Summary:
Adopted FY 2027 Original Budget

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July 2026

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Note: This budget summary is a compilation of information presented to the BPS of Education during the FY 2027 budget process.

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Foundation Allowance Basics

Foundation Allowance Basics (FY 2026)

Foundation allowance revenue makes up about two-thirds of BPS General Fund Revenue and funds core instructional and operational costs

Total BPS Foundation Allowance = $13,805

TIMES

Full-Time Equated Enrollment = 7,258.01

EQUALS

Total Guaranteed Foundation Allowance Revenue = $100.2 million

BPS Hold Harmless Foundation Allowance = $3,755

Constant per-pupil amount

State Maximum Foundation Allowance = $10,050*

Determined through annual state budget process

Variables that determine changes in total BPS foundation allowance revenue

Hold Harmless Millage Revenue = $27.3 million

4.62 Mills levied on Homestead property; adjusts downward as taxable value grows

Operating Millage Revenue = $32.9 million

18 Mills levied on Non-Homestead property**

State Aid for Foundation Allowance = $40.0 million

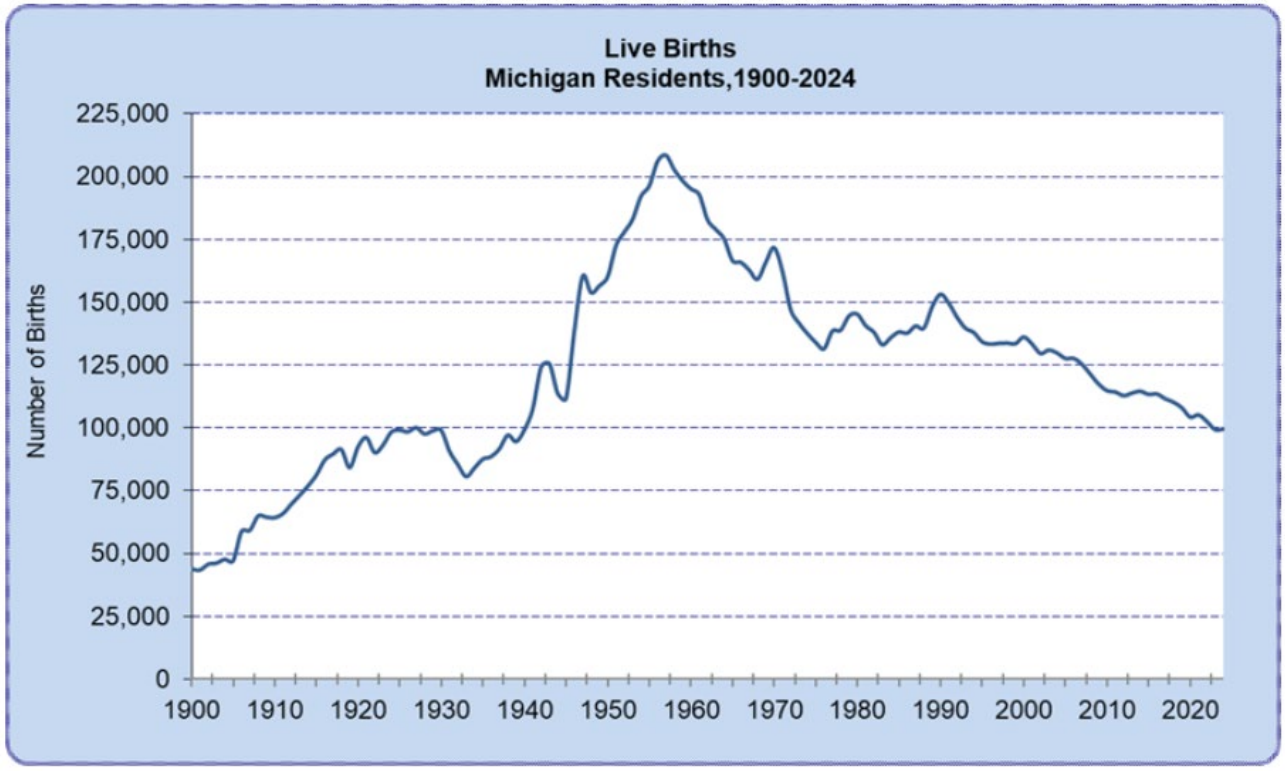
State funds balance of total revenue amount; state portion decreases as local Operating Millage revenue increases

