



ANN ARBOR PUBLIC SCHOOLS  
LEAD. CARE. INSPIRE.

# **AAPS Early Budget Planning Considerations**

**Board of Education  
May 6, 2026**

# Thoughtful Decisions Today Create Opportunities for Tomorrow

*Responsible Choices. Stronger Schools. Brighter Futures.*

AAPS regularly evaluates how we use our facilities and resources to ensure we are meeting the needs of students, supporting staff, and being good stewards of public funds. Our decisions are guided by data, community input, and a commitment to long-term sustainability.



## OUR GOALS FOR EVERY DECISION



### Equity in Distribution of Resources

Ensure resources are aligned to student needs so every learner has access to high-quality opportunities.



### Transparency

Be open and clear about our finances, decisions, and the reasoning behind our choices to build trust with our community.



### Benchmarking

Compare our practices and outcomes to similar districts to ensure we are using resources efficiently and staying competitive.



### Risk Avoidance

Make proactive, informed decisions that protect our financial health and reduce future risk.

## WHY WE MAKE CHANGES

- ✓ **Student Needs Evolve** – We adjust to changes in enrollment, program needs, and community priorities.
- ✓ **Optimize Resources** – We right-size facilities and programs to reduce costs and maximize impact.
- ✓ **Improve Efficiency** – We streamline operations to focus more resources in the classroom.
- ✓ **Plan for the Future** – We make decisions today that support long-term sustainability and protect what matters most.
- ✓ **Responsibly Manage Taxpayer Dollars** – We are committed to being good stewards of public funds.

## EVERY DECISION IS MADE WITH STUDENTS AND STAFF IN MIND



### Support Student Success

Invest in what has the greatest impact on teaching and learning.



### Support Our Educators

Create environments and systems that help recruit, retain, and empower great staff.



### Be Good Stewards

Use resources wisely to ensure long-term financial stability.



### Strengthen Our Community

Maintain safe, effective, and welcoming spaces that serve our entire community.



### Build a Stronger Future

Make decisions today that create more opportunities for tomorrow.



Our commitment is to provide financial leadership, accurate and timely information, and thoughtful recommendations that result in the long-term, sustainable operation of Ann Arbor Public Schools—benefiting students, staff, and the community.

# Why We Evaluate and Make Changes

*Responsible Choices. Stronger Schools. Brighter Futures.*



AAPS is committed to using our resources to support students, staff, educators and to sustain safe, high-quality schools—today and in the future.

## OUR GOALS GUIDE EVERY DECISION



### Equity in Distribution of Resources

We align resources with student needs to ensure every learner has access to high-quality opportunities.



### Transparency

We are open and clear about our finances and decisions to build trust with our students, staff, and community.



### Benchmarking

We compare our practices and outcomes to similar districts to ensure we are efficient, effective, and competitive.



### Risk Avoidance

We make proactive, informed decisions to protect our financial health and reduce future risk.



To safeguard the assets of the District, to provide financial leadership, to provide accurate and timely information, and to provide financial/operational recommendations and services that result in the long-term, sustainable operation of the District.

# How We Make Changes

*Data-Informed. Strategic. Student-Centered.*



## We Start with Student Needs

We analyze enrollment trends, program demand, facility conditions, and educational outcomes to understand the needs of our students and schools.



## We Use Data and Research

We evaluate financial impact, operational efficiency, and best practices from comparable districts to identify smart, sustainable solutions.



## We Engage Our Community

We listen to and learn from our staff, families, and community partners to ensure a range of perspectives inform our decisions.



## We Plan for Long-Term Sustainability

We consider the long-term impact on our resources, facilities, and programs to ensure we can continue to invest in our students and staff.



## We Act Responsibly

We implement changes that strengthen our schools, protect taxpayer dollars, and position AAPS for continued success.



Our goal is a strong, sustainable district where every student thrives and every educator is supported.



# BUILDING COMPARISON BY LEVEL

How AAPS Manages Its Facilities Compared to Michigan Districts with Similar Enrollment  
2024-25 NUMBER OF BUILDINGS BY LEVEL



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## AAPS VS. MICHIGAN DISTRICTS WITH SIMILAR ENROLLMENT – NUMBER OF BUILDINGS BY LEVEL

DISTRICT	NO. OF ELEMENTARY / INTERMEDIATE SCHOOLS	NO. OF MIDDLE SCHOOLS	NO. OF COMPREHENSIVE HIGH SCHOOLS	NO. OF OTHER / SPECIALIZED PROGRAMS	TOTAL NO. OF BUILDINGS	ENROLLMENT (MI School Data / Bulletin 1014)
ANN ARBOR PUBLIC SCHOOLS	19	5	3	5	32	16,702
PLYMOUTH-CANTON COMMUNITY SCHOOLS	14	5	3	1	23	16,026
ROCHESTER COMMUNITY SCHOOL DISTRICT	13	4	3	1	21	14,776
UTICA COMMUNITY SCHOOLS	25	6	4	6	41	25,181

**★ NOTE – AAPS “OTHER / SPECIALIZED PROGRAMS” INCLUDES:** 1 Preschool, 2 K-8 buildings, 1 Alternative High School, and 1 Magnet High School.

