



Allendale Public Schools

COMMUNITY BUDGET GUIDE

2023-2024 Fiscal Year

"Investing in Our Kids and Our Community"

Message from the Superintendent

This Community Budget Guide was developed to assist parents and taxpayers in understanding the financial operations of Allendale Public Schools. As you know, budgeting is a complex undertaking that requires consideration of many factors, including but not limited to, enrollment projections, resource allocation, capital and operational funding needs and compensation of personnel. With all that in mind, the APS Board of Education makes its financial decisions based on three guiding principles:

1. **Mission Focus.** We are unwavering in our commitment to educate, inspire and support all students with a first-class education that provides the knowledge and skills they need to live successful lives.
2. **Faithful Stewardship.** We are committed to faithful financial stewardship, as demonstrated in part by increasing our Fund Balance consistently over the last nine fiscal years and our commitment going forward to increase it by 1% annually.
3. **Fair Compensation.** As the school district continues to grow, we are committed to working collaboratively to provide fair and competitive compensation for our personnel as well as ensuring appropriate staffing needs in all areas.

The Board encourages you to look over this guide, and we welcome your comments or suggestions regarding allocation of the District's resources. By careful leveraging of our resources and partnering closely with our community, we will insure that we are meeting the needs of all students in Allendale Public Schools.

-Dr. Garth Cooper, Superintendent

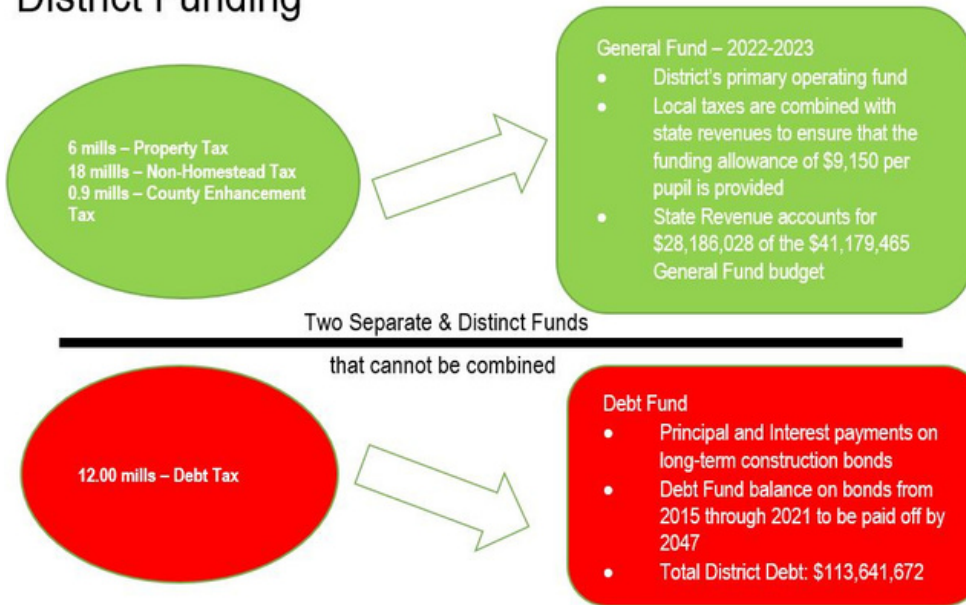
***Allendale Public Schools
commit to educate, inspire,
and support all students.***

~APS Mission Statement~

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District Funding



Budget Basics

Allendale Public Schools has two primary funds: General Fund and Debt Fund.

General Fund

The General Fund provides for personnel and program expenses as well as the day-to-day operations and maintenance of our schools. The majority of the General Fund revenue comes from the per-pupil foundation allowance we receive from the State of Michigan.

The Board of Education must annually approve a balanced budget by June 30. Currently, the district is in the 2023-24 Fiscal Year, which runs from July 1 to June 30. Operational expenses are funded annually through the state foundation allowance of \$9,150 per pupil in 2022-2023 and \$9,608 in 2023-2024.

