

NON-HOMESTEAD MILLAGE FAILURE: FY27-28 BUDGET CONSIDERATIONS

September 2026

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EMPOWERING LEARNERS. BUILDING COMMUNITY. INSPIRING FUTURES.

OXFORD COMMUNITY SCHOOLS

Purpose

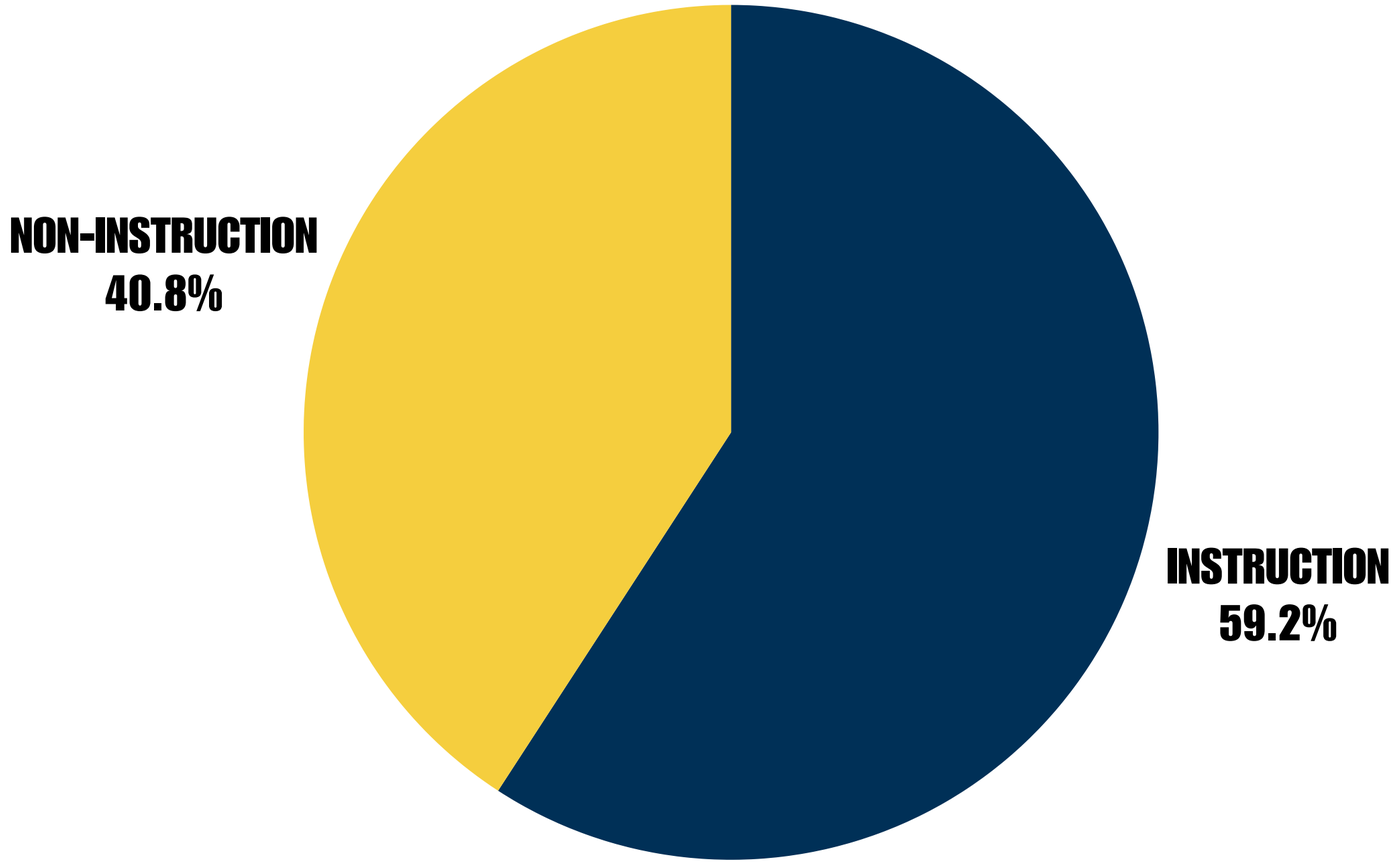
- Provide an overview of our operating budget
- Demonstrate our commitment to fiscal responsibility
- Describe our approach to non-homestead millage failure
- Provide options for first reading to address the $7 million reduction of the budget beginning July 2027

OCS Operating Budget

- **We Hear the Community:** We agree that we must live within our budget and use taxpayer dollars responsibly.
- **Scale of the Loss:** A $7M revenue loss (beginning July 2027) represents roughly 6.5% of our entire ≈$110M operating budget.
- **The Reality:** Cutting $7M goes far beyond basic efficiency; it forces major, structural cuts to programs, transportation, and staffing.

