



Finance & Operations Committee

May 22, 2025

MINUTES

Meeting called to order: Member Kehoe at 5:01 p.m. **Board members:** Kehoe, Christenson (Picard absent)

District staff: Merritt, Minnick, Malbon, Meier, Jory

Citizen Representatives: Roderique, Johnson (DeMers absent) **Others Present:** none

Public Comments – none.

Approval of Prior Meeting Minutes – May 8, 2025 - approved.

Purchase of Security Cameras for CTE Areas at P-CEP – Josh Meier, P-CCS Director of Safety & Security, is here to present a request to purchase upgraded security cameras in Career and Technical Education (CTE) areas at P-CEP, including the school stores, Rock Café, and Auto Shop. The current cameras are outdated and not connected to the district's secure network, creating safety and privacy concerns. The recommendation is to buy and install new Avigilon cameras and hardware. The total cost will not exceed \$73,600.57 and will be purchased through the Safeware consortium. The project includes upgrading all cameras in the CTE areas and connecting them to the district's secure camera system. Funding will come from the State of Michigan's School Aid Act 31aa.

Mr. Johnson inquires about how long the cameras have been functioning outside the district's secure network. Mr. Meier shared that the current CTE camera system has never been connected to the district's secure network. This creates concerns about security and FERPA compliance. Because it's not on the secure system, the district cannot control who accesses the video, monitor the activity, or apply standard protections. This means student video records may not be fully protected.

The issue was first identified about a year ago when staff began reviewing the system for an upgrade. After looking into the cameras and their settings, district leaders decided it was important to move them onto the secure network for safety and consistency. During the school day, these cameras are sometimes used for live viewing only—they do not record. This is done to protect instructional spaces and student privacy. However, cameras in the school store do record at all times to help monitor for theft and student behavior.

The district will buy the new cameras through a cooperative agreement with Safeware, which gives them a competitive price. Security 101 will install the cameras as a subcontractor. They have done many projects for the district and are known for being reliable. The new cameras will use standard Avigilon equipment, which is available now. There is no need for special orders. Everything can be installed in time to meet the requirements of the grant. The district also recently added two new video servers, so there is plenty of space to handle the new cameras. This means the system can be expanded without running into storage issues.

Financial Reports as of April 30, 2025 - Ms. Malbon presented the April 2025 financial report. As of April 30, we are 83.3% through the fiscal year. To ensure a fair comparison with last year, encumbrances have been removed from both years' data, showing only what has actually been spent, because of the recent use of blanket purchase orders.

The district has received 69.9% of its total budgeted revenue, slightly below the 70.8% received at this point last year. The shortfall is mainly due to lower state funding and delayed federal revenue, including a \$176,000 IRS subsidy related to the 2010 construction bond, which is expected in May. Local revenue is up by about \$2 million, and transfers from other funds are on track.

On the expenditure side, 79.1% of the budget has been spent, compared to 80.7% last year, reflecting more controlled spending. With the purchasing cut-off now in place, expenses are expected to slow further. Higher costs were noted in transportation—due to special education and bond-related needs—and school activities, including items like band uniforms and mascot updates. Special programs spending is up this year due to fewer grant funds and a shift of certain required services back to the general fund. Overall, the revenues and expenditures are on track with budget as we approach the end of the fiscal year.

Fiscal Year 2026 Budget Progress Update – Ms. Minnick presents an update on the fiscal year 2025-26 budget development process. This update includes highlights from the Executive, House, and Senate school aid budget proposals, as well as key takeaways from the May Consensus Revenue Estimating Conference. These details are being used to shape our budget assumptions and planning for the next fiscal year.

The Governor released her executive budget proposal on February 2. The House followed with a limited proposal on March 6, focusing on four areas: increasing the foundation allowance (including special education), mental health and safety grant funding, and retirement funding. The Senate released its full proposal more recently, on May 14. Currently, our district receives \$9,608 per pupil. The Governor proposed a \$392 per pupil increase, which would add approximately \$6.23 million in state aid for the district. The House proposed a \$417 increase (about \$6 million), and the Senate proposed a \$400 increase (about \$6.35 million). Notably, all three proposals aim to equalize the foundation allowance between general and special education, which has not always been the case in the past.

In addition to foundation allowance changes, all three budget proposals support continued funding for mental health and school safety. They also include weighted funding for special education, at-risk students, Great Start Readiness programs, and career and technical education (CTE), although the House proposal is less detailed in these areas. Universal free school meals are included in the Senate and House proposals, and partially in the Governor's plan through federal funding.

However, all proposals also include reduced state cost offset funding to districts for MPERS (Michigan Public School Employees Retirement System). This includes increased district costs due to only a partial (50%) reimbursement of ~~prior~~ healthcare contributions previously funded by employees and reduced payments toward current retirement liabilities. These changes are expected to increase expenses for districts, though the exact impact is still being determined.

Mr. Johnson requested more information on declining enrollment. Ms. Minnick explained that student enrollment across Michigan has dropped 18% since 2003, with 70% of traditional districts—including ours—experiencing this trend. While fewer students means more money per-pupil statewide, districts with declining enrollment still lose overall funding. Our district has adjusted staffing and class sizes accordingly. Charter schools are gaining students, while traditional districts are losing them—though total student numbers are not increasing. Data on private and homeschool students is unavailable.

Based on the most recent state revenue projections, we're planning next year's budget assuming 15,883 full-time students—a decline of 151 students, or \$1.5 million in lost revenue. Using the conservative executive budget proposal, we still anticipate a net revenue increase of \$4.8 million due to higher per-pupil funding.

Adjourn: 6:18 p.m.