



ANN ARBOR PUBLIC SCHOOLS 10 YEAR COMPARISONS

Presentation to the Board of Education
March 13, 2024

Comparison of Change in FTE Employees and FTE Students Fiscal Years 2014-15 to 2023-24

Fiscal Year	FTE Employees	Change	FTE Students	Change
2014-15	1,647	-	16,834.32	-
2015-16	1,793	146	17,113.37	279.05
2016-17	2,034	241	17,460.62	347.25
2017-18	2,090	56	17,698.56	237.94
2018-19	2,075	(15)	17,945.78	247.22
2019-20	2,088	13	17,961.48	15.70
2020-21	2,131	43	17,881.90	(79.58)
2021-22	2,118	(13)	16,955.91	(925.99)
2022-23	2,176	58	16,943.73	(12.18)
2023-24	2,127	(49)	16,838.76	(104.97)
Total Change		480		4.44

During the last ten years the district added 4.44 student FTEs and 480 employee FTEs. 417 of the 480 employees are teachers.

The prior five years the district added 52 FTE employee FTE will at the same time experienced a loss in enrollment by 1,100 students.

Comparison of Change in Foundation Allowance and General Fund Balance Fiscal Years 2014-15 to 2023-24

Fiscal Year	Foundation Allowance	Change	Fund Balance	Change
2014-15	\$ 9,100	\$ -	\$16,762,959	\$ -
2015-16	9,170	70	21,508,022	4,745,063
2016-17	9,180	10	19,880,752	(1,627,270)
2017-18	9,290	110	18,360,251	(1,520,501)
2018-19	9,410	120	17,542,843	(817,408)
2019-20	9,530	120	19,729,261	2,186,418
2020-21	9,530	-	22,226,492	2,497,231
2021-22	9,701	171	19,682,482	(2,544,010)
2022-23	10,102	401	12,875,365	(6,807,117)
2023-24	10,609	507	*6,299,073	*(6,576,292)
Total Change		\$1,509		\$(10,463,886)

During the last ten years the foundation allowance increased by \$1,509 per student FTE but the district's Fund Balance decreased by \$10.5M.

*Projected amounts, not yet audited

Comparison of Change in General Fund Revenues and Expenditures Fiscal Years 2014-15 to 2023-24

Fiscal Year	Revenue	Change	Expenditures	Change
2014-15	\$210,371,509	\$ -	\$202,427,434	\$ -
2015-16	216,188,010	5,816,501	211,442,947	9,015,513
2016-17	233,531,626	17,343,616	235,158,896	23,715,949
2017-18	254,689,226	21,157,600	256,209,727	21,050,831
2018-19	256,282,621	1,593,395	257,100,029	890,302
2019-20	261,800,519	5,517,898	259,614,101	2,514,072
2020-21	274,989,670	13,189,151	272,492,439	12,878,338
2021-22	292,808,917	17,819,247	295,352,927	22,860,488
2022-23	310,347,476	17,538,559	317,154,593	21,801,666
*2023-24	*314,856,095	*4,508,619	*321,432,387	*4,277,794
Total Change		\$104,484,586		\$119,004,953

During the last ten years the district's revenues increased by \$104.5M and the district's expenditures increased by \$119M, \$14.5M more than revenues.

*Projected amounts, not yet audited

Changes in Staffing Costs

- Staffing costs overall have increased over the past five years due to additional staff and increases in compensation to recruit and retain quality staff.
- In June 2023, the Board of Education approved a historic and well-deserved pay and benefit increase for all collective bargaining groups and non-union employees. The total cost of increases to salaries and respective benefits for all groups totaled approximately \$13.1M for 2023-24

AAPS Fund Balance As A Percentage Of Expenditures

Fiscal Year	AAPS FB %
2014-15	8.28%
2015-16	10.17%
2016-17	8.45%
2017-18	7.17%
2018-19	6.82%
2019-20	7.60%
2020-21	8.16%
2021-22	6.66%
2022-23	4.06%
2023-24	*1.96%

AAPS Fund Balance for 2022-2023 was 4.06%.