*Includes Sec. 20m payment

**Includes non-exempt Commercial Personal Property taxed at 6 mills

Birth Rates and Enrollment

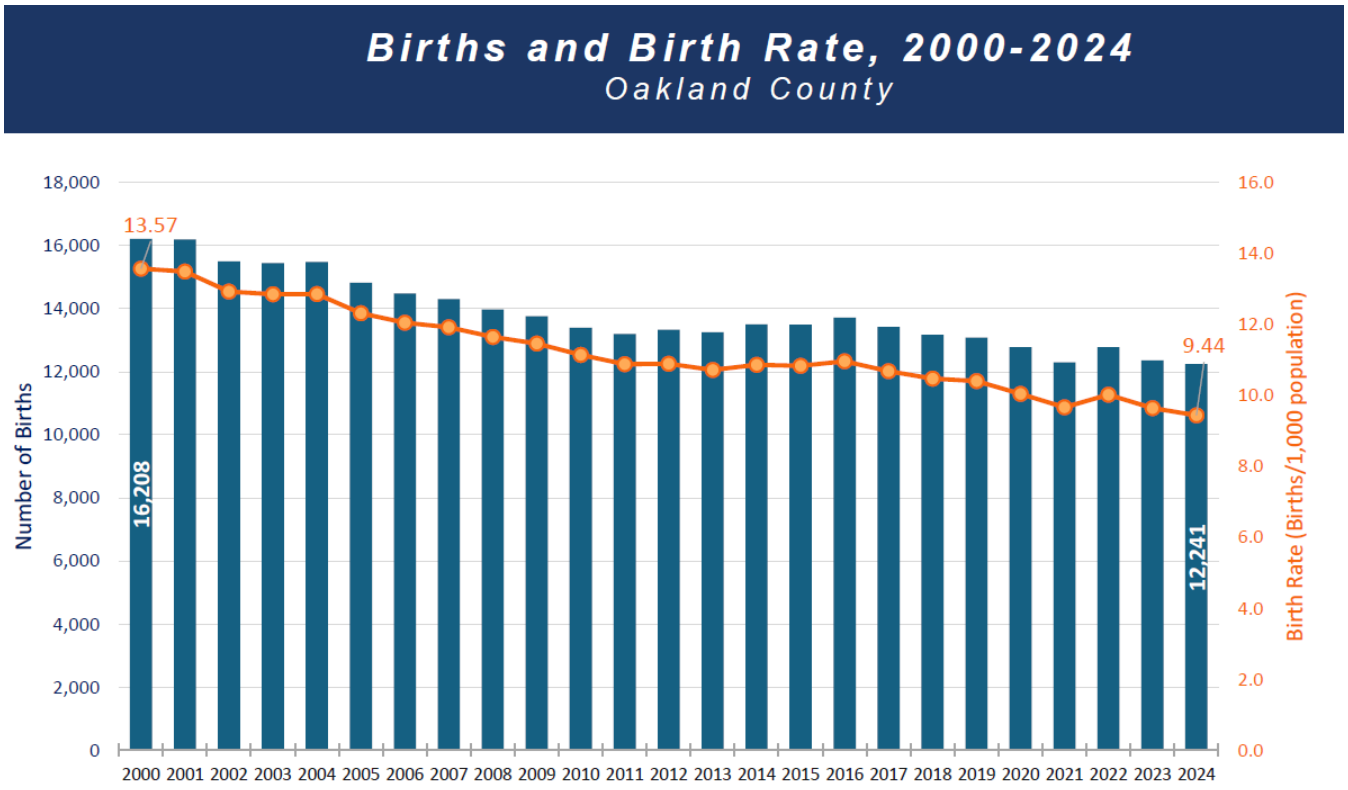
Michigan Birth Rate



The number of children born in Michigan is the lowest since the 1940's

Source: Michigan Department of Health & Human Services

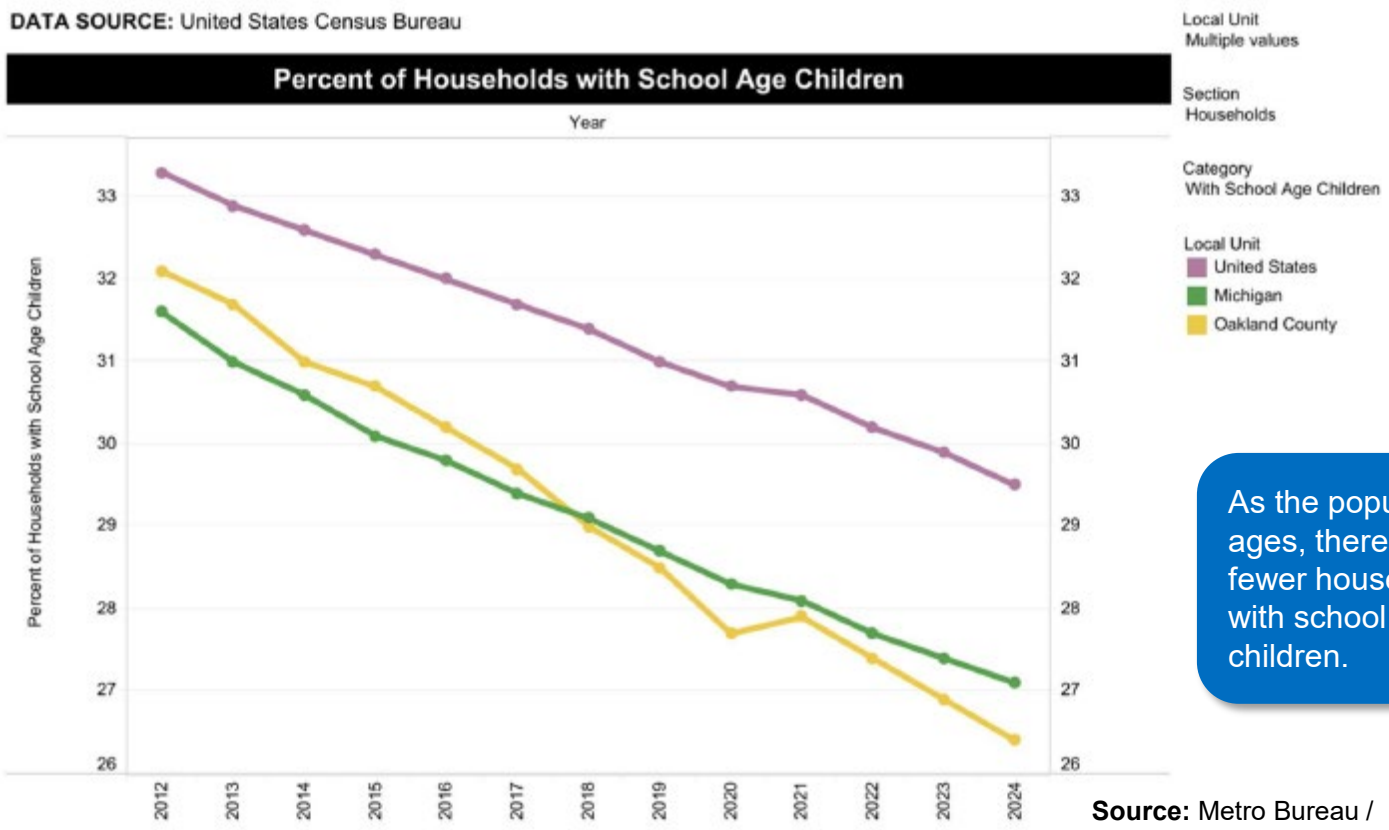
Oakland County Birth Rate



Consistent with national and state-level trends, the number of children born in the county continues to decline

Source: Southeast Michigan Council of Governments (SEMCOG)

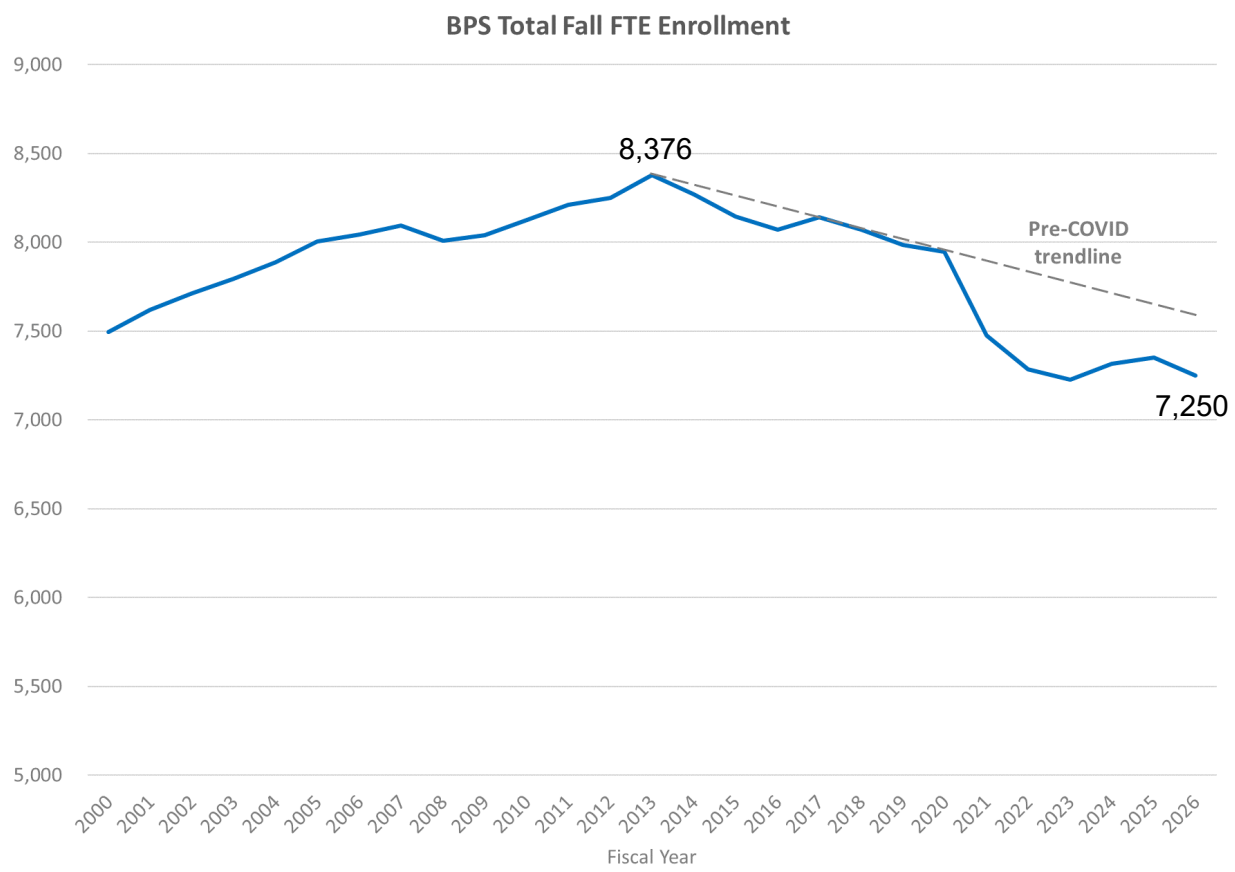
Aging Population



As the population ages, there are fewer households with school age children.

Source: Metro Bureau / Wayne State University

Enrollment History

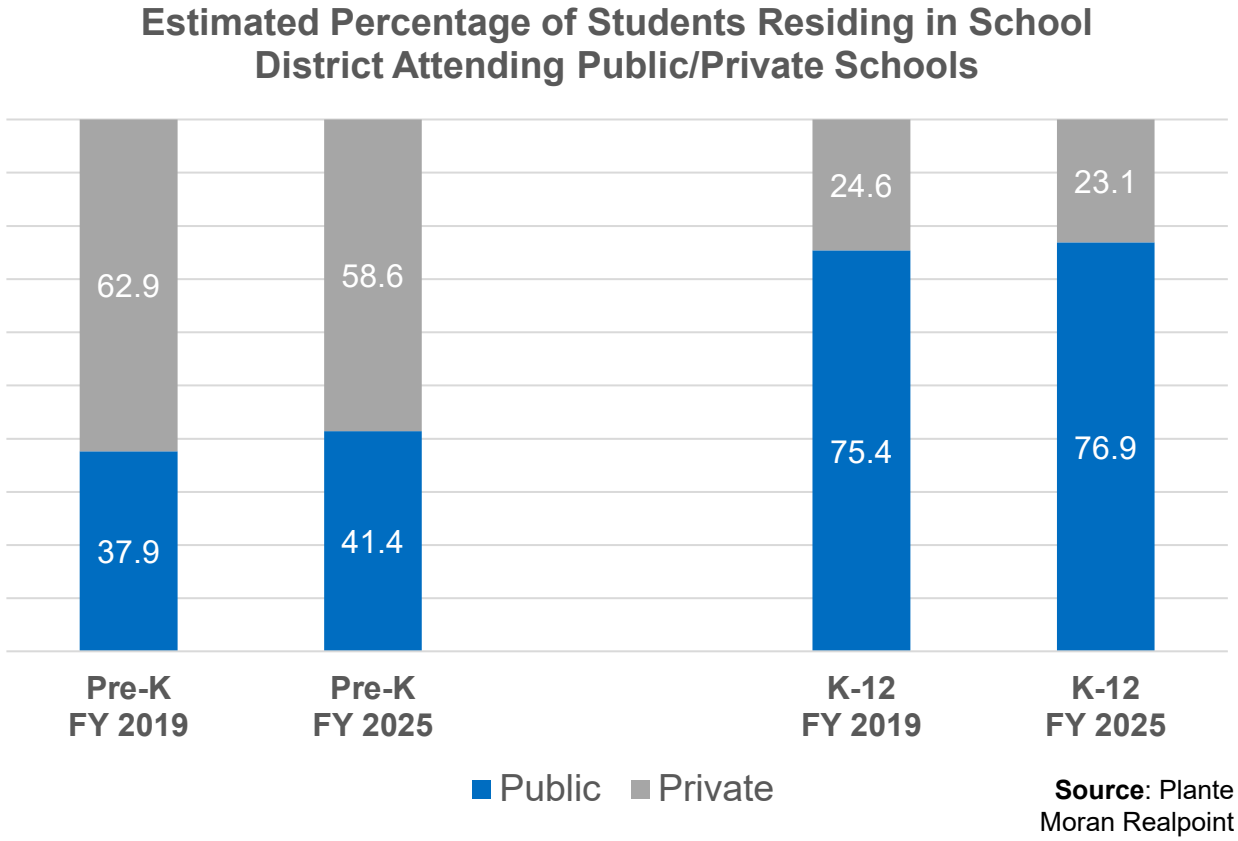


BPS's student enrollment has declined by 13.4% since the FY 2013 peak, representing over 1,100 students