Debt Fund

The Debt Fund pays down the principal and interest from past bond issues approved by the voters for the purchase of land, construction of facilities, and technology and equipment.

The Board of Education can only ask the community to support tax requests for construction projects and cannot ask the community to support a tax increase for operational expenses. Funds raised through the sale of voter-approved bond issues cannot be used to support operational expenses such as employee salaries and benefits, school supplies, and textbooks.

Tax Levies or Millages

6 mills - State Education Tax:

Paid by all Michigan property owners, these 6 mills are collected at the state level and are combined with a portion of state income and sales taxes, as well as state lottery profits and a portion of other taxes to fund the state School Aid Fund, which is allocated to school districts on a per-pupil basis.

18 mills - Non-Homestead Tax:

Paid by Michigan property owners without a homestead exemption, these 18 mills are collected locally, and represent a portion of the per-pupil state foundation allowance. This millage must be approved by the voters.

12.00 mills - Debt Tax:

This tax levy is used to repay the principle and interest on voter-approved construction projects and is paid by all property owners in the Allendale Public School District.

0.9 mills - Ottawa County Enhancement Millage

Paid by all Ottawa County property owners where the funds will primarily be used to maintain academic and extracurricular offerings, improve mental health and social-emotional learning services district-wide with additional staff, and ongoing upgrades to district safety and security.



2022-2023 Enrollment

Grade Level	Student FTE
ECSE	15
Young 5s	92
K	179
1	189
2	185
3	183
4	175
5	208
6	184
7	173
8	207
9	210
10	201
11	200
12	191
ACS	76
Total	2,668

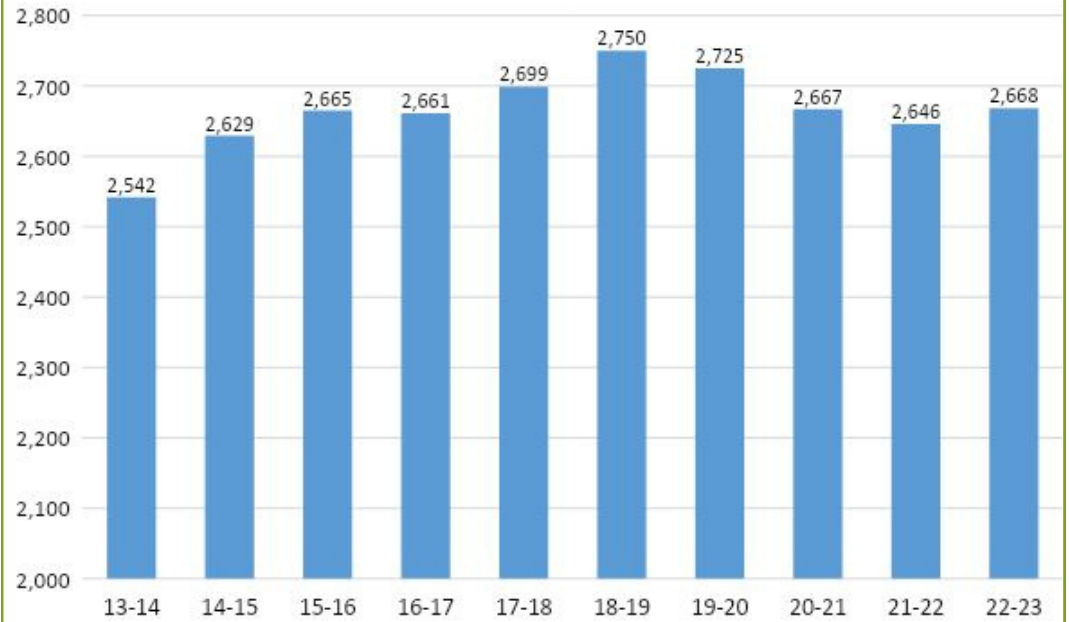
NOTES:

FTE refers to Full-Time Equivalent student. For state reporting and funding purposes, the District must account for the instructional time for each student. Because some students are enrolled part-time with Allendale, FTE is used.

