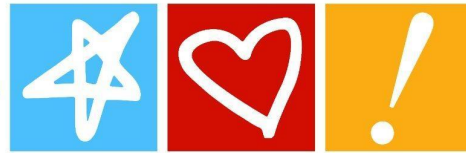

ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.



**AAPS Budget
Study Session
Board of Education
May 13, 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.

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.



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.



PUBLIC SCHOOL BUDGETING

PLAN. PRIORITIZE. INVEST. EMPOWER.



OUR STUDENTS



OUR SCHOOLS



OUR PLAN



OUR RESOURCES

STRONG SCHOOLS. ★ STRONG COMMUNITY. ★ BRIGHT FUTURES.

School Funds: What Goes In and What Comes Out



WHAT GOES IN

- Local non-homestead property taxes
- State School Aid Fund
- State Grants
- Federal Grants
- Local non-tax sources

WHAT COMES OUT

- Teacher and staff salaries and benefits
- Instructional materials and supplies
- Utilities and operations
- Transportation
- Other day-to-day school expenses

WHAT GOES IN

- Local voter-approved sinking fund millage
- Interest earnings

WHAT COMES OUT

- Eligible building repairs and modernization
- Site improvements
- Safety & security
- Transportation & vehicles
- Property acquisition

WHAT GOES IN

- Voter-approved property taxes used to repay long-term debt (principal and interest)

WHAT COMES OUT

- Debt service payments (principal and interest) on bonds/debt

WHAT GOES IN

- Bond proceeds
- Local non-tax sources
- Interest earnings
- Proceeds from sale of property

WHAT COMES OUT

- Construction projects
- Renovations and improvements
- Land acquisition
- Equipment related to construction projects
- Architectural and engineering fees
- Other costs directly related to capital projects

WHAT GOES IN

- Student meal payments
- Federal reimbursements
- State reimbursements
- USDA commodities
- Other food service revenue

WHAT COMES OUT

- Food and supplies
- Staff salaries and benefits
- Kitchen equipment and repairs
- Other food service operations
- Supplies and materials

WHAT GOES IN

- Donations
- Fundraising
- Local grants
- Interest earnings
- Rentals

WHAT COMES OUT

- Club expenses
- Competition costs
- Local grants
- Program supplies and materials
- Other approved student programs

WHAT GOES IN

- Program fees
- Community rentals
- Donations
- Grants
- Interest earnings
- Other local sources

WHAT COMES OUT

- Program expenses
- Equipment and supplies
- Facility use costs
- Other program operations



Each fund has a specific purpose. Money goes in from approved sources and is used for allowed expenses. *By law, money in one fund cannot be used for expenses in another fund.*



Food Service Fund, Student & School Activity Fund, and Community Services Fund are self-sustaining and do not receive General Fund tax dollars.

AAPS FUNDING STRUCTURE

*Many Buckets. One Purpose.
Every Dollar Works Together to Support Students.*



Responsible Choices.
Stronger Schools.
Brighter Futures.



OUR PRIMARY CHALLENGE:

Steps 3–10 are competitive with peer districts, but top of scale (Step 11+) falls behind—making it harder to retain experienced teachers.



GENERAL FUND

Supports daily operations including instruction, staffing, student support, and school management.



SINKING FUND

A voter-approved, property tax levy used exclusively for major school building repairs, construction, safety improvements, and related projects.



BOND/CAPITAL PROJECTS FUND

Funds construction, renovations, and major capital projects to improve schools.



FOOD SERVICE FUND

Supports meals for students through reimbursements and food service revenue.



COMMUNITY SERVICES FUND

Supports programs and services for the community through fees and rentals.



DEBT FUND

Pays the principal and interest on long-term debt for capital projects and improvements.



STUDENT & SCHOOL ACTIVITY FUND

Enhances student opportunities through activities, grants, and donations.

TOGETHER, THESE FUNDS ENSURE THAT AAPS CAN:



Provide a quality education every day



Maintain safe, modern facilities



Offer rich programs and student opportunities



Plan responsibly for a strong future



NOT ALL FUNDS ARE FLEXIBLE



General Fund

The only fund that can be used for salaries and daily operations.



Restricted by Law

Capital, Debt, and Sinking Funds are restricted for specific uses.

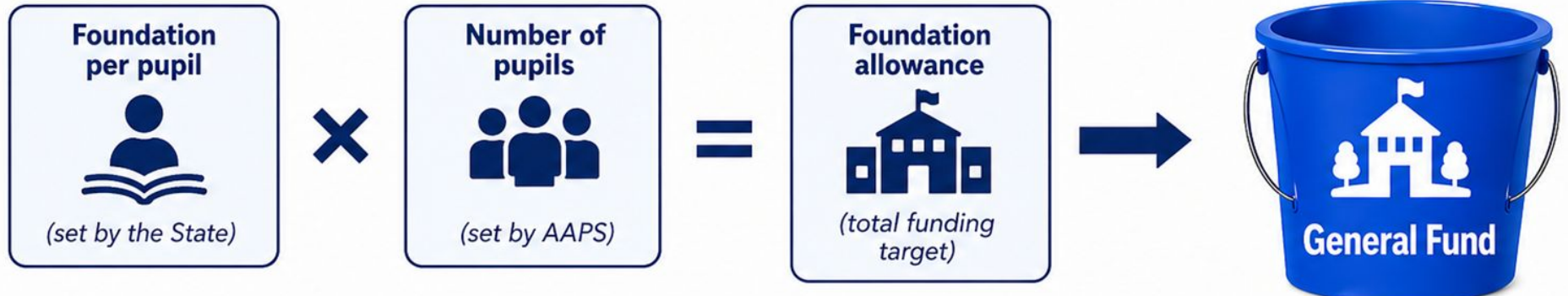


Financial Reality

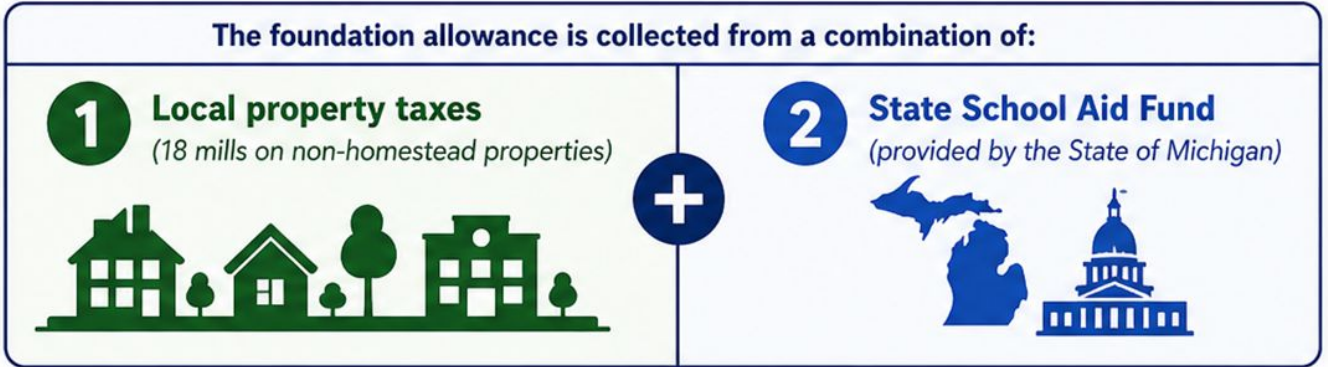
Financial challenges cannot be solved using restricted funds.

Many buckets. One mission. Every dollar—working together for our students.

How the Foundation Allowance for AAPS Works



YOUR FOUNDATION ALLOWANCE

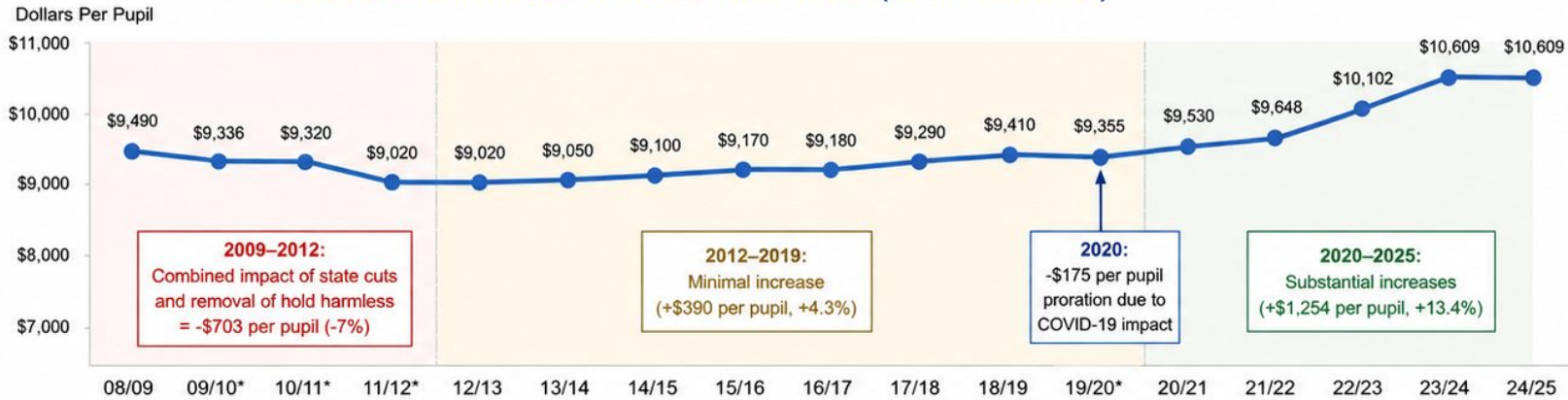


- Key Points**
- ✓ The State sets the foundation per pupil amount.
 - ✓ AAPS determines the number of pupils.
 - ✓ Together, they determine your foundation allowance.
 - ✓ The allowance is funded by a combination of local property taxes (18 mills on non-homestead properties) and State School Aid Fund.

