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**FOREST HILLS
PUBLIC SCHOOLS**

Cultivating Possibility

2023-2024

COMMUNITY BUDGET GUIDE



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Message from the Superintendent

Dear Forest Hills Community,

The Forest Hills Public Schools' Community Budget Guide (CBG) is designed to educate our families, staff, and the greater Forest Hills community. It provides information to assist in understanding the complexities and challenges of the FHPS' annual budget.

The CBG includes information regarding our current revenues and expenses, future projections, and historical trends. It also includes several years of data on budget performance, fund balance history, and student enrollment. A point of pride continues to be that the financial data denotes the emphasis that the board of education and administration have placed on prioritizing resources directly in the classroom—programs and services that impact teaching and learning. In addition, a glossary of financial and educational terms to assist in understanding the budget terminology used throughout this guide is provided.

For more than 25 years, the Forest Hills Public School District has received the highest financial ranking for a K-12 public school district in Michigan. Moody's Investors Services and Corporation provides credit rating and research covering debt instruments and securities. According to Moody's, the district's strengths are its strong financial management, tax base, favorable location, and history of implementing expenditure controls in response to revenue pressures. Moody's has assigned the highest rating possible of Aa2 for a public school district to FHPS.

While our current 2023-2024 fiscal year budget is balanced, we face difficult decisions to address a budget deficit in the coming years. The deficit is masked by the one-time revenues such as interest income and state enrollment stabilization (\$1.6MM-\$2.6MM) and federal Elementary and Secondary School Emergency Relief (ESSER) funds that are supporting a portion of many elementary student support services personnel (\$2.5MM). Our annual state per-pupil foundation allowance the district receives has increased over the past couple of years, but not at the pace of inflation. The budget will be a challenge in the next few years. Difficult decisions will need to be made to balance it without making reductions or using fund equity if there are no significant increases in state and federal funding.

We are grateful that our schools continue to be supported by the generosity and collaboration of our community members. These members share their time and talents with organizations such as the Forest Hills Public Schools Foundation and over 50 booster groups and parent teacher organizations in the district. Furthermore, our community has repeatedly supported the district by approving bond proposals to maintain and update district facilities and millage proposals to support student learning.

We hope you find this CBG useful as we strive to keep the community informed on the FHPS' annual budget. We encourage you to be actively engaged throughout the school year, attend PTO and board of education meetings, follow the district on social media, and remain connected. Thank you for your ongoing support of our students, staff, and district as we collaboratively strive to ensure all learners achieve their individual potential.

Sincerely,

Sara Magaña Shubel, Ph.D.
Interim Superintendent

Message from the Board President and Treasurer

Dear Forest Hills Community,

A primary duty of the Forest Hills Public Schools Board of Education is to oversee the district's annual budget and financial well-being. The CBG shows the ongoing financial commitment to Forest Hills' hallmarks: exceptional education and opportunities for all students, valuing our dedicated staff, and strong financial stewardship. We hope all those vested in the success of our schools find this to be an informative document.

Michigan public school finance is a complex subject but bears some resemblance to a family budget. When district annual income exceeds expenses, we add to our fund balance, which the state requires to be maintained at a certain percentage of our yearly budget. Our annual expenses have increased faster than revenues in recent years, creating a structural budget deficit. We would like to explain how this came to be so you can share our confidence in navigating through it.

Currently, the wages and benefits for teachers and staff account for 82% of our annual budget. We value taking care of the people who care for our students; indeed, in 2021-2022, the average teacher salary in FHPS was the highest in Kent County and compared to similar-sized districts around the state. Separate from bond, millage, and special grant revenue—none of which can be used to pay wages and benefits—employee compensation comes from our general fund. This fund's revenue is primarily tied to student count, and after years of growth, our enrollment has now declined for 10 consecutive years. This is a national trend tied to the birth rate and increased alternatives to public education, exacerbated by local factors like low housing availability and high median home sale prices that preclude young families from moving into Forest Hills. Indeed, only 33% of Forest Hills homes now have school-aged children, one of the lowest proportions in the county.

This enrollment decline has blunted the effects of recent record-setting state funding for public schools. For example, in 2022-2023, the foundation allowance increased by \$450 to \$9,150 per student. That same year, our pupil count fell by 119, thus negating over a million dollars in potential revenue. Across 18 school buildings, 119 fewer students is an average of only 6.6 students per building. This does not allow for notable expense reductions, so we utilized fund balance resources to make up the difference. It is also critical to note that three attendance areas—which allow for smaller class sizes and more educational, athletic, and extracurricular opportunities, which we value—also mean higher operating expenses than districts of comparable size. Consider any district of similar size with only one large high school: we both receive the same revenue based on student count. However, instead of funding one coach, one set of textbooks, one bus route, etc., we fund three. Having three attendance areas affords incredible benefits but also presents financial challenges.

The priorities of the board of education and district have not changed, nor have our goals and desires for every child's educational experience in Forest Hills. However, financial times have shifted, and cautionary tales across the state reveal the consequences of not adapting to these changing conditions. The district is a strong financial institution, maintains an excellent credit rating, receives annual recognition for its financial practices, and is in no acute financial danger. In fact, at 13.20% of our annual operating expense, our current fund balance remains strong thanks to prudent and conservative financial management. While historically, years of budget deficits have been offset by years of surplus, our annual enrollment decline has caused recurrent use of our fund balance, which is not sustainable in the long term. The board is committed to financial transparency and confident that solving budget challenges together will strengthen FHPS.

The board of education is grateful to the many talented staff who crafted this CBG. We are a community of brilliant and passionate educators, administrators, students, parents, and supporters, and we thank all of you for the time and talent you give to our students and schools. The future of Forest Hills Public Schools is bright because of you.

Sincerely,

Kristen Fauson, Ph.D.
President

Christopher Michaud, Pharm. D.
Treasurer

District Profile

Forest Hills Public Schools (FHPS) provides educational services to over 9,100 students in three attendance areas, Central, Northern, and Eastern, each with its own high school. Along with three high schools, the district has five K-4 elementary schools, two K-5 elementary schools, one K-4 Spanish immersion school, two 5/6 schools, one 5/6 environmental school, one 6-8 middle school, two 7-8 middle schools, and an alternative/flex program. Additionally, the district maintains a state-of-the-art fine arts center and a community and aquatic center, which serve our residents, families, students, and staff. FHPS encompasses approximately 68 square miles.

We believe that moderately-sized schools and reasonable class sizes, often lower than 25:1, help the district feel smaller and enable us to stay more connected. Proof of our commitment to academic excellence can be found in the immense resources and programs available to students and their families, including multiple Advance Placement (AP) classes, project-based high school programs (e.g., Gone Boarding, Project Next, and STEM Academy), Spanish and Chinese language immersion programs, and an environmental school for fifth- and sixth-grade students. The district offers students a wide range of opportunities in the classroom, in the visual and performing arts, in athletics, and in the community to help prepare them as lifelong learners.

Forest Hills Public Schools' staff is committed to knowing students' interests and gifts and providing educational opportunities to maximize each student's preparation for the future. Every employee plays an integral role in education and positively impacts our students' lives. Our board of education leads the way in making decisions based on "what's best for students" and we are committed to our vision of "all learners achieving individual potential."

