AAPS FINANCES IN PERSPECTIVE

A comparative look at enrollment, per-pupil funding, comparable districts, and the state context shaping AAPS finances

30.4%
Decline in real per-pupil funding since 1994–95

~$5,000
Per-pupil gap if funding kept pace with inflation

16,500
FY2026 enrollment — back to 2014 levels

48%
General fund revenue that is unrestricted

Sources: MDE Bulletin 1014 • MDE State Aid Status Report • MI Parents for Schools (mipfs.org) • CEPI School Data • US Bureau of Labor Statistics • August 2026

AAPS is not mismanaged. The structural deficit is the product of 30 years of state funding that has failed to keep pace with inflation, compounded by our status as a "hold harmless" district.

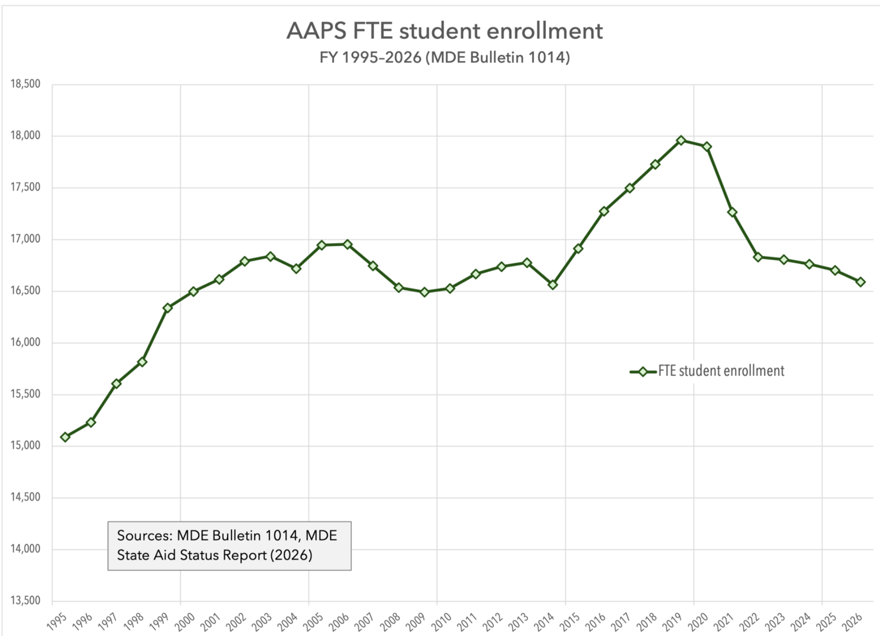
WHAT'S INSIDE:

- ✓ 1. Enrollment Trends
- ✓ 2. Foundation Allowance History
- ✓ 3. Revenue & Restrictions
- ✓ 4. Comparable Districts
- ✓ 5. Teacher Pay & Class Size
- ✓ 6. State Context & MPSERS

ENROLLMENT TRENDS

FTE Student Enrollment — FY1995 to FY2026 • Source: MDE Bulletin 1014

~1,500	17,900	-1,400	16,500
Students gained 1995–2000	Peak enrollment (2018–2019)	Students lost pandemic drop	FY2026 — back to 2014 levels



1995–2000
Enrollment grew by ~1,500

2000–2014
Stable at 16,500–17,000

2014–2019
Schools of choice and new programs added ~1,500 students & ~$15M revenue

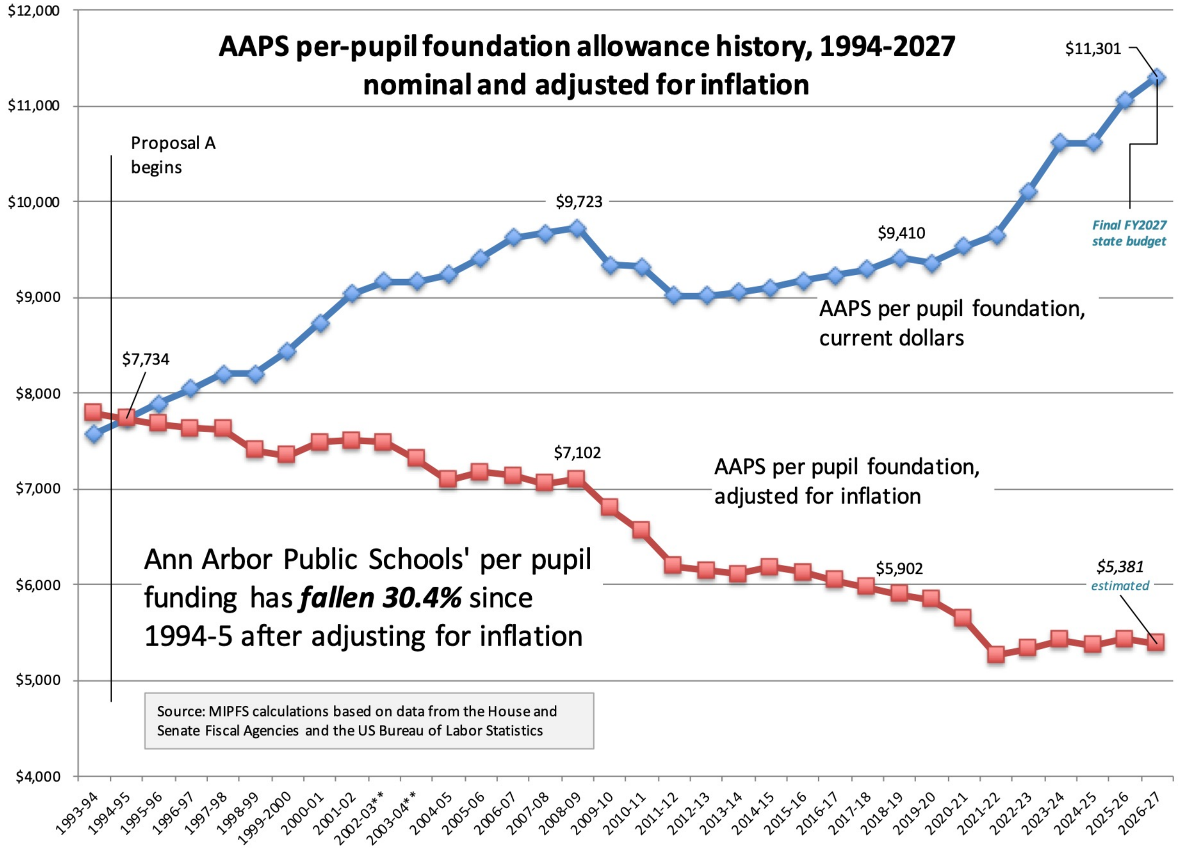
2020–2022
Pandemic drop — precipitous first two years