The FY 2021 COVID-driven loss was significant, but the overall decline is based on birth rates

Source: Michigan Center for Education Performance and Information (CEPI)

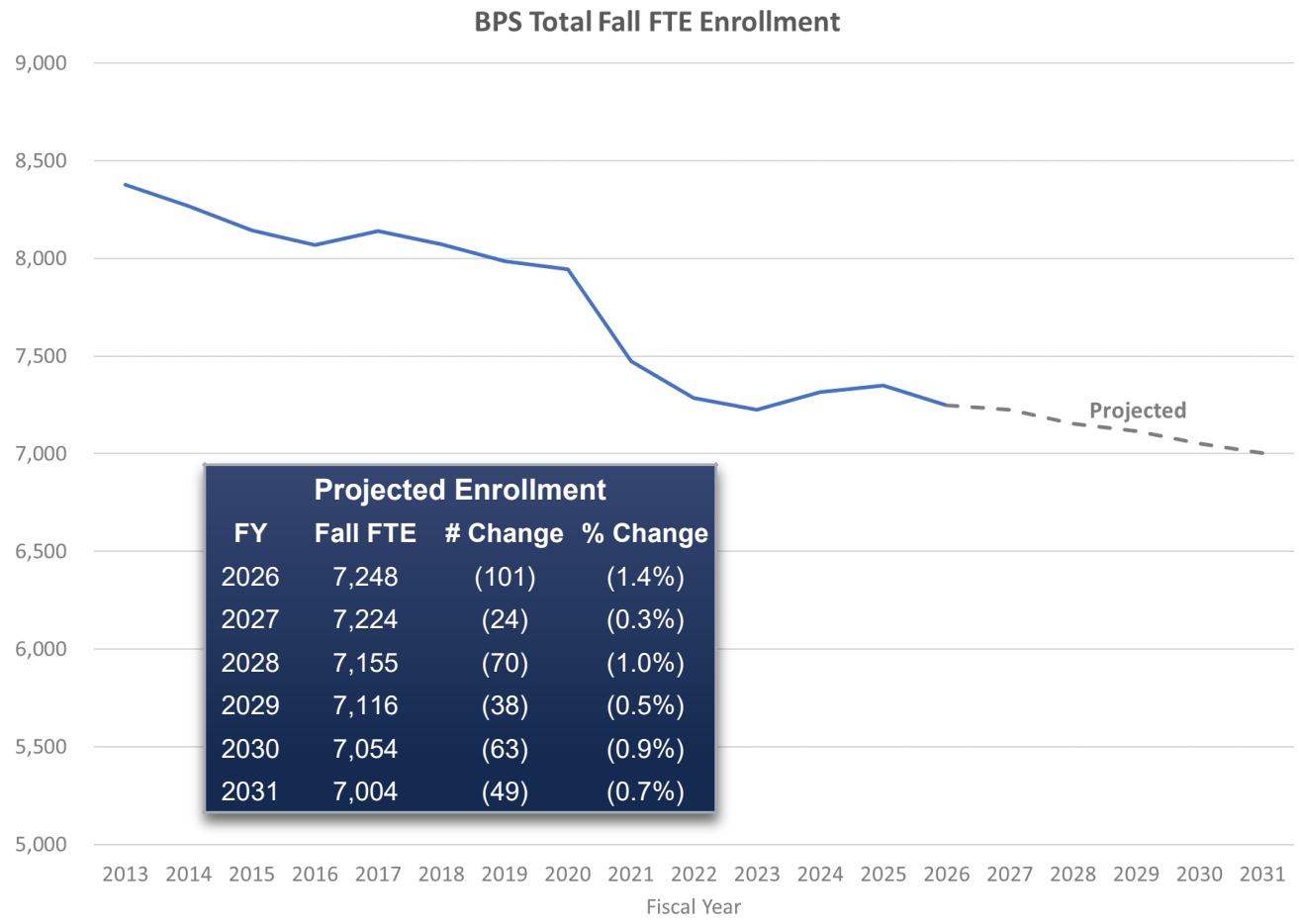
Student “Capture Rate”



Source: Plante Moran Realpoint

The percentage of students living in the district who are enrolled at BPS schools has increased slightly from pre-COVID levels at both the Pre-K and K-12 levels

Enrollment Projections



Projected Enrollment

FY	Fall FTE	# Change	% Change
2026	7,248	(101)	(1.4%)
2027	7,224	(24)	(0.3%)
2028	7,155	(70)	(1.0%)
2029	7,116	(38)	(0.5%)
2030	7,054	(63)	(0.9%)
2031	7,004	(49)	(0.7%)

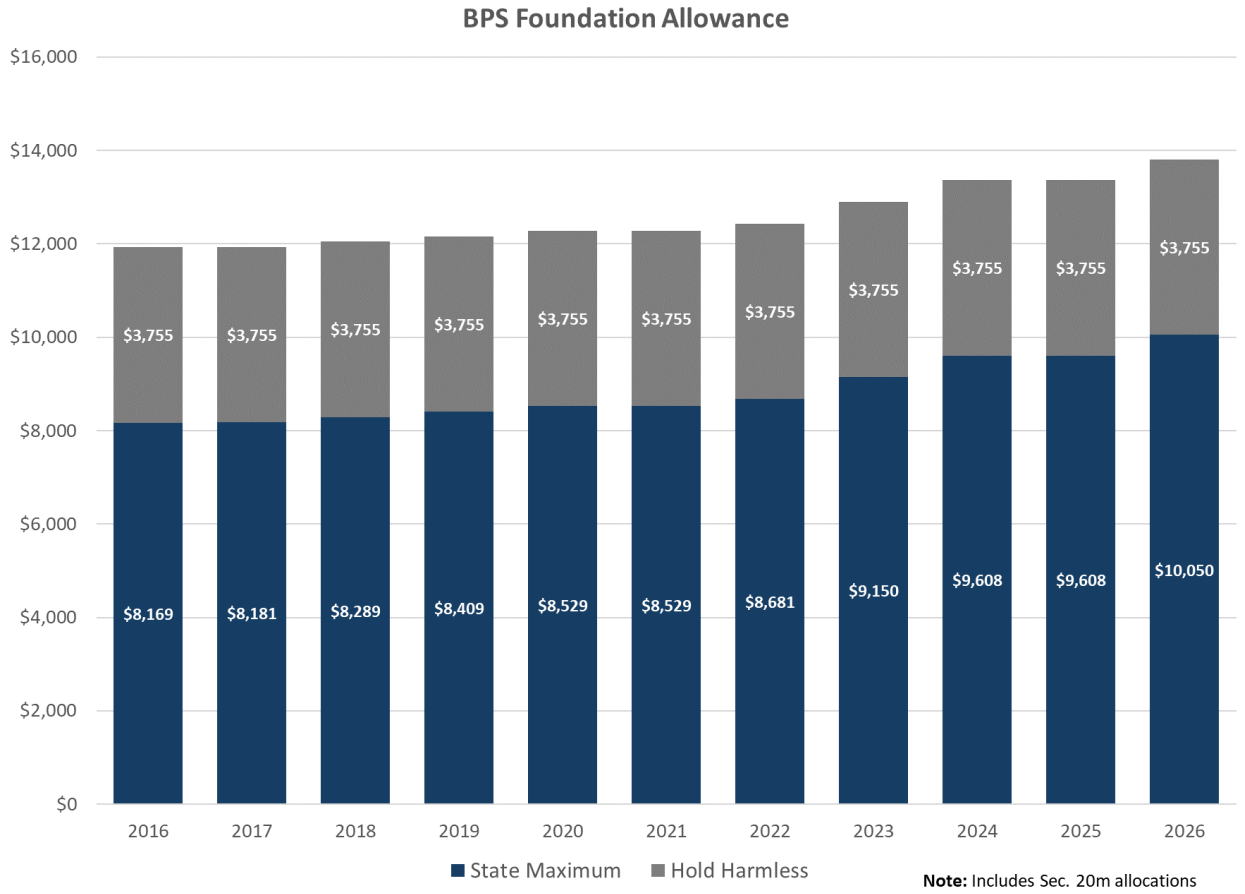
As a result of declining birth rates, BPS projects an additional reduction in FTE enrollment of 244 students over the next 5 years (3.4%)

