

BUDGET & TRUTH-IN-TAXATION HEARING

Lowell Area Schools
2024-2025 Amended Budget
2025-2026 Proposed Budget
June 9, 2025

TRUTH IN TAXATION

2025 TAX RATES

	Operating Millage	Sinking Fund	Debt Funds
2025 Rate	17.7452 mills	0.9581 mills	7.0000 mills
2024 Rate	17.9082 mills	0.9682 mills	7.0000 mills
Est. 25-26 Collections	\$4,620,313	\$1,306,651	\$9,539,255
Purpose	General Operations (part of per-pupil Foundation Allowance)	Capital improvements to buildings and site; certain technology purchases	Principal & Interest payments for voter- approved bond issues for capital improvements
Property Classes	Non-PRE (Non- Homestead) & Commercial Personal Property (5.7452 mills)	All Classes	All Classes
Approved by Voters	November 2022	August 2020	Various (most recent May 2024)

HISTORICAL RATES

Principal Residences	2025	2024	2023	2022
Debt Service	7.0000	7.0000	7.0000	7.0000
Building/Site Sinking Fund	0.9581	0.9682	0.9766	0.9766
Total	7.9581	7.9682	7.9766	7.9766

Non-Homestead	2025	2024	2023	2022
Operating	17.7452	17.9082	18.0000	17.0241
Debt Service	7.0000	7.0000	7.0000	7.0000
Building/Site Sinking Fund	0.9581	0.9682	0.9766	0.9766
Total	25.7033	25.8764	25.9766	25.0007

All Properties	Taxable Values	Change from PY
2025	1,362,750,684	+5.79%
2024	1,288,123,884	+9.58%
2023	1,175,473,754	+9.19%
2022	1,076,588,638	+7.10%

DEBT SERVICE MILLAGE RATE DISTRIBUTION

Debt Issuance	Millage Rate	Last Debt Payment
2015 Debt (Ref)	0.5600	2030
2016A Debt (Ref)	0.1200	2029
2016B Debt (Ref)	0.5300	2037
2019 Debt (Ser. I)	0.9300	2049
2021 Debt (Ref)	2.8200	2030
2021 Debt (Ser. II)	0.8300	2049
2024 Debt (Ser. I)	1.2100	2054
TOTAL	7.0000	

2024-2025 BUDGET FINAL AMENDMENT

THE BIG FOUR:

Enrollment

Foundation Allowance

Wages

Benefits

ADJUSTMENTS SINCE MARCH AMENDMENT

- Bus purchase
 - Two buses authorized in 23-24 were received;
 - Two buses authorized January 24-25 to be received in September (committed fund balance \$308,765)
- Update state/federal grant allocations, usage, and carryovers
- Adjust department budgets based on needs, trends

AMENDED SUMMARY 2024-2025 GENERAL FUND BUDGET

Total Revenues	50,488,430
Total Expenditures	(50,398,011)
Excess Revenues/(Expenditures)	90,419

Total Revenues	50,488,430
Starting Total Fund Bal	10,133,858
Available to Appropriate	60,622,288
Total Expenses	(50,398,011)
Est. Ending Total Fund Bal	10,224,277
<i>Committed Fund Balance (Buses)</i>	<i>308,765</i>
<i>Unassigned Fund Balance</i>	<i>9,915,512</i>

Unassigned Fund Balance
as % of Expenditures

19.7%

2025-2026 BUDGET

THE BIG FOUR:

Enrollment

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REVENUE ASSUMPTIONS

- Enrollment – 3,450 (17 Blended Pupil Decrease: 90% Fall 2025 Count plus 10% Spring 2025 Count)
- Foundation: \$10,000 (\$392 Increase)
- MPSERS 24-25 allocation in lieu of \$400/pupil Foundation Allowance increase—*Eliminated* (as expected)
- Reduction in categoricals (23g, Security grant, nursing, etc)
- Add Great Start Readiness Program grant program (7 classes)
- Increase usage of At-Risk grant
- No changes to Federal Title & IDEA grant allocations known at this time
- Update grant budgets and carryover (Rev = Exp)

EXPENSE ASSUMPTIONS

- Salaries Adjusted per Settled Contracts, Flat for Unsettled Contracts, Estimates for Non-Union
- MPSERS Rates decrease 2.3 Percentage Pts
- Health Insurance Cap Increase 2.9%
- Purchase of Four New Buses (2 from 24-25 committed fund balance, 2 from 25-26 budget)
- Great Start Readiness Program grant
- Minimal Operational Increases based on trends