The 9th through 12th grade numbers above include both Allendale High School and New Options High School students.

APS provides classes in Art, Music, Physical Education, and Technology Literacy at Allendale Christian School. The time Allendale Christian students spend in those classes equates to the 76 FTE shown above.

APS Enrollment History



Enrollment History

Allendale Public Schools have grown steadily as Allendale Township has grown over the last 30 years. Allendale has become a bedroom community for many families who work in the Grand Rapids - Muskegon - Holland triangle of West Michigan.

Factors that impact enrollment for our schools:

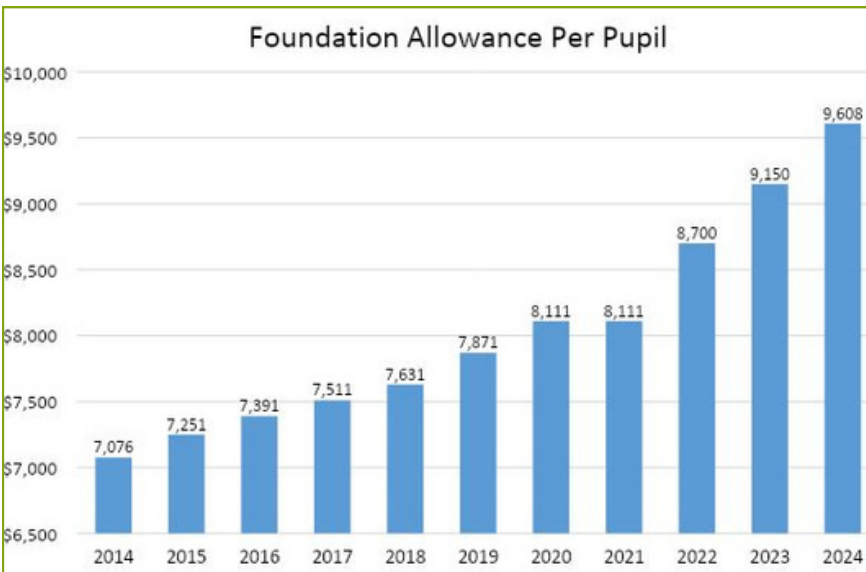
- School Choice has been a positive option for Allendale Public Schools. The District has a 1.4:1 ratio of incoming students versus exiting students for school of choice.
- Due to the COVID-19 pandemic, the district saw a decline of 58 students in 2020-21. Enrollment has held steady since.



Per Pupil Foundation Allowance

Created in 1994 with Proposal A, the state Foundation Allowance is the District's major source of funding. To the left is the 11-year history of that funding.

The per pupil foundation allowance has shown steady growth since 2014. Due to the COVID-19 pandemic and pressure on the State's School Aid Fund budget, the foundation allowance remained the same for 2020-2021. With the economy improving, the State was able to provide sizable increases to the district's foundation allowance since 2020-2021.

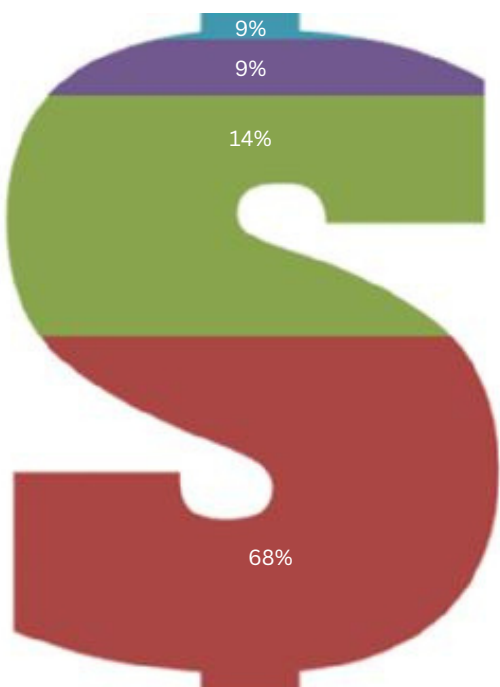


Revenue Sources

Three quarters of the District's total revenues come from state funding sources. The other quarter is based on the community's census data regarding economically disadvantaged students and specific populations of students like those with special needs or English learners. The District's free and reduced lunch rate is just under 33% of the total student enrollment. This percentage rate tends to exclude the District from poverty-based grants and special programs.