Points of Pride

- All three high schools are ranked among the top public schools in Michigan and the nation, according to the "U.S. News & World Report," ranked in the top public high schools in the Grand Rapids area, and are on the 2023 AP School Honor Roll.
- FHPS continually has many students earning National Merit recognition each year.
- School counselors, social workers, psychologists, speech pathologists, occupational therapists, physical therapists, resource room teachers, special education teachers, mental health liaisons, and many more professionals are part of the FHPS staff to help all learners.
- Multi-Language Learner (MLL) program
- Over 60 languages are spoken as the primary language for students attending FHPS.
- Two traditional preschool programs and many before- and after-school care programs
- Language immersion programs: Spanish Immersion Program K-12 and Mandarin Chinese Immersion Program K-12
- A wide range of exploratory classes and electives in choir, band, orchestra, drama, foreign languages, art, science, math, technology, STEM, physical fitness, Project Next, Project Lead the Way, and more
- 215 courses in our high schools (this does not include dual enrollment, Kent Career Technical Center, Kent Transition Center, online courses, etc.)
- 27 AP courses offered and one AP Capstone High School
- Approximately 100 high school students each year receive Michigan's Seal of Biliteracy in languages such as Spanish, Chinese, German, Russian, French, Marathi, and Tamil.
- District-wide Positive Behavior Interventions and Supports (PBIS)
- Approximately 95% of our graduates pursue post-secondary education.
- State-of-the-art performing arts center where schools hold performances and professional shows are performed
- Excellent high school art, music, drama, and athletic programs; clubs and special interest organizations; and established service opportunities provide students the chance to excel in areas beyond academics
- For the last 25 years, FHPS has received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International for its annual comprehensive financial reports. FHPS is one of 17 districts that received this award this year out of 538 public school districts and 295 charter schools in the State of Michigan.
- A supportive education foundation, supportive booster and PTO groups, and a community with involved families, staff, businesses, and organizations

Community Budget Guide Summary

This Community Budget Guide (CBG) provides information regarding the finances of Forest Hills Public Schools as well as how it compares to other districts in Kent County and similar districts in Michigan. The goal of the FHPS Board of Education and the administration is to continue working collaboratively to develop and adopt a structurally balanced budget for each fiscal year. The following is a summary of this guide.

FHPS General Fund (Operational Fund)

- Funding for the general fund (e.g., supplies, personnel, etc.) is primarily reliant on the State of Michigan. Per Proposal A, an individual district's board of education cannot ask its community to support tax proposals to increase operational funding.
- When considering local, state, and federal total sources of revenue, FHPS ranks 13th out of 20 Kent County school districts for total revenue received per pupil and sixth out of the six "like" districts in Michigan.
- The FHPS Board of Education continues to place a strong emphasis on budget allocations, with 72% of the total budget going to programs and services that impact teaching and learning as reflected on the [state's Bulletin 1014 report](#).
- Personnel expenses represent 82% of the general fund, which includes salaries and benefits for all FHPS employees.
- FHPS participates in the state-mandated Michigan Public Schools Employees Retirement System (MPSERS). For the 2023-2024 fiscal year, the district contributes 20.96% to 31.34% of wages earned, depending on the retirement plan in which the employee is enrolled.
- [Per board policy 3202](#), the district is required to maintain a minimum fund balance of 10% of our general fund expenditures. Our current fund balance for the 2023-2024 fiscal year is budgeted at 13.20%.

FHPS Capital Projects Fund

- The Forest Hills community has been overwhelmingly supportive of the board of education's bond requests, which have provided capital funding for building improvements for several decades.
- Bond construction programs have upgraded district facilities, including renovating classrooms, libraries, and athletic fields, and have made renovations to some of our older school buildings.
- The following schools were renovated using the 2018 bond: Collins, Thornapple, and Orchard View elementary schools, Central Middle School, a portion of Northern High School, and a portion of Eastern Middle and Eastern High School. The athletic stadium at Central High School was also renovated. Ada Vista and Pine Ridge elementary schools are currently undergoing renovations.
- The district continues to upgrade technology and security and replace items such as buses, roofs, boilers, chillers, and other mechanical systems that reach the end of their life cycle.

FHPS Budget Challenges and Opportunities

- While our budget for the 2023-2024 fiscal year is balanced, the district is facing difficult decisions to address a structural deficit. The structural deficit is masked by one-time revenues such as higher interest income, state enrollment stabilization resources (\$1.6MM-\$2.6MM), and federal ESSER funds that are supporting a portion of many elementary student support services personnel (\$2.5MM).
- Until increases in state funding consistently exceed minimal increases in district costs, maintaining a structurally balanced budget will continue to be a challenge. Projected increases of less-than-normal inflation in state per-pupil funding and reductions in student enrollment over the next few years will limit resources and present a challenge for the district to achieve and maintain a structural balance.
- We continue to see the impact that the COVID-19 pandemic has had on our system (i.e., students' mental health and well-being) beyond just the state and federal financial support provided to the district, resulting in pressures on the general fund.

FHPS Budget Basics

Forest Hills Public Schools operates four funds which support students and learning. The four funds include the general fund (operational fund), special revenue fund, debt service fund, and capital projects fund. For the purpose of our CBG, we have focused on our general fund (operational fund) and our capital projects fund.

The **general fund (operational fund)** is where we record costs associated with the day-to-day operations of our schools and other district buildings. The majority of funding for the general fund comes from the State of Michigan through the annual per-pupil foundation allowance. Operational expenses, such as employee salaries and benefits, school supplies, and textbooks, are funded annually through the state foundation allowance received on a per-pupil basis. In 2022-2023, FHPS received \$9,150 per pupil. In 2023-2024, FHPS received \$9,608 per pupil. This fund is audited annually by an independent auditing firm.



The **capital projects fund** is where we record costs associated with bond-funded projects such as building renovations, the purchase of new buses, and technology, to name a few. The capital projects fund cannot be used for operational expenses such as employee salaries and benefits, school supplies, and textbooks. The capital projects fund must be kept separate from the general fund and is also audited by an independent auditing firm.

The Forest Hills Public Schools Board of Education must annually approve the general fund (operational budget) by June 30. The board must also approve any budget amendments brought forth by district administration. Currently, the district is in the 2023-2024 fiscal year, which runs from July 1 through June 30. **For the purpose of this budget guide, the district looked at figures from audited financials of the 2022-2023 fiscal year, unless otherwise noted.**

Major Sources of Revenue for the General Fund (Operational Fund)

State Education Tax: Paid by all statewide property owners, these 6 mills are collected at the state level and are combined with portions of state income and sales taxes, as well as state lottery profits and other taxes to fund the state's School Aid Fund. Monies from this fund are allocated to school districts on an annual per-pupil basis.

Non-Homestead Millage: The State of Michigan assumes school districts are levying 18 mills. However, when property values rise faster than the rate of inflation, districts are required to reduce the number of mills being levied. A reduction in mills being levied results in lost revenue, even though taxable values increased. For the 2022-2023 school year, the district was only able to collect 17.6614 mills and, therefore, had a deficit of approximately \$44 per student or \$395,000. In the fall of 2023, voters approved a millage proposal of a .50 mill tax increase (\$0.50 on each \$1,000 of taxable valuation) for our operating millage for the 2024 and 2025 years to bring FHPS back up to the 18 mills.

Recreational Millage: In the fall of 2022, voters approved a 10-year recreational millage renewal. The .9815 mill is paid by all property owners in the Forest Hills Public School District. The monies collected through the recreational millage are used to offset specific expenses incurred for community enrichment programs for youth, adults, and senior citizens.

Sources of Revenue for the Capital Projects Fund

Sale of Voter-Approved Bonds: Funds raised through the sale of voter-approved bond issues, such as the 2018 and 2023 bonds, can only be used for capital projects and cannot be used to support general fund expenses such as employee salaries and benefits, school supplies, and textbooks.

Per-Pupil Foundation Allowance: Proposal A

FHPS Per-Pupil Foundation Allowance History

Fiscal Year	FHPS Foundation Allowance	Increase/ (Decrease)
1994-1995	\$6,426.69	
1995-1996	\$6,580.00	\$153.31
1996-1997	\$6,735.00	\$155.00
1997-1998	\$6,889.00	\$154.00
1998-1999	\$6,889.00	-
1999-2000	\$7,127.00	\$238.00
2000-2001	\$7,427.00	\$300.00
2001-2002	\$7,727.00	\$300.00
2002-2003	\$7,927.00	\$200.00
2003-2004	\$7,927.00	-
2004-2005	\$7,927.00	-
2005-2006	\$8,102.00	\$175.00
2006-2007	\$8,312.00	\$210.00
2007-2008	\$8,383.00	\$71.00
2008-2009	\$8,462.00	\$79.00
2009-2010	\$8,462.00	-
2010-2011	\$8,462.00	-
2011-2012	\$7,992.00	(\$470.00)
2012-2013	\$7,992.00	-
2013-2014	\$8,034.00	\$42.00
2014-2015	\$8,084.00	\$50.00
2015-2016	\$8,169.00	\$85.00
2016-2017	\$8,229.00	\$60.00
2017-2018	\$8,289.00	\$60.00
2018-2019	\$8,409.00	\$120.00
2019-2020	\$8,529.00	\$120.00
2020-2021	\$8,529.00	-
2021-2022	\$8,700.00	\$171.00
2022-2023	\$9,150.00	\$450.00
2023-2024	\$9,608.00	\$458.00

In 1994, Michigan voters approved Proposal A, which revamped how schools are funded. Fundamentally, Proposal A created a state school funding model that replaced the local school district taxation model. Proposal A established a minimum per-pupil foundation allowance, more equity among local school districts, lower property taxes, and more school accountability. It also eliminated the ability of a local community to raise taxes (millage) to provide additional operational funding for its school district once the foundation allowance was established, with the exception of “hold harmless” districts.