UNKNOWNNS

- Wage Negotiations • June/July 2025
- Title and IDEA grant prelim allocations • June/July 2025
- State Budget: Foundation Allowance, Grant Programs, & MI School Meals • Aug/Sept 2025?
- Enrollment – Fall Count • October 2025
- Title and IDEA grant final allocations • November 2025
- Final State funding allocations • Winter 2026
- Health Insurance Cap Changes? • Possibly
- Impact of economy & federal budget • On-going analysis

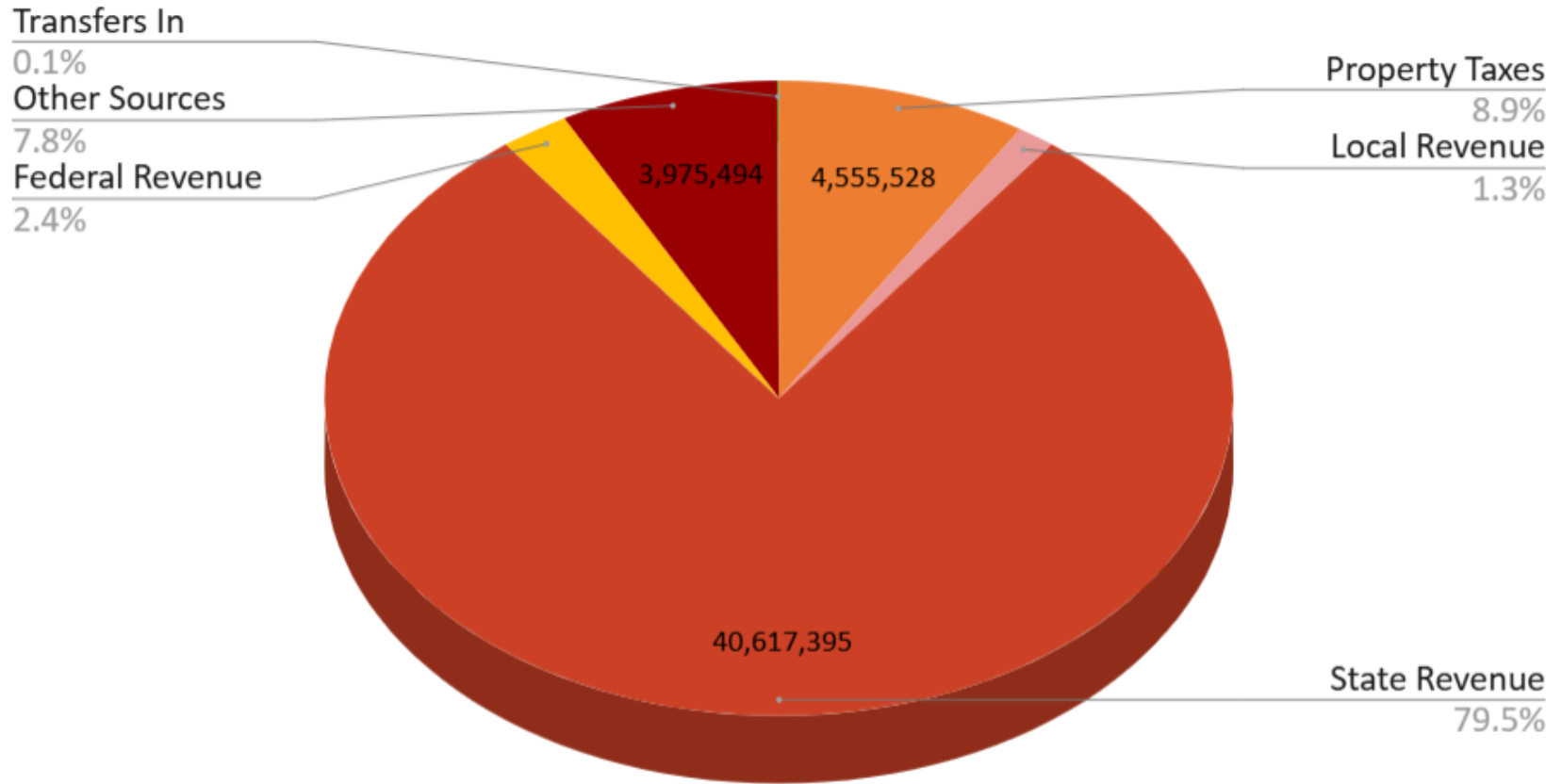
PROJECTED SUMMARY 2025-2026 GENERAL FUND BUDGET

Total Revenues	51,105,936
Total Expenditures	(51,023,630)
Excess Rev/(Exp)	82,306

