

Report Card

Project Feasibility **A+**
Bond Issue/Millage Campaign **A+**
Project Management **A+**



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Grosse Pointe Public School System Blue Ribbon Committee

February 14, 2019





Report Card

Project Feasibility A⁺
Bond Issue/Millage Campaign A⁺
Project Management A⁺



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GPPSS Financial Summary



GPPSS Financial Information – State Aid Funding

Current school funding structure follows this basic formula:

Enrollment x Foundation Allowance = State Aid

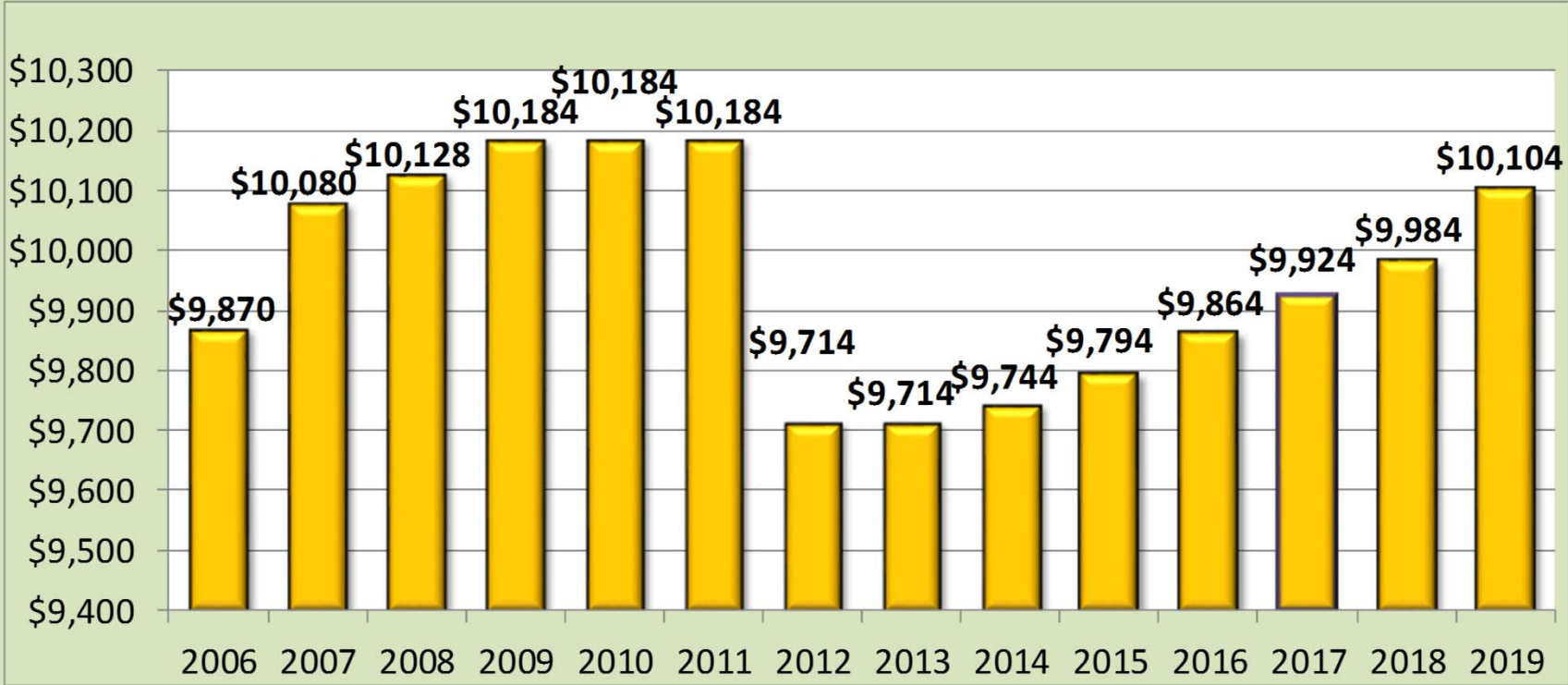
- Foundation Allowance = **\$9,984 per student** for 2017/2018
 - The annual per student amount of state aid funding
- Foundation Allowance is comprised of 2 portions – local and state
 - **Local** portion funded by 18 mills on non-primary residence property in Grosse Pointe and 6 mills on commercial property + additional community support of 6.3 mills on primary residence property = **\$2,913 per student** or 29% of total foundation
 - **State** portion funded by 6 mills on ALL property = **\$7,071 per student** or 71% of total foundation