FY2026
Back to 2014 levels at ~16,500

✓ **Falling enrollment hits budgets hard — revenues fall faster than costs can be cut. Each student lost = one fewer per-pupil foundation allowance ($10,922 in FY2026).**

FOUNDATION ALLOWANCE

Per-Pupil Funding: Nominal vs. Inflation-Adjusted • FY1994 to FY2027



30.4%
Decline in real per-pupil funding since 1994–95

$11,301
Current dollars FY2027 (estimated)

$5,381
Inflation-adjusted FY2027 (estimated)

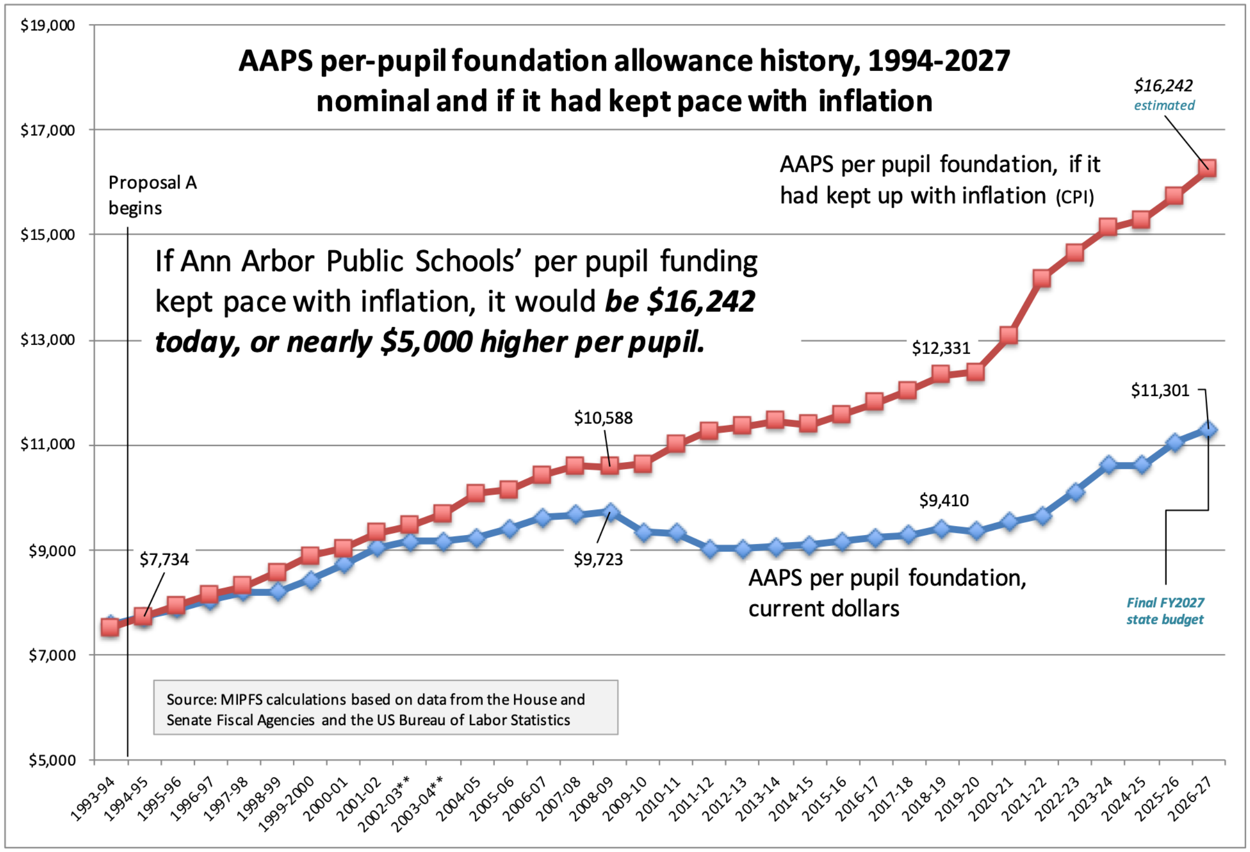
~$5,000
Gap vs. inflation adjusted estimate

✓ **As a "hold harmless" district, AAPS receives only the base increase — never the 2x formula. The hold-harmless add-on has never been adjusted for inflation — compounding the loss every year.**

THE INFLATION GAP

What If Funding Had Kept Pace With Inflation? • FY1994 to FY2027

SECTION 2



IF INFLATION-ADJUSTED

$16,242

per pupil (FY2027 est.)

