

**BUDGET &
TRUTH-IN-TAXATION
HEARING**

**Lowell Area Schools
2023-2024 Amended Budget
2024-2025 Proposed Budget
June 10, 2024**

TRUTH IN TAXATION BUILDING & SITE SINKING FUND

Prior Year TV: \$ 1,175,473,754 Losses: \$4,543,044
Additions: \$49,705,868 Current Year TV: \$1,290,963,828

Headlee Millage Reduction Factor Calculation:

(PY TV minus Losses) times CPI divided by (Current TV minus Additions)
 $(1,175,473,754 - 4,543,044) \times 1.051 / (1,290,963,828 - 49,705,868) = 0.9915$

Sinking Fund 2023 Levy: 0.9766 mills (1 mill minus PY Headlee rollbacks)

Sinking Fund 2024 Levy: 0.9682 mills (1 mill as reduced in PY + rollback 2024)

2024 Estimated Collections: \$1,249,911

2024 Estimated Collections w/o rollbacks: \$1,290,963

Uncollected taxes due to Headlee rollbacks: \$41,052

TRUTH IN TAXATION NON HOMESTEAD (PRE)

Prior Year TV: \$213,978,250

Losses: \$514,960

Additions: \$16,455,325

Current Year TV: \$241,949,982

Headlee Millage Reduction Factor Calculation:

(PY TV minus Losses) times CPI divided by (Current TV minus Additions)

$(213,978,250 - 514,960) \times 1.051 / (241,949,982 - 16,455,325) = 0.9949$

Base Tax Rate Fraction: 0.8694 (equates to 17.0388 mills w/o this hearing)

Non Homestead 2023 Levy: 18.0000 mills (18 mills Approved Nov 2022)

Non Homestead 2024 Levy: 17.9082 mills (Reduced by Headlee Rollback)

2023 Estimated Collections: \$4,010,527

2024 Estimated Collections: \$4,332,888

Millage increase w/ hearing: 5.10 % (Base Tax Rate compared to 2024 Rate)

Revenue increase w/ hearing: \$210,351 (Base Tax Rate compared to 2024 Rate)

PROPERTY TAX RATES

Principal Residences	2024	2023	2022	2021
Debt Service	7.0000	7.0000	7.0000	7.0000
Building/Site Sinking Fund	0.9682	0.9766	0.9766	0.9882
Total	7.9682	7.9766	7.9766	7.9882
Non-Homestead	2024	2023	2022	2021
Operating	17.9082	18.0000	17.0241	17.3450
Debt Service	7.0000	7.0000	7.0000	7.0000
Building/Site Sinking Fund	0.9682	0.9766	0.9766	0.9882
Total	25.8764	25.9766	25.0007	25.3332

All Properties	Taxable Values	Change from PY
2024	1,290,963,828	+9.82%
2023	1,175,473,754	+9.19%
2022	1,076,588,638	+7.10%
2021	1,005,209,479	+5.05%

DEBT SERVICE MILLAGE RATE DISTRIBUTION

Debt Issuance	Millage Rate	Last Debt Payment
2015 Debt	0.6600	2030
2016A Debt (Ref)	0.2800	2029
2016B Debt (Ref)	0.6000	2037
2016A Debt (Ref)	1.5000	2025
2019 Debt (Ser. I)	0.8900	2049
2021 Debt (Ref)	1.0000	2030
2021 Debt (Ser. II)	0.8400	2049
2024 Debt (Ser. I)	1.2300	2054
TOTAL	7.0000	

2023-2024 BUDGET FINAL AMENDMENT

THE BIG FOUR:

Enrollment

Foundation Allowance

Wages

Benefits

ADJUSTMENTS SINCE JANUARY AMENDMENT

- Bus purchase – three buses for 23-24 to be received in September (committed fund balance \$445,107)
- Chromebook lease removed, purchased with Sinking & ESSER
- Decrease in Property Tax, Increase in State Aid (=foundation allowance)
- Update state/federal grant allocations, usage, carryovers
- Finance Software implementation costs
- Revise wage/benefit estimates, SE Itinerants/Tuition/Transportation
- Adjust department budgets based on needs

