area includes the aquatics and childcare programs of the district. Also included is shared staff: music, physical education, art instruction, and media services for parochial schools.

Facilities Improvement and Land Acquisition: The purchase of land connected to Grand Haven High School.

Financing Uses: Payments and interest due on land purchase.

Transfers: Payments to other funds

SCHOOL SERVICE FUNDS

SCHOOL ACTIVITY FUND – Established to direct and account for monies used to support co-curricular and extra-curricular student and school activities.

FOOD SERVICE FUND – Chartwells manages the Grand Haven Area Public Schools Food Service program.

DEBT RETIREMENT FUNDS

The debt millage levy for 2020 will be 4.2 mills for our 2020-21 common debt retirement funds. These funds will cover the bond principal and interest payments for 2020-21.

GRAND HAVEN AREA PUBLIC SCHOOLS				
GENERAL FUND				
FUNCTION COMPARISON				
FOR FISCAL YEAR ENDING JUNE 30, 2020				
	2017-18 ACTUAL	2018-19 FINAL	2019-20 Proposed	
REVENUES				
Local Sources	24.0%	24.5%	\$ 17,045,303	23.5%
State Sources	62.2%	61.4%	44,333,588	61.1%
Federal Sources	3.2%	3.7%	2,571,303	3.5%
Interdistrict Sources	10.6%	10.1%	8,577,324	11.8%
Other Financing Sources	0.0%	0.3%	-	0.0%
TOTAL REVENUES	100.0%	100.0%	72,527,518	100.0%
EXPENDITURES				
Instruction	64.5%	64.3%	46,504,564	63.3%
Pupil Support	7.7%	7.7%	6,387,212	8.7%
Instructional Staff Support	2.9%	3.1%	2,115,274	2.9%
General Administration	1.2%	1.2%	877,135	1.2%
School Administration	4.9%	4.9%	3,666,147	5.0%
Business Services	1.3%	1.3%	880,459	1.2%
Operating and Maintenance	7.8%	8.0%	6,136,220	8.3%
Transportation	4.2%	4.2%	3,016,981	4.1%
Other Central Support	1.8%	2.0%	1,519,497	2.1%
Athletics	1.7%	1.7%	1,260,518	1.8%
Support Services, Other	0.2%	0.0%	-	0.0%
Community Services	1.5%	1.5%	1,051,508	1.4%
Facilities Construction & Land Acquisition	0.0%	0.0%	-	0.0%
Other Financing Uses	0.3%	0.0%	28,600	0.0%
Transfers	0.0%	0.1%	46,299	0.1%
TOTAL EXPENDITURES	100.0%	100.0%	\$ 73,490,414	100.0%