vs. $11,301 actual

~$5,000 per pupil shortfall

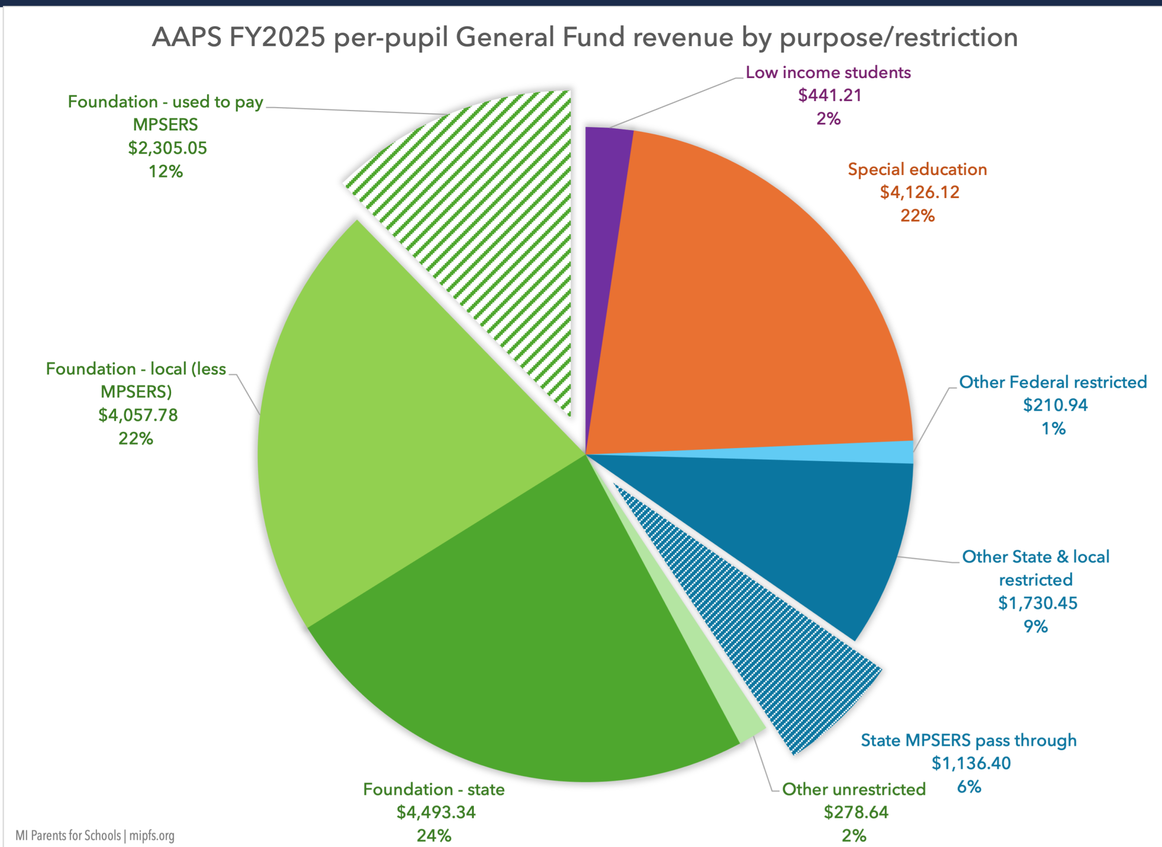
With 16,500 students = $80M+ in annual lost purchasing power

This is not a management failure.

It is the compounding result of 30 years of state policy that has not kept pace with the cost of delivering education.

REVENUE & RESTRICTIONS

FY2025 General Fund Revenue — How Is It Restricted? • Source: MI Parents for Schools



48% Unrestricted — available for salaries and programs

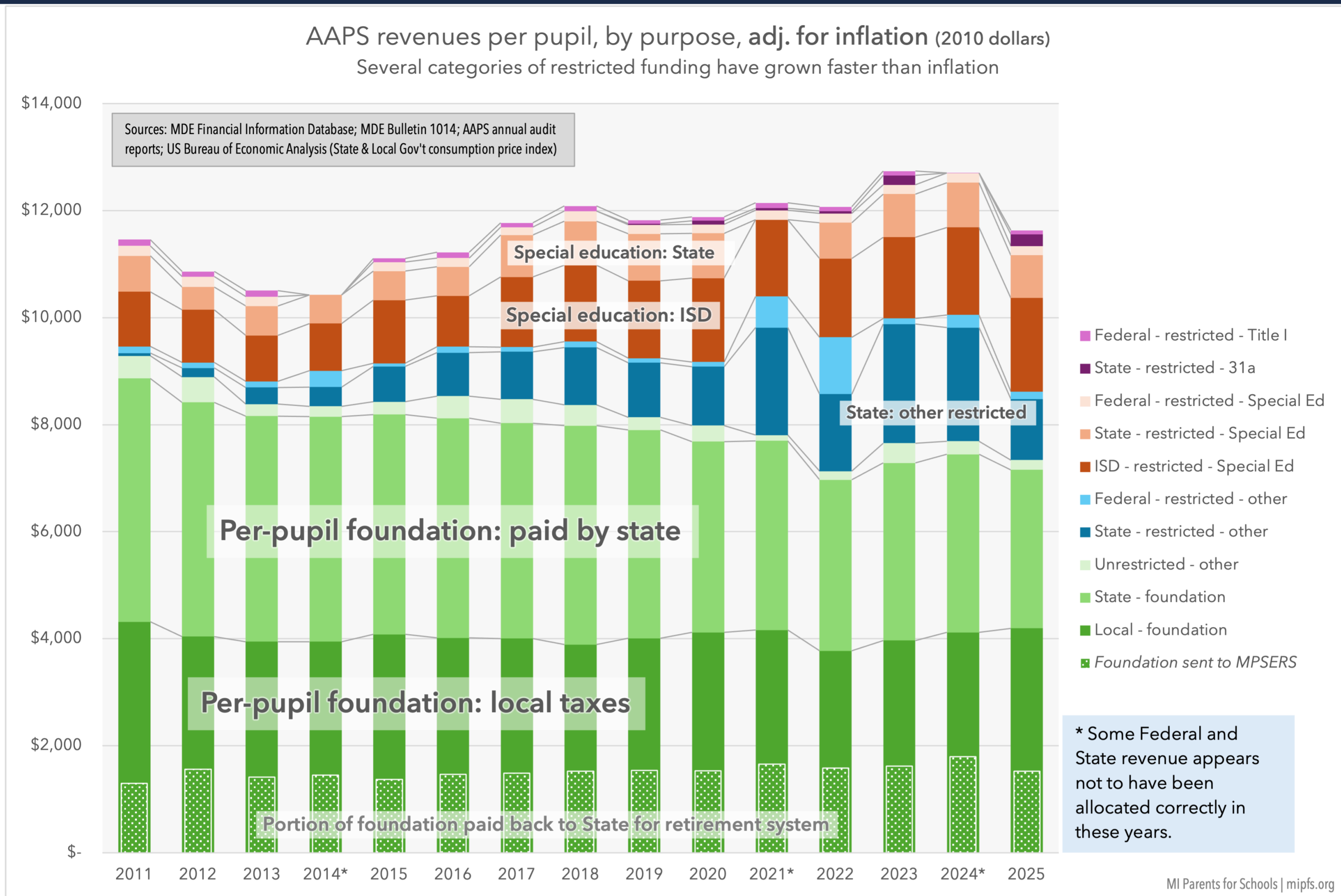
34% Restricted — earmarked for specific purposes