 **This funding supports the General Fund, which pays for day-to-day operations, including teacher and staff salaries, benefits, instruction, transportation, and more.**

Ann Arbor Public Schools: Foundation Allowance & Enrollment Trends

FOUNDATION ALLOWANCE PER PUPIL (Base Foundation)



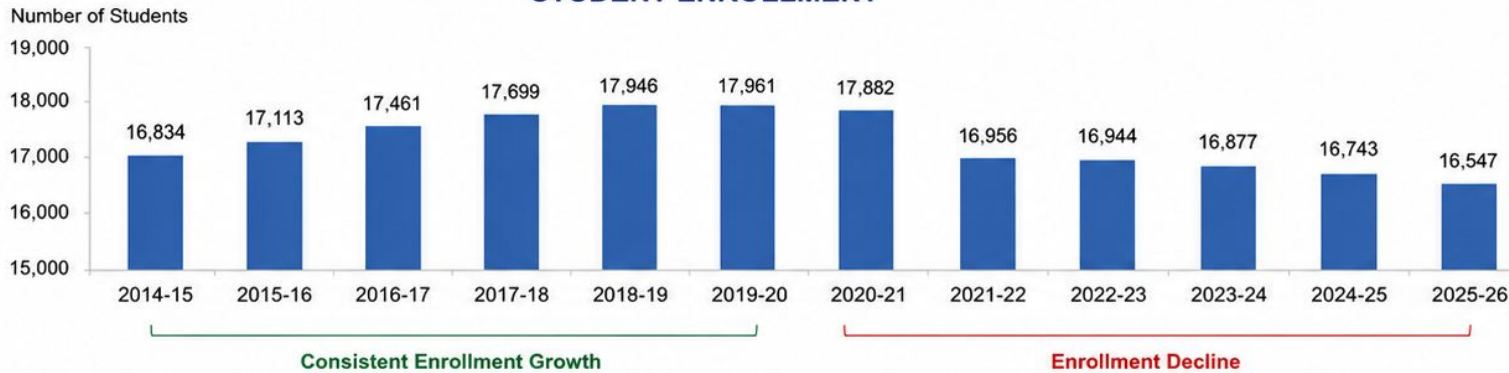
ANALYSIS & KEY TAKEAWAYS

- FOUNDATION ALLOWANCE**
- Significant cuts occurred between 2009–2012.
 - Little to no growth from 2012–2019 (+4.3%).
 - Strong increases since 2020, driving funding to a record high of \$10,609 per pupil in 2024/25 (+13.4% since 2019/20).

- ENROLLMENT**
- Steady growth from 2014–2019 (+1,112 students).
 - Decline since 2019/20 (-1,414 students).
 - 2023/24 enrollment is ~6% lower than 2019/20.

- IMPACT ON TOTAL FUNDING**
- Per pupil funding has increased significantly.
 - However, declining enrollment offsets a portion of the funding gains.
 - Total foundation allowance dollars in 2023/24 are estimated at ~\$177.7M, which is ~2.0% lower than 2019/20 despite higher per pupil funding.

STUDENT ENROLLMENT



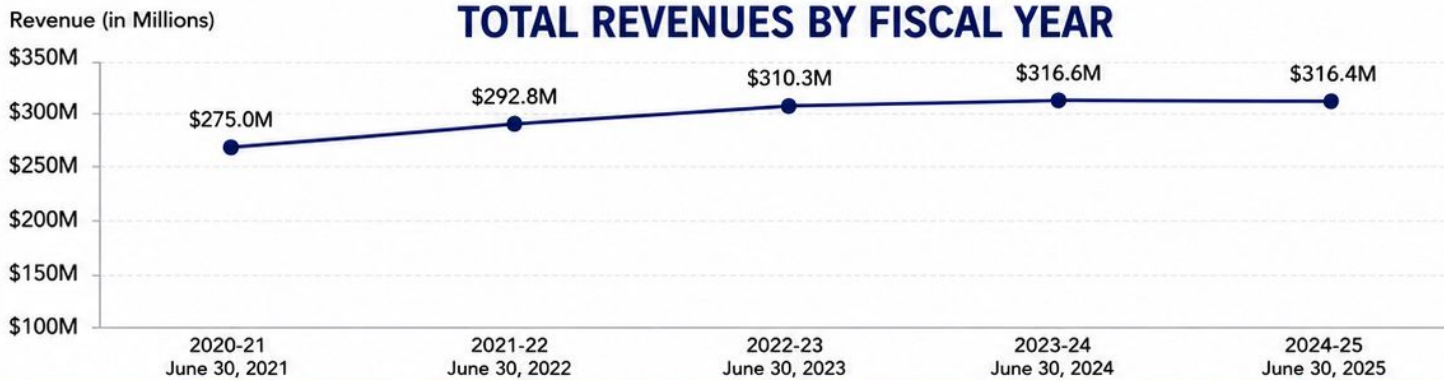
ESTIMATED TOTAL FOUNDATION ALLOWANCE DOLLARS

Year	2019/20	2023/24	Change
Amount	\$181.2M	\$177.7M	-\$3.5M
Students	(17,961 students x \$10,102)	(16,877 students x \$10,609)	(-2.0%)

BOTTOM LINE: Per pupil funding has reached record levels, but enrollment declines since 2019/20 have resulted in slightly lower total foundation allowance dollars available in 2023/24.

AAPS REVENUE ANALYSIS

Steady Growth in Revenues Over the Past 5 Years



REVENUE (IN MILLIONS)	2020-21 June 30, 2021	2021-22 June 30, 2022	2022-23 June 30, 2023	2023-24 June 30, 2024	2024-25 June 30, 2025
Local sources	\$96,091,929	\$95,410,023	\$102,049,361	\$108,116,867	\$112,756,637
State sources	\$126,489,573	\$129,808,830	\$159,099,633	\$157,336,191	\$149,545,042
Federal sources	\$19,943,763	\$31,868,706	\$8,692,831	\$10,409,492	\$9,770,886
Interdistrict sources	\$32,464,405	\$35,721,358	\$40,505,651	\$40,778,596	\$44,284,598
TOTAL REVENUE	\$274,989,670	\$292,808,917	\$310,347,476	\$316,641,146	\$316,357,163

KEY TAKEAWAYS



STRONG LONG-TERM GROWTH

Total revenues increased from \$275.0M in 2020-21 to \$316.4M in 2024-25, an increase of \$41.4M (15.1%).



CONSISTENT INCREASES

Revenues grew every year from 2020-21 through 2023-24.



SIGNIFICANT GROWTH

Total revenue increased by \$106.8M from 2020-21 to the 2023-24 peak (an increase of 38.8%).



RECENT STABILITY

Revenues decreased slightly by \$0.3M (-0.1%) from 2023-24 to 2024-25.

A portion of the revenue growth is attributed to AAPS receiving **\$27.0M** in ESSER (Elementary and Secondary School Emergency Relief) funds for COVID-19 pandemic relief. These funds were used to:

- ✓ Support an additional year of remote learning and maintain high-quality instruction
- ✓ Promote staff retention during a critical period of uncertainty
- ✓ Implement health and safety measures, including enhanced cleaning and social distancing, when students returned to our buildings



All revenue amounts above are audited financial statements as of June 30 each year.



REVENUE OVERVIEW



TOTAL CHANGE
(2020-21 to 2024-25)
\$41.4M
Increase of 15.1%



AVERAGE ANNUAL
GROWTH RATE
(2020-21 to 2024-25)
3.6%



4-YEAR GROWTH
(2020-21 to 2023-24)
\$41.7M
Increase of 15.1%



CHANGE
(2023-24 to 2024-25)
-\$0.3M
Decrease of 0.1%



2024-25 REVENUE
\$316.4M



AAPS revenues have grown steadily over the past 5 years, reflecting continued investment in our students, staff, and programs.

AAPS AT A GLANCE: 2020-21 TO 2024-25

Strong Growth in Foundation Allowance & Revenue.

Decline in Student Enrollment.



REVENUE
2020-21 TO 2024-25
+\$41.4M
(+15.1%)



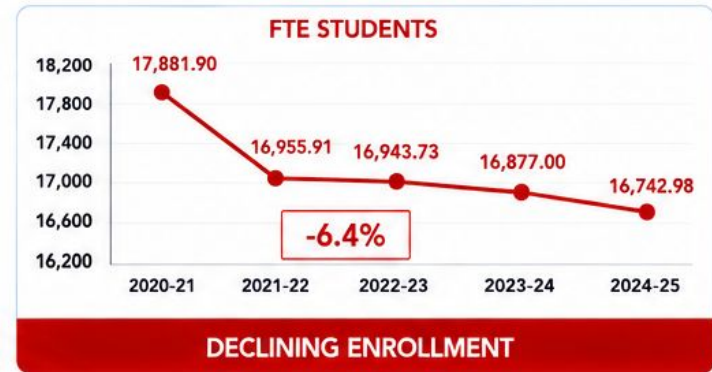
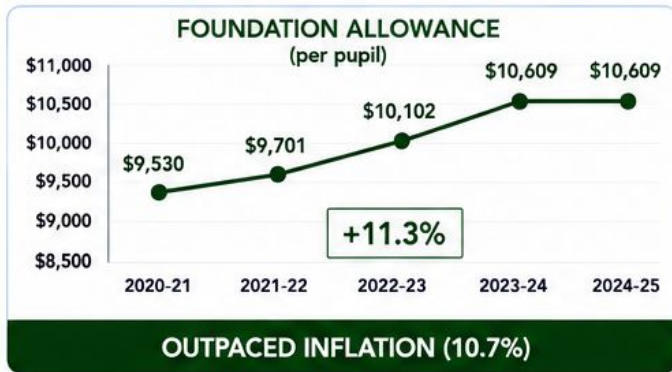
FOUNDATION ALLOWANCE
2020-21 TO 2024-25
+\$1,079
(+11.3%)



FTE STUDENTS
2020-21 TO 2024-25
-1,138.92
(-6.4%)

FISCAL YEAR	FTE STUDENTS	FOUNDATION ALLOWANCE (per pupil)	REVENUE
2020-21 (Audited 6/30/2021)	17,881.90	\$9,530	\$274,989,670
2021-22 (Audited 6/30/2022)	16,955.91	\$9,701	\$292,808,917
2022-23 (Audited 6/30/2023)	16,943.73	\$10,102	\$310,347,476
2023-24 (Audited 6/30/2024)	16,877.00	\$10,609	\$316,641,146
2024-25 (Audited 6/30/2025)	16,742.98	\$10,609	\$316,357,163

CHANGE OVER 4 YEARS (2020-21 TO 2024-25)		
	FOUNDATION ALLOWANCE (per pupil) +\$1,079 (+11.3%)	
	REVENUE +\$41.4M (+15.1%)	
	FTE STUDENTS -1,138.92 (-6.4%)	



From 2020-21 to 2024-25, Revenue increased 15.1%, and Foundation Allowance increased 11.3%, while FTE Students declined 6.4%.