Operating Budget Make-Up

Total FY25-26 Expenses



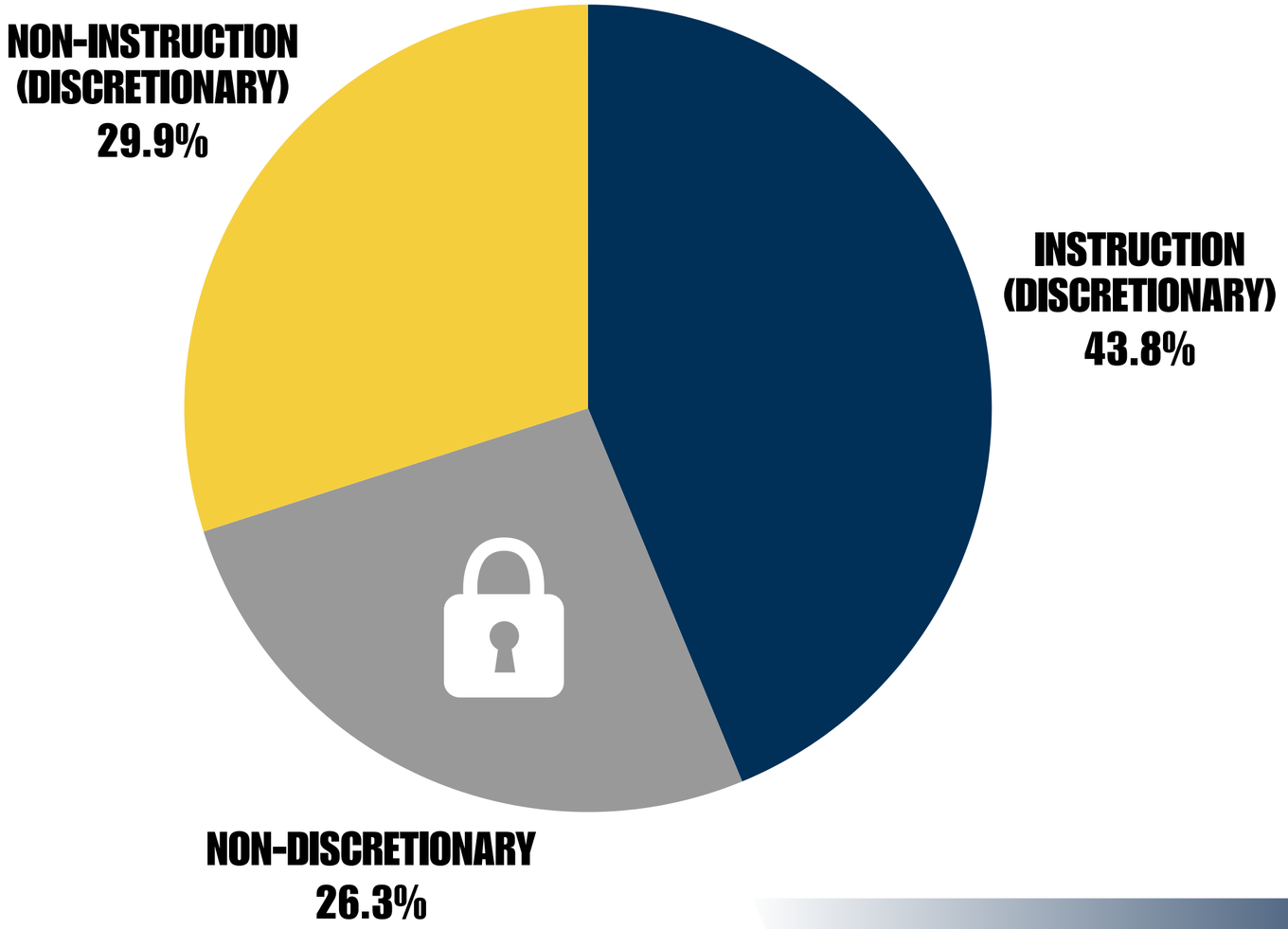
Breakdown - Instruction		
Basic Programs	$53,655,685	49%
Added Needs	$11,313,447	10%
Total	**$64,969,132**	**59%**