18% All funding used to pay MPSERS retirement

✓ **Only 48 cents of every dollar received is truly available for operational decisions. The share of restricted revenue has grown over time — and inflation-adjusted unrestricted revenue has been declining since FY2011.**

REVENUE & RESTRICTIONS

FY2025 General Fund Revenue — How Is It Restricted? • Source: MI Parents for Schools



COMPARABLE DISTRICT ANALYSIS

AAPS vs. Southeast Michigan Districts • FY2025 • Source: MDE Bulletin 1014, CEPI

District Name	Pupil FTE	Average Teacher Salary	Basic Instruction Expenditures per pupil	Total Instructional Salaries per pupil	Total Administration per pupil	Pupil Teacher Ratio
Ann Arbor	16,702	$79,785	**$8,646**	**$10,189**	$1,907	18.41
Dexter	3,314	**$73,811**	$7,696	$9,179	$1,563	**17.46**
Saline	4,687	$75,176	**$6,562**	$8,831	$1,615	22.57
Livonia	13,163	$84,143	$7,151	$8,797	$1,550	21.90
Northville	7,046	$86,235	$7,605	$8,499	$1,392	21.92
Plymouth-Canton	16,026	$76,594	$6,938	**$8,360**	$1,510	21.55
Wayne-Westland	9,583	**$87,970**	$7,404	$9,040	**$1,938**	**24.48**
Utica	25,181	$83,611	$7,635	$8,879	**$1,174**	22.28

★ AAPS has the HIGHEST basic instruction expenditures per pupil of all comparison districts

! Districts with higher salaries all have regional enhancement millages — WISD does not

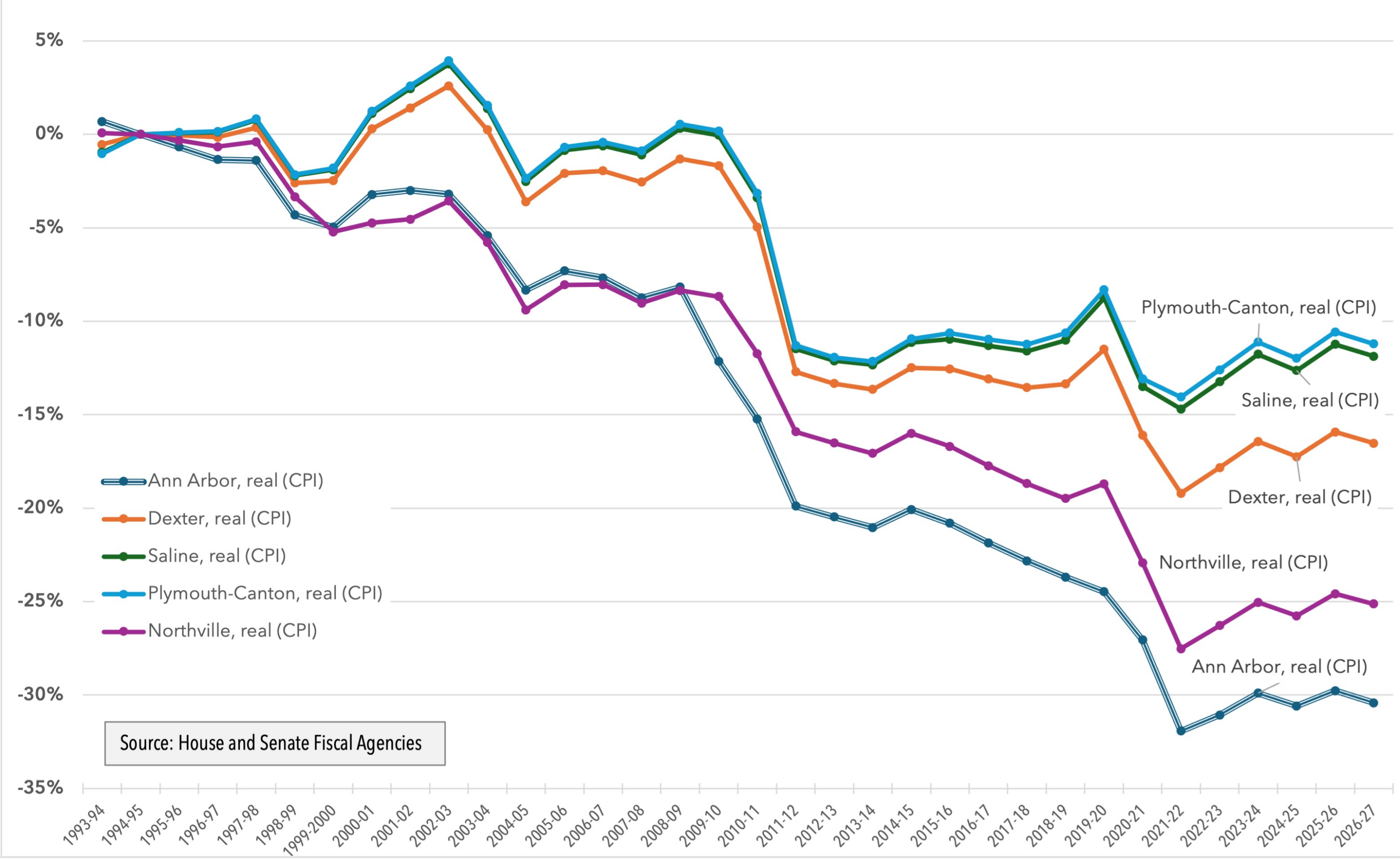
★ AAPS has the HIGHEST total instructional salaries per pupil of all comparison districts