1. OVERVIEW OF FY2025 REVENUES

Where Does AAPS General Fund Revenue Come From?

Financial Audit Year Ended June 30, 2025

GENERAL FUND REVENUE BY SOURCE (FY2025)

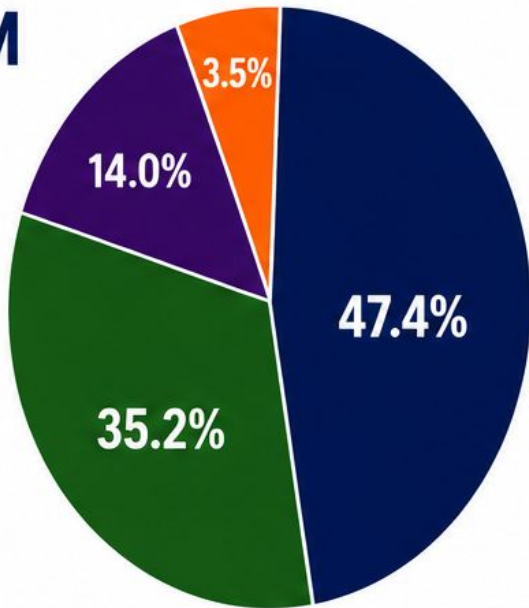
Total Revenue & Incoming Transfers

\$316.4M



100%

of total revenue
(includes all sources)



State Sources

\$149,545,042 (47.4%)

Foundation allowance/state aid, categorical aid, special education reimbursement, Section 31a, at-risk funding, transportation aid, CTE aid, etc.

Local Sources

\$112,756,637 (35.2%)

Property taxes, local millages, interest earnings, rentals, athletics, local grants, fees, miscellaneous local revenue.

Interdistrict Sources

\$44,284,598 (14.0%)

School of Choice/nonresident tuition, consortium agreements, shared time, special education pass-throughs, Act 18/WISD related flows, tuition reimbursements from other districts.

Federal Sources

\$9,770,886 (3.5%)

IDEA, Title I, ESSER carryforward, Medicaid, food service related federal reimbursements, federal grants.



Total Revenue & Incoming Transfers (OFS) = \$316.4 Million
Percentages may not sum to 100% due to rounding.

KEY TAKEAWAYS



STATE AID IS THE LARGEST REVENUE SOURCE

At \$149.5M, state sources represent 47.4% of total revenue.



LOCAL INVESTMENT REMAINS STRONG

Local sources total \$112.8M, or 35.2% of total revenue.



INTERDISTRICT REVENUE IS SIGNIFICANT

Interdistrict sources total \$44.3M, or 14.0% of total revenue, supporting key programs and services.



FEDERAL FUNDING IS A SMALLER PORTION

Federal sources total \$9.8M, or 3.5% of total revenue.



MONITORING REVENUE DRIVERS IS ESSENTIAL

Economic conditions, state policy, and enrollment trends all impact revenue. Ongoing monitoring helps drive informed budget decisions.

FY2025 REVENUE BY SOURCE (AUDITED)

	2024-2025 Audited June 30, 2025
Revenue	
Local sources	\$ 112,756,637
State sources	149,545,042
Federal sources	9,770,886
Interdistrict sources	44,284,598
Total Revenue	\$316,357,163



WHY IT MATTERS

Understanding the sources of our revenue helps inform budget priorities, identify risks, and support long-term financial sustainability for AAPS students and staff.



FOCUS AREAS

- Enrollment and retention
- State funding decisions
- Local tax base and millage support
- Grant opportunities

AAPS Expenditures/ Spending

UNDERSTANDING HOW RESOURCES ARE INVESTED IN OUR STUDENTS

An analysis of where AAPS general fund dollars are spent, how spending has changed over time, and what it means for our schools and community.



OUR COMMITMENT

AAPS is committed to responsible stewardship of public resources and transparency in how we invest in student success.



OUR FOCUS

Investing the majority of resources in people, programs, and services that directly support student learning.



OUR GOAL

Ensure every dollar spent advances academic achievement, well-being, and opportunities for all students.



OUR IMPACT

Strong schools.
Thriving students.
Stronger community.

LEAD. CARE. INSPIRE.

1. OVERVIEW OF FY2025 EXPENDITURES

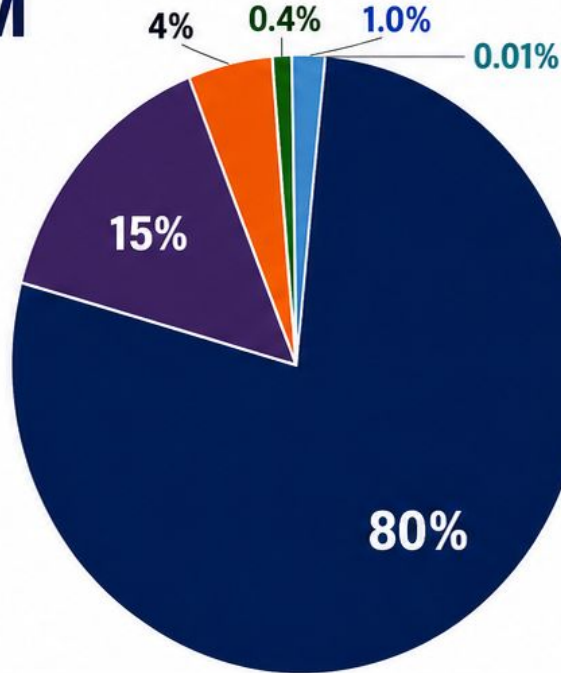

Where Our General Fund Dollars Went in FY2025

Financial Audit Year Ended June 30, 2025


Total General Fund Expenditures

\$302.1M






Percentages may not sum due to rounding.

80%
of total spending
is for people
(Wages & Benefits)



The majority of spending (80%) supports our employees and their Purchased Services is the second largest category at 15%.

- 
Wages & Benefits
\$240,509,808 (80%)
Includes wages, benefits, and other compensation.
- 
Purchased Services
\$45,945,475 (15%)
Includes services such as substitutes, transportation, and custodial/maintenance.
- 
Supplies
\$11,242,336 (4%)
Includes utilities and operating supplies.
- 
Miscellaneous
\$1,287,235 (0.4%)
Includes dues, fees, and other miscellaneous costs.
- 
Tuition paid to WISD
\$2,878,313 (1.0%)
Tuition for special education services.
- 
Capital Outlay
\$223,479 (0.1%)
Costs for furniture, equipment, and other capital purchases.
- 
Transfers out
\$44,720 (0.01%)
Transfers to other funds.

KEY TAKEAWAYS

- 

People costs dominate.
80% of total General Fund spending (Wages & Benefits) supports our employees.
- 

Purchased Services is the second largest category.
15% of spending (\$45.9M) goes to services such as substitutes, transportation, and custodial/maintenance.
- 

Supplies represent 4%.
Includes many utility and operating supply costs.
- 

Miscellaneous costs are minimal.
Only 0.4% (\$1.3M) for items such as dues, fees, and other costs.
- 

Other categories are minimal.
Tuition (1.0%), Capital Outlay (0.1%), and Transfers out (0.01%) make up a small portion of spending.

2. TOTAL EXPENDITURES TREND

How Have AAPS General Fund Expenditures Changed Over Time?

Financial Audit Year Ended June 30, 2025 and Historical Trend Analysis

GENERAL FUND EXPENDITURES OVER TIME (in millions)

+36%

Total Increase
 FY2019 to FY2025
 (+\$79.7M)



Total General Fund expenditures increased by **\$79.7M**, or **36%**, from \$222.4M in FY2019 to \$302.1M in FY2025.



Total Expenditures (in millions)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total Increase FY2019-FY2025
	\$222M	\$236M	\$247M	\$266M	\$288M	\$307M	\$302M	+\$79.7M (+36%)



Average Annual Increase

Expenditures increased by an average of **\$13.3M** per year, or **6.2%** annually, over the past six years.



WHAT THIS MEANS

While expenditures have increased across all years, AAPS remains committed to aligning resources with student outcomes and ensuring long-term fiscal responsibility.

KEY DRIVERS OF GROWTH

- Compensation (salaries, benefits, retirement)
- Student enrollment & program needs
- Purchased services (e.g., transportation, custodial, technology)
- Inflation and operational costs



KEY TAKEAWAYS



EXPENDITURES UP 36% OVER SIX YEARS

Total General Fund expenditures increased by \$79.7M from FY2019 to FY2025, reaching \$302.1M.



STEADY GROWTH OVER TIME

Expenditures increased in five of the past six years, with the largest annual increase from FY2022 to FY2023 (+\$21.8M).



AVERAGE ANNUAL INCREASE

Expenditures grew by an average of \$13.3M per year, or 6.2% annually.