AMENDED SUMMARY 2023-2024 GENERAL FUND BUDGET

Total Revenues	50,573,058
Total Expenditures	(49,454,534)
Excess Rev/(Exp)	1,118,524
Total Revenues	50,573,058
Starting Est. Total Fund Bal	7,357,528
Available to Appropriate	57,930,586
Total Expenses	(49,454,534)
Est. Ending Total Fund Bal	8,448,187
<i>Committed Fund Balance (Buses)</i>	445,107
<i>Unassigned Fund Balance</i>	8,003,080

Unassigned Fund Balance
as % of Expenditures 16.2%

2024-2025 BUDGET

THE BIG FOUR:

Enrollment

Foundation Allowance

Wages

Benefits

UNKNOWNNS

- Enrollment • October 2024
- Foundation Allowance • June/July 2024
- At-Risk funding formula • June/July 2024
- Special Education funding formula • June/July 2024
- Title and IDEA grant prelim allocations • June 2024
- Title and IDEA grant final allocations • October 2024
- Final State funding allocations • January-August 2024
- Impact of inflation on operating expenses • On-going analysis

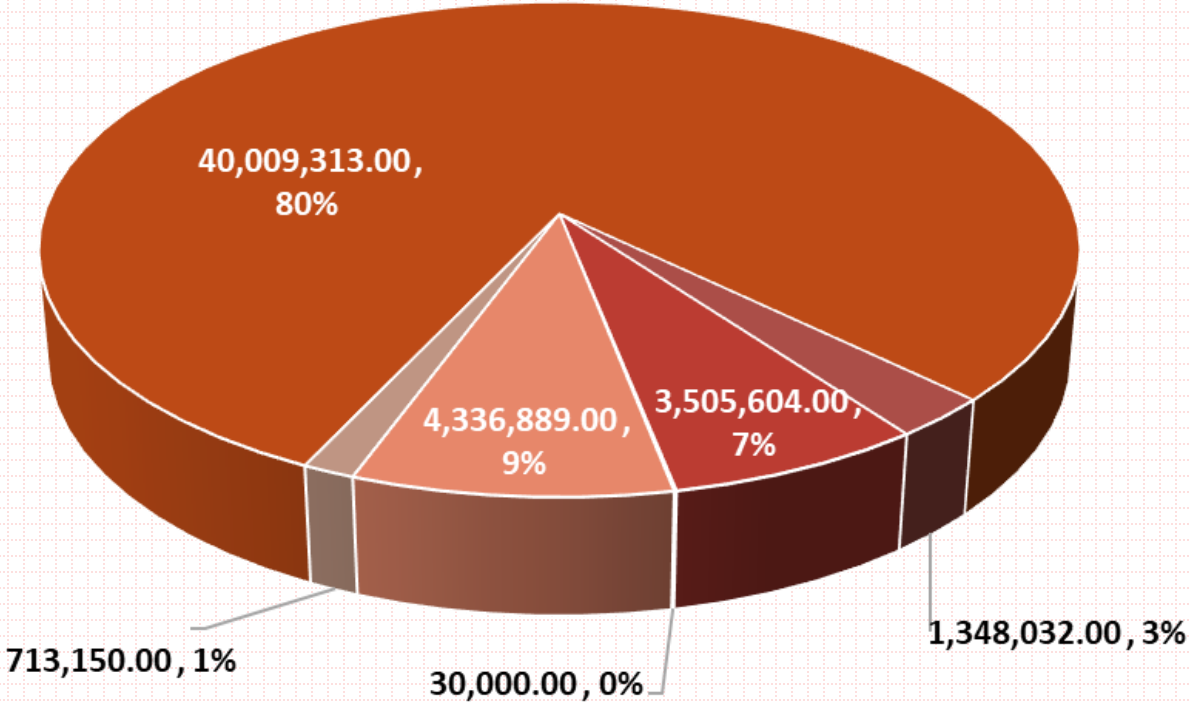
REVENUE ASSUMPTIONS

- Enrollment – 3,405 (47 Pupil Decrease)
 - Foundation: \$9,849 (\$241 Increase)
 - Foundation Count: 90/10 (CY/PY Feb FTE), plus continued enrollment stabilization funding
- ESSER Grant Funds – Final Spending by 9/30/24
 - MPSERS Offsets flat - *This is one to watch!*
- Reduction in categoricals (Educ Comp, 23g, Security grants)
 - Increase usage of At-Risk grant
- Update grant budgets and carryover (Rev = Exp)