2022 – 2023 Revenue Per Student - \$15,434



	Federal	\$1,369
	Title I At-Risk Program	
	Title II Professional Development Program	
	Title III English Learner Program	
	Special Education – IDEA Grant	
	COVID-19 Relief Funds	
	Other Funding	\$1,390
	Special Education– Ottawa Area	
	Intermediate School District Millage	
	Local Funding	\$2,111
	Non-Homestead Property Tax	
	Athletic Event Revenues	
	Early Childhood Program Fees	
	State Funding	\$10,564
	Foundation Allowance <u>less</u> Property Taxes included in Local Funding	
	Section 31a At-Risk Funding	
	Great Start Readiness Program Funding	
	Special Education Headlee obligation	

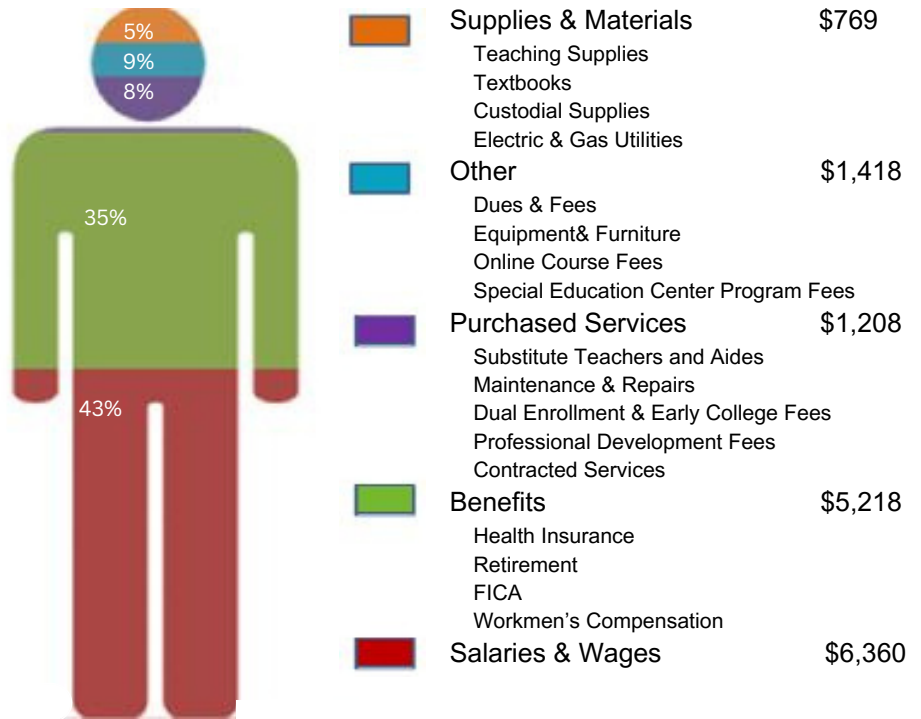
Personnel and Non-Personnel Expenses

Because education is a people-intensive service, 77% of the General Fund Budget is spent on wages and benefits.

Non-personnel expenditures include such items as:

- Teaching Supplies & Textbooks
- Technology License Fees
- Custodial & Maintenance Supplies
- Utilities
- Capital Outlay for Furniture & Equipment
- Business Expenses (Audit, Legal, Insurance)