DRIVEN BY INVESTING IN PEOPLE AND OPERATIONS

Growth reflects investments in salaries, benefits, and essential services that support student learning and operations.



CONTINUED FOCUS NEEDED

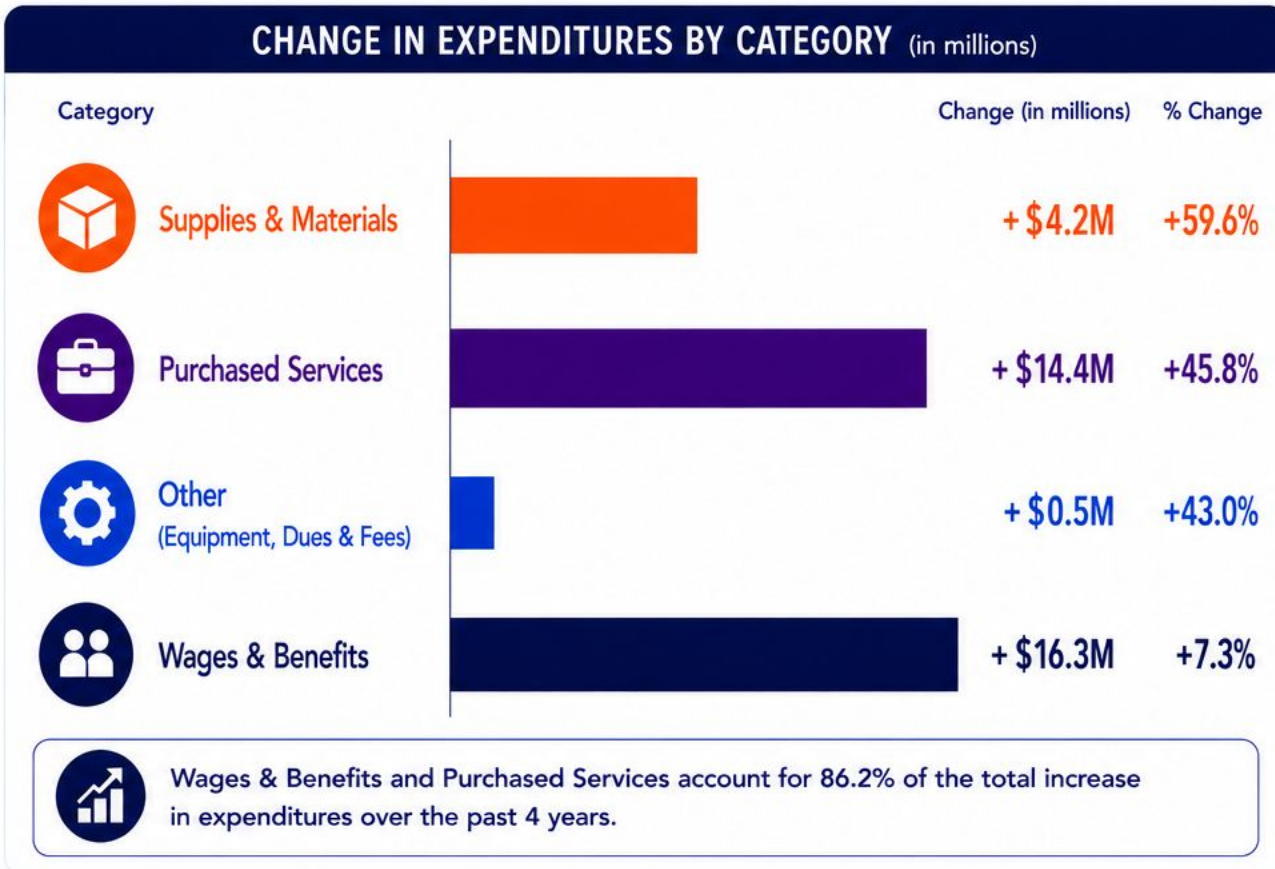
Ongoing analysis and responsible planning are essential to ensure long-term financial sustainability.

Note: Amounts may not sum due to rounding.

3. EXPENDITURE GROWTH BY CATEGORY (FY2021 – FY2025)

How Has Spending Changed Across Major Categories?

Financial Audit Year Ended June 30, 2025



KEY TAKEAWAYS

- SALARIES & BENEFITS UP \$16.3M (+7.3%)**
 Reflects continued investment in our people, including compensation and benefit costs.
- SUPPLIES & MATERIALS UP \$4.2M (+59.6%)**
 Moderate increase primarily due to higher utility and operational supply costs.
- PURCHASED SERVICES UP \$14.4M (+45.8%)**
 Largest percentage increase across categories, driven by people-related services, transportation, custodial/maintenance, and technology.
- OTHER COSTS UP \$0.5M (+43.0%)**
 Increase includes equipment, dues, and other operating costs.

OVERALL SUMMARY

Total General Fund expenditures increased by \$85.0M, or 36%, from \$224.2M in FY2021 to \$302.1M in FY2025.

KEY INSIGHT

People-related costs (Wages & Benefits + Purchased Services) account for \$30.7M, or 86.2%, of the total \$35.7M increase.

LOOKING AHEAD

Monitoring these cost drivers helps AAPS make informed decisions and align spending with student outcomes and priorities.


Note: Amounts may not sum due to rounding.

ANN ARBOR PUBLIC SCHOOLS

Purchased Services: Investing in Student Success & Learning Environments

FY25 Purchased Services Detail – Total \$45.9 Million

INSTRUCTIONAL SUPPORT




EduStaff – Substitute Teaching
\$5.7M | 12.4%

- Provides substitute teachers when staff are absent
- Ensures continuity of instruction and learning
- Critical to daily school operations and student success

★ Substitute teaching is an **INSTRUCTIONAL SERVICE** – not administrative.

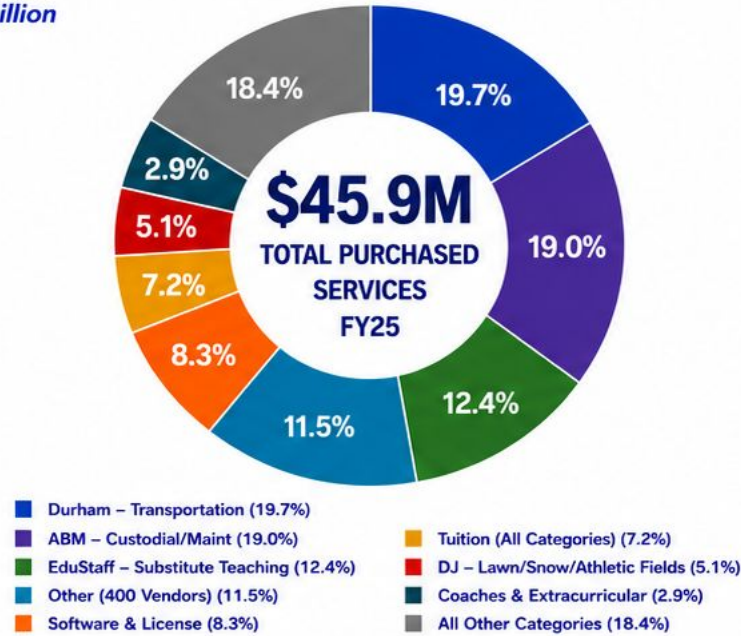
PROGRAM & STUDENT SUPPORT



Special Education Services
\$1.8M | 3.8%

Tuition / Dual Enrollment / Cosmetology
\$3.3M | 7.2%

Coaches & Extracurricular Support
\$1.3M | 2.9%




FY25 PURCHASED SERVICES BY CATEGORY			
1	Durham – Transportation	\$9,054,000	19.7%
2	ABM – Custodial/Maint	\$8,740,000	19.0%
3	EduStaff – Substitute Teaching	\$5,709,000	12.4%
4	Other (400 Vendors)	\$5,282,000	11.5%
5	Software & License	\$3,823,000	8.3%
6	Tuition (All Categories)	\$3,376,000	7.2%
7	DJ – Lawn/Snow/Athletic Fields	\$2,349,000	5.1%
8	Coaches & Extracurricular (PCMI – Coaches)	\$1,336,000	2.9%
9	All Other Categories	\$8,270,000	18.4%

TOTAL SPEND % OF TOTAL			
10	Special Education	\$1,761,000	3.8%
11	Legal	\$1,385,000	3.0%
12	Sewer/Water	\$1,067,000	2.3%
13	Insurance (MAISL/Gallagher/Selective)	\$923,000	2.0%
14	HVAC (WJ O'neil)	\$803,000	1.7%
15	Electric (A&N)	\$336,000	0.7%
16	Tuition – WISD ECA, WiHi, Wave	\$2,368,000	5.2%
17	Tuition – Other Categories (see right)	\$1,007,000	2.9%

TUITION DETAIL (FY25)	
Graduation Alliance	\$323,000
Cosmetology	\$248,000
Dual Enrollment	\$184,000
WISD Jail Education Program	\$24,000
WISD ECA, WiHi, Wave	\$2,368,000
A2 Virtual	\$228,000
TOTAL TUITION	\$3,375,000

STUDENT ACCESS & TRANSPORTATION



Durham – Transportation
\$9.1M | 19.7%

- Gets students safely to and from school
- Supports consistent attendance
- Enables equitable access to education

★ No transportation = barriers to learning.

SAFE & CLEAN LEARNING ENVIRONMENT



ABM – Custodial / Maintenance
\$8.7M | 19.0%

- Clean, safe, and healthy school facilities
- Daily cleaning and building maintenance
- Direct impact on student and staff well-being




DJ – Lawn/Snow /Athletic Fields
\$2.3M | 5.1%

- Maintains safe access to schools year-round
- Lawn care, grounds maintenance, and snow removal
- Supports safe operations in all seasons

★ A safe, clean environment supports student success.