To reduce funding disparities among school districts, a minimum per-pupil foundation allowance was established for each district in the state. This per-pupil allowance was influenced by the amount of funding a district received prior to the passage of Proposal A, which meant that districts with higher property values before Proposal A were assigned a higher foundation allowance.



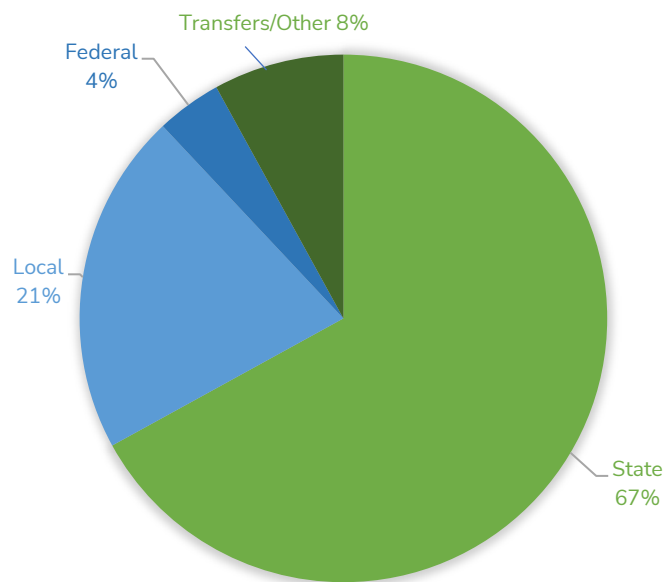
For the 2023-2024 fiscal year, the minimum foundation allowance from the state was \$9,608 per pupil. Forest Hills Public Schools received \$9,608 per pupil. Districts that receive over \$9,608 per pupil are considered “hold-harmless” districts in Proposal A and allowed by law to levy additional mills with voter approval to meet their prescribed foundation allowance. (The 50+ historically higher-spending school districts in the state that are allowed to tax their local property owners additional mills—does not include FHPS.) Proposal A dramatically decreased the amount of property taxes paid by Michigan residents and limited future increases. For additional school funding information, please see the Senate Fiscal Agency [“The Basics of School Funding”](#) or visit the Michigan.gov website.

FHPS Revenue Sources for 2022-2023

The state legislature determines annual funding through the State School Aid Fund. Funding for K-12 school districts is primarily a state-funded model, and 67% of FHPS' revenue comes from the state. Under the current system, local school districts can only request support from the community for tax initiatives for capital projects or recreation activities/programs. Local tax initiatives to support day-to-day operational expenses (general fund) are not allowed.

FHPS receives funding from a variety of sources. State and federal grants are received each year to support specific groups of students or specific programs. The district records revenue in four categories.

- **Local** funding includes non-homestead operating millage, donations, and athletic fees.
- **State** funding includes the per-pupil foundation allowance less non-homestead operating millage, retirement offset (MPSERS), section 31a at-risk, and other grants.
- **Federal** funding includes Title I at-risk, Individuals with Disabilities Education Act (IDEA) special education grants, and Elementary and Secondary School Emergency Relief (ESSER) funds.
- **Transfers and other** funding includes Act 18 county special education funds and Medicaid funds.

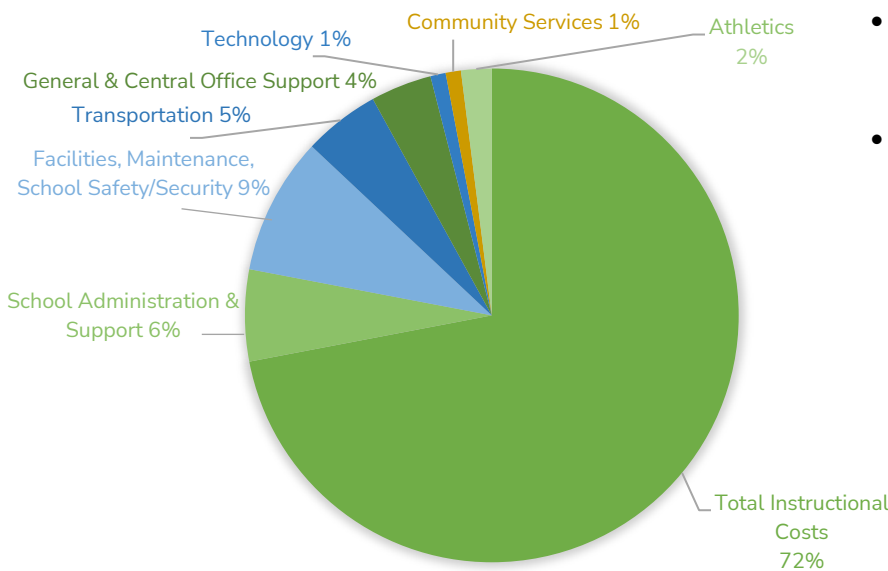


FHPS Expenses

FHPS Expenses for the 2022-2023 School Year

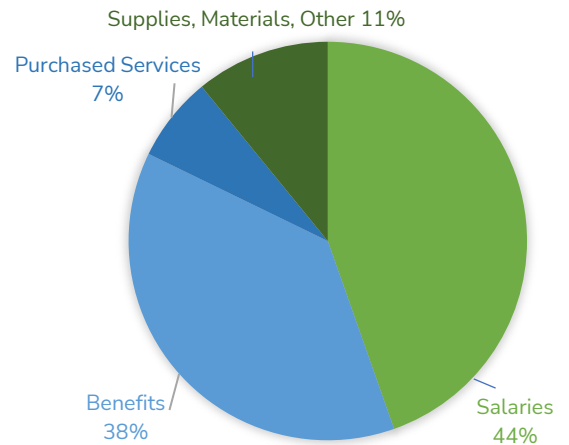
		% of total budget
Instructional		
Elementary (K-6 grade)	\$36,167,047	27%
Middle (7-8 grade)	\$11,895,909	9%
High (9-12 grade)	\$24,342,135	18%
Special Education	\$8,060,986	6%
Other Instruction	\$920,740	1%
Instructional Support	<u>\$15,146,175</u>	<u>11%</u>
TOTAL INSTRUCTIONAL	\$96,532,992	72%
Non-Instructional		
School Administration & Support	\$7,617,442	6%
Facilities, Maintenance, School Safety/Security	\$12,408,594	9%
Transportation	\$6,538,360	5%
General & Central Office Support	\$5,213,472	4%
Technology	\$2,694,334	1%
Community Services	\$1,701,815	1%
Athletics	<u>\$3,350,349</u>	<u>2%</u>
TOTAL NON-INSTRUCTIONAL	\$39,524,366	28%
TOTAL EXPENSES	\$136,057,358	100%

Our priority is to allocate resources directly to the classroom and other educational opportunities for students. The following graph depicts the above expenses.



FHPS Expenses for the 2022-2023 School Year by Object

Salaries	\$60,665,603
Benefits	\$51,224,661
Purchased Services	\$9,651,453
Supplies, Materials, Other	<u>\$14,515,641</u>
TOTAL EXPENSES	\$136,057,358



- Staff account for the largest expense in our budget—82%.
- Benefits include costs associated with insurance such as health, dental, and vision.
- Purchased services include costs such as contracted staff: school resource officers, mental health liaisons, and substitute teachers.

FHPS Athletics

FHPS provides many opportunities for high school students to participate in athletics throughout the school year. Current high school offerings include the following sports by season. There is a limited number of middle school athletics supported by the district.