Based on the current foundation allowance, this equates to a loss of $3.4 million in annual revenue

Source: BPS Estimates

Revenue History

Foundation Allowance History



Note: Includes Sec. 20m allocations

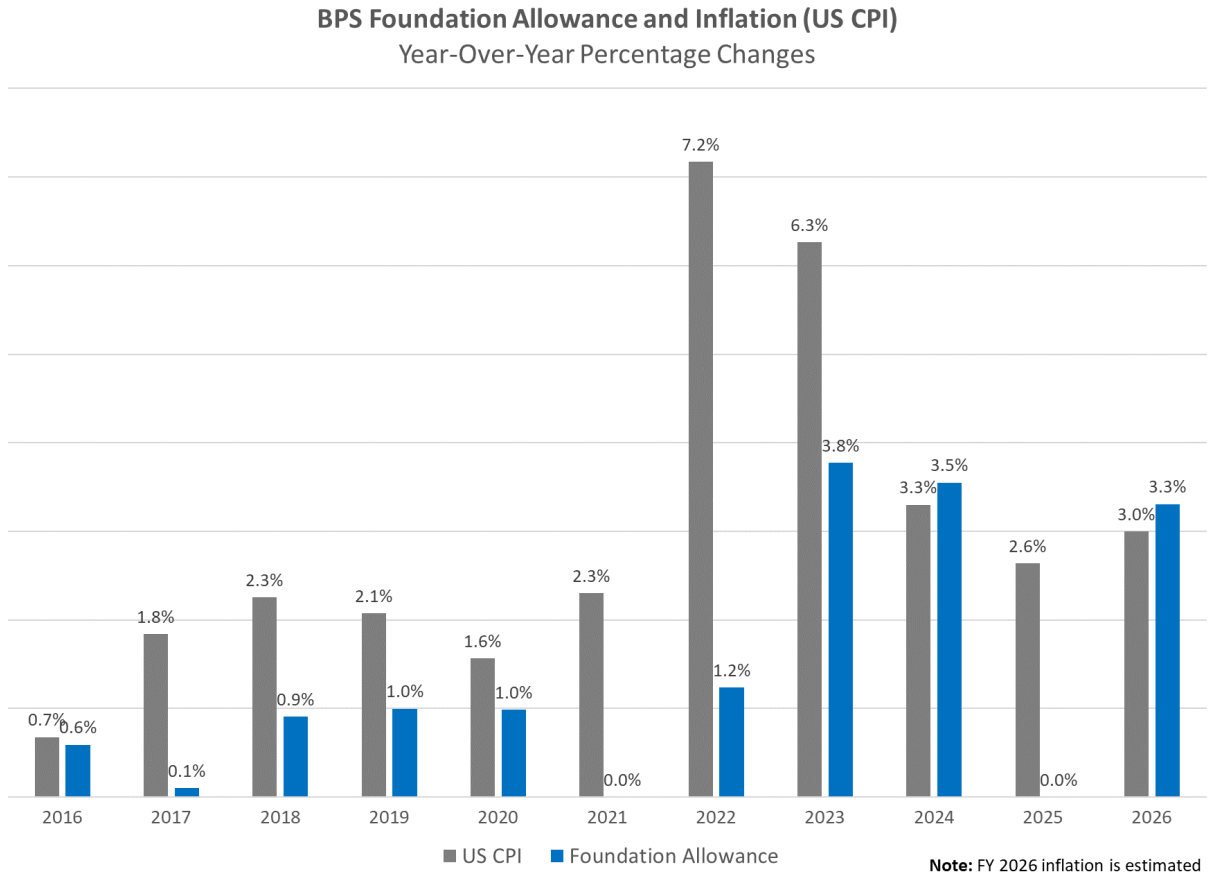
Hold harmless revenue has allowed BPS to maintain higher per-student expenditures than most districts. On a year-over-year basis, however, it does not grow with inflation.

Since 2016:

- The State Maximum foundation allowance has increased by 23.0%
- BPS's total foundation allowance has increased by 15.8%
- Inflation has increased by approximately 37%

Source: BPS Financial Transparency Page

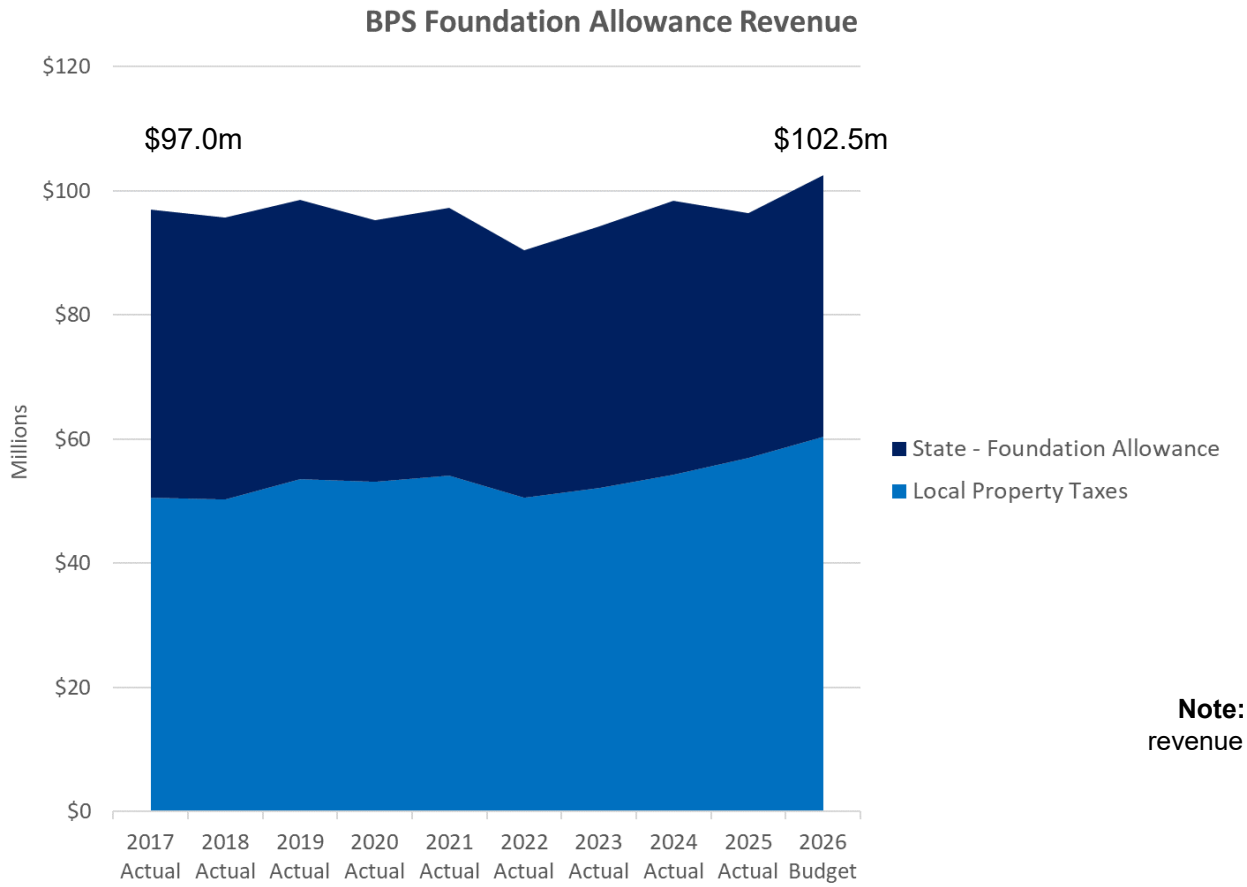
Foundation Allowance Increases Compared to Inflation



The increase in BPS's foundation allowance has only matched inflation in two years over the last decade.

