

Lapeer Community Schools
Budget Managers' Meeting #3 Talking Points
May 24, 2018

- The District has identified approximately \$550,000 in cuts to offset a portion of the projected operating deficit for the 2018-19 school year. The District is committed to offsetting the remaining deficit with fund balance. That said, this use of fund balance cannot be done on an annual basis without causing undue financial stress to The District.
- Though the 2018-19 School Aid Act is shaping up to be one of the highest funding increases in several fiscal years, the District anticipates future increases to be far more modest.
- Our local student count continues to decline and is not expected to level off until 2025. This decline constitutes between 150-175 students per year (approximately \$1.5 million in revenue).
- The State's General Fund has considerable budget pressures: Roads, taxes, healthcare costs, longevity costs, etc. These pressures can have a direct impact on funding for schools in the future.
- In that same vein, our budget has considerable pressures as well including overdue capital improvements due to the age of the majority of our buildings as well an aging bus fleet. These are in addition to the more significant and aforementioned annual enrollment decline.
- The District is in the initial stages of developing a strategic plan with a projected implementation period starting in the 2019-20 school year. This process will include the consideration of different structures to support our changing educational delivery model as well as new ways to utilize our facilities in a more cost-effective manner. In the 2018-19 school year, The District will host numerous focus groups and forums in order to engage our entire community in a discussion about the future of Lapeer Community Schools.