OPERATIONS & INFRASTRUCTURE SUPPORT



Software & License	\$3.8M	8.3%
Insurance	\$0.9M	2.0%
HVAC	\$0.8M	1.7%
Legal	\$1.4M	3.0%
Utilities (Sewer/Water)	\$1.1M	2.3%
Other (400 Vendors)	\$5.3M	11.5%




ESSENTIAL. EVERY DAY. IMPACTFUL.
 These purchased services are essential to delivering instruction, ensuring student access, and maintaining safe, effective learning environments. Reductions in these areas could impact classroom learning, student safety, and the quality of our schools.



Support Instruction
 Ensure students learn every day.



Ensure Access
 Remove barriers so students can attend and participate.



Maintain Safe Environments
 Clean, well-maintained schools support health and learning.

Strategic investments in these services strengthen student outcomes and support the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

PURCHASED SERVICES SPENDING ANALYSIS

FISCAL YEARS 2021-22 TO 2024-25 (4-YEAR TREND)

Total purchased services spending was \$43.4M in FY 2021-22, increased to \$46.4M in FY 2022-23, and was \$45.9M in FY 2024-25.



TOTAL SPENDING (MILLIONS)

FY 2021 (2021-22)	FY 2022 (2022-23)	FY 2023 (2023-24)	FY 2024 (2024-25)
\$43.4M	\$44.7M	\$46.4M	\$45.9M



AVERAGE ANNUAL INCREASE (FY 2021-22 TO FY 2024-25)

+\$0.8M
(+1.8%)



YEAR OVER YEAR CHANGE

FY 22 vs FY 21	FY 23 vs FY 22	FY 24 vs FY 23
+\$1.3M (+2.8%)	+\$1.7M (+3.8%)	-\$0.5M (-1.0%)



LARGEST INCREASE (FY 2021-22 TO FY 2024-25)

Special Education
+\$0.2M
(+13.4%)

4-YEAR PURCHASED SERVICES SPENDING BY CATEGORY (SORTED BY FY 2025)

RANK	CATEGORY / VENDOR	FY 2022 (2021-22) (AMOUNT)	FY 2023 (2022-23) (AMOUNT)	FY 2024 (2023-24) (AMOUNT)	FY 2025 (2024-25) (AMOUNT)	AVERAGE ANNUAL INCREASE (FY 2021-22 TO FY 2024-25)	
						\$ CHANGE	% CHANGE
1	Durham - Transportation	\$6,664,347	\$7,831,525	\$8,850,498	\$9,054,431	+\$796,028	+12.6% ↑
2	ABM - Custodial/Maint	\$7,426,178	\$7,831,525	\$7,962,713	\$8,740,042	+\$437,955	+5.4% ↑
3	Edustaff - Subs	\$8,588,652	\$7,595,578	\$7,574,321	\$5,709,213	-\$959,813	-9.7% ↓
4	Other (400 vendors)	\$8,966,856	\$9,285,898	\$5,770,607	\$5,281,127	-\$1,228,576	-11.6% ↓
5	Software & License	\$3,864,443	\$3,529,739	\$3,351,024	\$3,823,758	-\$13,562	-0.3% ↓
6	Tuition - WISD ECA, WiHi, Wave	\$2,092,764	\$2,067,028	\$2,246,914	\$2,368,375	+\$91,870	+4.2% ↑
7	DJ - Lawn/Snow	\$1,739,988	\$1,422,539	\$2,007,732	\$2,349,223	+\$203,078	+10.4% ↑
8	Special Education	\$1,553,252	\$1,659,038	\$1,678,456	\$1,761,112	+\$69,287	+4.2% ↑
9	Legal	\$1,237,640	\$1,076,087	\$1,319,087	\$1,385,418	+\$49,259	+4.2% ↑
10	PCMI - Coaches	\$1,221,847	\$1,246,329	\$1,296,811	\$1,336,118	+\$38,757	+3.0% ↑
11	Sewer/water	\$975,681	\$929,119	\$875,822	\$1,066,881	+\$30,400	+3.0% ↑
12	MAISL/Gallagher/Selective - Insurance	\$763,147	\$798,228	\$950,668	\$923,413	+\$53,422	+6.5% ↑
13	Tuition - Graduation Alliance	\$641,500	\$842,474	\$767,746	\$323,231	-\$106,089	-15.9% ↓
14	WJ O'neil - HVAC	\$1,094,220	\$861,475	\$836,576	\$802,977	-\$97,081	-7.5% ↓
15	Tuition - Cosmetology	\$205,977	\$213,918	\$222,338	\$247,778	+\$13,934	+6.3% ↑
16	Tuition - Dual Enrollment	\$53,063	\$126,409	\$105,464	\$183,839	+\$43,592	+51.3% ↑
17	Tuition - WISD Jail	\$24,300	\$-	\$-	\$24,300	\$-	0.0%
17	Tuition - A2 Virtual	\$120,333	\$140,760	\$202,595	\$228,260	+\$35,976	+23.8% ↑
17	A and N Electric / Mcnaughton 2017 and before	\$289,580	\$610,176	\$381,061	\$335,979	+\$15,466	+3.3% ↑
TOTAL		\$43,428,265	\$44,678,339	\$46,400,433	\$45,945,475	+\$839,070	+1.8%

Totals may not sum due to rounding.

KEY TAKEAWAYS



OVERALL SPENDING

Purchased services spending increased \$2.5M (+5.8%) from FY 2021-22 to FY 2024-25.



LARGEST INCREASE

Special Education increased \$0.2M (+13.4%), the largest increase among all categories.



TOP DECREASES

- Other (400 vendors): **-\$1.2M** (-11.6%)
- Edustaff - Subs: **-\$1.0M** (-9.7%)
- WJ O'neil - HVAC: **-\$0.1M** (-7.5%)



TOP SPENDING CATEGORIES IN FY 2024-25

Durham - Transportation (19.7%) and ABM - Custodial/Maint (19.0%) together represent 38.7% of total spending.



SPENDING TREND

Spending increased in 2 of the 4 years, with the largest increase in FY 2023-24 (+3.8%) and a slight decrease in FY 2024-25 (-1.0%).

TOTAL FY 2025 SPENDING: \$45,945,475

Strategic investments in services strengthen learning environments, support operations, and advance the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

Supplies: Powering Learning, Operations & Student Success

FY25 Supplies Detail – Total \$11.2 Million

INSTRUCTIONAL SUPPLIES



Instructional Supplies

\$4.1M | 36.5%

- ✔ Classroom materials, textbooks, and instructional resources
- ✔ Supports high-quality teaching and student learning
- ✔ Directly impacts student achievement and engagement

★ **Strong instruction starts with the right tools and resources.**

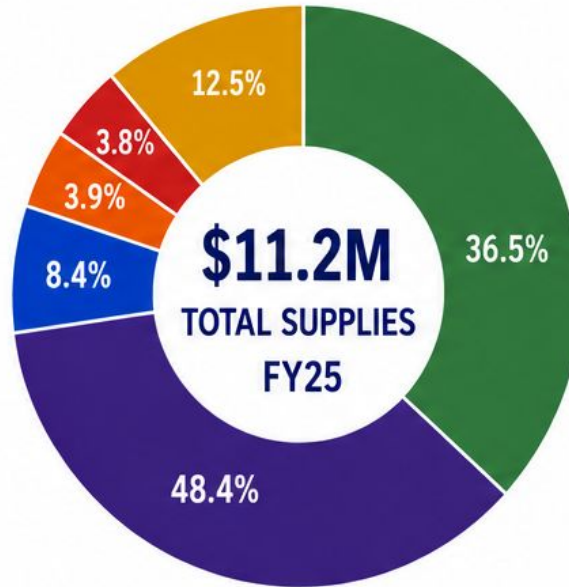
OPERATIONS & MAINTENANCE SUPPLIES



Operations & Maintenance Supplies

\$5.4M | 48.4%

- ✔ Facilities, maintenance, grounds, and custodial supplies
- ✔ Keeps schools safe, clean, and operational
- ✔ Supports daily operations across all buildings



- Instructional Supplies (36.5%)
- Operations & Maintenance Supplies (48.4%)
- Technology Supplies (8.4%)
- Health, Safety & Wellness Supplies (3.9%)
- Custodial Supplies (3.8%)
- Other Supplies (12.5%)

TECHNOLOGY SUPPLIES



Technology Supplies

\$0.9M | 8.4%

- ✔ Devices, peripherals, and tech accessories
- ✔ Supports digital learning and instructional technology
- ✔ Enables innovation and 21st century skills

★ **Technology empowers students and educators.**

HEALTH, SAFETY & WELLNESS SUPPLIES



Health, Safety & Wellness Supplies

\$0.4M | 3.9%

- ✔ Health office, nursing, and wellness supplies
- ✔ Promotes student health and well-being
- ✔ Supports readiness to learn

★ **Healthy students are ready to learn.**

CUSTODIAL SUPPLIES



Custodial Supplies

\$0.4M | 3.8%

- ✔ Cleaning supplies and products
- ✔ Maintains clean, healthy learning environments
- ✔ Supports safe operations for students and staff

★ **Clean schools support healthy learning.**

OTHER SUPPLIES



Other Supplies

\$1.4M | 12.5%

- ✔ Office, printing, art, athletics, and other general supplies
- ✔ Supports a wide range of school programs and activities
- ✔ Enables schools to meet diverse needs

★ **Every supply plays a role in student success.**



ESSENTIAL. EVERY DAY. IMPACTFUL.

Supplies may be behind the scenes, but they are essential to delivering high-quality instruction, maintaining safe schools, and supporting the whole child.



SUPPORT INSTRUCTION

Provides the materials and resources educators need to inspire and engage students.



ENSURE OPERATIONS

Keeps our schools clean, safe, and running smoothly every day.



PROMOTE WELL-BEING & SAFETY

Supports the physical and emotional health of our students and staff.

Strategic investments in supplies strengthen learning environments, support operations, and advance the AAPS mission.