Sources: BPS Financial Transparency Page, U.S. Bureau of Labor Statistics

Foundation Allowance Revenue History



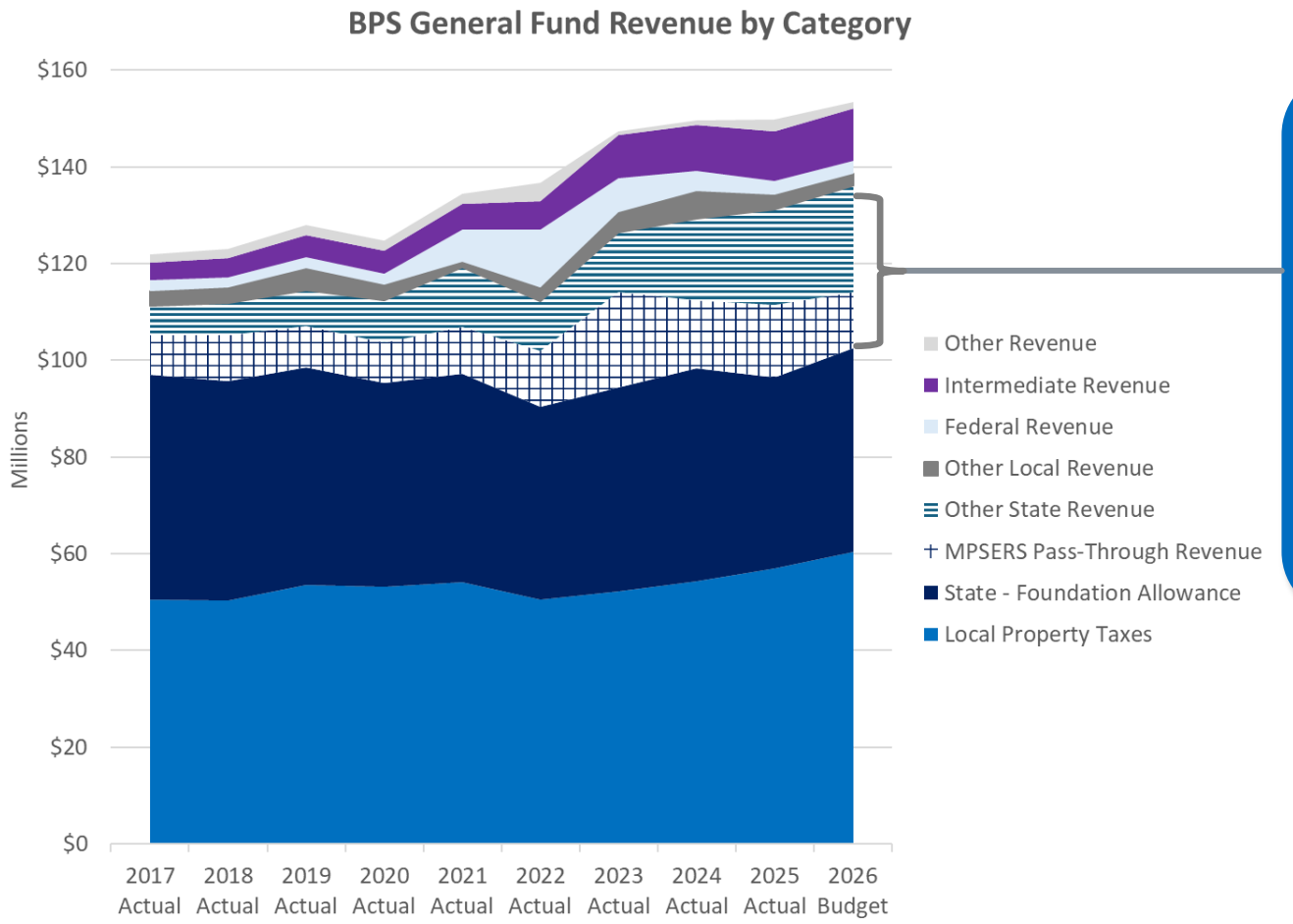
Total foundation allowance revenue has increased by just 5.7% over the last decade, before accounting for inflation.

Foundation allowance increases have been offset by declining enrollment

Note: FY 2026 Foundation Allowance revenue includes prior-year adjustments not tied to FY 2026 enrollment

Source: BPS Financial System (Business-Plus)

General Fund Revenue History



Overall revenue and budget growth have been driven by increases in other state revenue, which have largely been through:

- Funding tied to MPSERS costs (mostly pass-through funding with no net benefit to district budget)
- Categoricals with restricted purposes (Special Education, At Risk, GSRP, Mental Health, etc.)

Source: BPS Financial System (Business-Plus)

FY 2027 Total BPS Budget and Millage Rates

Total BPS Budget

Fund	FY 2027 Original Budget	
General Fund	$	153,003,315
Autistic Center Fund	$	4,739,870
Community Education Fund	$	3,612,360
Food Service Fund	$	3,705,512
Early Childhood Education Fund	$	1,589,152
Student Activity Fund	$	1,900,000
Debt Retirement Fund	$	29,408,937
Capital Projects Fund	$	16,084,816
TOTAL - ALL FUNDS	**$**	**214,043,962**

FY 2027 Millage Rates

One mill equates to 0.1% of taxable value, which is equal to 50% of assessed fair market value (subject to certain limitations on annual growth under state constitution)

Millage	FY 2026 Rate	FY 2027 Rate	Change	Tax Base	Fund / Purpose
Operating	18.0000	18.0000	0.0000	Non-Principal Residence Exemption (commercial) properties	**General Fund** -- Revenue applied toward the district's state maximum foundation allowance (assumed $10,300 for FY 2027), with State Aid making up the difference
Hold Harmless	4.6206	4.2697	(0.3509)	Principal Residence Exemption properties	**General Fund** – Generates additional $3,755 per pupil above state maximum foundation allowance; rate declining due to taxable value growth and declining enrollment
Debt	3.8000	3.8000	0.0000	All taxable properties	**Debt Retirement Fund** – Funds debt service payments for previous bond issues

FY 2027 General Fund Budget

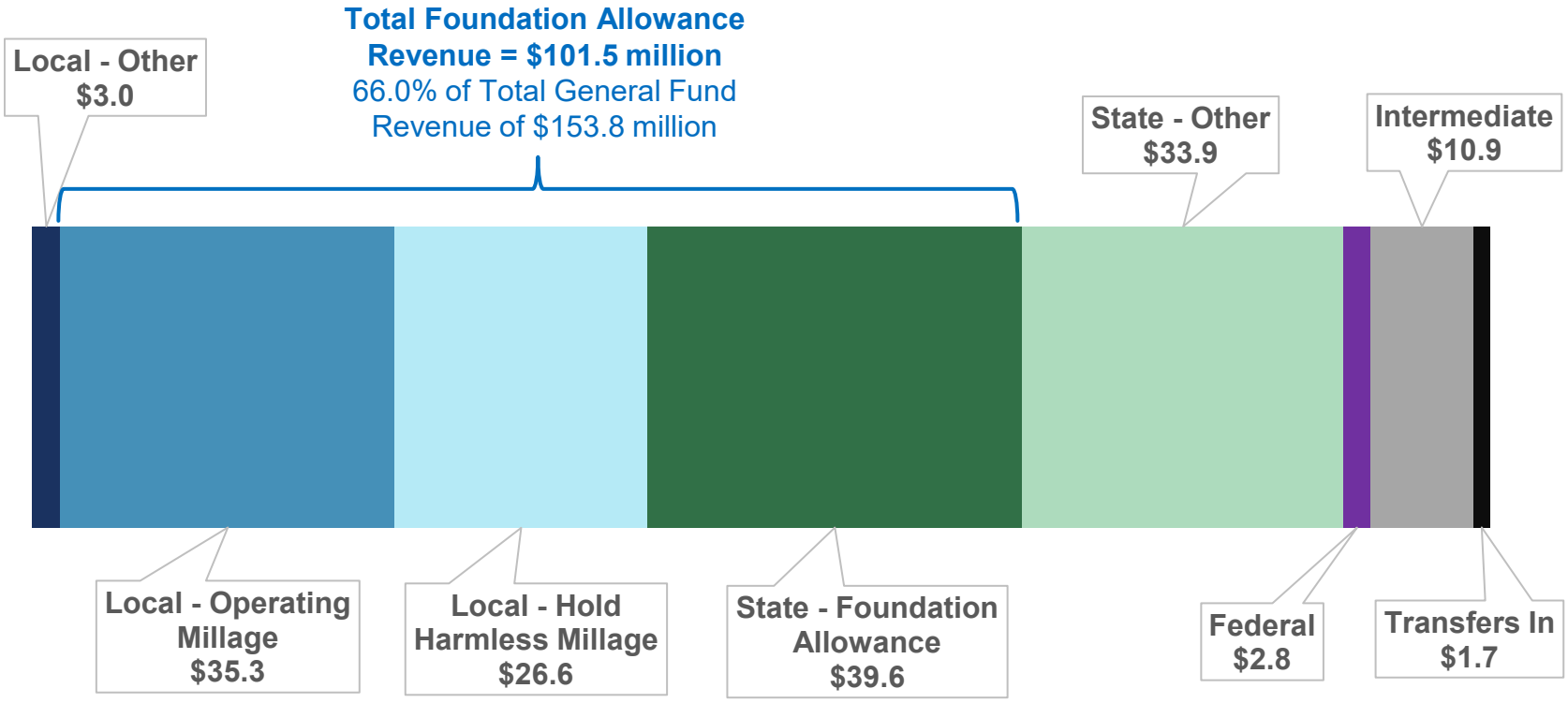
Key Assumptions and Uncertainties FY 2027 General Fund Budget