Fall	Winter	Spring
Cheerleading	Basketball	Baseball
Cross Country	Bowling	Crew
Equestrian	Competitive Cheer	Golf
Field Hockey	Dance	Lacrosse
Football	Gymnastics	Rugby
Golf	Hockey	Soccer
Soccer	Skiing	Softball
Swimming & Diving	Swimming & Diving	Tennis
Tennis	Wrestling	Track & Field
Volleyball		Water Polo



Our athletic programs are funded by the general fund, pay-to-participate fees, event admissions, and donations. The following is a historical picture of the costs of our athletic programs and the funds that support them.

Revenue	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
General Admissions	\$227,100	\$204,102	\$76,637	\$148,275	\$178,892
Participation Fees	\$449,093	\$411,892	\$396,077	\$274,495	\$427,987
Donations	\$30,000	0	0	0	0
	\$706,193	\$615,993	\$472,714	\$422,770	\$606,879
Expense					
Salary	\$1,569,343	\$1,440,672	\$1,418,130	\$1,339,987	\$1,187,796
Benefits	\$835,568	\$811,600	\$811,920	\$724,580	\$526,016
Non-salary*	\$1,275,428	\$833,553	\$697,351	\$585,727	\$815,671
	\$3,680,339	\$3,085,825	\$2,927,400	\$2,650,294	\$2,529,484
Net Additional Cost (Funded by General Fund)	\$2,974,146	2,469,832	\$2,454,687	\$2,227,524	\$1,922,605
Participant Fees as % of Total Cost	12.20%	13.35%	13.53%	10.36%	16.92%

The COVID-19 pandemic impacted school athletic programs. Spring sports were dramatically impacted during the 2019-2020 school year, and fall and winter sports were dramatically impacted during the 2020-2021 school year.

*Non-salary expenses include costs associated with equipment, referees and officials, fees associated with conference meets, and travel expenses, to name a few.

FHPS Compared to “Like” Districts

The comparison data represented is from the state’s [Bulletin 1014 report](#), which ranks school district revenue in main budget categories. The data reflects per-pupil revenue for the 2021-2022 school year (most current data available).

Like Districts in Michigan Comparison Per-Pupil Revenue 2021-2022

School District	Local Sources	State Sources	Federal Sources	Total
Birmingham	\$7,994	\$8,467	\$1,637	\$18,098
Bloomfield Hills	\$8,277	\$9,599	\$1,079	\$18,955
Farmington	\$6,364	\$8,922	\$940	\$16,226
Forest Hills	\$3,738	\$8,646	\$531	\$12,915
Grosse Pointe	\$3,556	\$9,756	\$880	\$14,192
West Bloomfield	\$3,436	\$9,690	\$1,600	\$14,726

- **Local Sources** include all general fund revenue produced within district boundaries, including non-homestead tax collections, and facility rentals.
- **State Sources** include all revenue received from the state.
- **Federal Sources** include all revenue provided by the federal government, primarily special education, Title I and Title II programs.

Kent County School Districts Comparison Per-Pupil Revenue 2021-2022

Districts with the highest level of revenue sources in each category are highlighted.

School District	Local Sources	State Sources	Federal Sources	Total
Caledonia	\$3,396	\$8,390	\$502	\$12,288
Byron Center	\$2,726	\$8,908	\$760	\$12,394
Lowell	\$2,038	\$9,687	\$794	\$12,519
Rockford	\$2,480	\$9,665	\$513	\$12,658
East Grand Rapids	\$2,271	\$9,772	\$739	\$12,782
Grandville	\$3,683	\$8,168	\$983	\$12,834
Forest Hills	\$3,738	\$8,646	\$531	\$12,915
Cedar Springs	\$2,132	\$9,955	\$1,143	\$13,230
Northview	\$2,731	\$9,605	\$1,073	\$13,409
Comstock Park	\$3,197	\$9,017	\$1,464	\$13,678
Kent City	\$1,702	\$10,225	\$1,770	\$13,697
Kenowa Hills	\$5,544	\$6,916	\$1,491	\$13,951
Sparta	\$2,612	\$10,020	\$1,474	\$14,106
Kentwood	\$3,720	\$8,613	\$1,777	\$14,110
Wyoming	\$3,423	\$9,209	\$1,580	\$14,212
Kelloggsville	\$2,960	\$9,878	\$1,957	\$14,795
Godfrey-Lee	\$1,896	\$10,937	\$2,364	\$15,197
Godwin Heights	\$3,798	\$9,602	\$1,858	\$15,258
Grand Rapids	\$4,315	\$9,119	\$3,441	\$16,875

As [previously noted](#), the annual per-pupil foundation allowance was influenced by the amount of funding a district received prior to the passage of Proposal A, which meant that districts with higher property values before Proposal A were assigned a higher foundation allowance. This is the reason why many of the districts in the “like” district comparison category receive a larger per-pupil foundation allowance than Forest Hills Public Schools.



Expense Comparisons

The comparison data represented is from the state's [Bulletin 1014 report](#), which ranks school district spending in main budget categories. The data reflects per-pupil spending for the 2021-2022 school year (most current data available). Districts with the highest level of spending in each category are highlighted.

Like Districts in Michigan: Comparison of Per-Pupil Expenses for 2021-2022

School District	Basic Programs	Added Needs	Instruct. Support	Admin.	Operation & Maintenance	Transp.	Total General Fund	Average Teacher Salary
Forest Hills	\$7,448	\$883	\$1,513	\$1,381	\$1,165	\$580	\$13,294	\$75,378
Birmingham	\$8,280	\$3,179	\$2,543	\$2,001	\$1,731	\$617	\$18,866	\$69,284
West Bloomfield	\$6,881	\$2,011	\$2,117	\$1,752	\$964	\$569	\$14,487	\$68,843
Farmington	\$7,502	\$2,355	\$2,625	\$1,523	\$1,095	\$672	\$16,202	\$74,897
Bloomfield Hills	\$9,232	\$2,448	\$2,918	\$2,072	\$1,451	\$721	\$19,411	\$70,180
Grosse Pointe	\$7,919	\$1,516	\$1,738	\$1,964	\$1,805	\$144	\$15,270	\$76,660

The FHPS basic program amount of \$7,448 spent per pupil represents 56% of our total general fund expenses per pupil. By comparison, Bloomfield Hills spent \$9,232 per pupil on basic programs, which represents 48% of their total general fund expenses per pupil.

Kent County Public School Districts: Comparison of Per-Pupil Expenses for 2021-2022

School District	Basic Programs	Added Needs	Instruct. Support	Admin.	Operation & Maintenance	Transp.	Total General Fund	Average Teacher Salary
Byron Center	\$7,085	\$1,028	\$930	\$1,273	\$979	\$543	\$11,940	\$67,954
Caledonia	\$6,512	\$1,136	\$1,145	\$1,461	\$1,015	\$628	\$12,561	\$66,319
Cedar Springs	\$6,372	\$1,570	\$1,369	\$1,345	\$1,131	\$991	\$13,029	\$60,263
Comstock Park	\$6,118	\$2,309	\$1,537	\$1,563	\$1,163	\$817	\$13,817	\$60,863
East Grand Rapids	\$7,080	\$570	\$1,016	\$1,507	\$1,034	\$126	\$12,500	\$64,135
Forest Hills	\$7,448	\$883	\$1,513	\$1,381	\$1,165	\$580	\$13,294	\$75,378
Godfrey-Lee	\$6,116	\$2,354	\$2,176	\$1,672	\$989	\$293	\$15,004	\$61,675
Godwin Heights	\$7,528	\$2,071	\$1,737	\$1,732	\$1,708	\$525	\$15,418	\$72,811
Grand Rapids	\$7,287	\$1,723	\$2,514	\$2,471	\$1,431	\$886	\$16,805	\$61,343
Grandville	\$7,048	\$1,130	\$1,318	\$1,265	\$1,145	\$578	\$12,805	\$68,992
Kelloggsville	\$6,551	\$2,265	\$1,400	\$2,064	\$1,306	\$601	\$14,597	\$64,951
Kenowa Hills	\$6,680	\$1,837	\$1,752	\$1,519	\$871	\$753	\$13,865	\$64,297
Kent City	\$5,917	\$1,957	\$1,341	\$2,016	\$1,019	\$759	\$13,215	\$55,449
Kentwood	\$6,582	\$1,755	\$1,767	\$1,386	\$1,414	\$631	\$14,148	\$63,814
Lowell	\$6,576	\$1,150	\$1,183	\$1,313	\$1,170	\$704	\$12,529	\$67,458
Northview	\$7,139	\$1,088	\$1,292	\$1,707	\$1,301	\$455	\$13,341	\$71,771
Rockford	\$6,657	\$1,002	\$1,321	\$1,347	\$1,122	\$565	\$12,499	\$61,394
Sparta	\$6,449	\$1,699	\$1,452	\$1,456	\$1,222	\$757	\$13,564	\$73,940
Wyoming	\$6,990	\$2,111	\$1,555	\$1,440	\$1,090	\$731	\$14,572	\$71,991

Forest Hills Public Schools has the highest average teacher salary of all public schools in Kent County and allocates the second largest amount on basic programs.