**Note:** Building counts reflect district-reported facility data for the 2024-25 school year. Enrollment reflects Fall 2024 headcount.

**Enrollment Source:** Michigan School Data (MSDS) / Bulletin 1014 – 2024-25 District Enrollment.

**Building Count Source:** District Websites (2024-25 school year).

- **Ann Arbor Public Schools:** [www.a2schools.org/about/district/facilities](http://www.a2schools.org/about/district/facilities)
- **Plymouth-Canton Community Schools:** [www.pccsk12.com/about-us/our-district](http://www.pccsk12.com/about-us/our-district)
- **Rochester Community School District:** [www.rochester.k12.mi.us/about-rcsd/our-schools](http://www.rochester.k12.mi.us/about-rcsd/our-schools)
- **Utica Community Schools:** [www.uticak12.org](http://www.uticak12.org)

### ABOUT THE BUILDING COUNTS:

Building counts include traditional schools and specialty/alternative/program campuses as reported by each district. AAPS Other/Specialized Programs are detailed in the highlighted note above.

### KEY TAKEAWAYS

**BUILDINGS ACROSS ALL LEVELS**

AAPS has **32** total buildings vs. peer average of **23.8**.

**ELEMENTARY / INTERMEDIATE SCHOOLS**

AAPS has **19** elementary / intermediate schools vs. peer average of **16.5**.

**MIDDLE SCHOOLS**

AAPS has **5** middle schools vs. peer average of **5.3**.

**SIMILAR NUMBER OF HIGH SCHOOLS**

AAPS has **3** high schools vs. peer average of **3.3**.

**OTHER / SPECIALIZED PROGRAMS**

AAPS has **5** other/specialized programs vs. peer average of **2.3**.

**OPPORTUNITY TO LEVERAGE FACILITIES EFFICIENCY**

Evaluate utilization and right-size facilities to reduce operating costs and focus resources on students and staff.

### STRATEGIC IMPACT:

AAPS' larger facilities footprint provides capacity to support students and programs but also creates opportunity to drive efficiency, optimize utilization, and align resources with long-term enrollment and community needs.

### FOCUS AREAS:







- Facility Utilization
- Deferred Maintenance
- Long-Term Facility Planning
- Right-Sizing for Enrollment
- Capital Renewal Planning

# POTENTIAL FINANCIAL IMPACT BY CATEGORY

*Strategic Investments Today for a Stronger, More Sustainable Future*



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CATEGORY		POTENTIAL FINANCIAL IMPACT	
	<b>LAND SALES</b>	<b>\$1.5M</b> Funds go to the General Fund	
	<b>BUILDING SALES</b>	<b>\$8.5M - \$9.5M</b> Net profit after bond payback Funds go to the General Fund	
	<b>SCHOOL CONSOLIDATION</b>	<b>\$750K - \$1M</b> Estimated savings annually	
	<b>PROGRAMMING MODIFICATIONS</b>	<b>\$6M</b> Estimated savings annually	
	<b>TOTAL ANTICIPATED ANNUAL SAVINGS</b>	<b>\$6.75M - \$7M</b>	Estimated annual savings (Excludes TBD savings)
	<b>ONE-TIME SAVINGS</b> (Sales Proceeds)	<b>\$10M - \$11M</b>	Funds go to the General Fund (After related investments)

*Note: Ranges reflect estimates. Actual results may vary based on implementation and further analysis.*

# ANN ARBOR PUBLIC SCHOOLS

## Fiscal Outlook: Impact of Proposed Operational Changes

### 2026/27 Financial Impact Summary

	2026/27 Projection	2026/27 with changes
Revenues, estimated 6/30/27	\$ 312,471,274	\$ 312,471,274
Expenditures, estimated 6/30/27	\$ 314,017,844	\$ 314,017,844
Revenue Over (Under) Expenditures	\$ (1,546,570)	\$ (1,546,570)
Beginning Fund Balance, budgeted	\$ 17,800,659	\$ 17,800,659
One-Time (Land Sale/Other Items)		\$ 8,000,000
Ending Fund Balance, budgeted	\$ 16,254,089	\$ 24,254,089
Ending Fund Balance % of Exp.	5.18%	7.72%

**Revenue Projections:** Our revenue projections are based on assumptions about anticipated state aid and enrollment decline.

**Expenditure Assumptions:** Our expenditure projections do not include certain contractual and reimbursement obligations at this time, as the amounts are not yet specifically known.

