

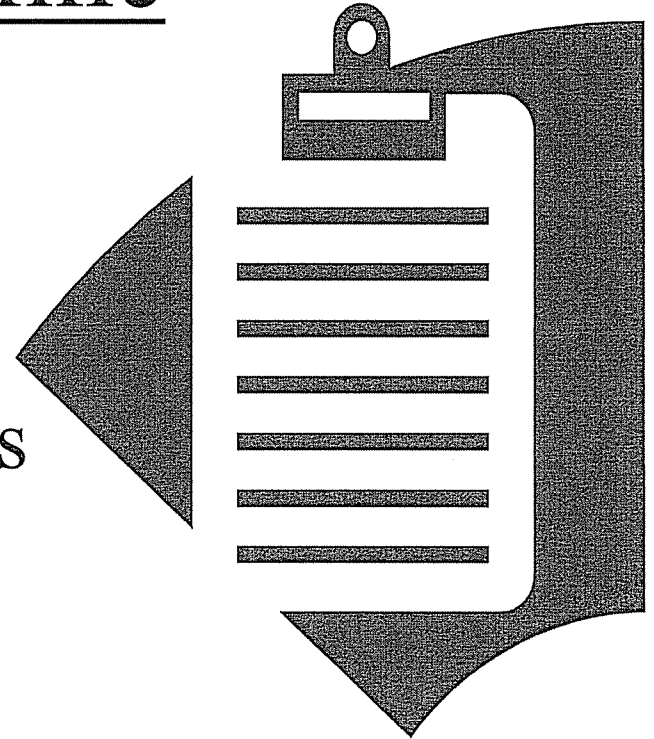
## 2010/11 Budget Hearing

Presented to Board of Education & Community

June 21, 2010

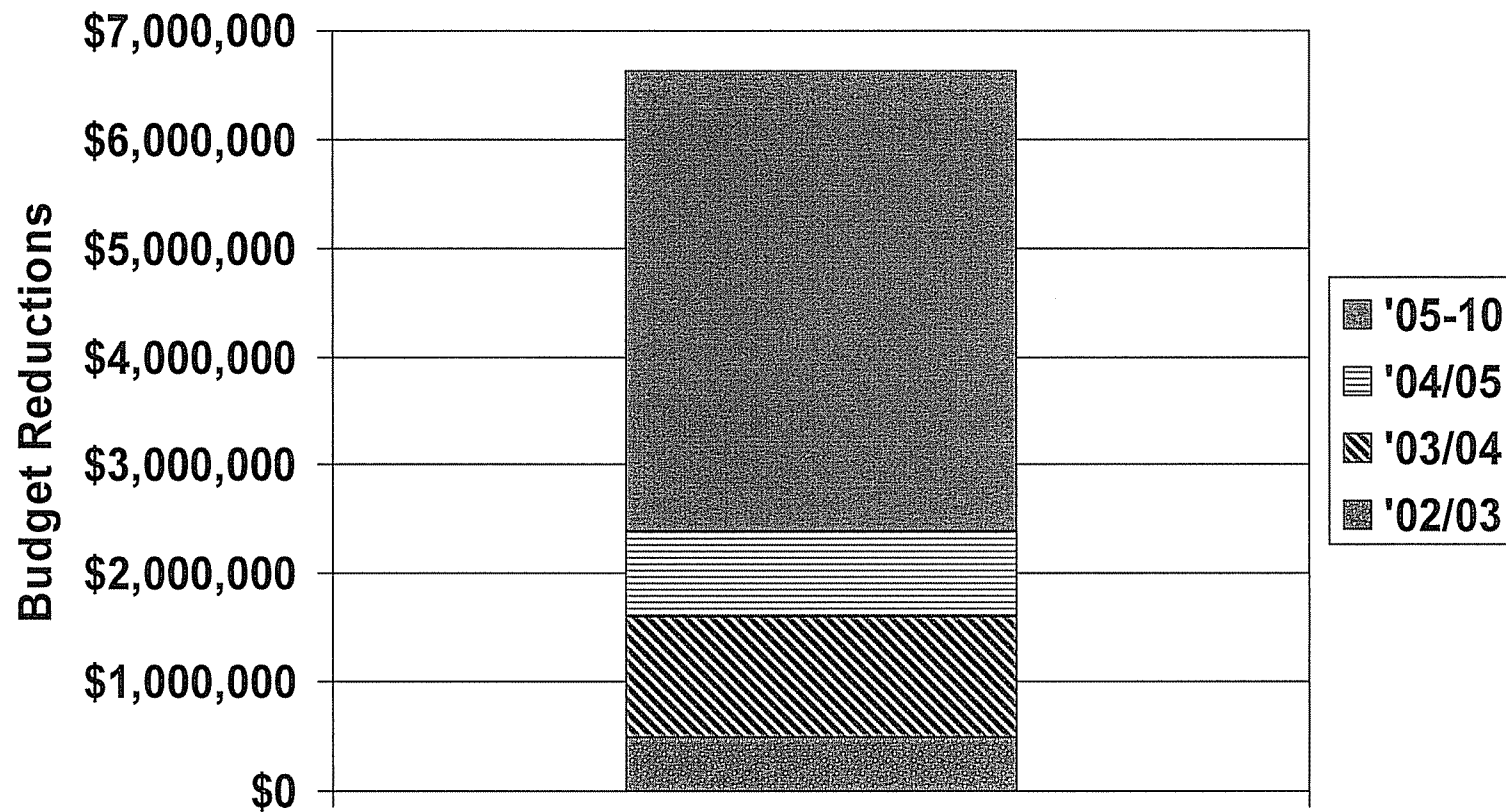
# Presentation Outline

- Budget Cuts Have Been Made
- Low Fund Balance ...
- Assumptions and Uncertainties
- Reductions and Adjustments
- Other Funds
- Financial Future