! AAPS average salary is near its step maximum — far more teachers at top steps than peers

✓ **Despite lower nominal salary maximums, AAPS leads on per-pupil instructional spending because of its class size commitments and the high proportion of teachers at senior steps — a structural cost that is a student-centered investment.**

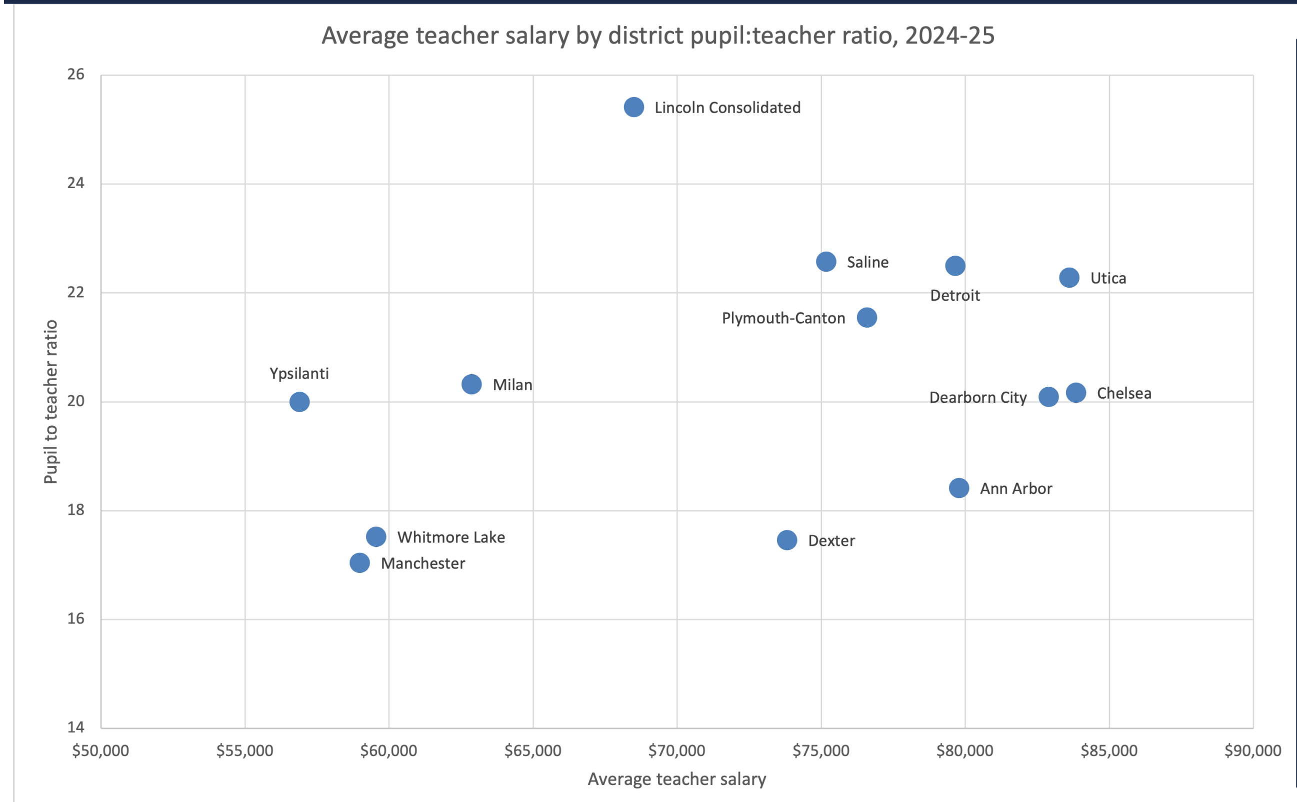
COMPARABLE DISTRICT ANALYSIS

AAPS vs. Southeast Michigan Districts • Real foundation allowance change since 1995 • Source: House & Senate Fiscal Agencies



TEACHER PAY & CLASS SIZE

The Tradeoff: Higher Salaries vs. Smaller Classes • Contractual limits — comparable districts



THE AAPS CLASS SIZE COMMITMENT

- ✓ Kindergarten max: 20 — lowest among comparables
- ✓ Grades 3–5 max: 27 — among lowest
- ✓ Student-to-teacher ratio: 12.4 — tied lowest
- ✓ Higher salary + smaller classes = higher per-pupil instructional cost
- ✓ No comparable district pays higher average salaries with a lower pupil:teacher ratio than AAPS

✓ **AAPS has worked to keep salaries competitive AND maintain low class sizes — a combination that puts real pressure on the budget but reflects a deliberate commitment to student learning conditions.**

TEACHER PAY & CLASS SIZE

The Tradeoff: Higher Salaries vs. Smaller Classes • Contractual limits — comparable districts

