

THE GROSSE POINTE PUBLIC SCHOOL SYSTEM
Grosse Pointe, Michigan

AGENDA NUMBER AND TITLE: 6.1 Resolution to Commence 2023-24 Budget Development and Related Parameters

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. 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. Focus shall be on exploring funding options to execute on recommendations from local law enforcement.

Parameter 3 - 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 4 - 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 district's early education offerings.

Parameter 5 - 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 6 - 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.

Parameter 7 - Support Services Cost Containment and Reduction

PURSUE and propose actions relative to expense reductions furthest away from classroom impact. Present to the Board by the end of March with alternatives to reduce Support Services expenditures by \$3 million. Administration shall prioritize reductions in expenditures by focusing on purchased services and supplies.

Parameter 8 - 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 and alternatives for cost containment and reduction.

Parameter 9 - 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 10 - 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 11 - Class Size Standards

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

Parameter 12 - Employee Contracts

PURSUE active engagement with employee bargaining units relative to future agreements that equitably serve the needs of staff, students, and taxpayers. AVOID reliance on employee contract elements that would reduce staff compensation.

Parameter 13 - 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.

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

Submitted by:
S. Cotton
January 23, 2023