- **State budget action**
  - Final state budget not yet enacted
  - Assuming $250 foundation allowance increase, as proposed by Governor, House, and Senate
  - Other state grants TBD (generally revenue and expenditures offset)
- **Fall enrollment count**
  - Using cautious estimates based on birth rates and assumed progression of current student cohorts
- **Countywide Enhancement Millage**
  - Revenue not assumed in budget
  - If approved by voters in August, BPS Administration will work with Board to establish priorities for the new funding
- **Employee compensation increases for ratified and open contracts**

The BPS Administration will continue to monitor these financial factors and account for changes in Budget Amendment #1, to be presented to the Board of Education late Fall

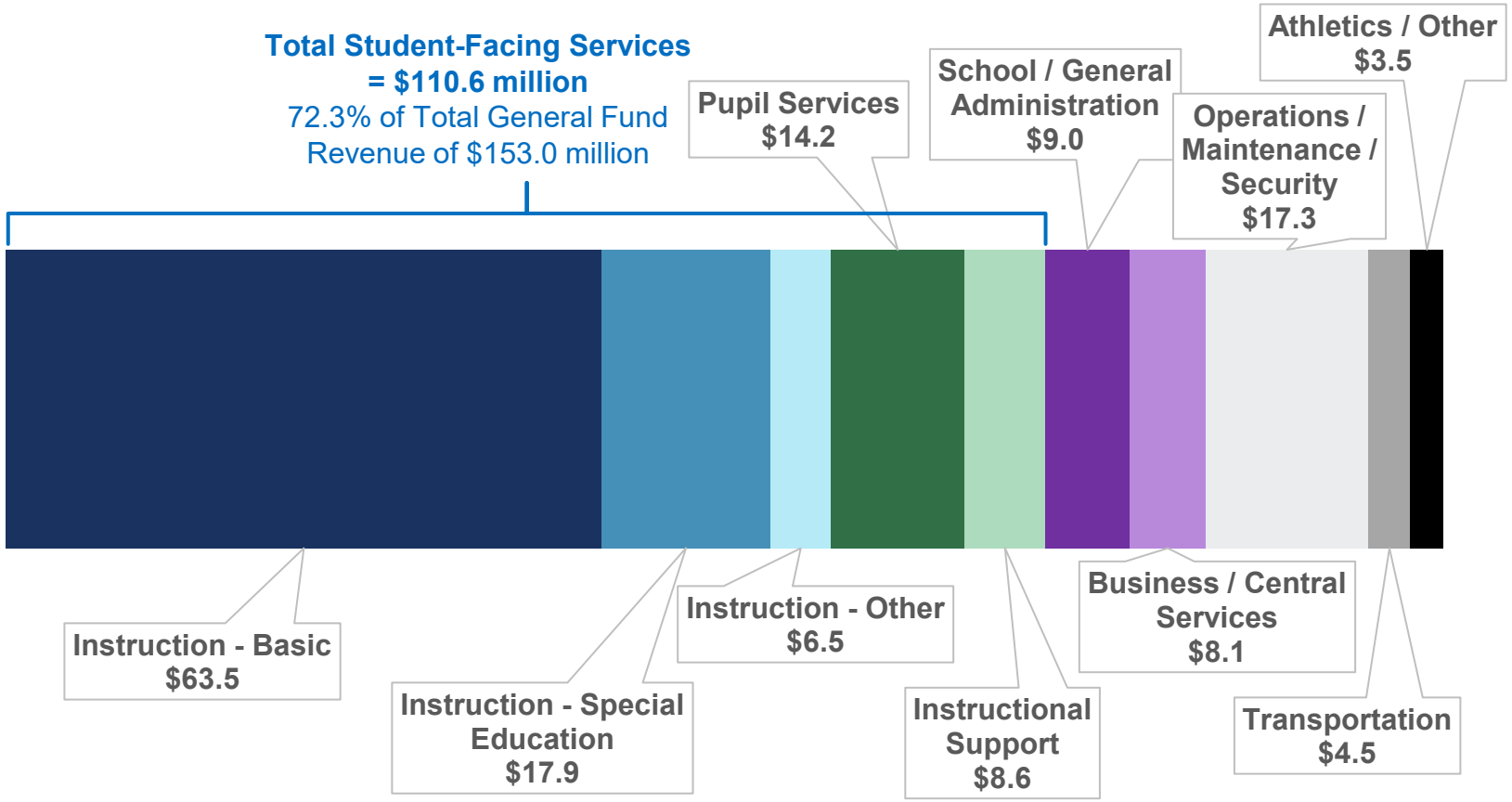
FY 2027 Budgeted General Fund Revenue

In Millions

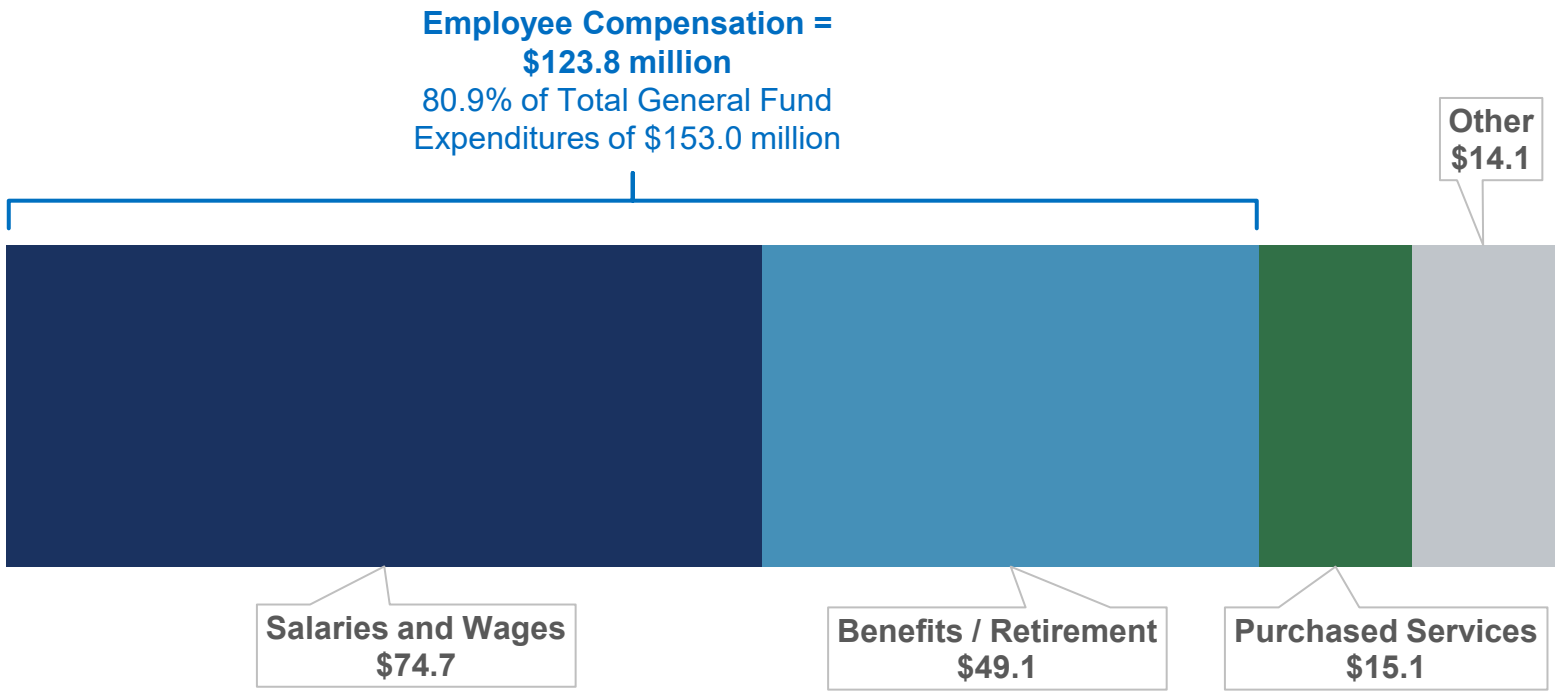


FY 2027 Budgeted
General Fund Expenditures by Function

In Millions



FY 2027 Budgeted
General Fund Expenditures by Object
In Millions



General Fund Budget Summary

	FY 2025 Actual	FY 2026 Budget Amendment #2	FY 2027 Original Budget	FY27 vs. FY26 $ Change	FY27 vs. FY26 % Change
Revenues	$ 150,031,057	$ 154,429,357	$ 153,795,889	$ (633,468)	(0.4%)
Expenditures	$ 152,162,764	$ 154,689,182	$ 153,003,315	$ (1,685,867)	(1.1%)
Surplus/(Shortfall)	**$ (2,131,707)**	**$ (259,825)**	**$ 792,574**		
Ending Balance	$ 16,224,706	$ 15,964,881	$ 16,757,455		
Ending Balance as a % of Expenditures	**10.7%**	**10.3%**	**11.0%**		