EXPENSE ASSUMPTIONS

- Salaries Adjusted per Settled Contracts
 - MPSERS Rates increase 0.02%
 - Health Insurance Cap Increase 0.2%
- Purchase of Six New Buses (3 from 23-24 committed fund balance, 3 from 24-25 budget)
 - Building Budgets Maintained
 - Inflationary Operational Increases
- Revise Est. Special Ed reimbursement & billback

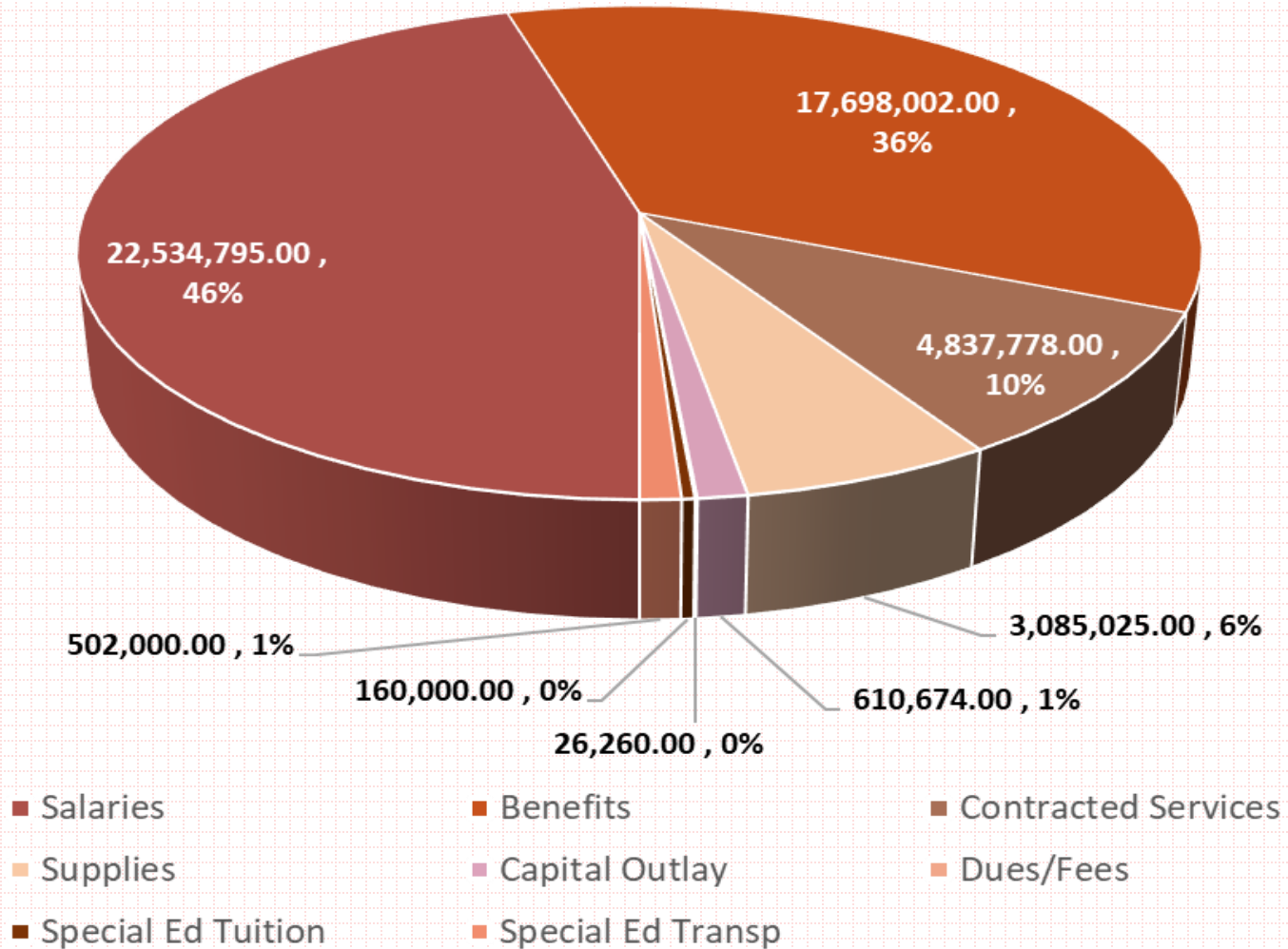
PROJECTED REVENUES 2024-2025 (BY MAJOR CLASS)