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GPPSS Foundation Allowance History





GPPSS Foundation Allowance Projection*



* The State determines the change in foundation allowance based on revenue projections – prudent budgeting would start with assumed zero increases beyond 2019

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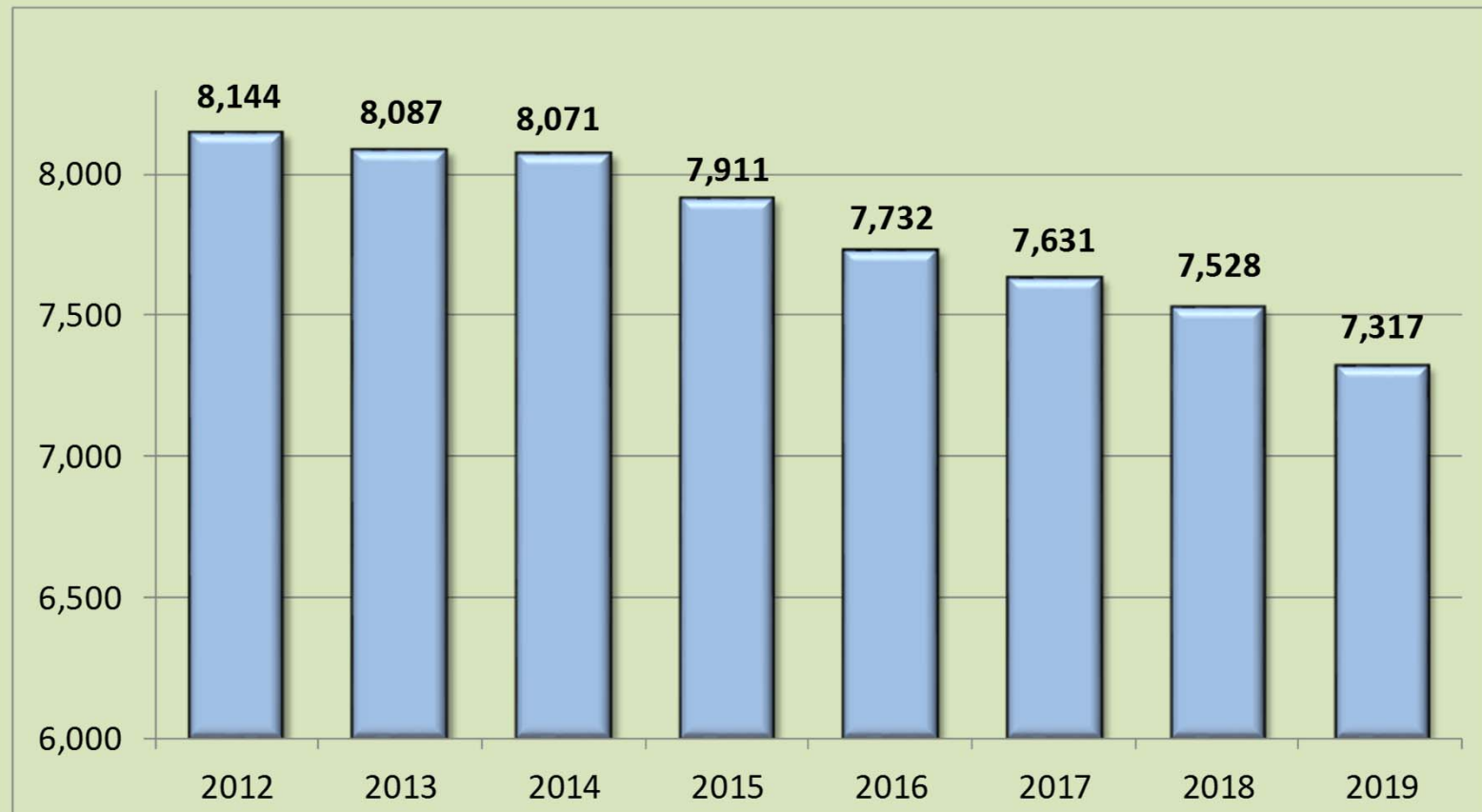
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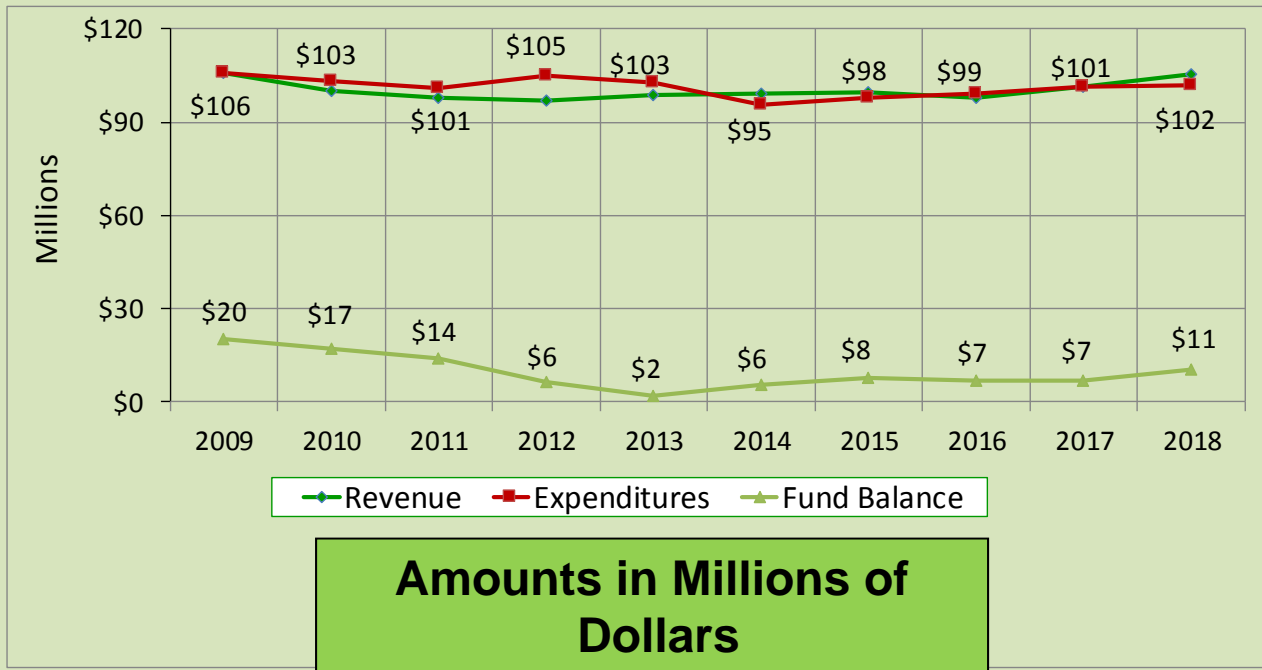