Foundation Allowance Revenue Summary

District's core, discretionary operating revenue

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	#/$ Change	% Change
State Aid Enrollment	7,260.5	7,226.4	(34.2)	(0.5%)
Per-Pupil Foundation Allowance				
State Maximum	$ 10,050	$ 10,300	$ 250	2.5%
BPS Hold Harmless	$ 3,755	$ 3,755	$ -	0.0%
Total	$ 13,805	$ 14,055	$ 250	1.8%
Foundation Allowance Revenue	**$ 100,231,479**	**$ 101,566,349**	**$ 1,334,871**	**1.3%**

Note: Figures do not include prior-year or other technical adjustments

General Fund Revenue Summary

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Local - Operating Millage	$ 31,159,251	$ 35,302,157	$ 4,142,906	13.3%
Local - Hold Harmless Millage	$ 27,680,645	$ 26,554,757	$ (1,125,888)	(4.1%)
Local - Other	$ 3,511,719	$ 3,015,762	$ (495,957)	(14.1%)
State - Foundation Allowance	$ 41,822,275	$ 39,626,737	$ (2,195,538)	(5.2%)
State - Other	$ 35,052,556	$ 33,944,834	$ (1,107,722)	(3.2%)
Federal	$ 2,766,382	$ 2,766,382	$ -	0.0%
Intermediate	$ 10,712,418	$ 10,861,149	$ 148,731	1.4%
Transfers In	$ 1,724,111	$ 1,724,111	$ -	0.0%
TOTAL	**$ 154,429,357**	**$ 153,795,889**	**$ (633,468)**	**(0.4%)**

General Fund Revenue Adjustments

FY 2027 Original Budget vs. FY 2026 Budget Amendment #2

	Adjustment	
Foundation Allowance (Local/State)		
Projected enrollment decline	$	(471,703)
Assumed $250 per-pupil increase	$	1,806,588
Other Local - remove one-time 457/FSA forfeitures	$	(544,000)
Other State		
Special education (partial reimbursement based on prior year)	$	250,000
At Risk (5%)	$	65,000
Enrollment Stabilization - reduce for lower enrollment decline	$	(185,189)
27l funding (employee compensation + health care) - Remove One-Time	$	(2,195,234)
Prior-year Foundation Allowance adjustments - Remove One-Time	$	(1,500,000)
147a(2) MPSERS normal cost - Remove One-Time	$	(402,694)
31aa FY 2026 supplemental payment - ONE-TIME	$	1,519,492
31aa(4) competitive award (School Resource Officers) - ONE-TIME	$	300,000
31aa(5) competitive award (Mental Health) - ONE-TIME	$	1,950,000
147c MPSERS pass-through (offsetting reduction in expenditures)	$	(1,140,652)
Federal	$	-
Intermediate - Special education millage growth	$	148,731
Other	$	(233,807)
TOTAL	**$**	**(633,468)**

General Fund Expenditure Summary

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Instruction				
Elementary	$ 29,833,688	$ 29,011,816	$ (821,872)	(2.8%)
Middle School	$ 15,722,102	$ 15,200,192	$ (521,910)	(3.3%)
High School	$ 19,654,885	$ 19,265,471	$ (389,414)	(2.0%)
Special Education	$ 18,434,114	$ 17,899,793	$ (534,321)	(2.9%)
Other	$ 6,659,325	$ 6,455,818	$ (203,507)	(3.1%)
Instructional Support Services				
Pupil Services	$ 13,842,494	$ 14,219,889	$ 377,395	2.7%
Instructional Support	$ 8,806,454	$ 8,588,852	$ (217,602)	(2.5%)
School / General Administration	$ 9,369,909	$ 9,030,874	$ (339,035)	(3.6%)
Non-Instructional Support Services				
Business Services	$ 2,496,024	$ 2,238,617	$ (257,407)	(10.3%)
Operations / Maintenance / Security	$ 16,057,890	$ 17,318,299	$ 1,260,409	7.8%
Transportation	$ 4,604,719	$ 4,491,661	$ (113,058)	(2.5%)
Central Services	$ 5,139,905	$ 5,826,088	$ 686,183	13.4%
Athletics	$ 2,690,843	$ 2,706,076	$ 15,233	0.6%
Other	$ 1,376,830	$ 749,869	$ (626,961)	(45.5%)
TOTAL	**$ 154,689,182**	**$ 153,003,315**	**$ (1,685,867)**	**(1.1%)**

Notes: (1) Change for Operations/Maintenance/Security includes classifying security expenditures correctly, shift of eligible facility expenditures to bond funding for FY 2026, and increase in electricity rates; (2) change for Central Services includes reversing one-time vacancy savings and one-time bond education costs

General Fund Expenditure Adjustments – Non-Discretionary

FY 2027 Original Budget vs. FY 2026 Budget Amendment #2

	Adjustment
Employee Compensation / Benefits	
Salary increases (includes step increases, other approved agreements)	$ 2,600,000
Health / dental insurance costs	$ 550,000
Reduction in state retirement rate (normal rate)	$ (1,150,000)
Reduction in 147c state unfunded liability rate (offset by revenue adjustment)	$ (1,140,652)
Temporary grant-funded positions - ONE-TIME	$ 1,200,000
Unemployment costs - ONE-TIME	$ 210,000
Other compensation adjustments (includes reversing one-time savings from vacancies)	$ 400,000
Operational Costs	
Electricity costs (expiration of previous supply contract; increase in transmission charges)	$ 600,000
Reverse one-time curriculum savings	$ 620,000
Transportation contract increase (3.5%)	$ 140,000
Assumed reduction in substitute teacher costs (teachers returning from long-term leave)	$ (607,000)
Other operational costs - net	$ 87,263
Other - Remove one-time write-off / transfer	$ (1,100,000)
TOTAL	**$ 2,409,611**

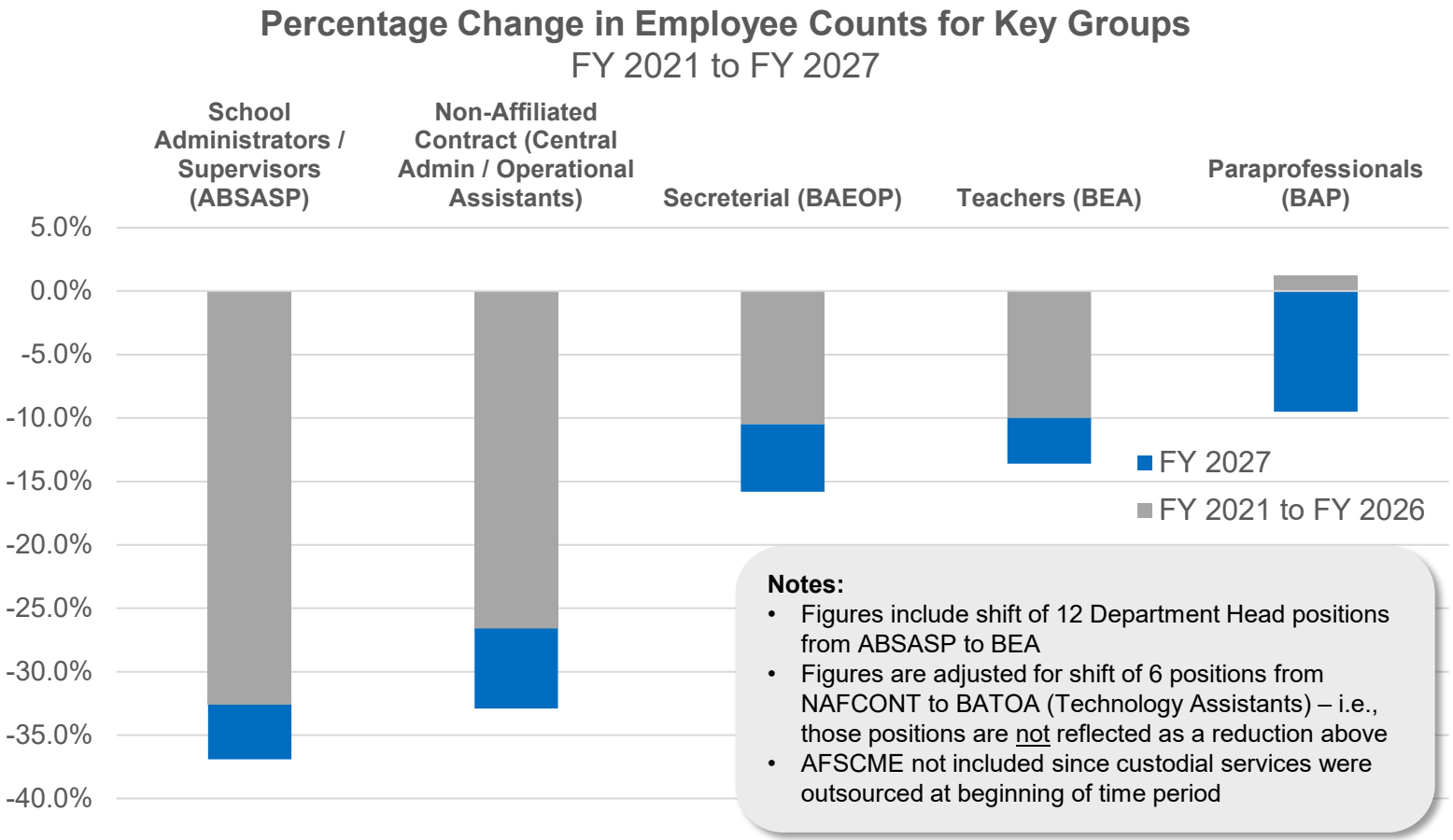
General Fund Expenditure Adjustments – Rightsizing Staffing / Operations