*These assumptions and other factors may change and could impact the accuracy of these projections.*



2026/27 Projection  
**5.18%**

Ending Fund Balance % of Exp.



**+2.54%**  
Increase

2026/27 with changes  
**7.72%**

Ending Fund Balance % of Exp.

### KEY FINANCIAL IMPACT



Deficit Reduction

**\$2,295,510**

Improvement in Revenues Over (Under) Expenditures



Revenue Over (Under) Expenditures

**\$(1,546,570)**

Deficit remains, but reduced compared to 2026/27 Projection



Ending Fund Balance Increase

**\$8,000,000**

From \$16,254,089 to \$24,254,089



Ending Fund Balance % of Exp.

**7.72%**

Increase of 2.54 percentage points (from 5.18% to 7.72%)

*The proposed operational changes, along with one-time funding, improve financial stability and increase reserves by \$8.0 million, strengthening long-term fiscal sustainability.*



# POTENTIAL IMPACT OF STRATEGIC CHANGES

Strengthening Our Financial Future While Investing in Our People and Students



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By implementing the proposed operational and contractual changes, AAPS can build a stronger financial foundation, invest in our people, and sustain excellence for our students.

## FINANCIAL STABILITY & RISK REDUCTION




- Increase fund balance toward Board and State recommended levels (15–20%).
- Improve long-term structural balance and financial health.
- Reduce likelihood of state intervention and financial distress.

 **STRONGER TODAY. SECURE TOMORROW.**

## INVESTMENT IN STAFF



- **Create capacity for more competitive teacher and staff salaries.**
- Improve ability to attract and retain high-quality educators and staff.
- Support fair and sustainable compensation structures across all roles.

 **SUPPORT OUR STAFF. STRENGTHEN OUR SCHOOLS.**

## OPERATIONAL EFFICIENCY



- Better align staffing, facilities, and enrollment trends.
- Reduce ongoing structural cost pressures.
- Redirect dollars to classroom and student-facing priorities.

 **WORK SMARTER. FOCUS RESOURCES WHERE IT MATTERS.**

## STUDENT & PROGRAM IMPACT



- Protect and strengthen core academic programming.
- Enable strategic reinvestment in high-impact programs and supports.
- Improve learning environments and resource allocation.

 **MORE OPPORTUNITIES. BETTER OUTCOMES. EVERY STUDENT.**

## STRATEGIC OUTCOMES AT A GLANCE



Higher fund balance and financial stability



More competitive salaries and stronger staff retention



More efficient operations and cost management



Stronger programs and better student opportunities



Reduced risk of state takeover and financial distress



Long-term sustainability and responsible stewardship



**THE BOTTOM LINE:** These changes position AAPS to be financially stable, invest in our people, and sustain high-quality educational opportunities for all students—now and into the future.



### STRATEGIC IMPACT:

Proactive, responsible decisions today build the foundation for academic excellence, operational efficiency, and a brighter future for every student.



### OUR COMMITMENT:

Focus on what matters most—students, staff, and the long-term success of AAPS.



### OUR PROMISE:

Strong financial choices today. Stronger schools tomorrow.

# LONG-TERM STRATEGIC PLANNING CONSIDERATIONS

*Smart Decisions Today. Stronger Schools Tomorrow.*

Careful planning and community collaboration are essential when considering land sales, building sales, school consolidation, and programming modifications.



## ENGAGE OUR COMMUNITY AND PROGRAMMING STAKEHOLDERS

Partner with families, staff, and community members and engage educators, principals, and program leaders through transparent, inclusive conversations.

- Gather input early and often
- Ensure diverse voices and neighborhoods are represented
- Build trust through open communication and clear timelines
- Assess academic, extracurricular, and support services impact



## CONTINUE ANALYSIS AND SHARE RESULTS

Use data and research to inform options and ensure decisions are financially and operationally sound.

- Analyze enrollment trends and capacity utilization
- Model financial impacts, savings, and one-time proceeds
- Evaluate long-term facilities condition and costs
- Share findings transparently with our community



## COMMUNICATE BUILDING AND LAND RECOMMENDATIONS

Communicate recommendations clearly and transparently to support informed decision-making and community understanding.

- Present facility and land options with clear rationale
- Explain potential benefits, trade-offs, and impacts
- Engage the community through open forums and updates
- Incorporate feedback to refine recommendations



## CONSIDER SCHOOL CONSOLIDATION AND PROGRAM MODIFICATIONS

Right-size our schools and programs to improve learning and operational efficiency while meeting the needs of all students.

- Evaluate school consolidation to right-size capacity
- Align programs with student needs, enrollment, and resources
- Ensure smooth transitions for students, staff, and families
- Monitor outcomes and adjust as needed for continuous improvement



By engaging our community, analyzing our data, and planning for the future, AAPS can make informed decisions that strengthen our schools, support our students, and build a vibrant future for Ann Arbor.





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