Target/average class sizes, AAPS and comparable districts

		Class size limts per most recent collective bargaining agreement													
Districts	**Year**	**Kindergarten**	**1st**	**2nd**	**3rd**	**4th**	**5th**	**6th**	**7th**	**8th**	**9th**	**10th**	**11th**	**12th**	Student:teacher ratio (2025)
Ann Arbor	2025	**20**	**22**	**22**	**24**	27	**27**	30	30	30	33	33	33	33	18.4
Dexter	2026	22	23	23	25	**25**	**27**	**27**	**28**	**28**	30	30	30	30	**17.5**
Saline	2026	23	24	27	27	29	29	**35**	**35**	**35**	**35**	**35**	**35**	**35**	22.6
Livonia	2026	**30**	**32**	**32**	**32**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	21.9
Northville	2026	25	25	28	28	28	28	29	29	29	**29**	**29**	**29**	**29**	21.9
Plymouth-Canton	2026	25	25	25	25	28	28	28	30	30	30	30	30	30	21.6
Wayne-Westland	2026	26	27	27	27	27	**27**	30	32	32	33	33	33	33	**24.5**
Utica	2025	27	28	29	31	32	32	32	34	34	34	34	34	34	22.3

Notes: Class size limits are taken from the text of the local Education Association agreements. Limits generally reflect upper limits before extra compensation is required. High school and middle school limits are for most core classes; there are often various other limits set for special courses such as laboratory classes, physical education, and academic support. Overall student:teacher ratio is from the 2025 MDE Bulletin 1014 report.

MI Parents for Schools | mipfs.org

STATE CONTEXT & THE MPSERS SQUEEZE

Michigan's Declining Investment in K-12 Education and the Retirement System Burden

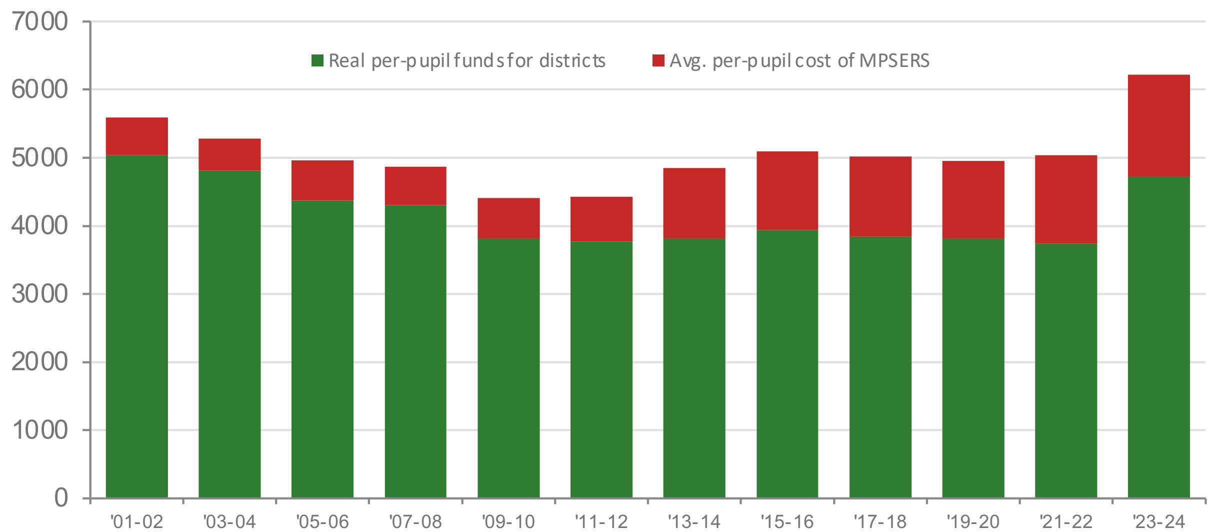
SECTION 5

36th
Michigan's national rank for instructional salaries (2023)

8th
Michigan's national rank for employee benefits (MPSERS)

$4.1B
Additional statewide if MI kept 1995 K-12 funding commitment

16.2%
Real decline in per-pupil funds available to schools (vs FY2002)