- Property Taxes
- State Revenue
- Other Sources

- Local Revenue
- Federal Revenue
- Transfers In

PROJECTED EXPENSES 2023-2024 (BY OBJECT)



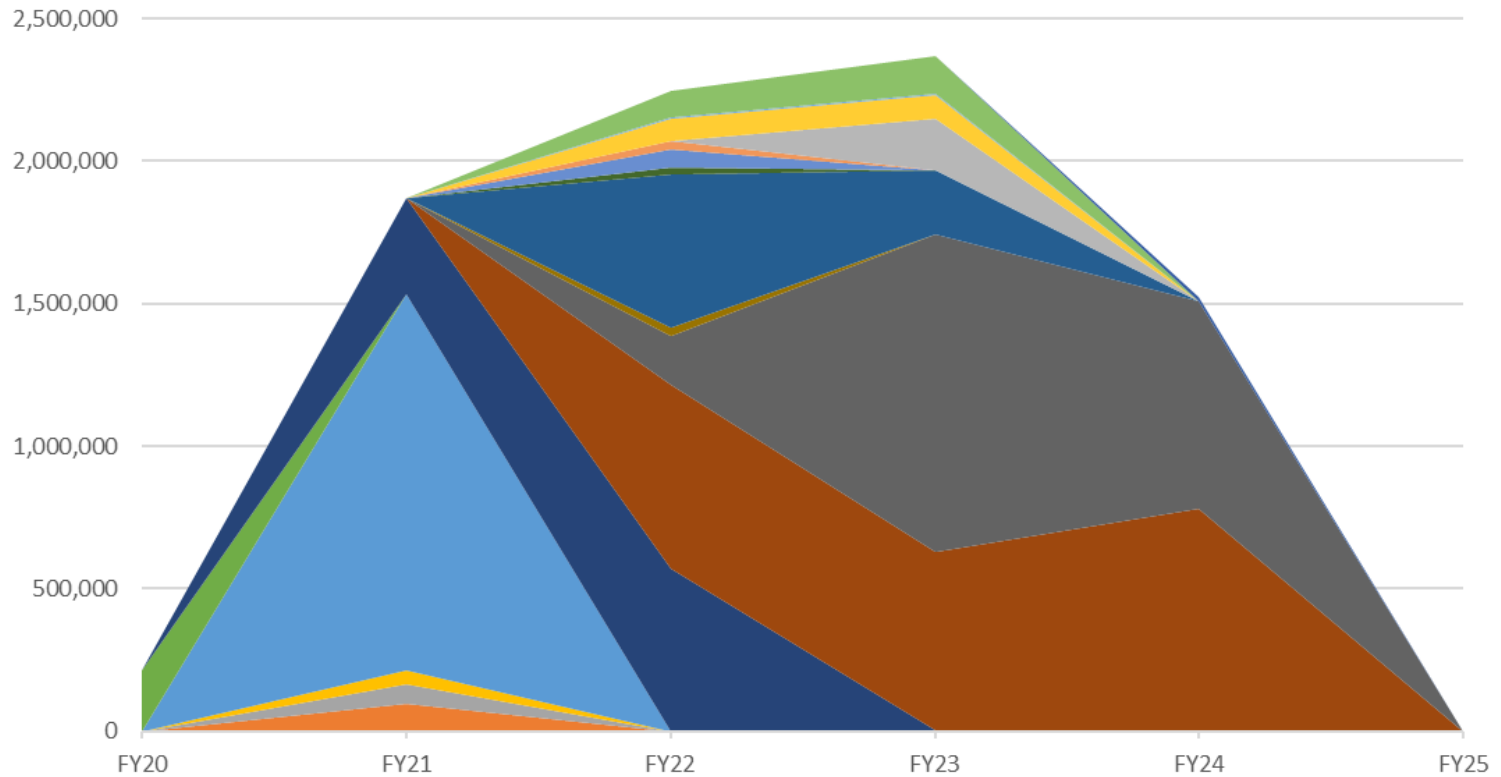
PROJECTED SUMMARY 2024-2025 GENERAL FUND BUDGET

Total Revenues	49,942,988
Total Expenditures	(51,261,678)
Excess Rev/(Exp)	(1,318,690)