ANN ARBOR PUBLIC SCHOOLS

SUPPLIES SPENDING ANALYSIS

FISCAL YEARS 2021-22 TO 2024-25 (4-YEAR TREND)

Total supplies spending was \$9.5M in FY 2021-22, increased to \$10.2M in FY 2022-23, decreased to \$9.9M in FY 2023-24, and reached \$11.2M in FY 2024-25.



TOTAL SPENDING (MILLIONS)

FY 2021 (2021-22)	FY 2022 (2022-23)	FY 2023 (2023-24)	FY 2025 (2024-25)
\$9.5M	\$10.2M	\$9.9M	\$11.2M



4-YEAR CHANGE (FY 2021-22 TO FY 2024-25)

+ \$1.7M
(+18.0%)



YEAR OVER YEAR CHANGE

FY 23 vs FY 22	FY 24 vs FY 23	FY 25 vs FY 24
+ \$0.7M (+7.5%)	-\$0.4M (-3.5%)	+ \$1.4M (+13.7%)



LARGEST INCREASE (FY 2021-22 TO FY 2024-25)

Teaching Supplies & Textbooks
+ \$2.1M
(+100.9%)

4-YEAR SUPPLIES SPENDING BY CATEGORY (SORTED)

RANK	CATEGORY	FY 2022 (2021-22) (AMOUNT)	FY 2023 (2022-23) (AMOUNT)	FY 2024 (2023-24) (AMOUNT)	FY 2025 (2024-25) (AMOUNT)	CHANGE FY 2021-22 TO FY 2024-25 (AMOUNT)	% CHANGE FY 2021-22 TO FY 2024-25
1	Teaching Supplies & Textbooks	\$2,041,243	\$2,493,681	\$2,560,598	\$4,100,339	+ \$2,059,096	+100.9% ↑
2	DTE Electric	\$3,729,150	\$4,054,233	\$4,147,458	\$3,918,622	+ \$189,472	+5.1% ↑
3	Other	\$1,636,679	\$1,247,602	\$1,037,917	\$1,407,066	-\$229,613	-14.4% ↓
4	Constellation - Gas	\$1,323,086	\$1,403,931	\$1,140,288	\$946,819	-\$376,267	-28.4% ↓
5	RKA Petroleum	\$422,369	\$561,934	\$527,078	\$438,052	+ \$15,683	+3.7% ↑
6	Colman Wolf - Custodial Supplies	\$377,027	\$481,073	\$470,492	\$431,438	+ \$54,411	+14.4% ↑
TOTAL		\$9,529,554	\$10,242,454	\$9,883,831	\$11,242,336	+ \$1,712,782	+18.0%

Totals may not sum due to rounding.



Note: Teaching Supplies & Textbooks increased to \$4.1M in FY25 due to the grant-funded **Arts & Letters**, a comprehensive K-8 English Language Arts (ELA) curriculum adopted by Ann Arbor Public Schools (AAPS) in Fall 2025.

KEY TAKEAWAYS



OVERALL SPENDING INCREASE

Total supplies spending increased \$1.7M (+18.0%) from FY 2021-22 to FY 2024-25.



LARGEST INCREASE

Teaching Supplies & Textbooks increased \$2.1M (+100.9%), the largest increase among all categories.



DECREASES OVER THE FOUR-YEAR PERIOD

Constellation - Gas decreased \$0.4M (-28.4%) and Other decreased \$0.2M (-14.4%).



TOP SPENDING CATEGORIES IN FY 2024-25

Teaching Supplies & Textbooks and DTE Electric together represent 71.4% of total supplies spending.



SPENDING TRENDS

Spending increased in 3 of the 4 years, with the largest increase in FY 2024-25 (+13.7%) following a small decrease in FY 2023-24 (-3.5%).

Strategic investments in supplies strengthen learning environments, support operations, and advance the AAPS mission.

AAPS FINANCIAL COMPARISON

How AAPS Invests Its Funding Compared to the Same Schools

2024-25 OPERATING EXPENDITURES BY CATEGORY (% OF REVENUE)



Responsible Choices.
Stronger Schools.
Brighter Futures.

OPERATING EXPENDITURES BY CATEGORY (% OF REVENUE)

CATEGORY	AAPS	PEER AVERAGE	NORTHVILLE PUBLIC SCHOOLS	SALINE AREA SCHOOLS	DEXTER COMMUNITY SCHOOLS	PLYMOUTH-CANTON COMMUNITY SCHOOLS	WAYNE-WESTLAND COMMUNITY SCHOOLS	LIVONIA PUBLIC SCHOOLS
Personnel Expenditures	76.0%	82.5%	79.6%	79.7%	86.2%	83.0%	84.6%	88.4%
Instructional Expenditures	58.3%	58.6%	64.1%	56.0%	58.1%	58.5%	55.3%	60.2%
Pupil Support Services	10.9%	9.4%	7.3%	11.2%	11.0%	9.2%	9.0%	6.9%
Instructional Staff Support Services	4.6%	5.7%	4.8%	4.1%	6.1%	8.2%	7.0%	5.4%
General Administration	1.2%	1.1%	0.9%	0.9%	1.8%	0.7%	1.5%	0.5%
School Administration	5.3%	5.3%	5.1%	5.1%	5.1%	6.0%	5.0%	5.7%
Business Services	1.01%	1.1%	1.06%	1.3%	1.3%	0.9%	0.9%	0.9%
Operations & Maintenance	7.35%	9.3%	8.78%	8.2%	9.3%	9.3%	10.6%	11.2%
Transportation	3.3%	4.0%	3.6%	2.8%	3.4%	5.2%	5.0%	4.5%
Central & Other Support Services	3.0%	2.6%	3.0%	2.5%	1.0%	2.4%	3.4%	2.9%
TOTAL CURRENT OPERATING EXPENDITURES AS % OF REVENUE	95.0%	97.0%	98.4%	92.1%	97.3%	100.3%	97.8%	98.3%

Source: 2024-25 Michigan School Data Visit (MSDV) – General Fund

Same Schools Include: Northville Public Schools, Saline Area Schools, Dexter Community Schools, Plymouth-Canton Community Schools, Wayne-Westland Community Schools, and Livonia Public Schools.

IMPACT OF CONTRACTED SERVICES SALARIES ON PERSONNEL EXPENDITURES

Including Custodial, Transportation, and Grounds/Maintenance

CONTRACTED SERVICES BREAKDOWN (ALL COMPONENTS)					
Category	Wages	Retirement	Taxes	Benefits	Total
Transportation	\$6,436,000	\$2,672,000	\$492,000	\$2,901,000	\$12,500,000
Custodial	\$6,887,000	\$2,859,000	\$527,000	\$2,487,000	\$12,760,000
Grounds/Mntc	\$3,470,000	\$1,440,000	\$265,000	\$808,000	\$5,983,000
Other contracted	\$1,600,000	\$664,000	\$122,000	\$564,000	\$2,950,000
TOTAL (ALL CONTRACTS)	\$18,393,000	\$7,635,000	\$1,406,000	\$6,760,000	\$34,193,000

IMPACT OF ADDING THE ENTIRE CONTRACT COST TO SALARIES & WAGES

Total AAPS Revenue Remains Unchanged at \$317,200,000



KEY TAKEAWAY:

Salaries & wages currently represent almost **76%** of AAPS total revenue. If the entire contract cost of **\$34 million** is added to salaries & wages, they would represent **87%** of total revenue, an increase of **11 percentage points**.

Note: All amounts are audited and reflect financial statements as of June 30 each year.

AAPS FINANCIAL COMPARISON

How AAPS Invests Its Funding Compared to the Same Schools

2024-25 OPERATING EXPENDITURES BY CATEGORY (% OF REVENUE)



Responsible Choices.
Stronger Schools.
Brighter Futures.

OPERATING EXPENDITURES BY CATEGORY (% OF REVENUE)

CATEGORY	AAPS	PEER AVERAGE	NORTHVILLE PUBLIC SCHOOLS	SALINE AREA SCHOOLS	DEXTER COMMUNITY SCHOOLS	PLYMOUTH-CANTON COMMUNITY SCHOOLS	WAYNE-WESTLAND COMMUNITY SCHOOLS	LIVONIA PUBLIC SCHOOLS
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Pupil Support Services	10.9%	9.4%	7.3%	11.2%	11.0%	9.2%	9.0%	6.9%
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School Administration	5.3%	5.3%	5.1%	5.1%	5.1%	6.0%	5.0%	5.7%
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Source: 2024-25 Michigan School Data Visit (MSDV) – General Fund

Same Schools Include: Northville Public Schools, Saline Area Schools, Dexter Community Schools, Plymouth-Canton Community Schools, Wayne-Westland Community Schools, and Livonia Public Schools.

ANN ARBOR PUBLIC SCHOOLS

Salaries & Wages: Investing in Our People, Strengthening Student Success

FY25 Salaries & Wages Detail – Total \$240.5 Million

OUR PEOPLE



Our People Drive Student Success

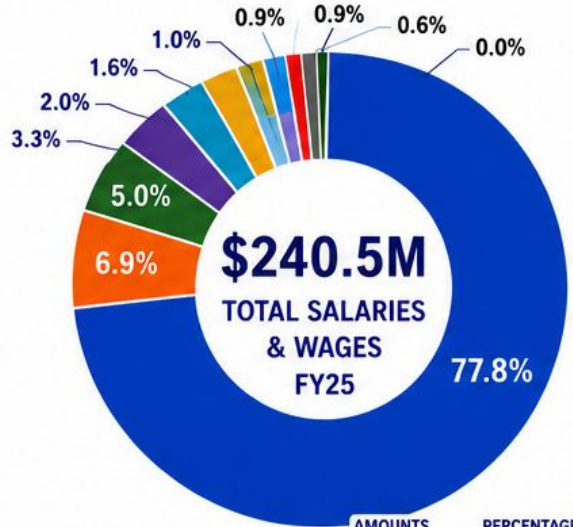
\$240.5M

of Total Salaries & Wages

- ✓ Attract and retain high-quality educators and staff
- ✓ Competitive compensation supports excellence
- ✓ Investing in people = investing in students



Our dedicated staff are the foundation of every student's success.