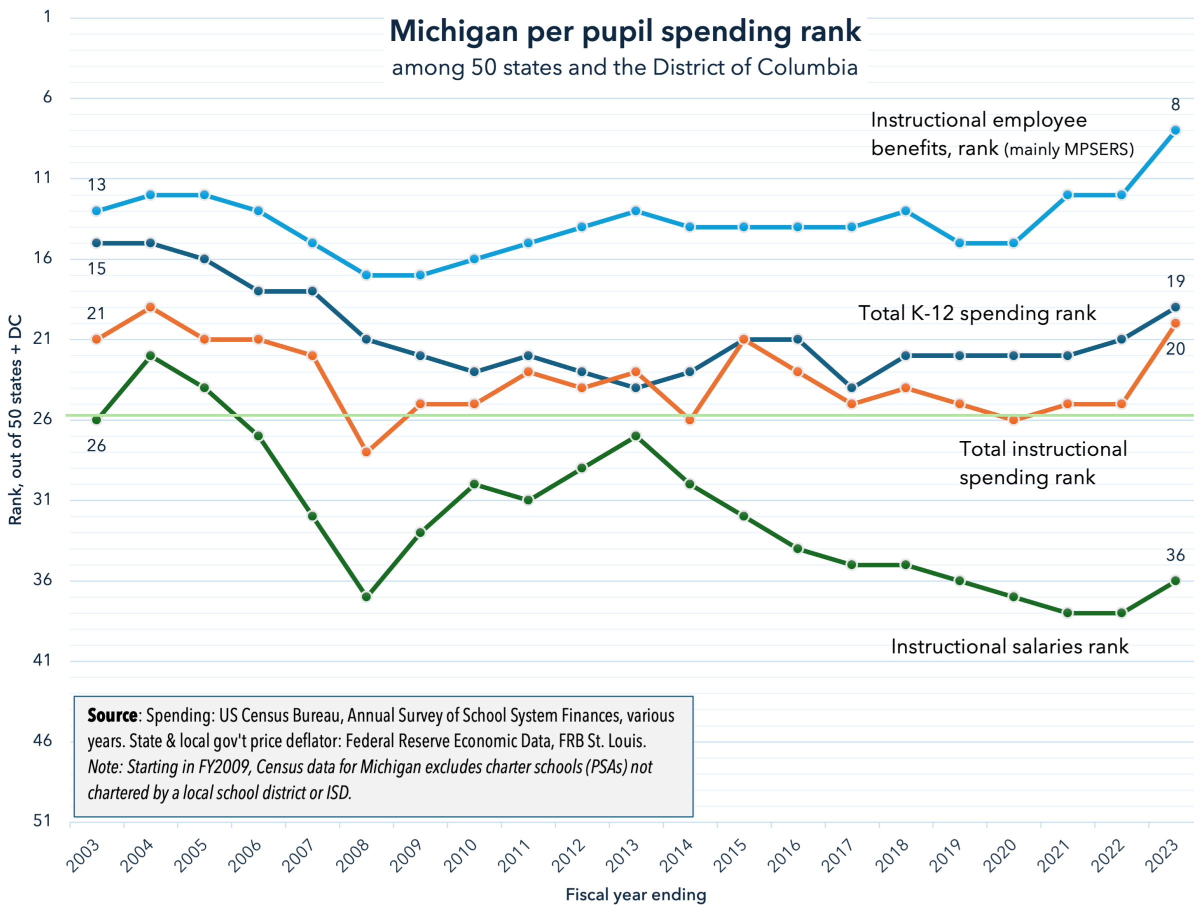
THE MPSERS STORY

- ✓ MPSERS contributions more than tripled as share of per-pupil funding
- ✓ $3B+ in UAAL payments statewide annually
- ✓ Local district share will grow as state share shrinks
- ✓ UAAL projected to be paid off ~2036 — children can't wait
- ✓ Michigan spends 8th nationally on benefits but 36th on salaries

✓ **The MPSERS retirement obligation is set by the state legislature — districts cannot control it. The squeeze on operational funds is real, ongoing, and will persist until approximately 2036.**

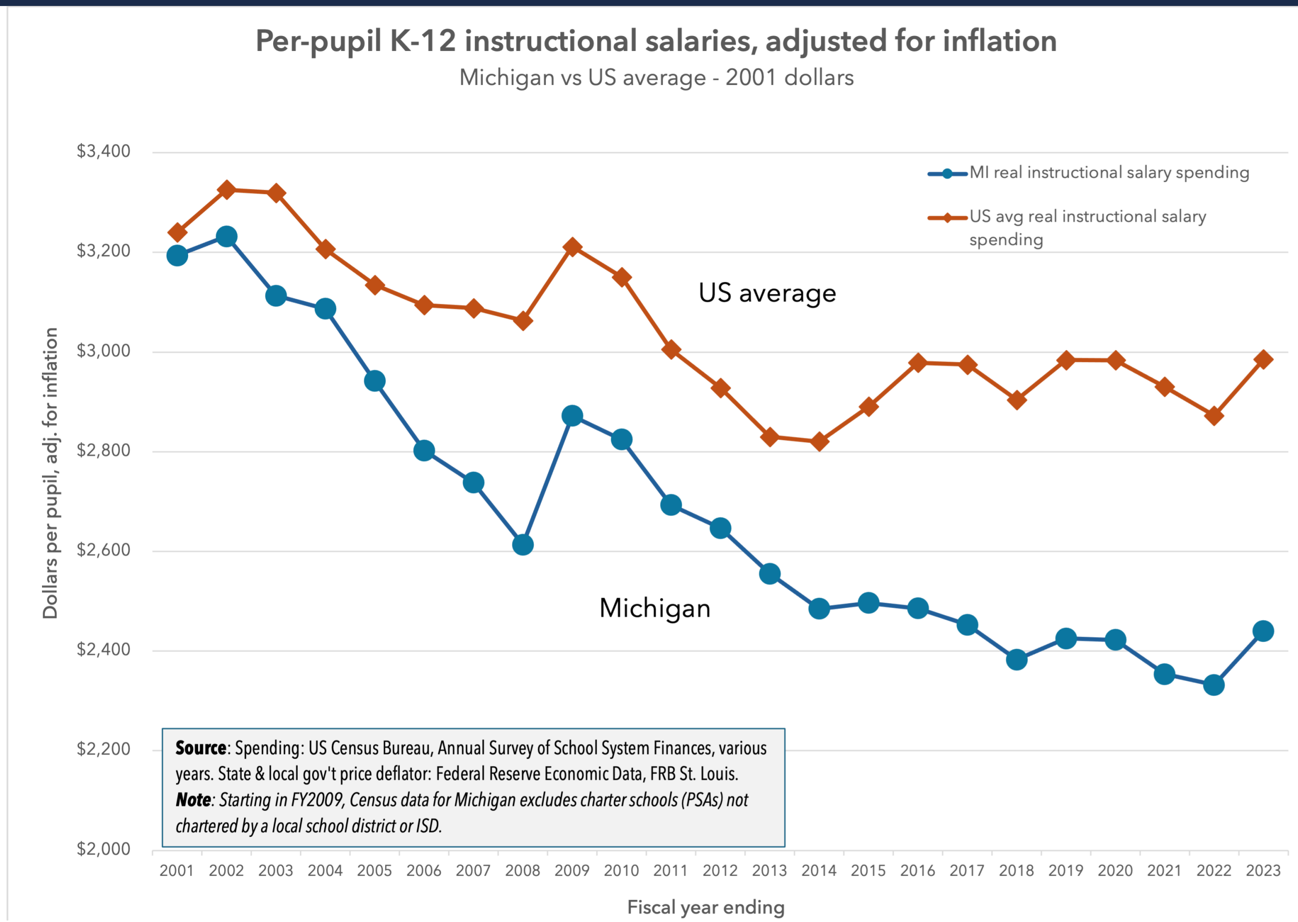
STATE CONTEXT & THE MPSERS SQUEEZE

Michigan's Declining Investment in K-12 Education and the Retirement System Burden