Total Revenues	49,942,988
Starting Est. Total Fund Bal	8,448,187
Available to Appropriate	58,391,175
Total Expenses	(51,261,678)
Est. Ending Total Fund Bal	7,129,497

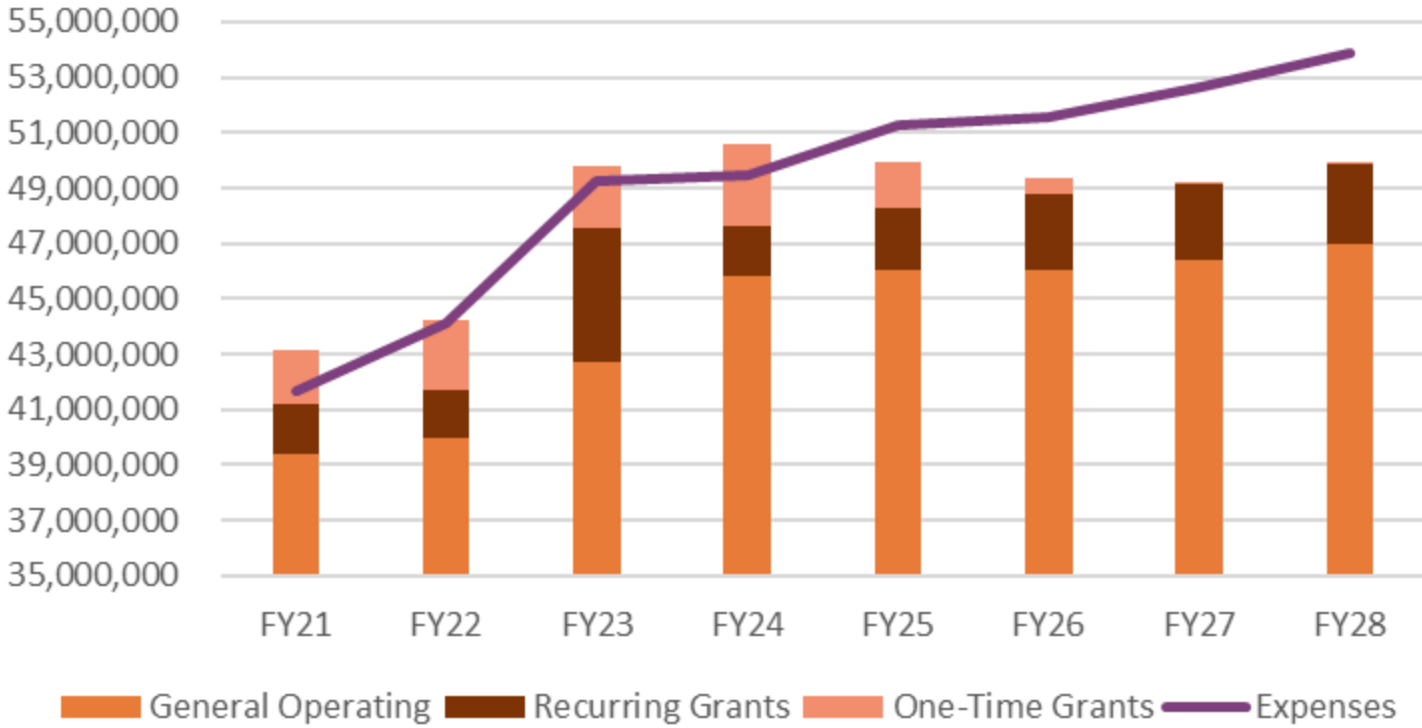
Projected Fund Balance
as % of Expenditures 13.9%

COVID-Related Funding



- CRF thru Kent County
- CRF 11p
- ESSER III
- ESSER II Equalization
- GEER II 23c
- IDEA Preschool ARP
- CRF Device Purchasing
- ESSER I
- ESSER III (11t)
- ESSER II - Before/After School
- ESSER II 98c
- Childcare Stabilization
- CRF District Covid Costs
- ESSER II
- ESSER II Benchmark Assessment
- ESSER II 23b
- IDEA ARP
- ESSER ARP Homeless