	AMOUNTS	PERCENTAGE
Teachers (AAEA)	\$187,100,348	77.8%
Parapros	\$16,547,557	6.9%
Principals (AAAA)	\$12,068,360	5.0%
Office Professionals	\$8,032,281	3.3%
Hourly	\$4,725,480	2.0%
Directors	\$3,739,819	1.6%
Tech Service (AFSCME)	\$2,370,446	1.0%
Cabinet Administration	\$2,244,854	0.9%
Non-Bargained	\$2,120,676	0.9%
Coordinators (ASCSA)	\$1,499,733	0.6%
ParaPro (SACC specific)	\$60,254	0.0%
TOTAL	\$240,509,808	100.0%

Totals may not sum due to rounding.

INVESTING IN OUR STAFF



- ✓ Supports staff recruitment and retention
- ✓ Recognizes experience and expertise
- ✓ Strengthens student learning every day



Great schools start with great people.

COMPENSATION HIGHLIGHTS



Competitive salaries help us attract and retain top talent.



Step increases and lane advancements reward experience and growth.



Benefits and wellness programs support the well-being of our staff and families.

5-YEAR SALARIES & WAGES TREND



FISCAL YEAR	TOTAL	% CHANGE
2020-21	\$206.9M	-
2021-22	\$218.3M	5.5%
2022-23	\$227.9M	4.4%
2023-24	\$233.1M	2.3%
2024-25	\$240.5M	3.2%

Reflects total salaries and wages for all staff.



PEOPLE. PURPOSE. POSSIBILITIES.

Our staff are the heart of AAPS. By investing in competitive compensation, professional growth, and well-being, we empower our employees to deliver exceptional learning experiences and inspire every student to thrive.



Grow Talent

Invest in recruitment, retention, and professional growth.



Support Well-Being

Provide benefits and resources that support staff and families.



Inspire Excellence

Empower our people to make a lasting impact every day.

Our people are our greatest asset. Investing in staff strengthens schools and transforms futures.

AAPS SALARIES & WAGES BY FUNCTION

Investing in Our People, Strengthening Student Success

Fiscal Years 2021–22 to 2024–25 (4-Year Trend)

Total salaries & wages were \$237.8M in FY 2021–22 and increased to \$240.5M in FY 2024–25.



TOTAL SALARIES & WAGES
FY 2024–25
\$240.5M



4-YEAR CHANGE
(FY 2021–22 TO FY 2024–25)
+\$2.7M
(+1.1%)



4-YEAR CHANGE
(FY 2021–22 TO FY 2024–25)
(-8.2%)
(Spending decrease)

SALARIES & WAGES BY FUNCTION (BY FISCAL YEAR)						
FUNCTION	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25	4-YEAR CHANGE	
	6/30/22	6/30/23	6/30/24	6/30/25	\$ CHANGE	% CHANGE
	AMOUNT	AMOUNT	AMOUNT	AMOUNT		
Teachers (AAEA)	\$181,672,715	\$195,108,969	\$199,054,710	\$187,100,348	+\$5,427,633	3.0% ↑
Paraprofessionals	\$17,748,084	\$19,997,968	\$19,164,950	\$16,547,557	-\$1,200,527	-6.8% ↓
Principals (AAAA)	\$11,771,152	\$13,162,734	\$13,538,776	\$12,068,360	+\$297,208	2.5% ↑
Office Professionals	\$8,248,453	\$8,496,775	\$8,478,359	\$8,032,281	-\$216,172	-2.6% ↓
Hourly	\$3,908,318	\$5,066,223	\$4,860,322	\$4,725,480	+\$817,172	20.9% ↑
Directors	\$3,299,649	\$3,956,429	\$4,075,323	\$3,739,819	+\$440,170	13.3% ↑
Tech Service (AFSCME)	\$2,074,488	\$2,384,904	\$2,582,923	\$2,370,446	+\$295,958	14.3% ↑
Cabinet Administration	\$2,269,380	\$2,768,078	\$3,229,062	\$2,244,855	-\$24,525	-1.1% ↓
Coordinators (ASCSA)	\$2,447,323	\$2,998,714	\$1,654,656	\$1,499,733	-\$947,590	-38.7% ↓
Non-Bargained	\$4,032,765	\$4,752,455	\$5,269,780	\$2,120,676	-\$1,912,089	-47.4% ↓
ParaPros (SACC specific)	\$319,185	\$403,238	\$45,617	\$60,253	-\$258,932	-81.1% ↓
TOTAL	\$237,791,512	\$259,096,487	\$261,954,478	\$240,509,808	+\$2,718,296	1.1% ↑

Totals may not sum due to rounding.

STAFFING (FTE) BY FUNCTION (BY FISCAL YEAR)						
FUNCTION	FY 2021–22	FY 2022–23	FY 2023–24	FY 2024–25	4-YEAR CHANGE	
	6/30/22	6/30/23	6/30/24	6/30/25	# CHANGE	% CHANGE
	FTE	FTE	FTE	FTE		
Teachers (AAEA)	1,451	1,474	1,469	1,356	-95	-6.6% ↓
Paraprofessionals	379	384	345	295	-84	-22.2% ↓
Principals (AAAA)	66	70	66	59	-7	-10.6% ↓
Office Professionals	113	111	112	111	-2	-1.8% ↓
Hourly	93	110	105	102	9	9.7% ↑
Directors	19	21	23	21	2	10.5% ↑
Tech Service (AFSCME)	20	21	22	22	2	10.0% ↑
Cabinet Administration	9	9	8	7	-2	-22.2% ↓
Coordinators (ASCSA)	23	24	25	24	1	4.3% ↑
Non-Bargained	38	40	41	19	-19	-50.0% ↓
ParaPros (SACC specific)	-	22	22	22	22	N/A
TOTAL FTE	2,118	2,176	2,133	1,937	-181	-8.6% ↓

Totals may not sum due to rounding.

KEY TAKEAWAYS



Overall Spending:
Total salaries & wages increased \$2.7M (+1.1%) over the past four years.



4-Year Change:
FY 2024–25 spending decreased 8.2% compared to FY 2021–22.



Largest Decrease:
Paraprofessionals decreased \$1.2M (-6.8%) over the four-year period.



FTE Change:
Total FTE decreased by 181 (-8.6%) from FY 2021–22 to FY 2024–25.

KEY INSIGHTS



- Teachers (77.8%) represent the largest share of salaries & wages.
- Paraprofessionals saw the largest spending decrease (-\$1.2M).
- Non-Bargained had the largest decrease (-\$1.9M).
- Total FTE has declined 8.6% over the past four years.
- Investing in people remains central to our mission and student success.



OUR PEOPLE ARE OUR GREATEST ASSET.

Investing in staff strengthens schools and transforms futures.

AAPS TEACHER COMPENSATION

How AAPS Compares to Peer Districts (2024-25)



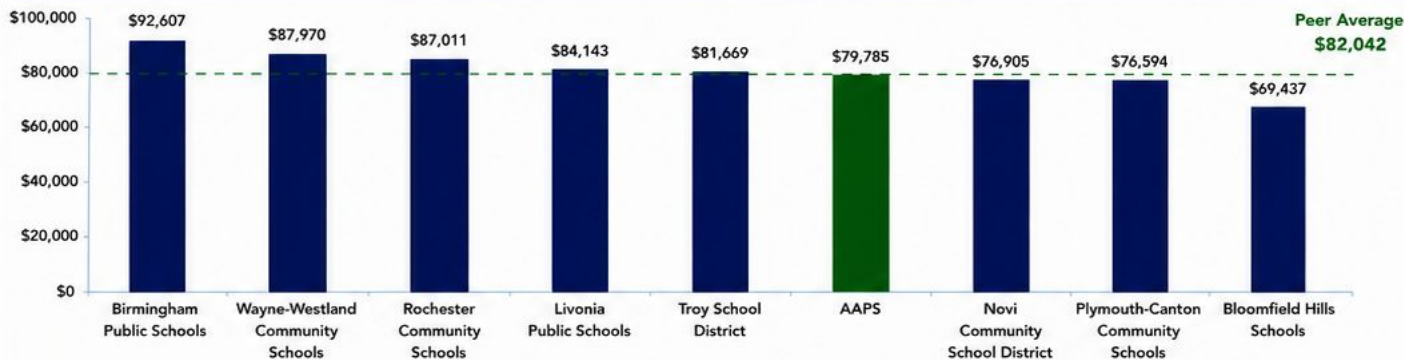
OUR PRIMARY CHALLENGE:

Steps 3–10 are competitive with peer districts, but top of scale (Step 11+) falls behind—making it harder to retain experienced teachers.

AVERAGE TEACHER COMPENSATION COMPARISON (2024-25)¹

Rank (High to Low)	District	Average Teacher Compensation (2024-25) ¹
1	Birmingham Public Schools	\$92,607
2	Wayne-Westland Community Schools	\$87,970
3	Rochester Community Schools	\$87,011
4	Livonia Public Schools	\$84,143
5	Troy School District	\$81,669
6	ANN ARBOR PUBLIC SCHOOLS (AAPS)	\$79,785
7	Novi Community School District	\$76,905
8	Plymouth-Canton Community Schools	\$76,594
9	Bloomfield Hills Schools	\$69,437
	Average of Peer Districts	\$82,042

AVERAGE TEACHER COMPENSATION (2024-25)¹



¹ Source (Compensation Data): Michigan Department of Education 2024-25 Bulletin 1014

Note: Compensation includes salary and wages for teachers. Does not include benefits.