Basic Programs: The classroom costs related to basic instructional programs. Includes personnel and non-personnel costs.

Added Needs: Special education classrooms and federal programs.

Instructional Support: Curriculum, speech, media center, social work, guidance.

Administration: Building and central office administration and support.

Operations & Management: All building and maintenance costs, including utilities.

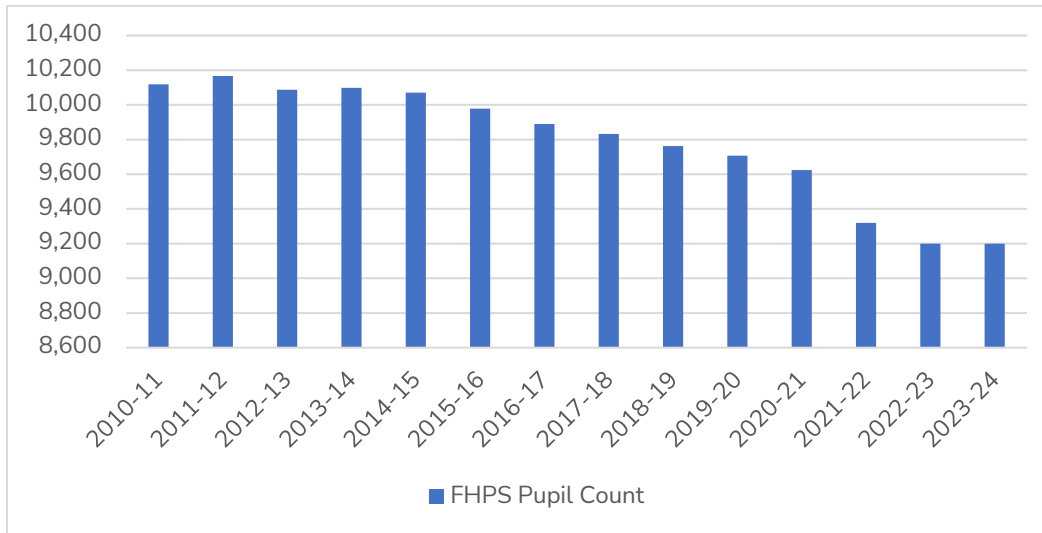
Transportation: Costs associated with maintaining the FHPS fleet of 61 buses.

Total General Fund: All general fund expenses.

Average Teacher Salary: The average total salary per teacher.

Student Enrollment History

Historical Representation of FHPS Enrollment Numbers



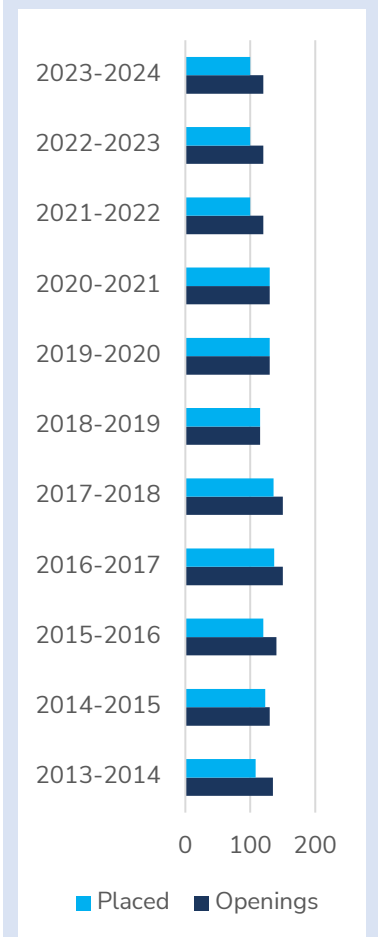
District enrollment remained relatively steady from 2010 to 2014. However, we have seen declining enrollment since 2015. Housing costs continue to increase, and there are lower birth rates in Kent County and in Michigan which began in 2009. The current birth rate trends are not sufficient to offset the number of students who will graduate over the next few years; therefore, the district is projecting a continued decrease in FHPS enrollment ([Michigan Statewide Population Projections through 2050 report](#)). The district experienced a larger-than-normal decline in enrollment due to the COVID-19 pandemic.

Incoming Kindergartners Compared to Graduating Seniors the Previous Year



FHPS continues to graduate more students each year than students who enter kindergarten the following year. For example, in the 2016-2017 school year, FHPS enrolled 632 kindergartners compared to the graduating class of 2016 having 838 students. Similarly, FHPS graduated 770 students in the class of 2023 and had 583 students enter kindergarten for the 2023-2024 school year. The declining birth rate trends and rising housing costs within the district have contributed to the enrollment decline. In reports by the Grand Rapids Area Realtor Association, average home sale prices continue to climb with an average active list price in Forest Hills of \$559,975.

Historical Representation of FHPS Schools of Choice Numbers



FHPS participates in the Schools of Choice program and strives to keep elementary grade-level placements equitable across the district. During the placement process, our goal is to place students in one of their first choices. The district also tries to keep families together at the same school when placements are made.

FHPS Employee Associations

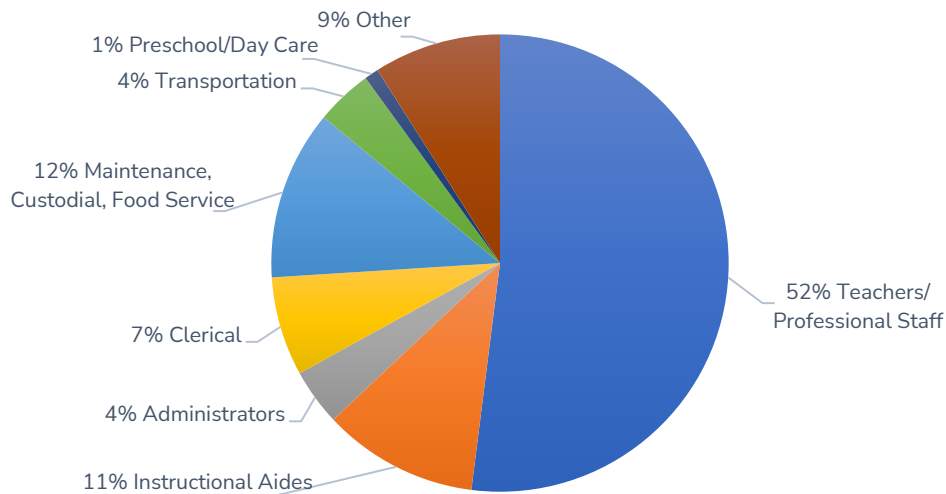
The district collectively bargains with the Forest Hills Education Association (FHEA) regarding wages and working conditions. The district also collectively bargains with the FHEA about the district's academic calendar. By law, the district can establish the first day of school, but the remainder of the academic calendar is developed in collaboration with the FHEA.

Employees of FHPS are represented by one of seven associations:

- Forest Hills Education Association (FHEA) represents teachers, counselors, and other professional staff and is affiliated with the Michigan Education Association (MEA).
- Forest Hills Administrative Support group represents secretaries, paraprofessionals, and other technical staff.
- Forest Hills Administrators represent principals, directors, and other administrative staff.
- Forest Hills Bus Drivers Association represents the district's bus drivers.
- Forest Hills Custodial and Food Service group represents custodians, mechanics, food service, and other staff.
- Forest Hills Supervisors represent a variety of staff who support district operations such as finance, technology, and community enrichment.
- Forest Hills Childcare and Preschool represents staff who support the district's childcare and preschool programs.

