KENT INTERMEDIATE SCHOOL DISTRICT
Kent Conference Center 1633 East Beltline NE
Grand Rapids, MI 49525
May 18, 2026

The School Board of Kent Intermediate School District held a budget hearing at the Kent Conference Center on May 18, 2026. President Haidle called the meeting to order at 3:00 p.m.

Members Present: Hamming, Featherston, Haidle
Members Absent: Schottke, Drake

Kent ISD Staff: Superintendent Gorman, Assistant Superintendent Philipps, Rodgers, and Recording Secretary Lovell.

Staff Guests: Dennis Baine, Anna Schutter

President Haidle called the meeting to order at 3:00 p.m. Assistant Superintendent Philipps reviewed the presentation agenda and presented the following report to the board.

State Budget Outlook

Assistant Superintendent Kevin Philipps provided an overview of the School Aid Fund projections shared during last Friday's May Revenue Conference. He noted that State School Aid Fund revenues are projected to increase from 2 to 2.5% the next few years, with statewide revenue growth estimated at between \$400 million and \$500 million. Based on Michigan's student population, this equates to an estimated increase of approximately \$300 to \$400 per pupil per year.

Mr. Philipps shared that the Governor's and Senate's proposed education budgets remain relatively aligned, while the House proposal differs in several areas. Proposed increases for Career and Technical Education funding are generally around 6%, while Great Start Readiness Program funding proposals range from approximately 2.5% to 6%, depending on the proposal. He also noted that all three proposals restore reductions previously made to Adult Education funding, while Grow Your Own funding has been reduced from prior levels.

Additional discussion included varying Section 31aa funding proposals across the three budgets and the fact that funding for MI Student Voice is currently included only in the Senate proposal. Mr. Philipps also reviewed proposed higher education funding supported through the School Aid Fund, noting increases under both the Governor's and Senate's proposals, while the House proposal remains largely unchanged.

2026 Taxable Values-Impact on Kent ISD

Over the past decade, taxable values across Kent County have grown by 60.9%. For 2026, total taxable values are projected at approximately \$38.1 billion, representing a 6.44% increase from the prior year.
Kent ISD received the annual Headlee package on May 14, which established the Headlee rollback fraction at 0.9887 for the 2026–27 fiscal year. The projected millage rates to be levied are 0.0831

mills for General Operations, 3.4470 mills for Special Education, 0.9204 mills for Vocational Education/CTE, and 0.8401 mills for the Enhancement Millage.

Actual revenue growth is currently projected at 5.26%, slightly above the 5.0% increase included in the proposed budget. This difference is expected to generate approximately $500,000 in additional revenue for Kent ISD.

Mr. Philipps shared Kent ISD's millage rates with those of several other intermediate school districts across Michigan for the General Fund, Special Education, and Vocational Education/CTE. Overall, Kent ISD remains toward the lower end of comparable ISDs in General Fund and Special Education millages, while remaining near the middle range for Vocational Education funding.

2026-27 Budget Assumptions

Assistant Superintendent Philipps reviewed the proposed budget assumptions based on the Governor's proposal. These are listed below:

Revenues	**Proposed Budget**
Taxable Value Growth	5.0% increase
Section 81 Funding	2.5% increase
Section 51e Special Ed cost reimbursement	100% of foundation allowance ($10,300)
Other State Funding (Section 61a &62)	No change
Special Education Millage Equalization 56(7)	$0
GSRP	$11,290 full day, 13,548 extended
Section 31n (Mental Wellness)	$1,003,100 no change
Investment Income	$4,109,000
Expenses	
Salaries/Wages	3.0% + step increment
Health Benefits	PA152-2.9% 2026, 3.0% 2027, No impact from HB6058
MPSERS Retirement Rate	Governor's recommendation
Utilities	5.0% increase
Risk Management Insurance	10% increase
Capital Outlay	5.0% increase

Proposed 2026-2027 Budget(s)

Assistant Superintendent Kevin Philipps provided an overview of the General Fund budget, noting that grant-funded expenditures total approximately $78.7 million, while non-grant expenditures total approximately $15 million. Prior General fund transfers supported the ESC renovation project, and no additional capital project transfers are planned for 2026-27. Additionally, the 2025-26 budget includes one-time costs of approximately $800,000 associated with the enhancement millage renewal election.

The Special Education Fund includes approximately $37.4 million in grant-funded expenditures and $163 million in non-grant-funded expenditures. Major expenses include $123.2 million in pass-through funding to local districts, $28.3 million in transportation costs, and $11.5 million for services and supports. The fund maintains a positive structural balance of approximately $8.2 million.

The Special Education Center Programs fund revenues are projected to decrease slightly by approximately $57,600 compared to the current year. Increases in State Aid, Act 18 funding, and Enhancement Millage revenue will offset these decreases in federal and state grants and Section 147 funding. Expenditures are projected to increase by approximately $1.3 million, primarily driven by salary increases.

The Career and Technical Education Fund is expected to receive an increase of $1.5 million in property tax revenue. Expenditures include projected salary increases of approximately $1.14 million, while overall benefit and retirement costs are expected to decrease. The budget reflects a decrease in Section 147c revenue and includes a planned $5 million transfer to capital projects. The fund maintains a positive structural balance of approximately $3.5 million.

The Cooperative Fund has a projected MySchool@Kent deficit of approximately $193,791, contributing to an overall reduction in the fund balance. As part of the budget planning process, the Career and Technical Education (CTE) Fund contribution supporting MySchool@Kent will be reduced from $300,000 in 2025–26 to $150,000 in 2026–27.

The Community Service Fund represents the enhancement millage levied on behalf of local districts. The 2026-27 budget includes a projected 5.0% increase in property tax revenue, resulting in approximately $1.54 million in additional funding for local districts. The estimated per-pupil distribution will increase from approximately $350 in 2025-26 to approximately $372 in 2026-27. Mr. Philipps reviewed the General Education Capital Projects Fund, highlighting planned 2026-27 projects, including Rubrik Brick, and funding reserved within a capital project holding account.

The Special Education Capital Projects Fund includes planned investments at the Lincoln Campus, Empower U Central and South, and KEC Oakleigh, as well as additional funding set aside for future capital needs.

Mr. Philipps highlighted several major projects within the Career and Technical Education Capital Projects Fund, including the future KCTC Satellite Campus, HVAC upgrades at both KCTC campuses, and additional security improvements.

He concluded with an overview of the Student/School Activity Fund, explaining that the fund supports student activities and fundraising accounts and that recent GASB changes require an annual board-approved budget for the fund.

Areas of Interest

Mr. Philipps reviewed projected operational costs for the new campus, including staffing, facilities, security, technology, and non-personnel expenses, totaling approximately $3.85 million annually. He noted that the district's projected structural surplus averages approximately $3 million per year, helping support long-term operational planning for the future facility.

Philipps concluded his budget presentation by noting that Kent ISD's total proposed budget is approximately $463 million and that the district continues to maintain strong fund reserves across all major funds. He highlighted another strong year of property tax collection growth and shared that the district's financial position has benefited significantly from increases in taxable values over the past decade.

Mr. Philipps also noted that current collective bargaining agreements expire on June 30, 2027, and identified two major financial considerations in the coming years: the construction and operational costs associated with the future KCTC satellite campus and ongoing discussions regarding the level of General Fund services the district will be able to sustain in the future.
President Haidle thanked Mr. Kevin Philipps for his presentation.

President Haidle adjourned the meeting at 3:54 p.m.

Minutes Approved: June 15, 2026

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Andrea Haidle, President

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Anne Hamming, Vice President

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