Annual Revenue, by Type vs. Annual Expenditures



SUMMARY TABLES

REVENUE SUMMARY

GENERAL FUND

	2022-23 Actual	2023-24 Adopted	2023-24 Amended	2023-24 Final Amended	2024-25 Proposed
Property Taxes	3,394,727	3,822,295	4,100,433	3,977,728	4,336,889
Local Revenue	709,537	639,150	746,188	717,188	713,150
State Revenue	38,765,383	38,212,074	38,466,124	39,330,683	40,009,313
Federal Revenue	3,222,047	2,671,135	2,727,704	2,882,242	1,348,032
Other Sources	3,686,087	3,258,940	3,464,000	3,635,217	3,505,604
Transfers In	20,000	20,000	30,000	30,000	30,000
TOTAL	49,797,781	49,418,504	49,506,584	49,454,534	49,942,988

EXPENDITURE
SUMMARY
GENERAL
FUND

	2022-23 Actual	2023-24 Adopted	2023-24 Amended	2023-24 Final Amended	2024-25 Proposed
Basic Instruction	25,147,121	24,803,426	24,969,395	24,717,385	24,783,737
Added Needs	4,466,674	4,725,201	4,787,096	4,637,068	4,539,264
Pupil Support	3,082,936	2,872,762	3,057,907	3,389,234	3,592,785
Instructional Support	2,093,545	2,212,978	2,107,487	2,279,697	2,550,933
General Administration	629,709	676,857	679,728	682,910	699,393
School Administration	2,706,669	2,775,454	2,691,412	2,684,968	2,771,410
Business Services	726,506	876,877	849,641	918,736	928,910
Operations	5,070,058	4,837,123	4,986,129	5,154,381	5,152,274
Transportation	2,758,839	2,812,684	2,706,155	2,531,482	3,451,855
Central Support	1,215,219	1,455,562	1,067,942	1,102,930	1,274,864
Other Support	909,870	953,865	986,531	988,631	1,001,514
Community Services	201,332	202,999	200,404	206,513	279,936
Bldg Improv, Prior Pd Adj	5,225	---	194,044	140,739	201,695
Other Financing Uses	242,092	212,714	212,714	19,860	33,108
TOTAL	49,255,795	49,418,504	49,506,584	49,454,534	51,261,678

FUND BALANCE SUMMARY GENERAL FUND

	2022-23 Actual	2023-24 Adopted	2023-24 Amended	2023-24 Final Amended	2024-25 Proposed
Total Revenues	49,797,781	48,623,594	49,534,449	50,573,058	49,942,988
Total Expenditures	49,255,795	49,418,504	49,506,584	49,454,534	51,261,678
Net Revenues/(Expend.)	541,986	(794,910)	27,865	1,118,524	(1,318,690)
Beginning Fund Balance	6,787,677	7,329,663	7,329,663	7,329,663	8,448,187
Ending Fund Balance	7,329,663	6,534,753	7,357,528	8,448,187	7,129,497
Committed Fund Balance	---	---	---	445,107	---
Unassigned Fund Balance	7,329,663	6,534,753	7,357,528	8,003,080	7,129,497
Unassigned FB as % of Exp	14.9%	13.2%	14.9%	16.2%	13.9%