2022 - 2023 Cost of Education Per Student - \$14,973

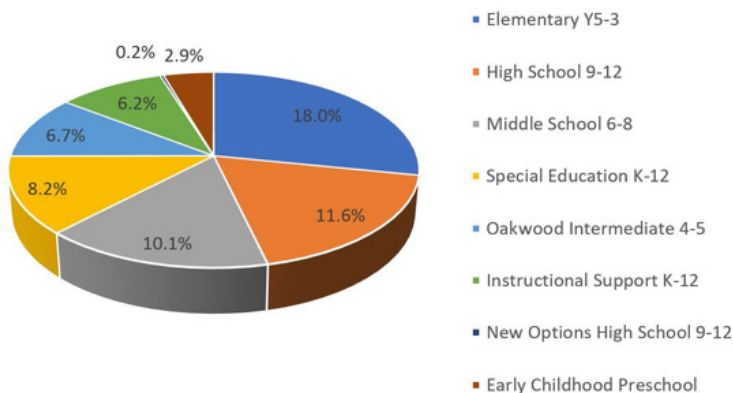


Resource Allocation

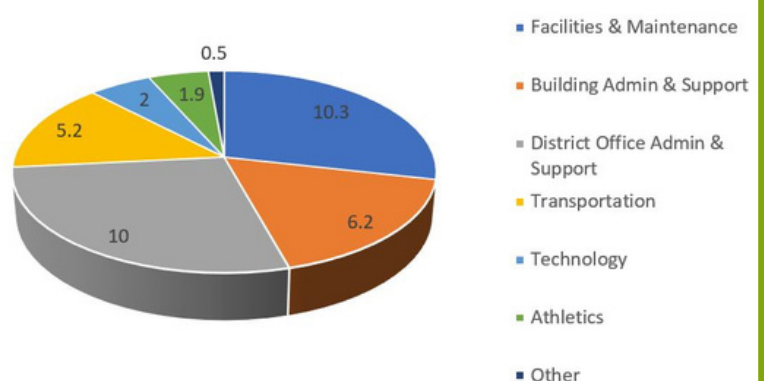
Our priority as a District is to allocate resources directly to the classroom and other educational opportunities for students.

As seen in the pie charts below, 64% of revenues are allocated to instructional programming while the other 36% provide the needed facilities, transportation, support, and other opportunities to enhance the educational environment.

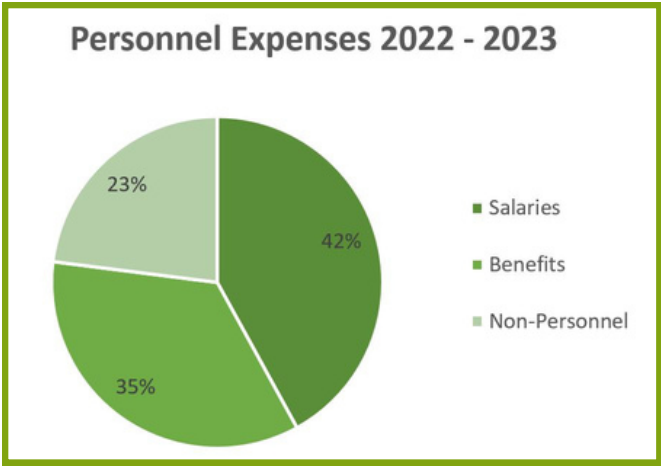
Instructional Expenses as % of Budget - 64%



Non-Instructional Expenses as % of Budget - 36%



2022 - 2023 Personnel Expenses		
Salaries	16,968,815	42.5%
Retirement	9,094,264	22.7%
Medical	3,224,158	8.1%
Soc. Sec./Medicare	1,247,303	3.1%
Dental	271,370	0.7%
Life/LTD/Worker's Comp	84,659	0.2%
Total Personnel	30,890,569	77.3%
Non-Personnel	9,058,156	22.7%
Total Expenses	39,948,725	100.0%



The majority of the District’s budget is personnel costs. Included in the non-personnel costs are the costs of substitutes for teachers and aides, along with other contracted services. These contracted services include the District’s business services and various other special education services. These costs make up 14.5% of the non-personnel costs.

Personnel Information

The Board of Education works collaboratively with its employee associations to provide fair compensation while addressing the increased staffing needs in all areas. The Board and Administration review compensation data from both the public and private sectors to ensure competitive compensation.