GPPSS Enrollment History *

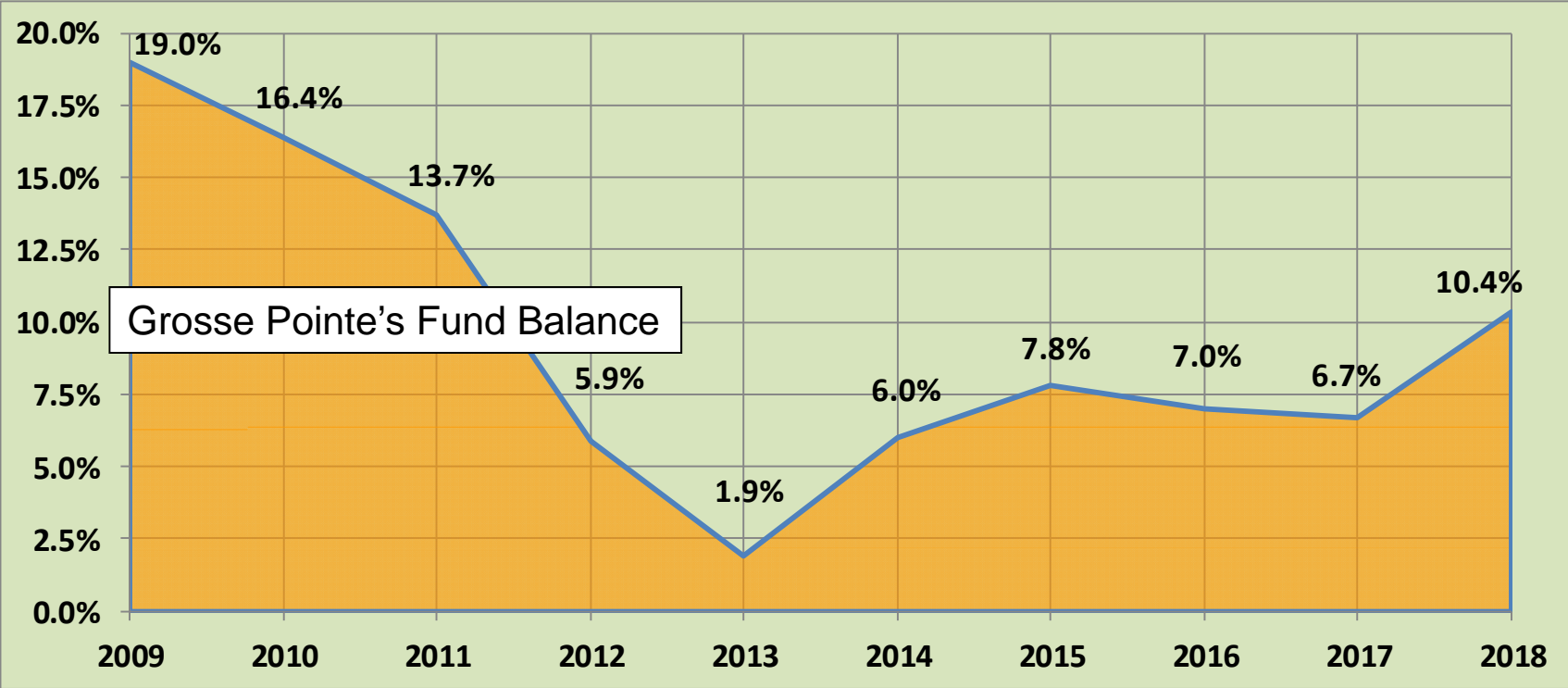


* Based on General Education Blended Count

GPPSS Financial Information – General Fund Revenue, Expenditures & Fund Balance

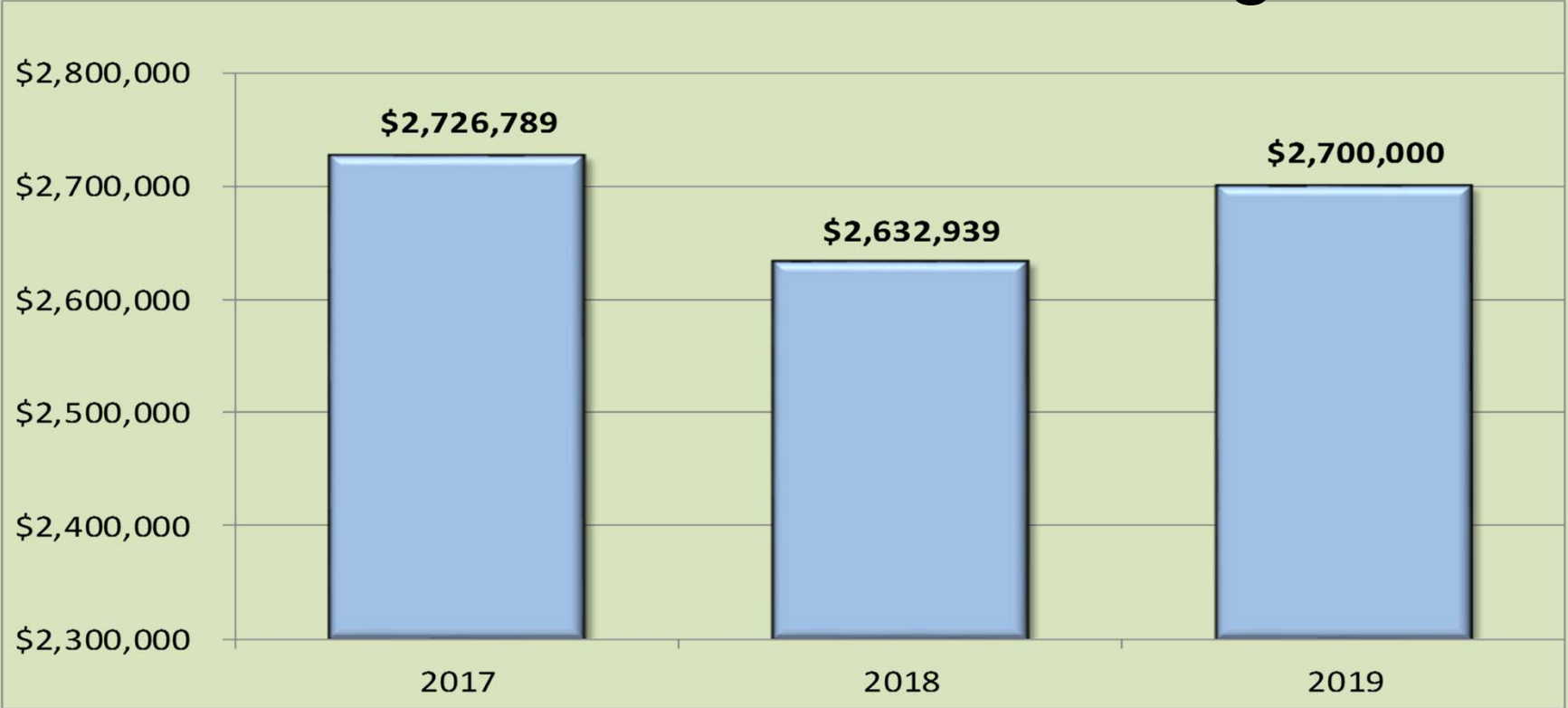


GPPSS Financial Information – General Fund Balance as a Percent of Expenditures





GPPSS Enhancement Millage*



* Currently approved through 2021. Renewal would need to be approved countywide AND new renewal will be shared with charter schools



Unknowns for 2019/2020

- State Funding
- Retirement rate and State support
- Enrollment changes
- Contract negotiations
- Countywide enhancement millage longevity



School Funding – The Importance of Enrollment

- Foundation Allowance drives funding
- Enrollment drives the revenue
- Enrollment changes are enacted “immediately” by the State in terms of revenue
- A reduction of 100 students (1% of the total) means a revenue reduction of \$1 million
- Enrollment RARELY changes in one building/class/grade

