

THE GROSSE POINTE PUBLIC SCHOOL SYSTEM
Grosse Pointe, Michigan

AGENDA NUMBER AND TITLE: 4.3. Resolution to Commence 2023-24 Budget Development and Related Parameters

PREFACE:

Budget parameters to attain financial stability, promote excellence in academics while making sure our students are safe and well-rounded as well as attain and keep the best teachers in the State of Michigan.

BACKGROUND INFORMATION:

Board Policy 6.02 requires that the Board annually direct the district administration to commence development of the ensuing year's budget by the adoption of a resolution that articulates "*the preference of the Board in advance of budget development to avoid ambiguity and to allow the community to have a clear view of the budget development process from its inception.*" Policy states that the parameters shall:

- A. Identify specific financial goals and objectives that the Board requires in regards to specific cost reduction, revenue increases or other financially related objectives for particular budget elements.
- B. Identify particular budget related strategies that the Board prefers the administration to pursue or avoid in their development of the budget.
- C. Be as specific as possible in terms of the objectives, but allow for flexibility in the administration's approach to budget development.

Using this policy's schema of PURSUE and AVOID herein are proposed the 2023-24 Grosse Pointe Public School System's Budget Development Parameters.

Parameter 1 - Student Enrollment

PURSUE and propose strategies and anticipated budget impact to halt and reverse GPPSS' decade long enrollment loss trend. Take into account both traditional competitors and new competitors. AVOID any change to the GPPSS' long-standing enrollment policies and practices to include not participating in Schools of Choice. Student enrollment is the primary engine to our school finances. Over the last decade the GPPSS has lost over 20% of our student enrollment. All proposals, actions, and decisions should be evaluated through the lens of the potential impact on student enrollment.

Parameter 2 - Student and Staff Safety

PURSUE and propose strategies and anticipated budget impact on measures that will enhance the safety and physical well-being of our students, staff, families, and visitors. Priority emphasis shall be to follow recommendations from local law enforcement and security advisors. Focus shall be to follow the recommendations of local law enforcement to staff school resource officers at each high

school. In an effort to achieve recommendations and minimize budget impact, Administration shall explore partnerships with local municipalities as well as pursue funding from government sources, foundations, and private citizens where allowed.

Parameter 3 - Mental Health Services

PURSUE and propose options to provide additional mental health services to students. AVOID impact to the budget and taxpayers. In order to achieve results, Administration shall explore partnerships with local mental health providers as well as pursue funding from government sources, foundations, and private citizens.

Parameter 4 - Community Engagement and Satisfaction

PURSUE and propose strategies and anticipated budget impact responsive to the sentiment of our community stakeholders as expressed in survey instruments and any other structured mechanisms.

Parameter 5 - Innovative Program Offerings

PURSUE and propose strategies and anticipated budget impact for the district's programmatic offerings that are responsive to market demands. Specifically explore the expansion of the district's early education offerings as well as programs that integrate academic knowledge with technical and occupational knowledge. At all times guarantee an aligned and rigorous academic curriculum.

Parameter 6 - Staff Satisfaction and Retention

PURSUE and propose strategies and anticipated budget impact that are responsive to our staff and market demands amid rising competition.

Parameter 7 - Student to Teacher Ratio Analysis

PURSUE and propose action relative to our staffing levels relative to the district's mission as well as the reality of declining enrollment. The Board has traditionally received reports on elementary class size data. This should expand to all levels of our offerings. Decision support data should be presented in historical context. Administration shall account for those offerings that may skew the average such as choir, gym, music classes and other irregular sized classes.

Parameter 8 - Cost Containment and Reduction

PURSUE and propose actions relative to expense reductions furthest away from classroom impact. Focus all efforts on achieving a balanced budget and planning for reduced revenues over the next three years while taking into account all 14 Parameters of the budget. Prioritize those cost reductions in Instructional and Non-Instructional Support Services ("Support Services"). Provide the Board by the end of March proposals that include cost reductions in Support Services in an amount of at least \$3 million. Focus cost reductions in Support Services by first pursuing expenditure reductions in purchased services and supplies.

Parameter 9 - Health Care Cost Containment

PURSUE and propose an action plan responsive to the district's healthcare costs. Present to the Board 2024 health care cost projections. Explore alternatives for cost containment and reduction where available. Focus on maintaining all benefit levels.

Parameter 10 - Forecast and Budget Accuracy

PURSUE the development of monthly reports that provide the Board a view on month to date actual performance vs. the budget. With district operating losses nearing \$9 million over the last two years the margin for error decreases. Maintain a proactive line of communication with the Board when new information becomes available that impacts the budget.

Parameter 11 - Anticipate Federal Aid Reduction

AVOID any unanticipated impact of reduction or elimination of expiring financial aid - especially Federal Covid funds. Propose a report component within the monthly financial update that anticipates the Board's and taxpayer interest as these aid packages wind down and expire.

Parameter 12 - Class Size Standards

AVOID deviation from the district's long-standing class size guidelines.

Parameter 13 - Employee Contracts

PURSUE active engagement with employee bargaining units relative to future agreements that equitably serve the needs of staff, students, and taxpayers.

Parameter 14 - General Fund Equity Levels

AVOID disproportionate adherence to arbitrary General Fund Equity levels that threaten the primary mission of the Grosse Pointe Public School System. The Board will not prescribe a specific General Fund Equity target but will demand accountability and transparency relative to budget targets which themselves are an agreement among the Board, the Administration, and the taxpayers. Preference is that the Administration prepares a budget where the expenses are equal to the revenues for the 2023-2024 fiscal year, i.e. operate on a balanced budget. AVOID budget targets that rely on employee contract elements that would reduce staff compensation.

REQUEST:

That the Board approve the 2022-23 Budget Development and Financial Reporting Parameters presented.

Submitted by:

S. Cotton

February 13, 2023