Full Time Equivalent Employees	
Teachers/Professional Staff	167.7
Instructional Aides	51.8
Secretaries	14.8
Food Service Staff	11
Bus Drivers	20
Technology Support Staff	4
Custodial/Maintenance Staff	19
Other Support Staff	22
Administrators	16
Total	326.3

Collective Bargaining vs. “Meet and Confer”

Allendale Public Schools has two union associations with which it collectively bargains contracts. The Allendale Education Association (AEA) is affiliated with the Michigan Education Association (MEA) and serves teachers and other professional staff. The Allendale Support Personnel Association (ASPA) is also affiliated with the MEA and serves our Instructional Aides and Interventionists.

All other groups are non-union and collectively “meet and confer” with administration. Meet and Confer groups have a meeting with administration to share their ideas and suggestions about pay and benefits. The administration then determines what to offer based on state funding and Board of Education budget parameters.

The Board of Education collectively bargained a three-year agreement (7/23 - 6/26) with the MEA and a three-year agreement (7/22 - 6/25) with the ASPA. The secretarial and food service staff also came to new three-year agreements (7/22 - 6/25). Our operations staff agreed to a new three-year agreement (7/21 - 6/24). Our transportation staff agreed to a new four-year agreement (7/21 - 6/25).

Factors Bearing on the District's Financial Future

1. The uncertainty of student foundation funding levels, as well as funding for other K-12 education programs, reflects the economic difficulties faced by the State of Michigan and the District.
2. The district received ESSER (Elementary and Secondary School Emergency Relief) Funds and CRF (Coronavirus Relief Funds) from the Federal Government which helped offset the cost of opening and fully operating the school district for 2020-22. ESSER II and ESSER III funding is projected to be received and spent through 2024 to offset future expenses related to COVID-19.
3. In November 2018, voters of Ottawa County approved a 0.9 mill enhancement millage proposal that will provide approximately \$226 dollars per student for ten years. These dollars will be used for operational purposes.
4. In May 2017, voters approved a \$29 million bond proposal focusing on growth, safety and security, educational technology and building and site improvements. Over \$28 million has already been spent on these projects with the remaining funds being spent gradually over the next two years to provide for the continuing needs of the District.

Revenue & Expense Trends					
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenues					
Local Sources	\$ 4,793,118	\$ 4,840,558	\$ 4,612,148	\$ 5,059,439	\$ 5,632,492
State Funding	20,881,608	21,640,190	22,588,418	24,529,735	28,186,028
Federal Funding	752,997	739,359	1,996,612	2,786,236	3,652,039
ACT 18 Special Ed Funding	2,441,187	2,217,046	2,175,464	2,314,288	2,565,757
Other	230,810	911,671	1,150,276	1,053,845	1,143,149
Total Revenues	\$ 29,099,720	\$ 30,348,824	\$ 32,522,918	\$ 35,743,543	\$ 41,179,465
Expenses					
Salaries & Wages	\$ 13,875,488	\$ 14,896,226	\$ 14,614,125	\$ 15,872,917	\$ 16,968,815
Retirement	5,279,167	5,801,084	6,164,856	6,834,947	9,094,263
Health & Other Benefits	2,998,541	3,168,742	3,270,272	3,404,600	3,580,189
FICA	1,019,044	1,081,003	1,071,921	1,170,927	1,247,303
Utilities	534,102	555,564	670,095	756,049	848,162
Supplies & Textbooks	1,356,460	706,048	1,184,730	1,330,932	1,243,735
Capital Outlay	152,509	259,982	421,288	149,478	572,400
Oth Purchased Svcs/Expenditures	3,418,450	3,122,443	4,466,146	71,242	6,393,858
Total Expenditures	\$ 28,633,761	\$ 29,591,092	\$ 31,863,433	\$ 29,591,092	\$ 39,948,725