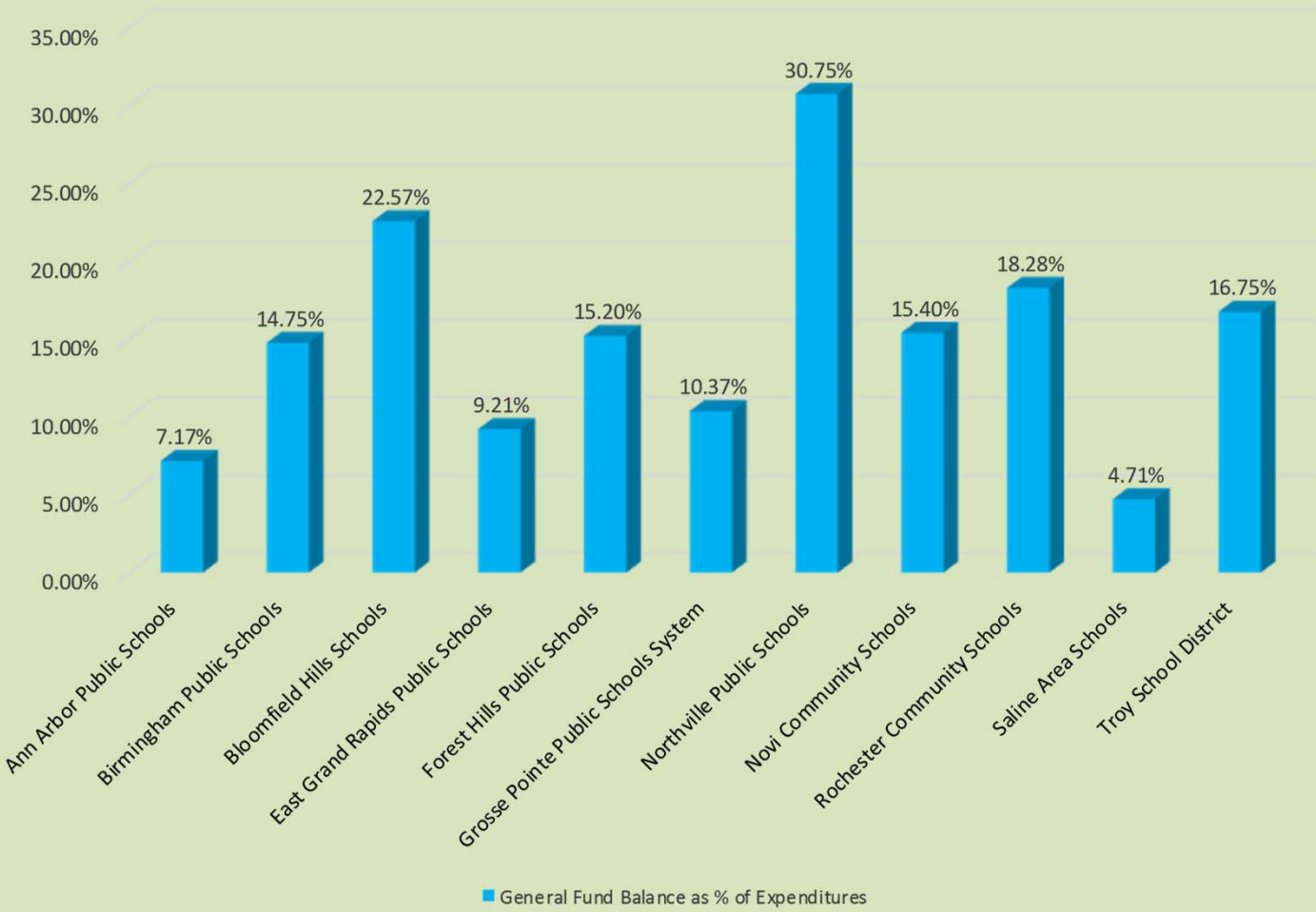


Some Tactics to Address an Enrollment Decline - Financially

- Increase class sizes
- Reduce instructional staff
- Defer projects
- Utilize fund balance
- Change program offerings



Current Fund Balance / Expenditure Ratio GPPSS Peer District Review



Per Audited financial statements for 6/30/18