² Source (Teacher Counts): Michigan Department of Education 2024-25 Official Membership Count (Table 1A)

KEY DATA POINTS



\$79,785

AAPS Average Teacher Compensation (2024-25)

Rank: 6 out of 9 districts



\$82,042

Average of Peer Districts (2024-25)

AAPS is \$2,257 below the peer average.



1,356

AAPS Teachers (2024-25)²



\$67,454

Average of In-County Districts (2024-25)

AAPS is \$12,331 above the in-county average.

IN-COUNTY COMPARISON (2024-25)

Average of In-County Districts	\$67,454
AAPS	\$79,785
Difference	+\$12,331
AAPS Above In-County Average	18.3%

AAPS BY THE NUMBERS: HOW WE COMPARE

Key Staffing, Compensation and Operational Indicators

COMPARABLE DISTRICTS OUT OF COUNTY

Comparable Districts Out of County	1 Student to Teacher Ratio	2 Average Teacher Compensation	3 Elementary Class Size	4 Elementary Planning Time	5 2026 Student FTE
AAPS	18	\$ 79,785	20-27	330 mins	16,547.30
Birmingham	19	\$ 92,607	28-31	270 mins	7,258.01
Bloomfield Hills	15	\$ 69,437	26-29	330 mins	4,911.74
Livonia	22	\$ 84,143	25-26	min 170 mins	13,070.71
Novi	19	\$ 76,905	25-28	275 mins	6,752.24
Plymouth-Canton	22	\$ 76,594	25-28	250 mins	15,994.61
Rochester	25	\$ 87,011	25-34	240 mins	14,694.40
Wayne-Westland	24	\$ 87,970	20-26	250 mins	9,338.09
Troy	21	\$ 81,669	20-26	min 225 mins	12,068.58
Average of Districts Out of County	21	\$ 82,042			10,510.55
AAPS	18	\$ 79,785			16,547.30

COMPARABLE DISTRICTS IN COUNTY

Comparable Districts In County	1 Student to Teacher Ratio	2 Average Teacher Compensation	3 Elementary Class Size	4 Elementary Planning Time	5 2026 Student FTE
AAPS	18	\$ 79,785	20-27	330 mins	16,547.30
Ypsilanti	20	\$ 56,893	25-32	min 250 mins	3,856.44
Chelsea	20	\$ 83,850	28-30	420 mins	2,284.95
Dexter	17	\$ 73,811	22-31	300 mins	3,312.59
Lincoln	25	\$ 68,494	20-28	250 mins	3,394.24
Manchester	17	\$ 58,983	23-30	450 mins	652.48
Milan	20	\$ 62,867	20-25	min 200 mins	1,720.24
Saline	23	\$ 75,176	25-30	150 mins	4,645.48
Whitmore Lake	18	\$ 59,557	18-27	250 mins	719.50
Average of Districts In County	20	\$ 67,454			2,573.24
AAPS	18	\$ 79,785			16,547.30

KEY INSIGHTS



STAFF PER STUDENT

AAPS has more FTE staff than both the out-of-county and in-county averages.

Out of County: +6,036.75 FTE
In County: +13,974.06 FTE



HIGHER COMPENSATION

AAPS average teacher compensation is above both out-of-county and in-county averages.

Out of County: +\$2,257
In County: +\$12,331



MORE PLANNING TIME

AAPS provides 330 minutes of elementary planning time—higher than most districts.



RIGHTSIZING IS ESSENTIAL

Aligning staffing with enrollment and optimizing resources helps ensure long-term sustainability and investment in students.



THE BIG PICTURE

AAPS has more staff, higher compensation, and higher planning time than most comparable districts—yet maintains a lower student FTE than out-of-county peers.



THE IMPERATIVE

Rightsizing staffing levels is essential to ensure resources are aligned with enrollment and used efficiently to support students, maintain high-quality instruction, and strengthen financial stability.



**RIGHTSIZING TODAY
STRENGTHENS OUR
FUTURE TOMORROW.**



NOTE: AAPS is committed to managing rightsizing primarily through attrition and natural turnover to minimize disruption for students and staff.

Source: Michigan Department of Education 2024-25 Bulletin 1014, State Aid Website and/or Districts Websites.

MORE TEACHERS. LOWER AVERAGE SALARIES.



When total salary dollars stay the same, adding teachers means the dollars are spread across more people—resulting in a **lower average salary**.

FICTITIOUS SCHOOL DISTRICT EXAMPLE

Total Teacher Salary Budget
(stays the same):

\$120,000,000

SCENARIO A: FEWER TEACHERS



Number of Teachers (FTE)

1,400



Total Teacher Salary Budget

\$120,000,000

(Same in both scenarios)

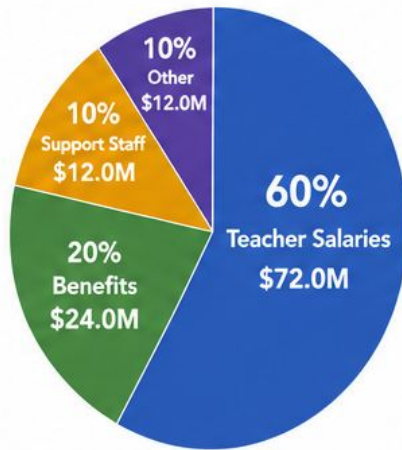


Average Salary per Teacher

$\$120,000,000 \div 1,400 =$

\$85,714

How the \$120M is Spent
(Example Breakdown)



Total: \$120,000,000



SCENARIO B: MORE TEACHERS



Number of Teachers (FTE)

1,500

(+100 teachers)



Total Teacher Salary Budget

\$120,000,000

(Same in both scenarios)

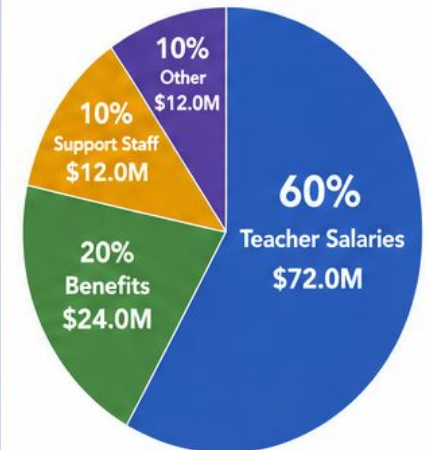


Average Salary per Teacher

$\$120,000,000 \div 1,500 =$

\$80,000

How the \$120M is Spent
(Example Breakdown)



Total: \$120,000,000

+100
More Teachers

=

Same
Total Budget
(\$120,000,000)

=

-\$5,714
Lower Average Salary
per Teacher



RECOMMENDATIONS

Actionable Strategies to Strengthen Resources, Support Students, and Promote Long-Term Sustainability



STAFFING



INSTRUCTIONAL
SUPPORT



LEAN
OPERATIONS



FORWARD
LOOKING

LEAD . CARE . INSPIRE .

MANAGING DISTRICT STAFFING CAPACITY

Right Size Today. Invest in Tomorrow.

1 SET A TARGET RATIO



Establish a target Student to Teacher ratio aligned with in-county and out-of-county averages (18–25 students per teacher).

2 MANAGE THROUGH ATTRITION



Use natural turnover to reduce teacher FTE over time. Avoid backfilling positions unless aligned to priority needs and enrollment.

3 TRACK AND MONITOR



Monitor attrition and enrollment trends monthly to project staffing needs and ensure progress toward the target ratio.

4 ALIGN RESOURCES TO PRIORITIES



Redirect staffing resources to support classroom instruction, student well-being, and high-impact initiatives.

OUR PROCESS: MANAGE, MEASURE, ADAPT



Set target ratio and annual staffing goals.



Track enrollment, staffing, and attrition monthly.



Review data and update projections quarterly.



Make staffing decisions based on data and priorities.



Communicate progress and adjust as needed.

IMPACT OF ACHIEVING A RIGHT SIZE



FINANCIAL FLEXIBILITY

Right sizing staff to enrollment creates recurring savings that can be reinvested in priorities, including teacher compensation.



STRONGER TEACHER COMPENSATION

Sustainable staffing levels build capacity to address compensation concerns and remain competitive in attracting and retaining talent.



LONG-TERM SUSTAINABILITY

Aligning staffing with enrollment supports fiscal responsibility and long-term stability for our district.

BUILDING COMPARISON BY LEVEL

How AAPS Manages Its Facilities Compared to Michigan Districts with Similar Enrollment

2024-25 NUMBER OF BUILDINGS BY LEVEL



Responsible Choices.
Stronger Schools.
Brighter Futures.

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	2	24	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
 • **Plymouth-Canton Community Schools:** www.pccsk12.com/about-us/our-district
 • **Rochester Community School District:** www.rochester.k12.mi.us/about-rcsd/our-schools
 • **Utica Community Schools:** 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



Responsible Choices.
Stronger Schools.
Brighter Futures.

Strategic Investments Today for a Stronger, More Sustainable Future

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

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 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 Revenue 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



Responsible Choices.
Stronger Schools.
Brighter Futures.

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

FINANCIAL STABILITY & RISK REDUCTION



Tied to Recommendation:

LAND AND BUILDING SALES

- ✓ Generate one-time revenue to strengthen fund balance and support long-term stability.
- ✓ Reduce financial risk and protect against future budget gaps.
- ✓ Avoid state intervention by proactively addressing structural deficits.

INVESTMENT IN STAFF



Tied to Recommendation:

RIGHT SIZE STAFFING THROUGH ATTRITION

- ✓ Align staffing with enrollment and program needs.
- ✓ Reduce costs responsibly through natural attrition.
- ✓ Invest in our people and retain top talent.

STUDENT & PROGRAM IMPACT



Tied to Recommendation:

SCHOOL CONSOLIDATION & PROGRAM MODIFICATIONS

- ✓ Optimize resources and right size our school footprint.
- ✓ Strengthen programs by aligning with student needs.
- ✓ Improve opportunities and outcomes for every student.



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

ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.



**AAPS Budget
Study Session
Board of Education
May 13, 2026**