Financial Forecast

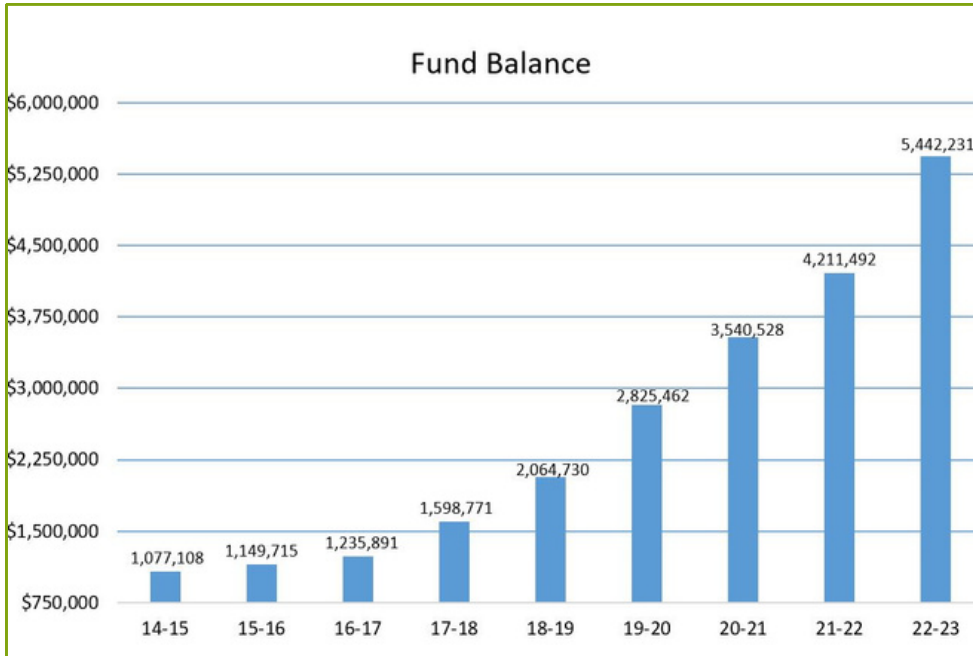
As you can see from the table above, our Board of Education and Administration have worked hard to insure that our spending does not exceed our revenues. Each of the last twelve years, the District has added a small amount to its Fund Balance.

As we forecast for the future, we are looking at moderate growth in enrollment. We are forecasting growth in revenue based on additional students, additional state funding per student and revenue per student from the Ottawa County 10-year regional enhancement millage that voters approved in November 2018.

Financial Forecast			
	Actual	Projected	Projected
	2022-2023	2023-2024	2024-2025
Revenues	41,179,465	42,020,000	41,800,000
Expenditures	39,948,725	40,820,000	41,800,000
Net Change in Fund Balance	1,230,740	1,200,000	
Ending Fund Balance %	13.6%	16.3%	15.9%
Per Pupil Foundation Allowance	9,150	9,608	9,800
Enrollment	2,667	2,668	2,670

APS Adds to Fund Balance

The past several years, per pupil funding from the state and additional funding for at-risk students has allowed the District to add more into the Fund Balance without cutting programs or staff. The District has increased its Fund Balance for the twelfth straight year in 2022-2023.



Fund Balance History

The Fund Balance is the District’s savings account for major expenditures that cannot be addressed with normal General Fund Revenues in a school year. Often referred to as a “Rainy Day Fund,” the balance is the historical difference between revenue and expenditures. Increasing enrollment from 2011-2018 required additional staffing and operating costs making it difficult to set aside any significant funds within a normal fiscal year to grow the Fund Balance.

From 2012-2017, the Board of Education and Administration worked to add to the Fund Balance annually. This was achieved while completing three major projects paid for out of the General Fund:

1. Constructing and renovating storage facilities at the K-8 and high school campuses in 2012 to eliminate ongoing costs in renting storage space.
2. Replacement and renovation of the track and the stadium field at the high school in 2014.
3. Replacement of aging buses in 2012 and 2015.

In 2017, voters approved a \$29.6 million bond which helped relieve the pressure on the general fund. These bond dollars were used for construction projects, bus purchases and technology upgrades.

The past couple years, the COVID-19 pandemic along with a decline in overall district enrollment and stagnant state funding have created new challenges that put the district’s structural stability in question for the upcoming fiscal years. Allendale Public Schools currently ranks 10th out of 11 Ottawa ISD school districts in overall fund reserve percentage.