Breakdown - Non-Instruction		
Athletics	$2,812,504	3%
Business	$1,099,708	1%
Central	$5,032,561	5%
Community Services	$183,675	0%
General Administration	$1,658,423	2%
Instructional (Coaching & Curriculum)	$4,943,979	5%
Operations & Maintenance	$9,256,167	8%
Other Financing Uses	$35,629	0%
Other Support Services	$304,722	0%
Pupil (Social Work/Psychologists/Etc.)	$9,374,347	9%
School Administration	$6,019,294	5%
Transportation	$4,101,724	4%
Total	**$44,822,733**	**41%**

Instruction	**$64,969,132**	59%
Non-Instruction	**$44,822,733**	41%
Total	**$109,791,865**	100%

Operating Budget Make-Up

Total FY25-26 Expenses: Showing Non-Discretionary



Breakdown - Instruction		
Basic Programs	$46,998,286	
Added Needs	$1,051,698	
Total	**$48,049,984**	**44%**

Breakdown - Non-Instruction		
Athletics	$2,738,707	
Business	$1,028,296	
Central	$4,653,690	
Community Services	$195,936	
General Administration	$1,567,877	
Instructional (Coaching & Curriculum)	$2,803,631	
Operations & Maintenance	$8,377,734	
Other Financing Uses	$35,628	
Other Support Services	$281,733	
Pupil (Ancillary Supports & Materials)	$2,647,486	
School Administration	$5,242,296	
Transportation	$3,295,059	
Total	**$32,868,073**	**30%**

Non-Discretionary		
Total	**$28,873,808**	**26%**

Operating Budget Make-Up

Total FY25-26 Expenses: Non-Instruction, Discretionary

NON-INSTRUCTION (DISCRETIONARY) 29.9%

26¢ Operations & Maintenance $8,377,734

14¢ Central $4,653,690

9¢ Instructional Coaching & Curriculum $2,803,631

8¢ Pupil Supports $2,647,486



<5¢

Business $1,028,296 (3%)

Other Support Services $281,733 (<1%)

Community Services $195,936 (<1%)

Other Financing Uses $35,628 (<1%)

16¢ School Administration $5,242,296

10¢ Transportation $3,295,059

8¢ Athletics $2,738,707

5¢ General Administration $1,567,877

NON-DISCRETIONARY 26.3%

Fiscal Responsibility

- Continuous Fiscal Improvement
- Address Capital Needs / Technology
- Ongoing application of Strategic Plan

Strategic Decision-Making Filters

When evaluating budget adjustments, all potential cost reductions are vetted through four primary decision filters:

1. **Mandate & Compliance:** Is this specific service required to fulfill a statutory, legal, or special education requirement?
2. **Classroom Instructional Impact:** Does the adjustment directly alter classroom instruction?
3. **Workload & Caseload Ratios:** Are staffing levels efficient and aligned with actual service demand, contractual caseloads, and enrollment patterns?
4. **Capital Sustainability:** Can the general fund sustain the current operational level?

Four Areas of Potential Reduction

Applying the established filters helped us identify where reductions could be made while minimizing the impact on students and essential district operations.

Four primary areas emerged as the focus for the potential $7 million reduction.

- School Closure - Leonard Elementary School
- Athletics & Facilities Usage
- Transportation
- Staffing & Operational Services

	School Closure (Leonard Elem)	Athletics / Facility Usage	Transportation	Staffing & Operational Services
Mandate & Compliance: Is this specific service required to fulfill a statutory, legal, or special education requirement?	No	No	Varies	Varies
Classroom Instructional Impact: Does the adjustment directly alter classroom instruction?	No	No	No	Varies
Workload & Caseload Ratios: Are staffing levels efficient and aligned with actual service demand, contractual caseloads, and enrollment patterns?	No	N/A	No	No
Capital Sustainability: Can the general fund sustain the current operational level?	No	No	No	No
Based on the criteria above, should this category be considered?	Yes	Yes	Yes	Yes

School Closure - Leonard Elementary





Why Leonard Elementary?