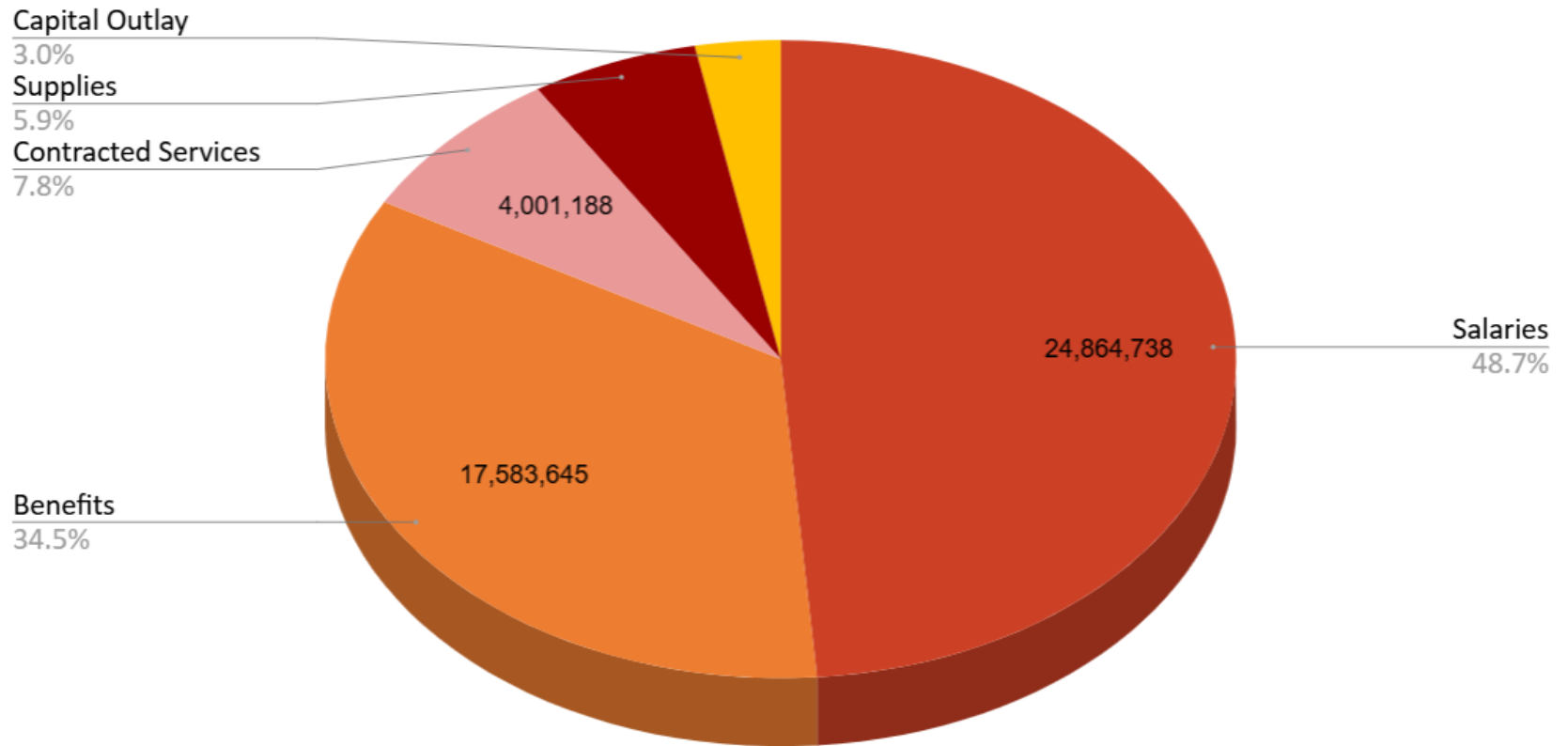
Total Revenues	51,105,936
Starting Est. Total Fund Bal	10,224,277
Available to Appropriate	61,330,213
Total Expenses	(51,023,630)
Est. Ending Total Fund Bal	10,306,583

Projected Fund Balance
as % of Expenditures 20.2%

PROJECTED REVENUES 2025-2026 (BY MAJOR CLASS)



PROJECTED EXPENSES 2025-2026 (BY OBJECT)



SUMMARY TABLES

REVENUE SUMMARY

GENERAL FUND

	2023-24 Actual	2024-25 Adopted	2024-25 Amended	2024-25 Final Amended	2025-26 Proposed
Property Taxes	3,956,124	4,336,889	4,444,127	4,338,789	4,555,528
Local Revenue	863,501	713,150	763,150	776,768	684,952
State Revenue	39,669,020	40,009,313	40,141,112	40,106,428	40,617,395
Federal Revenue	2,857,840	1,348,032	1,392,997	1,370,690	1,242,567
Other Sources	3,625,312	3,505,604	3,658,074	3,865,755	3,975,494
Transfers In	30,000	30,000	30,000	30,000	30,000
TOTAL	51,001,798	49,942,988	50,429,460	50,488,430	51,105,936