# Cumulative Effect of Past PPS Budget Cuts

## *Reductions of \$6.6 Million*

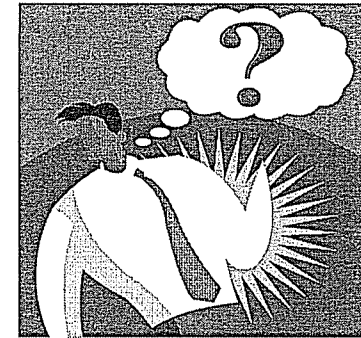


# Financial Snapshots - June 30, 2009



- Statewide Fund Balance Database
  - 508 Districts with Higher %
  - 271 Districts with Lower %.
  - In Kalamazoo County 7 have higher % and only 1 has lower.
- Statewide MDE Financial Database
  - Portage ranks in lowest 12% for administrative costs in the State.

# PPS General Fund “The Bottom Line”

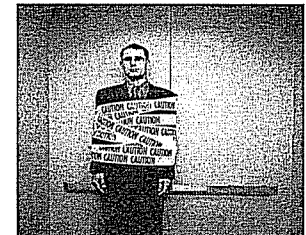


	<u>SY 09/10</u>	<u>SY 10/11</u>	
<b>Revenues</b>	\$76,275,342	\$74,074,000	<b>A 2.9% Decrease</b>
<b>Expenses</b>	\$76,451,149	\$74,685,350	
<b>Bottom Line (Deficit)</b>	<u>\$ (175,807)</u>	<u>\$ (611,350)</u>	

*Nearly \$800,000 of Fund Balance Used*

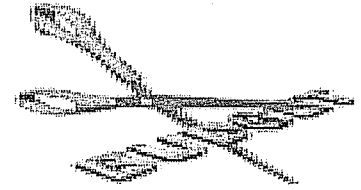
# Assumptions/Uncertainties for 10/11

- ✓ Foundation Grant
  - State Aid Bill for 10/11 has not yet been passed.
  - Flat at \$7,151 with continued reliance on ARRA Fiscal Stabilization Funds
  - Uncertainty in categorical funding
- ✓ Enrollment
  - Demographics point to loss of 104 memberships (blended count)
- ✓ County wide Enhancement Millage
  - \$130,000 less due to declining taxable values
- ✓ County Special Education Revenue to PPS
  - Decrease of \$350,000
- ✓ Flat Salary Schedule
  - Step costs only, health insurance 5.2%, MPSERS 14.58%
- ✓ Energy Costs
  - Continuation of Energy Education Implementation



# PPS GF Budget 10/11

## Reductions & Adjustments



• Instructional Staff -General Ed (40.1 FTE *)	\$2,606,000
-Special Ed ( 2.2 FTE)	143,000
• Technology Administrator (.5 FTE)**	81,000
• Health insurance packages***	189,000
• Secondary Bus Stop Consolidation	<u>35,000</u>
Total Budget Reductions/Adjustments	<u>\$3,054,000</u>

\* Full Time Equivalency

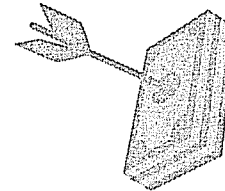
\*\* Reflects second half of retirement in Jan. 2010

\*\*\* Reflects second half of health insurance adjustments  
triggered in Jan. 2010

# Other Funds – Key Points

- **Debt Retirement**

- Met millage promised target of 4.54 mills
- Larger deficit due to declining taxable values



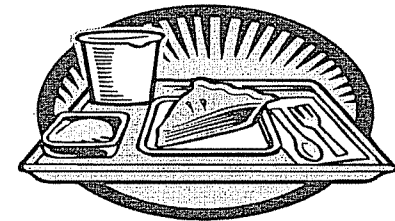
- **Building and Site**

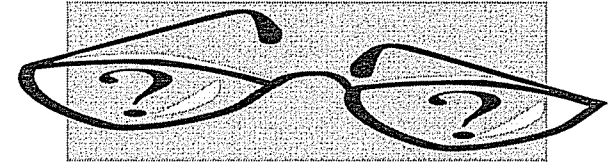
- Millage of .50 mills with renewal in May 2010
- Over \$1,400,000 for improvements to sites not covered by bond issue



- **School Service Funds**

- Retains current breakfast/lunch prices
- Includes \$100,000 contribution for CHS cafeteria equipment





# What Does 2011/12 Look Like?

- State Challenges:
  - State ARRA Budget Stabilization Funds Expire
  - State Aid Foundation Grant-Potential Funding Cuts
- Local Challenges:
  - Enhancement Millage Expires = \$3,000,000 shortfall
  - Special Education ARRA Funds Expire=\$300,000
  - Potential increases in labor and energy costs