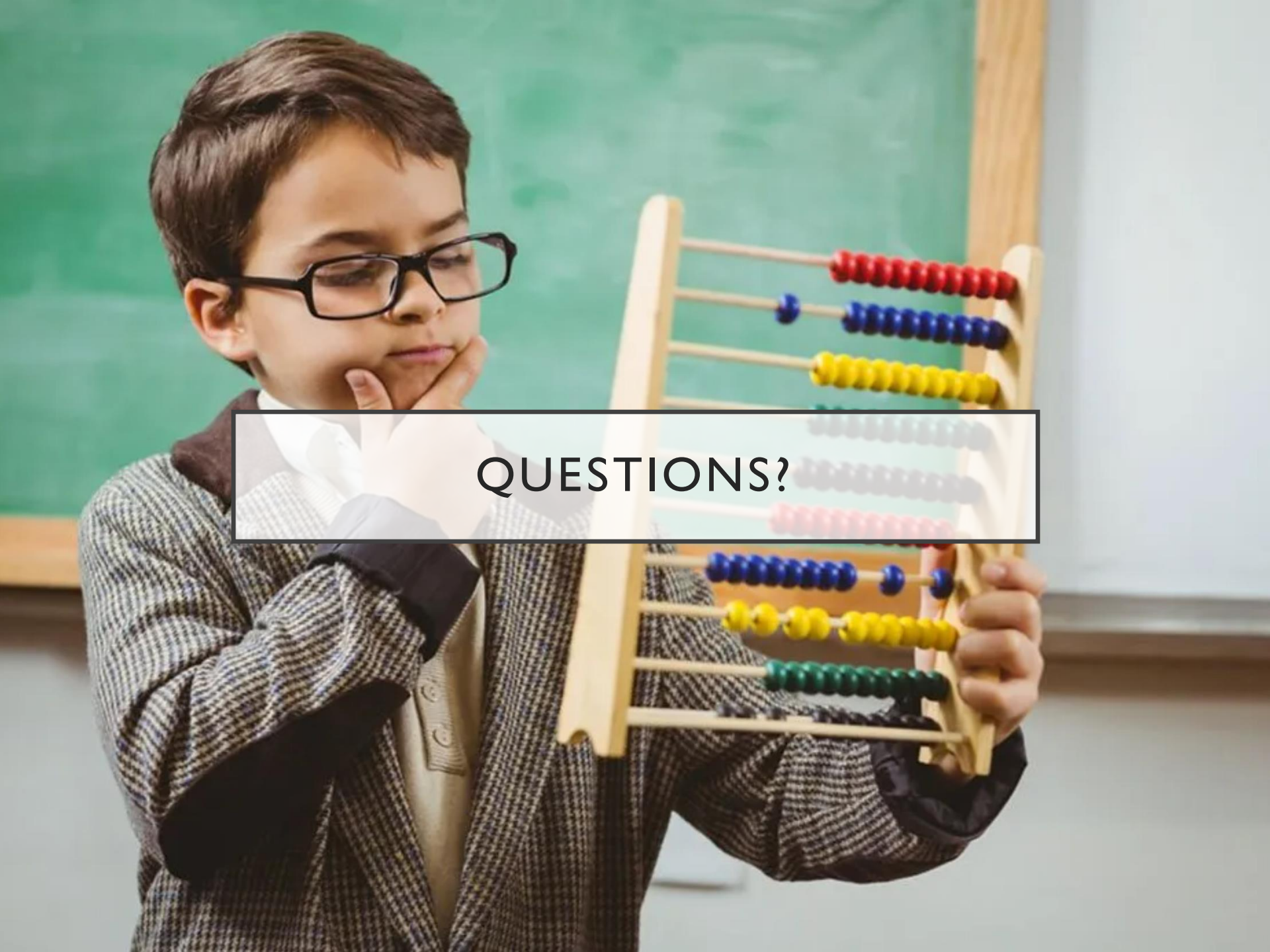
BUDGET SUMMARY

FOOD SERVICE FUND

	2022-23 Actual	2023-24 Adopted	2023-24 Amended	2023-24 Final Amended	2024-25 Proposed
Food Sales & Catering	793,458	775,000	225,000	252,000	252,000
State & Federal Sources	1,065,692	797,651	1,900,000	1,952,000	1,952,000
Miscellaneous & Interest	17,478	2,500	8,000	15,000	12,000
Total Revenue	1,876,628	1,575,151	2,133,000	2,219,000	2,216,000
Purchased Services	760,309	786,599	798,325	880,000	915,200
Food & Supplies	953,214	725,000	1,000,000	1,055,000	1,055,000
Capital Outlay & Transfers	305,769	270,000	330,000	230,000	330,000
Total Expenditures	2,019,292	1,781,599	2,128,325	2,165,000	2,270,200
Beginning Fund Balance	919,148	776,483	776,483	776,483	830,483
Ending Fund Balance	776,483	570,035	781,158	830,483	746,283
Fund Balance as % of Exp	38.88%	32.4%	37.2%	38.9%	32.9%

BUDGET SUMMARY SPECIAL REVENUE FUND

	2022-23 Actual	2023-24 Adopted	2023-24 Final Amended	2024-25 Proposed
Student Activity Income	1,240,900	1,100,000	2,040,000	1,500,000
Student Activity Expenses	(1,189,309)	1,050,000	1,365,000	1,500,000
Beginning Fund Balance	807,336	858,927	858,927	1,533,927
Ending Fund Balance	858,927	908,927	1,533,927	1,533,927
Unassigned FB as % of Exp	72.2%	86.6%	112.4%	102.3%



QUESTIONS?