EXPENDITURE SUMMARY GENERAL FUND		2023-24 Actual	2024-25 Adopted	2024-25 Amended	2024-25 Final Amended	2025-26 Proposed
	Basic Instruction	24,807,904	24,783,737	24,723,258	24,674,185	25,538,314
	Added Needs	4,478,066	4,539,264	4,906,882	4,855,623	4,878,082
	Pupil Support	3,367,384	3,592,785	3,382,778	3,376,196	3,339,465
	Instructional Support	2,193,172	2,550,933	2,385,934	2,398,339	2,018,000
	General Administration	658,038	699,393	705,736	703,495	723,389
	School Administration	2,585,280	2,771,410	2,514,268	2,506,051	2,502,247
	Business Services	842,981	928,910	921,077	919,714	957,219
	Operations	4,726,205	5,152,274	5,110,344	5,259,357	5,295,408
	Transportation	2,243,325	3,451,855	3,141,205	2,804,883	3,057,074
	Central Support	1,048,832	1,274,864	1,480,823	1,467,597	1,278,076
	Other Support	949,823	1,001,514	1,008,107	1,004,763	1,056,061
	Community Services	202,748	279,936	319,912	371,738	375,151
	Bldg Improv, Prior Pd Adj	52,817	201,695	50,926	50,926	---
	Other Financing Uses	41,029	33,108	5,144	5,144	5,144
	TOTAL	48,197,603	51,261,678	50,656,393	50,398,011	51,023,630

FUND BALANCE SUMMARY

GENERAL FUND

	2023-24 Actual	2024-25 Adopted	2024-25 Amended	2024-25 Final Amended	2025-26 Proposed
Total Revenues	51,001,798	49,942,988	50,429,460	50,488,430	51,105,936
Total Expenditures	48,197,603	51,261,678	50,656,393	50,398,011	51,023,630
Net Revenues/(Expend.)	2,804,195	(1,318,690)	(226,933)	90,419	82,306
Beginning Fund Balance	7,329,663	10,133,858	10,133,858	10,133,858	10,224,277
Ending Fund Balance	10,133,858	8,815,168	9,906,925	10,224,277	10,306,583
Committed Fund Balance	---	---	---	308,765	---
Unassigned Fund Balance	10,133,858	8,815,168	9,906,925	9,915,512	10,306,583
Unassigned FB as % of Exp	21.0%	17.2%	19.6%	19.7%	20.2%

BUDGET SUMMARY

FOOD SERVICE FUND

	2023-24 Actual	2024-25 Adopted	2024-25 Final Amended	2025-26 Proposed
Food Sales & Catering	261,624	252,000	224,000	225,000
State & Federal Sources	2,283,120	1,952,000	1,975,000	2,015,000
Miscellaneous & Interest	19,216	12,000	20,000	15,000
<i>Total Revenue</i>	<i>2,563,960</i>	<i>2,216,000</i>	<i>2,219,000</i>	<i>2,255,000</i>
Purchased Services	831,064	915,200	915,200	950,000
Food & Supplies	1,178,759	1,055,000	1,250,000	1,300,000
Capital Outlay & Transfers	221,443	330,000	80,000	530,000
<i>Total Expenditures</i>	<i>2,231,265</i>	<i>2,300,200</i>	<i>2,245,200</i>	<i>2,780,000</i>
Beginning Fund Balance	776,483	1,109,178	1,109,178	1,082,978
Ending Fund Balance	1,109,178	1,024,978	1,082,978	557,978
Fund Balance as % of Exp	50.4%	45.1%	48.9%	20.3%

BUDGET SUMMARY

SPECIAL REVENUE FUND

	2023-24 Actual	2024-25 Adopted	2024-25 Final Amended	2025-26 Proposed
Student Activity Income	1,364,875	1,500,000	1,075,000	1,100,000
Student Activity Expenses	1,208,687	1,500,000	1,135,000	1,100,000
Beginning Fund Balance	858,927	1,015,115	1,015,115	955,115
Ending Fund Balance	1,015,115	1,015,115	955,115	955,115
Unassigned FB as % of Exp	84.0%	67.7%	84.2%	86.8%

A young boy with dark hair and black-rimmed glasses is shown from the chest up. He is wearing a grey and white patterned blazer over a white shirt and a light-colored tie. He has a thoughtful expression, with his right hand resting on his chin. He is holding a wooden abacus with both hands. The abacus has several horizontal rods with colorful beads: red, blue, yellow, green, and black. The background is a green chalkboard.

QUESTIONS?