Current bargaining agreements can be found on the budget transparency page of our district [website](#).

2022-23 District Expenses by Full-Time Employees



Salary and Health Benefits

As stated, staff account for the largest expense in our budget—82%. The following chart is a five-year trend of salary increases. Yearly wage increases have not kept pace with yearly inflation rates due to lack of funding.

Employee Contract Settlements

	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Teachers	3.0%	2.0%	2.0%	1.0%	1.0%
	step	step	step	step	step
	\$500 off-schedule	\$1250 on schedule	.50% off schedule		
Administrators	3.5%	3.5%	2.0%	1.0%	1.0%
			\$1,000 off schedule		
Bus Drivers	3.0%	10.81%-18.31%	10.39%-12.61%	0.50%	1.0%
	step	step	step	step	step
Custodial and Food Service	4.0%	3.5%	2.0%	1.0%	1.0%
	step	step	step	step	step
Supervisors, Childcare, Preschool, Administrative Support	3.0%	3.5%	2.0%	1.0%	1.0%
	step	step	step	step	step

Employee Medical Insurance

The following illustrates the highest medical cost plan only. Employees may elect to participate in a variety of medical plans. Regardless of the plan the employee selects, the district’s contribution amount is the same.

TEACHERS		<i>MESSA plans</i>									
	Contributions for Calendar Year 2024		Contributions for Calendar Year 2023		Contributions for Calendar Year 2022		Contributions for Calendar Year 2021		Contributions for Calendar Year 2020		
	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	
Single Coverage	\$7,702.85	\$2,366.71	\$7,399.47	\$2,075.49	\$7,304.51	\$1,797.49	\$7,043.89	\$1,466.27	\$6,818.87	\$1,128.73	
Two-Person Coverage	\$16,109.06	\$6,547.42	\$15,474.60	\$5,844.00	\$15,276.01	\$5,203.31	\$14,730.96	\$4,416.96	\$14,260.37	\$3,599.23	
Family Coverage	\$21,007.83	\$7,186.89	\$20,180.43	\$6,349.41	\$19,921.45	\$5,563.91	\$19,210.66	\$4,617.98	\$18,596.96	\$3,623.92	
REMAINDER OF STAFF		<i>WMHIP plans</i>									
	Contributions for Calendar Year 2024		Contributions for Calendar Year 2023		Contributions for Calendar Year 2022		Contributions for Calendar Year 2021		Contributions for Calendar Year 2020		
	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	<i>FHPS</i>	<i>Employee</i>	
Single Coverage	\$7,702.85	\$2,632.99	\$7,399.47	\$2,733.69	\$7,304.51	\$2,152.45	\$7,043.89	\$2,102.15	\$6,818.87	\$1,599.01	
Two-Person Coverage	\$16,109.06	\$7,145.62	\$15,474.60	\$7,324.08	\$15,276.01	\$6,001.31	\$14,730.96	\$5,846.76	\$14,260.37	\$4,679.11	
Family Coverage	\$21,007.83	\$7,931.25	\$20,180.43	\$8,191.29	\$19,921.45	\$6,557.03	\$19,210.66	\$6,397.10	\$18,596.96	\$4,972.12	

Medical Benefits: Public Act 152 of 2011 regulates the amount a public employer can pay toward employee medical benefit plans per calendar year. The amounts are determined by the Michigan Department of Treasury on an annual basis.

Revenue and Expense Trends

The following provides a five-year picture of major revenue sources as well as major expense categories. In 2019-2020, the school buildings were closed from March through June due to the COVID-19 pandemic. The state required public school districts to continue to pay staff during the statewide school shutdown.

Revenue	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Non-Homestead Operating Millage	\$16,326,282	\$17,563,630	\$18,169,120	\$18,455,519	\$19,252,524
Recreation Millage	\$3,373,411	\$3,557,428	\$3,689,468	\$3,781,816	\$3,964,667
State Funding	\$66,542,087	\$64,696,083	\$65,731,821	\$64,329,999	\$67,005,776
Federal Funding	\$2,010,533	\$2,372,265	\$2,226,151	\$3,243,132	\$2,572,220
Federal Pandemic Funding*	0	0	\$3,926,873	\$2,378,421	\$3,682,053
County Funding**	\$4,782,967	\$4,885,157	\$4,873,531	\$5,158,871	\$5,663,698
Enhancement Millage***	\$2,181,372	\$2,352,808	\$2,407,113	\$2,445,592	\$2,625,230
Expense	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Salaries	\$56,069,312	\$56,223,479	\$58,540,075	\$61,165,168	\$63,039,609
Employee Insurance/Annuity	\$11,508,245	\$11,685,521	\$12,129,639	\$11,912,441	\$12,702,736
Retirement	\$14,860,571	\$15,672,541	\$16,558,871	\$17,427,213	\$17,873,162
Social Security/Medicare	\$3,990,837	\$4,155,198	\$4,134,553	\$4,319,636	\$4,593,279
Utilities	\$2,358,379	\$2,125,338	\$2,393,214	\$2,576,317	\$2,966,337
Teaching Supplies/Textbooks	\$1,610,005	\$1,157,593	\$1,531,319	\$2,110,902	\$1,433,221

Total revenues and expenses are described only for major categories, and, as a result, individual categories do not equal the totals per year.

*The final round of federal Elementary and Secondary School Emergency Relief (ESSER) funds is set to end soon. States must commit the funds by September 30, 2024. ESSER funds account for a significant share of current education dollars, which puts schools at risk of shortfalls when these funds lapse.

**County Funding represents revenue received from the Kent Intermediate School District for our prorated share of the Kent County Act 18 millage to support special education programs as well as other support funding.

***In 2017, Kent County voters approved an enhancement millage of 0.9 mill levy for 10 years. In the 2022-2023 fiscal year, Forest Hills received \$237 per pupil.



Budget Performance and Fund Balance History

Fiscal Year	Enroll.	Budget	Actual	Variance	
				\$	%
2017-2018	9,834				
Revenues		\$109,614,292	\$109,518,652	(\$95,640)	(0.09%)
Expenditures		\$108,477,141	\$105,805,553	\$2,671,588	2.46%
Excess		\$1,137,151	\$3,713,099	\$2,575,948	
Fund Balance, 07.01		\$12,368,589	\$12,368,589		
Fund Balance, 06.30		\$13,505,740	\$16,081,688	Fund Balance % =	15.20%
2018-2019	9,764				
Revenues		\$110,606,093	\$110,961,291	\$355,198	0.32%
Expenditures		\$110,117,128	\$108,663,633	\$1,453,495	1.32%
Excess		\$488,965	\$2,297,658	\$1,808,693	
Fund Balance, 07.01		\$16,081,688	\$16,081,688		
Fund Balance, 06.30		\$16,570,653	\$18,379,346	Fund Balance % =	16.91%
2019-2020	9,709				
Revenues		\$112,673,578	\$110,368,734	(\$2,304,844)	(2.05%)
Expenditures		\$111,605,031	\$109,033,960	\$2,571,071	2.30%
Excess		\$1,068,547	\$1,334,774	\$266,227	
Fund Balance, 07.01		\$18,379,346	\$18,379,346		
Fund Balance, 06.30		\$19,447,893	\$19,714,120	Fund Balance % =	18.08%
2020-2021	9,625				
Revenues		\$116,585,350	\$117,529,390	\$944,040	0.81%
Expenditures		\$117,272,730	\$115,517,482	\$1,755,248	1.50%
Excess		(\$687,380)	\$2,011,908	\$2,699,288	
Fund Balance, 07.01		\$19,714,120	\$19,714,120		
Fund Balance, 06.30		\$19,026,740	\$21,726,028	Fund Balance % =	18.81%
2021-2022	9,319				
Revenues		\$121,679,150	\$120,768,733	(\$910,417)	(0.75%)
Expenditures		\$125,424,901	\$123,843,038	\$1,581,863	1.26%
Excess		(\$3,745,751)	(\$3,074,305)	\$671,446	
Fund Balance, 07.01		\$21,726,028	\$21,726,028		
Fund Balance, 06.30		\$17,980,277	\$18,651,723	Fund Balance % =	15.06%
2022-2023	9,200				
Revenues		\$135,479,450	\$135,966,482	\$487,032	0.36%
Expenditures		\$137,509,730	\$136,057,358	\$1,452,372	1.06%
Excess		(\$2,030,280)	(\$90,876)	\$1,939,404	
Fund Balance, 07.01		\$18,651,723	\$18,651,723		
Fund Balance, 06.30		\$16,621,443	\$18,560,847	Fund Balance % =	13.64%
Ten-Year Average Variance %					
Revenues					(0.25%)
Expenditures					1.60%

Budget Variance

Each year, there is a variance between what was budgeted for revenues and expenses and the final actual audited amounts. The district takes a conservative approach when creating a budget. Over the past 10 years, the average variance for revenue is 0.25%, meaning actual revenue was an average of .25% more than budgeted. The variance for expenses is 1.60%, meaning actual expenses were an average of 1.60% less than budget.