Fortunately, the district has received ESSER (Elementary and Secondary School Emergency Relief) Funds and CRF (Coronavirus Relief Funds) from the Federal Government which have helped offset the cost of opening and fully operating the school district for 2019-20 and 2020-21. ESSER II and ESSER III funding is projected to be received and spent through 2024 to offset future expenses related to COVID-19.

The Board of Education’s goal is to increase the Fund Balance an additional 1% per year. At the end of 2019-2020, the Districts Fund Balance was 9.6%. The District ended 2022-2023 at 13.6% and is anticipating reaching 16.3% by the end of 2023-2024.

Facility Changes

High School

The 2017 voter-approved bond provided many upgrades at the high school. Projects included replacing the roof, providing air conditioning to academic spaces, flooring replacements, gymnasium bleacher improvements, Falcon Stadium improvements including additional seating, security camera replacements and site lighting.

Elementary School

The elementary school which housed students in preschool through 3rd grade, reached capacity. No rooms were available for growth. In fact, enrollment for preschool programs was limited because of lack of space. In May 2017, voters approved the construction of a new Early Childhood Center for pre-school and kindergarten students. This facility opened for the 2019-2020 school year. Currently the building is at capacity. The district is considering options for future growth.

Maintenance of Facilities

The District Administration maintains a list of long-range capital projects for repair and replacement of facilities and equipment. Needs include expanding the Early Childhood Center along with various other projects in all building spaces throughout the district. The Board of Education is considering a bond proposal in 2024 to address these needs.



Capital Projects

Capital projects include the voter-approved bond construction programs and the related debt service payments for those construction programs. Currently, 12.00 mills are levied on property owners to allow the district to meet its debt service requirements.

Several of the bond construction programs listed below have been refinanced to provide significant interest savings to the taxpayers of Allendale Township. The savings from the refinancing will save taxpayers \$35 million of interest expense.

Year of Bond Approval	Bond Construction Program	Bond Amount	Construction Completion Year
1994	High School Building & Campus Construction	\$21.8 Million	1997
1998	Football Stadium & Concession Stand Construction	\$1.2 Million	1998
2002	K-8 Campus Land Purchase, Elementary Building Construction, Fine Arts Center Construction, Transportation Building Construction, and additional High School Athletic & Music Room Renovations	\$27.3 Million	2004-2005
2007	Middle School Building Construction, Oakwood Intermediate Building Construction, K-8 Campus Renovations, High School Science Rooms and Office Renovations	\$59.7 Million	2009
2017	Early Childhood Center Building Construction, High School Stadium and Gymnasium Bleacher Improvements, Roofing Replacement, Mechanical and Air Conditioning Upgrades; Updated Technology Throughout the District and Bus Purchases.	\$29.6 Million	2021

Summary

You can read more about our District Budget, Audit Reports, Collective Bargaining Agreements, and other Financial Data by going to the Allendale Public Schools website at www.allendale.k12.mi.us and clicking on the blue Michigan icon in the upper right hand corner titled "Budget and Salary/Compensation Transparency Reporting."

In 2021, the Board of Education implemented a new strategic plan that is designed to determine the District's direction for the next five years. The Board has set priorities to position the District to continuously improve educational programming for our students and prepare for continued enrollment growth.

General Fund

The District has balanced its General Fund for twelve consecutive years while adding to its Fund Balance. The majority of the General Fund revenue comes from the State of Michigan per-pupil Foundation Allowance. The Board of Education cannot ask the community to support a tax increase for operational expenses. Because 77% of the General Fund is devoted to wages and benefits, the issues of competitive compensation, retirement costs, and health insurance increases are major factors to be addressed.

Debt Fund

Currently the district levies 12.0 mills to all property owners. These funds are used to pay the principal and interest on all voter approved bonds and cannot be used for general operating expenses of the District. Refinancing some of this debt has saved the taxpayers \$35 million in interest expense.

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