STATE CONTEXT & IMPACT ON SALARIES

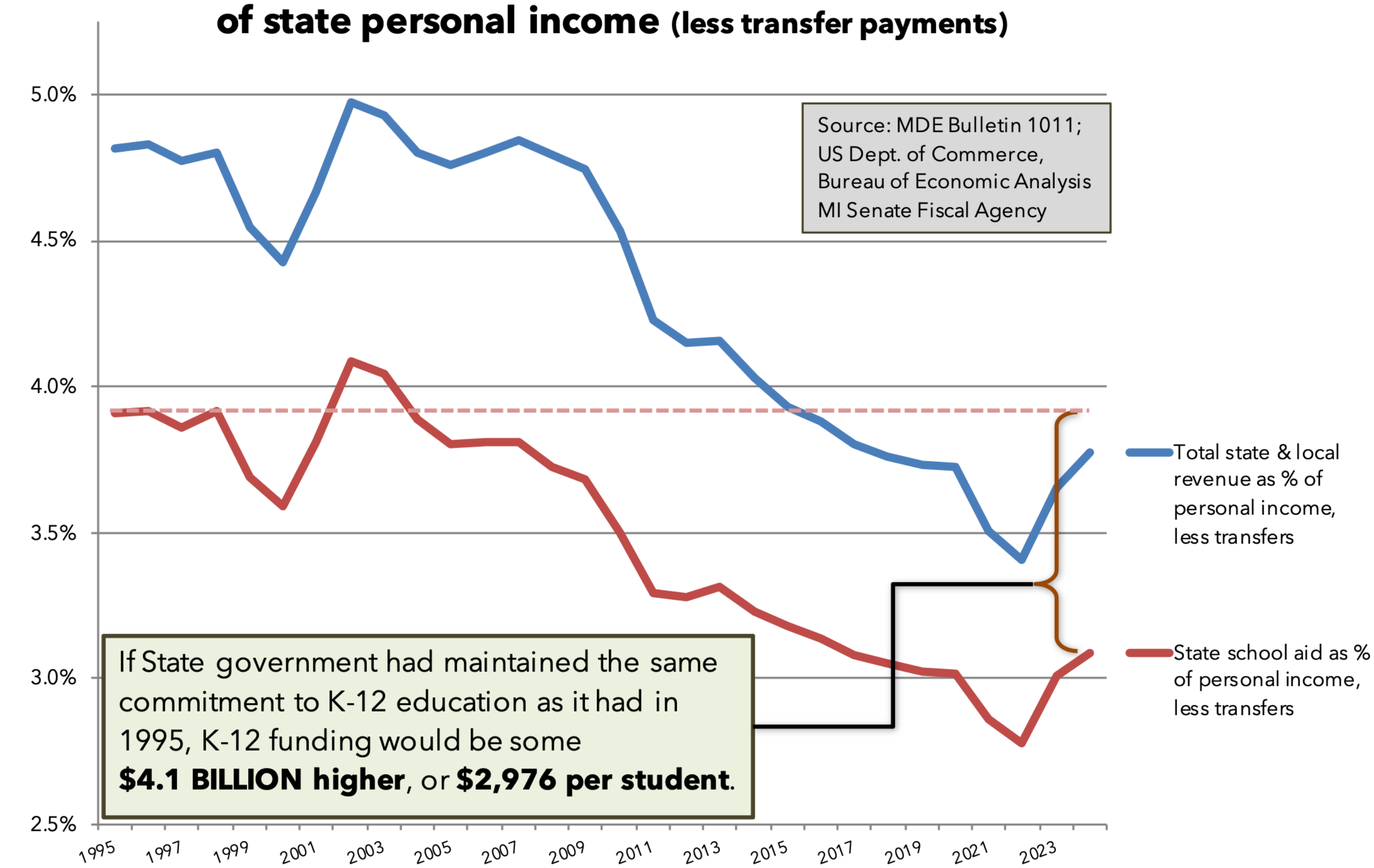
Michigan's Declining Investment in K-12 Education and the Retirement System Burden



STATE CONTEXT & DECLINE IN STATE COMMITMENT

Michigan's Declining Investment in K-12 Education and the Retirement System Burden

Michigan K-12 education spending as a percent of state personal income (less transfer payments)



WHAT THIS MEANS FOR AAPS

The Structural Challenge in Plain Language

! **IMMEDIATE ACTION IS REQUIRED: AAPS faces a structural deficit that demands thoughtful, data-driven decisions — today — to secure the financial future of our students and schools.**

1. AAPS is NOT mismanaged. The structural deficit is the product of 30 years of state funding that has failed to keep pace with inflation, compounded by our status as a "hold harmless" district.

2. Every year enrollment declines, revenue falls faster than costs. We lost pandemic-era enrollment — by FY2026 we were back to 2014 levels after peaking at ~17,900 in 2019.

3. Only 48 cents of every dollar is unrestricted. The rest is legally committed — to retirement systems, to special education, to categorical programs. This limits our flexibility enormously.

4. We lead comparable districts in instructional spending per pupil and have some of the smallest class sizes in the region. These are student-centered investments — and they have a real cost.

5. The MPSERS squeeze will persist until ~2036. We cannot wait for relief — and operational efficiency alone will not close the gap. Structural changes are required.