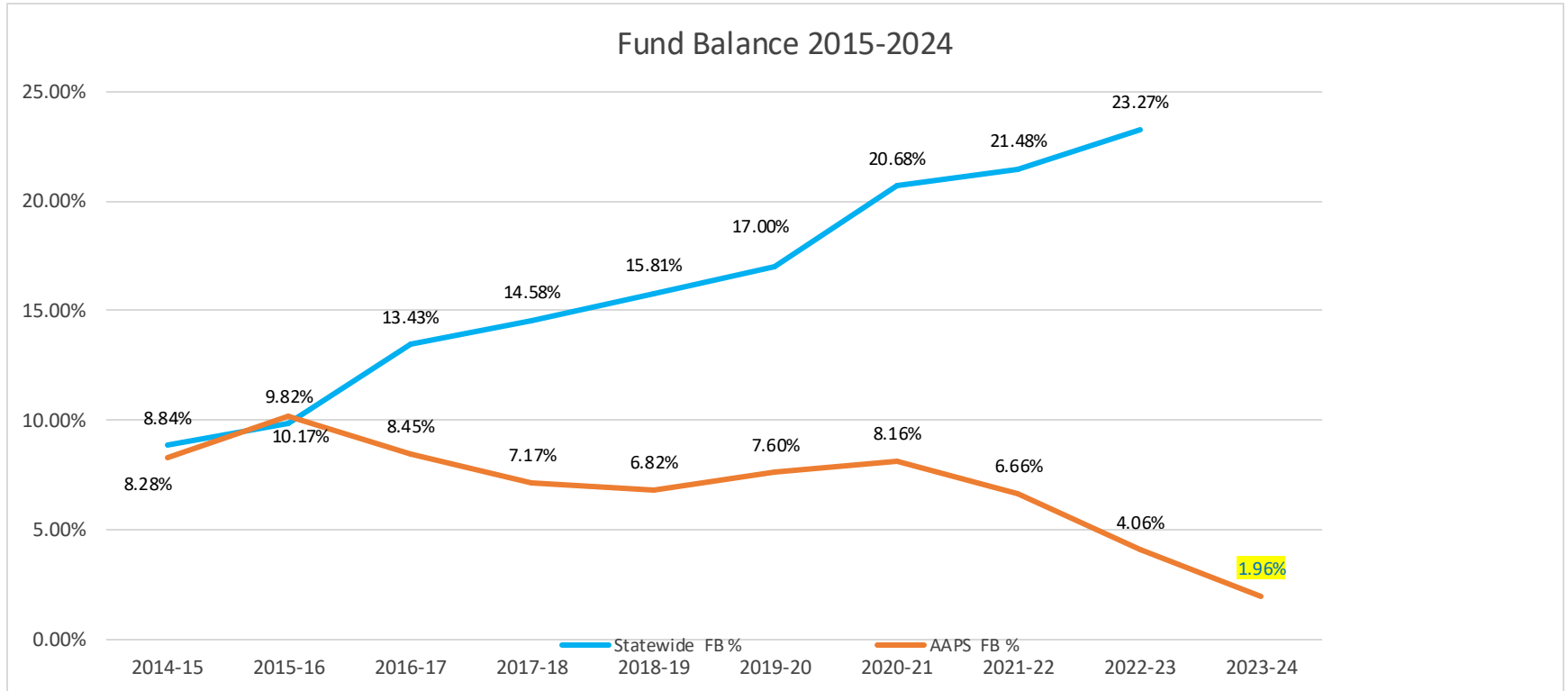
State legislation requires the district to have a 5% Fund Balance.

AAPS Board of Education policy requires the district to have a 6%-15% Fund Balance.

The Average Fund Balance for District's Statewide in 2022-2023 was 23.27%.

*Projected amount, not yet audited

Fund Balance As A Percentage Of Expenditures Comparison to Statewide School District Average



In Conclusion

- Staffing additions, increased staffing costs, increases for employees, and loss of enrollment have caused significant financial challenges for the district
- To garner the necessary savings the district must review all aspects of the system including staffing, as staffing makes up over 80% of the district's recurring operating costs.
- It is my recommendation that approximately \$25 million in expenditures are reduced from the 2024-2025 budget. This approximate number may be more or less depending on the amount of state revenue awarded to districts, and other variables.
- With the necessary reductions in recurring operating costs, by the end of the 2024-2025 school year it is expected that the district fund balance will be at 6%-7% and be in compliance with state law and board of education policy.
- These reductions are necessary to begin to bring the district back to financial health and viability.