- **Declining Enrollment Trends -** Sustained decline in enrollment within the Leonard attendance zone
- **Operational Capacity -** The building is underutilized
- **Capital Sustainability -** The operational cost is unsustainable

Leonard Elementary School students will continue to receive a high-quality education, with the same academic opportunities and support provided at another district location.

Calculating School Capacity



- **Maximum Capacity:** Calculated by multiplying total physical classroom spaces by target student enrollment per class

- **Operational Capacity:** Building utilization intentionally remains under 100% capacity to preserve essential spaces for:
  - Special Education & Self-Contained Classrooms
  - Specials & Interventions
  - Future Student Growth & Flexibility

Elementary Capacity & Utilization



Building	# of Classrooms	Max Capacity	Current Enrollment	Building Utilization (current)	Approximate Building Utilization (post redistricting)
Leonard	22	572	197	34%	n/a
Clear Lake	29	754	396	53%	59%*
Oxford Elem	22	572	318	56%	64%*
Lakeville	28	728	410	56%	63%*
Daniel Axford	22	572	327	57%	66%*
District Total	123	3198	1648	52%	63%*

***Note:** Post-closure utilization percentages do not reflect specialized programming and remain under 100% capacity while still preserving essential spaces for special education & self-contained classrooms, specials & interventions, and future student growth & flexibility.

Reductions



- **Eliminated Districtwide Position Reductions:** 22.66 FTE
- **Operating / Other Expenses:** Estimated savings $200k



Financial Impact of School Closure

- **Estimated Net Annual Savings:** ≈$1.7 Million
- **Cost Drivers Reduced:** Facility operations, utilities, ongoing maintenance, and administrative overhead
- **Sustained Quality of Education**: Students will be provided the same quality education at a different location

Change in Athletics & Facilities Usage



Why Focus on Athletics & Facilities?



- **Preserving Classroom Focus:** Every general fund dollar spent on non-mandated programs directly reduces classroom funding
- **Safety & Maintenance:** Safe, high-quality athletic facilities require ongoing capital and operational investment
- **Fiscal Sustainability:** Non-mandated programs must be evaluated to ensure long-term alignment with general fund constraints.



Athletic Funding Sources

- **General Fund Operating Subsidy (≈$1.4M in FY26):** General fund covers coaching stipends, facility maintenance, and team transportation.
- **Internal Team Accounts:** Generated through donations and program fundraising to cover team-specific equipment, gear, and specialized training.
- **Booster Clubs:** Independently raised parent/community funds that cover supplemental equipment and targeted program enhancements.



Pay-to-Participate & Admission Fee Restructuring

- **Honoring Tradition vs. Fiscal Reality:** Sports fees have been avoided in Oxford, but current budget needs require cost-sharing to protect classroom resources
- **Regional Alignment:** Peer districts (Lake Orion, Clarkston, Brandon, Lapeer, Romeo) already use pay-to-participate and student gate fees
- **Targeted Revenue**: Restoring participation and admission fees ensures ability to funds safe, well-maintained athletic facilities



Facility Usage & Local Revenue Expansion

- **Valued Partnerships:** Preserves access for local youth leagues and community partners
- **Cost Recovery:** Updates usage rates to cover actual district operational costs (custodial/security overtime and facility wear-and-tear)
- **Rental Fees:** Establishes market-aligned rental fees to generate local revenue while maintaining community access



What Families & Community Partners Can Expect

- **Pay to Particpate & Student Admission Fees:**
  - We will align our fees with neighboring OAA districts (ex. Lake Orion is $335/year; Clarkston is $325/year)
  - Oxford will model a similar approach to family maximum caps and financial hardship waivers to keep sports accessible
  - Establish student admission fees for home game attendance
- **Community Partners:** Youth leagues and outside groups will see increase in fees for their use of our facilities



Financial Impact: Athletics & Facility Usage

- **Total Estimated Local Revenue:** ≈$500,000
  - Approximate Pay-to-Participate & Admissions: ≈$275,000
  - Approximate Facility Rental Cost Recovery: ≈$225,000