FY 2027 Original Budget vs. FY 2026 Budget Amendment #2

	Number of Positions	$ Savings
Position Reductions by Employee Group		
BEA - Teaching / instructional positions	22.1	$ (2,525,905)
BAP - Parapro positions	16.0	$ (745,662)
ABSASP - School administrator / supervisor positions	2.0	$ (364,604)
BAEOP - Secretarial positions	3.0	$ (234,291)
NAFCONT - Central administrative / operational positions	3.0	$ (316,654)
Operational Savings		
Transportation savings (routing efficiencies / discount for district-owned buses)	NA	$ (253,058)
Energy audit (assumed 5% first-year savings)	NA	$ (120,000)
TOTAL Direct General Fund	**46.1**	**$ (4,560,174)**
Community Education reduction (Community Education Fund)	1.0	$ (70,231)
TOTAL General Fund-related	**47.1**	**$ (4,630,405)**

- Position reductions were informed by Budget Advisory Committee recommendations
- Most reductions occurred through retirements and attrition; there were 9 total layoffs

Changes in BPS Staffing by Group



Source: BPS Annual Financial Disclosure Statements

One-Time General Fund Revenues / Expenditures

	One-Time Revenue
22l Transportation (one-time in state budget)	$ 575,833
29 Enrollment Stabilization (one-time in state budget)	$ 108,052
31aa standard payment (one-time in state budget)	$ 1,182,207
31aa FY 2026 supplemental payment (carry forward to FY 2027)	$ 1,519,492
31aa(4) FY 2026 competitive award (School Resource Officers)	$ 300,000
31aa(5) FY 2026 competitive award (Mental Health)	$ 1,950,000
TOTAL	**$ 5,635,584**

	One-Time Expenditures
31aa (discretionary expenditures)	$ 295,552
31aa(5) (one-time positions)	$ 1,200,000
Unemployment costs	$ 210,000
Other one-time costs	$ 400,000
TOTAL	**$ 2,105,552**

General Fund Structural Analysis

	FY 2027 Original Budget	Remove One-Time Items	FY 2027 Structural Budget
Revenues	$ 153,795,889	$ (5,635,584)	$ 148,160,305
Expenditures	$ 153,003,315	$ (2,105,552)	$ 150,897,763
Surplus/Shortfall	**$ 792,574**	**$ (3,530,032)**	**$ (2,737,458)**

The structural shortfall represents the difference between revenue and expenditures that are ongoing from year to year.

Without actions to rightsize staffing and operations, the structural shortfall would have been $7.4 million.

Those actions reduce the structural shortfall to $2.7 million.

Key Takeaways - FY 2027 General Fund Budget

- Under current assumptions, recommended budget is projected to generate **first General Fund surplus since FY 2020**. Two key factors:
  - Deliberate, thoughtful action to continue rightsizing district staffing levels and operational expenditures
  - State grant revenue available to support district operations on a one-time basis
- **Projected increase in fund balance (to 11.0% of expenditures)** is based on one-time funding
  - Board policy requires fund balance level to be maintained between 10% and 15%
  - Not recommended to use for recurring expenditures (e.g., adding staff positions/compensation increases), to avoid increasing structural shortfall

Going Forward

- Structural budget shortfall has been reduced but remains at lower level for FY 2027
- Continued gradual enrollment decline based on birth rates can be expected
- The state budget outlook remains uncertain given state General Fund shortfall, economic uncertainty and upcoming changes in political leadership
- Growth in operational spending is outpacing growth in available funding
- The BPS Administration will continue to pursue rightsizing to support long-term financial and operational stability:
  - Staffing
  - Operations
  - Facility footprint

FY 2027 Special Revenue and Other Funds

Autistic Center Fund

Accounts for costs of operating Autistic Center program; revenue received from districts sending students (including BPS students)

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 5,235,292	$ 4,691,097	$ (544,195)	(10.4%)
Expenditures	$ 4,731,789	$ 4,269,404	$ (462,385)	(9.8%)
Funds to GF (Overhead)	$ 548,374	$ 470,466	$ (77,908)	(14.2%)
Surplus/(Shortfall)	**$ (44,871)**	**$ (48,773)**		
Ending Balance	$ 253,359	$ 204,586		

Summary of FY 2027 Changes

- Special Education staff have been properly allocated between General Fund and Autistic Center Fund
- Classroom reduction based on student counts

Community Education Fund

Accounts for revenue and expenses associated with Community Education program (including Kid's Club, Adult Education, and auditorium rentals); surplus revenue transferred to General Fund to support general district operations

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 3,680,997	$ 3,680,997	$ -	0.0%
Expenditures	$ 2,681,840	$ 2,662,360	$ (19,480)	(0.7%)
Transfer Out to GF	$ 950,000	$ 950,000	$ -	0.0%
Surplus/(Shortfall)	**$ 49,157**	**$ 68,637**		
Ending Balance	$ 113,084	$ 181,721		

Summary of FY 2027 Changes

- No major changes – compensation increases offset by position reduction

Food Service Fund

Accounts for revenue and expenses associated with Food Service; revenue received from federal and state governments, as well as purchased items

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 3,641,628	$ 3,641,628	$ -	0.0%
Expenditures	$ 4,276,168	$ 3,705,512	$ (570,656)	(13.3%)
Surplus/(Shortfall)	**$ (634,540)**	**$ (63,884)**		
Ending Balance	$ 603,539	$ 539,655		

Summary of FY 2027 Changes

- Removal of one-time equipment purchases ($700,000+)
- $1.00/hour wage increase and adding dietician position
- Maintains fund balance below federal maximum level (approximately 33% of operational expenditures)

Early Childhood Education Fund

Accounts for revenue and expenses associated with tuition-based early childhood programs (state-funded Great Start Readiness Program included in General Fund)

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 1,632,568	$ 1,477,610	$ (154,958)	(9.5%)
Transfer from GF	$ 713,963	$ 111,542	$ (602,421)	(84.4%)
Expenditures	$ 1,725,765	$ 1,589,152	$ (136,613)	(7.9%)
Surplus/(Shortfall)	**$ 620,766**	**$ -**		
Ending Balance	$ 724	$ 724		

Summary of FY 2027 Changes

- Remove one-time GF transfer to resolve accumulated fund deficit ($620,000)
- Two tuition-based classrooms converted to GSRP (General Fund)

Student Activity Fund

Accounts for revenue and expenses for student activities funded by fees or other external revenue; funds are held by district on fiduciary basis

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 2,000,000	$ 2,000,000	$ -	0.0%
Expenditures	$ 2,150,000	$ 1,900,000	$ (250,000)	(11.6%)
Surplus/(Shortfall)	**$ (150,000)**	**$ 100,000**		
Ending Balance	$ 1,591,759	$ 1,691,759		

Summary of FY 2027 Changes

- Removal of one-time expenditures for Groves weight room project

Debt Retirement Fund

Receives revenue from annual debt millage (3.800 mills) to make required debt service payments for previous bond issuances

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 29,735,344	$ 30,924,439	$ 1,189,095	4.0%
Expenditures	$ 28,992,944	$ 29,408,937	$ 415,993	1.4%
Surplus/(Shortfall)	**$ 742,400**	**$ 1,515,502**		
Ending Balance	$ 4,174,364	$ 5,689,866		

Summary of FY 2027 Changes

- No major changes – reflects flat millage rate of 3.800 mills and scheduled debt service payments

Capital Projects Fund (2024 Proceeds)

Accounts for expenditures for capital investments (facilities / technology / equipment) from available bond proceeds

	FY 2026 Budget Amendment #2	FY 2027 Original Budget	$ Change	% Change
Revenues	$ 1,290,000	$ 680,000	$ (610,000)	(47.3%)
Expenditures	$ 29,000,000	$ 16,084,816	$ (12,915,184)	(44.5%)
Surplus/(Shortfall)	**$ (27,710,000)**	**$ (15,404,816)**		
Ending Balance	$ 15,404,816	$ -		

Summary of FY 2027 Changes

- Assumes expenditure of remaining funds from 2024 bond issuance under 2020 bond program
- Planned capital projects and miscellaneous capital needs
- Budget will be amended if ballot proposal for additional debt issuance is approved in November