Fund Balance

The district maintains a fund balance to protect itself from sudden losses in revenue, unexpected costs, and to help maintain cash flow so the district does not have to borrow funds. A fund balance can be viewed as a savings account or a "rainy day account." Board policy requires the district to maintain a minimum fund balance of 10% of general fund expenditures. Since 2014, the district's fund balance has seen a low of 11.04% to a high of 18.81%. The current fund balance for the 2023-2024 fiscal year is budgeted at 13.20%. Over those same 10 years, the district has used its fund balance five times and has added to its fund balance five times.

Community Support

The Forest Hills community has been incredibly generous with its financial support of FHPS. The following is an overview of how the community supports FHPS.

- **Capital Projects:** The community has supported several bond issues, which have allowed the district to renovate and upgrade school buildings. The most recent bond proposals approved by the community were in 2018 and 2023.
- **Non-Homestead Operating Millage:** An operating millage, which is a component of a school's per-pupil Foundation Allowance, is a school district's largest source of funding for operations. In 2023, voters approved a .50 mill increase to restore our operating millage to 18 mills for the 2024 and 2025 years.

In Michigan, funding for K-12 schools is a state-based system, and there is little flexibility for a local school district to raise additional funds beyond the state per-pupil allocation. The decade-long stagnation in state funding has rallied our community to find alternate ways to provide additional financial support for the district so that we can maintain and enhance our educational programs and services.

- **Recreation Millage:** The community's continuing support of a recreation millage allows the district to finance the costs of recreational activities outside of the general fund budget. These funds support the program staff, program materials and equipment, building cleaning and maintenance, utilities, and related administrative services associated with our Community Services programs and classes for youth, adults, and senior citizens.
- **Enhancement Millage:** In May 2017, the voters of Kent County supported a 10-year regional enhancement millage, providing additional funding for student programs. In the 2022-2023 school year, the district received \$237 per pupil from the enhancement millage.

Without these initiatives, additional budget reductions would have been necessary, and the educational programs and services offered to our students would be reduced.

- **Forest Hills Public Schools Foundation:** The foundation was chartered in 1983 by parents who wanted to maintain a standard of excellence for students enrolled in Forest Hills Public Schools. The foundation is a separate 501(c)(3) charitable nonprofit organization that helps support educational initiatives. The foundation distributes over \$300,000 annually through teacher grants, support our schools grants, and much more. To learn more about the foundation, visit their website, www.fhpsf.org.
- **Parent Teacher Organizations and Booster Groups:** The district greatly appreciates the support we receive from parents and community members. FHPS has over 50 parent teacher organizations and booster groups. In 2022, these organizations, led by parents, contributed about \$1.4 million to our schools. In addition, these individuals contribute thousands of volunteer hours to help our students and staff. Volunteers assist during the school day and provide support in our front offices, classrooms, and more. The power of our PTOs and boosters is instrumental in supporting the work required for co-curricular and after-school activities, such as plays and musicals, clubs, book fairs, carnivals, etc. Finally, volunteers are invaluable in the support they provide our teaching staff, assisting with unique learning opportunities for our students and running staff appreciation events. Forest Hills is a special community heavily invested in our students' success, and the tireless support of our volunteers has been instrumental in continuing the district's mission.



FHPS Capital Projects History

Strong communities help create strong schools. Forest Hills Public Schools' residents show their support of the district and public education by historically approving bond requests that fund capital projects.

After voters approve a bond proposal, the district does not sell bonds for the full amount approved at one time, but rather in multiple series. Issuing bonds in multiple series helps to not increase the tax rate. FHPS bond series are paid off in 15 or 21 years, depending on the bond issue. FHPS takes advantage, when an opportunity arises, to refund/refinance bonds, thus saving taxpayers' interest costs.

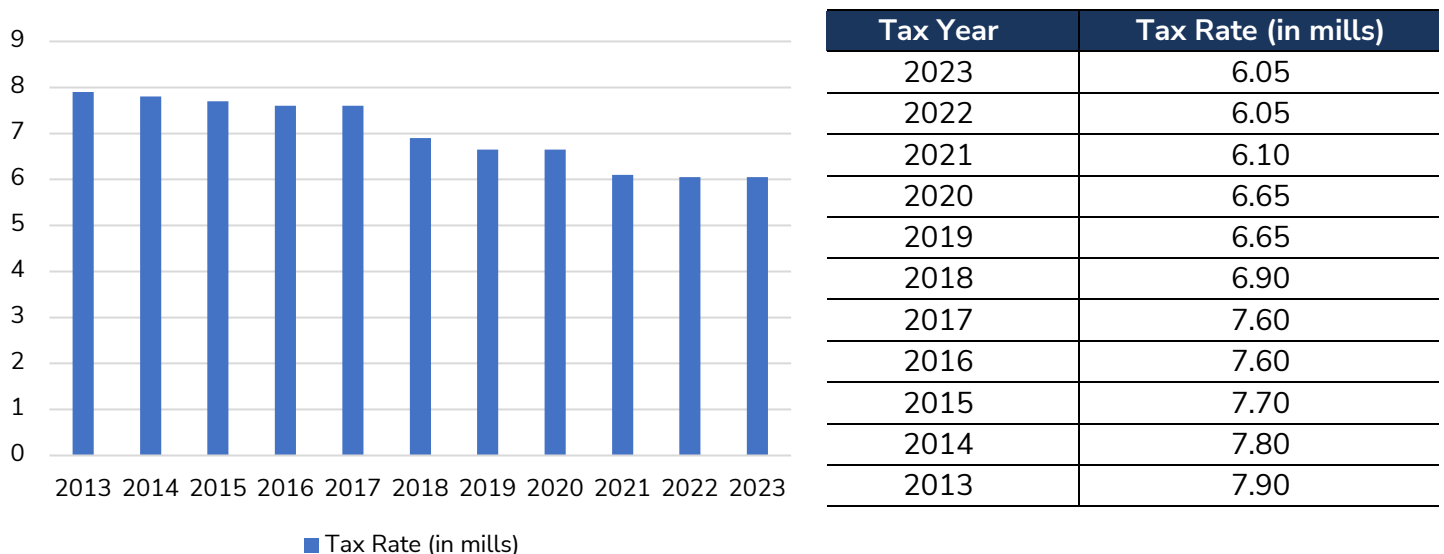
Current Bond Debt

Current Long-Term Debt Structure	As of June 30, 2023	Current Payoff Date
2013 Refunding Bonds	\$2,362,500	May 1, 2024
2014 Building & Site Bonds	\$16,410,750	May 1, 2029
2016 Building & Site & Refunding Bonds	\$22,932,250	May 1, 2027
2019 Building & Site Bonds	\$34,110,000	May 1, 2034
2020 Refunding Bonds	\$7,217,000	May 1, 2029
2021 Building & Site Bonds	\$51,136,650	May 1, 2036
2023 Building & Site Bonds	\$37,484,903	May 1, 2038

The above bond debt does not include any series from the 2023 authorization. Similar to the 2018 bond, the district will issue this authorization in multiple series over the course of many years.