- **General Fund Savings:** Redirecting those funds directly back to the general fund

Transportation Services



Transportation Services



- **Active Fleet & Route Allocations**
  - **Total Buses on Route Daily:** 35 Routes (9 provide specialized transportation)
    - **OHS & OMS:** 25 Buses
    - **Elementary Schools:**
      - Leonard - 5
      - Clear Lake - 4
      - DA / OES - 9
      - Lakeville - 4
  - **Regional Programs:** 3 Buses
- **Routed Students vs. Actual Riders**
  - **Students Assigned/Routed:** 4203
  - **Actual Daily Ridership:** 1569 General Ed (Oct 25 count)
  - **Efficiency Gap:** High discrepancy between routed counts and actual daily ridership due to parent drop-offs
  - **Miles Per Day:** 2940
  - **Athletic/Field Trips Per Year:** ≈350

Transportation Costs & Mandates



- **Cost Per Route (≈$70k/year):** Covers drivers compensation, fuel, and bus maintenance
- **State Requirements:** Special Education busing is mandated; General Education transportation is optional
- **1.5-Mile Walking Zones:** Route cuts enforce Board Policy 5802, increasing student walking distances up to 1.5 miles
- **Family Impact:** Cutting general ed routes creates immediate daily transportation burdens for families



Impact on Field Trip & Athletes

- **Shared Driver Pool:** Daily route drivers also take athletes to games and students on field trips
- **Driver Risk:** Cutting daily routes shrinks our workforce, risking trip cancellations
- **Family Burden:** Shifts additional travel responsibilities onto parents for away games and team travel

Financial Impact: Transportation



- **Estimated cost savings of reducing *non-mandated* transportation:**
  - ≈$200k – $1.8M (Based on option selected)
- **Key Considerations**
  - Policy Alignment: Board Policy 5802 (1.5-mile walking zones)
  - Elimination of part or all General Ed Transportation

Staffing & Operational Services Realignment





Staffing & Operational Services Realignment

Everything in this category touches the student experience.

- **Class Size Ratios & Sizing:** Adjust student-to-teacher allocation formulas to align strictly with contractual targets and caseload standards
- **Contracted Service Reductions:**
  - Review third-party operational vendor contracts and adjust service frequencies
- **Work Calendar & Building Operational Review:**
  - Review administrative work calendars to reduce operational days during low-demand periods
  - Reduction in summer programming and personnel
- **Economic Contract Reopener**
  - Salary and benefits negotiations
- **Staff Reductions**



What Reductions Mean for Staffing

- **District Wide Reductions:** Requires 30-45 position cuts across central office, school administration, certified teachers, and support staff (in addition to Leonard and Transportation reductions)
- **Reassignment & Displacements:** Staff relocations, involuntary transfers, and seniority-based displacements will occur across remaining district buildings
- **Workload Adjustments:** Remaining staff will absorb additional responsibilities, and class sizes will increase to OEA contractual (grade level dependent) limits



What Staffing Reductions Mean for Families

- **Class Size Changes:** Elementary and secondary class sizes will increase
- **Reduced Academic & Student Supports:** Fewer total teaching, intervention, and support roles means less individualized student support
- **Program & Scheduling Constraints:** Fewer secondary certified staff may result in fewer elective options or tighter scheduling availability
- **Staff & Roster Turnover:** Students will see changes in familiar teachers, administrators, and support teams due to district-wide reassignments.

Three Strategic Scenarios (First Reading)

Option 1		Option 2		Option 3	
School Closure	$1.7 million	**School Closure**	$1.7 million	**School Closure**	$1.7 million
Athletics & Facility Usage	$500,000	**Athletics & Facility Usage**	$500,000	**Athletics & Facility Usage**	$500,000
Transportation: Board Policy 5802 (1.5-mile walking zones)	$200,000	**Transportation: Board Policy 5802 (1.5-mile walking zones) & Restructuring General Ed Routes**	$400,000	**Transportation: Elimination of All General Ed Routes**	$1.8 million
Staffing & Operational Services	$4.6 million	**Staffing & Operational Services**	$4.4 million	**Staffing & Operational Services**	$3 million

Board Discussion

First Reading - September 8, 2026

Second Reading - September 22, 2026

THANK YOU!