As indicated in the graphs below, FHPS has been able to decrease the tax rate over the last 10 years because of prudent fiscal management. A mill represents 1/1000 of one dollar.

FHPS Debt Tax Rate History



Review of Recent Bond Projects

2018 Bond Authorization/Projects

In November of 2018, the Forest Hills Public Schools community approved a bond proposal to provide \$130 million to fund capital improvements phased in over eight years. The 2018 bond proposal was developed to **INVEST** in the district’s infrastructure by upgrading aging systems to save operational costs, **SECURE** our schools by upgrading safety measures, and **INSPIRE** our students by providing modern learning environments.

The 2018 authorization has been used for the following:

Renovate schools: Ada Vista Elementary, Collins Elementary, Orchard View Elementary, Pine Ridge Elementary, Thornapple Elementary, Central Middle School, a portion of Eastern Middle and High School, and a portion of Northern High School.

Update infrastructure: Using replacement life cycle and assessment schedules, roofs, parking lots/drives, mechanical systems, buses, and technology were replaced.

Other projects: Renovate Central High athletic stadium and construct a new administration and Transition Center building to support administrative services and our post-high school special education program.



25%

20%

55%



INVEST



SECURE



INSPIRE



2023 Bond Authorization/Projects

On November 7, 2023, FHPS voters approved a bond proposal for \$340 million to fund capital improvements through 2031. There were three main focus areas of this bond proposal.

Modernize Learning Spaces to Prepare Students for the Future

- Continue to create flexible and dynamic learning environments.
- Provide project-based learning environments to support collaborative learning.
- Add accessible playground equipment.

Improve Athletics, Fine Arts, and Community Facilities to Enhance Experiences

- Construct a new aquatic center to replace the aging community pool.
- Expand athletic facilities to increase access and playability.
- Update the Fine Arts Center.
- Update the Community Center.

Update infrastructure to Address Aging Systems and Inefficiencies

- Fund continual improvements to our safety and security infrastructure.
- Replace aging buses to keep the fleet modern/safe.
- Replace systems at the end of their useful life cycle.

Information about both bond proposals can be found on our [website](#).



Glossary of Terms Used in Relation to School Budgets

- **Bond Issue Proposal:** A request by the board of education for the community to grant authority to issue bonds to provide funding for capital improvements. Interest and principal payments on the bonds are funded through a debt tax levy on school district property owners. Funds generated by bond issues cannot be used to pay operating expenses such as salaries, benefits, teaching supplies or utilities.
- **Bulletin 1014—Michigan Public Schools Ranked by Financial Information:** The Bulletin 1014 contains select pieces of financial information about Michigan public schools, including revenue and expenditures per pupil. It also includes the fall pupil count, average teacher salary, and taxable value information. This report is issued by the State of Michigan.
- **Co-Curricular:** School-supported activities outside of the school day, including athletic and non-athletic activities.
- **Community Services:** FHPS operates community service programs for youth through senior citizens. A list of their programs can be found online and [linked here](#).
- **Debt Service Fund:** Records the receipt of funds for the payment of interest, principal, and other debt-related expenses.
- **Enhancement Millage:** Proposal A included a provision allowing Intermediate School Districts (ISDs) to levy up to 3 mills for up to 20 years to be distributed 100% on a per-pupil basis to every constituent school district within that ISD. In 2017, Kent County voters approved a 0.9 mill levy for 10 years.
- **ESSER Funds:** Federal Elementary and Secondary School Emergency Relief (ESSER) funds given to schools during the COVID-19 pandemic.
- **Federal Sources:** All revenue provided by the federal government. Includes funding for special education (IDEA grant), Title I (at-risk students), and Title II (professional development).
- **Forest Hills Education Association:** The association that represents teachers, counselors, and other professional staff and is affiliated with the Michigan Education Association.
- **Forest Hills Public Schools Foundation (FHPSF):** Funding provided by the school foundation to FHPS staff to support initiatives that impact teaching and learning.
- **Foundation Allowance:** Also known as the foundation grant, the per-pupil funds are given to each school district based on the number of students enrolled. It is the primary means by which the state distributes funding to school districts and accounts for about two-thirds of the state School Aid Fund.
- **Fund Balance:** The accumulation of funds when a fiscal year's revenues exceed expenses. It is sometimes referred to as a "Rainy Day Fund."
- **Hold-Harmless Districts:** The 50+ historically higher-spending school districts (does not include FHPS) in the state that are allowed to tax their local property owners' additional mills, known as "hold-harmless" mills, for local school district operations. The hold-harmless provision in Proposal A was included so that higher-funded districts would not have to significantly cut back their own school revenues as the state sought funding parity through Proposal A. The "hold-harmless" provision allowed these districts to maintain their pre-Proposal A funding level through millage (operational) votes.
- **Intermediate School District (ISD):** ISDs are structured as separate taxing units to provide various administrative and instructional services to local school districts. Some services ISDs provide include teacher training programs, piloting innovative programs, coordinating early childhood, special education, and vocational-technical services.
- **Kent Career Technical Center (KCTC):** This is an educational center operated by the ISD focusing on career exploration, career preparation, and continuing education leading to successful employment.
- **Like Districts:** School districts in Michigan that are similar to Forest Hills Public Schools from a community and demographic perspective according to the Michigan Department of Education.
- **Multi-Language Learners (MLL):** Students who are developing proficiency in multiple languages, including students learning English as an additional language in school.
- **Positive Behavioral Interventions and Supports (PBIS):** An evidence-based, tiered framework for supporting students' behavioral, academic, social, emotional, and mental health.
- **Proposal A:** A ballot initiative that Michigan voters approved in 1994 that led to the current School Aid Fund system. FHPS' operating levy prior to Proposal A was 31.3472 mills.

- **Recreational Millage:** Revenue received from the 1 mill recreational millage approved by FHPS voters and levied on all properties to support community recreation and enhancement programs. The millage cannot fund the cost of district-sponsored athletics.
- **Michigan Public School Employees Retirement System (MPSERS):** Referred to as “retirement” in this guide, MPSERS is the state-mandated retirement system for all public school districts and public school employees. The system is both a defined benefit and defined contribution retirement program that includes retirement health care coverage depending on the plan selected by the employee. District contributions to the program are determined through a “retirement contribution rate,” which is a percentage of each dollar on the payroll. Employees are also required to contribute a percentage of their wages to the system from 3% to 10%.
- **School Aid Fund:** The budget that provides the majority of state revenue for education. It is generated through a portion of the state sales tax, state education tax, use tax, tobacco tax, real estate transfer tax, industrial facilities tax, income tax, casino tax, lottery profits and other taxes.
- **Special Revenue Fund:** Accounts for the district’s child care, food service, and student/school activity programs.
- **State Education Tax:** This is a tax on all property in Michigan that is used to fund public schools—6 mills assessed on taxable value. This statewide tax was established after Proposal A passed in 1994, which changed the education funding system in Michigan from a system that had primarily relied on local property taxes to fund local schools.
- **Structural Deficit:** When a budget deficit persists for a period of time.

Additional Resources and Links

To learn more about the FHPS budget and school funding, please visit the following online resources.

- [Budget and Salary/Compensation Transparency Reporting](#)
- [MI School Data](#)
- [Current Bargaining Agreements](#)
- [Employer-Sponsored Healthcare Plans](#)
- [Audited Financial Statements](#)
- [Copies of FHPS Budgets Since 2019](#)
- [Understanding School Finance: What Everyone Should Know \(Three-Part Video Series\)](#)
- [2023 Bond Proposal Information](#)
- [2023 Operating Millage Proposal Information](#)
- [FHPS Website](#)

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FHPS Schools and Educational Buildings

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Ada Vista Elementary School
Collins Elementary School
Knapp Forest Elementary School
Meadow Brook Elementary School
Orchard View Elementary School
Pine Ridge Elementary School
Thornapple Elementary School
Central Woodlands 5/6 School
Northern Trails 5/6 School
Goodwillie 5/6 Environmental School
Central Middle School
Eastern Middle School
Northern Hills Middle School
Central High School
Eastern High School
Northern High School
FHPS Transition Center
Forest Hills Fine Arts Center
Forest Hills Community and Aquatic Center

