



Business Services Update
Board of Education Workshop
January 8, 2019

Agenda

- **2018-19 General Fund Budget Amendment #1**
 - Summary of Revenues & Expenditures for Audited 2018, Original 2019, and Proposed Amendment #1 2019
 - Revenue by Source
 - Expenditures by Object

- **On The Horizon / Thought Starters**

- **Budget Schedule**

- **Questions**

2018-19 General Fund Budget Amendment #1

Summary of Revenue & Expenditures

	Audited 6/30/2018	Budget Original 6/30/2019	Budget Amendment #1 6/30/2019	% Difference Original vs. Amend #1
Revenue	\$151,774,253	\$153,311,012	\$153,199,134	-0.07%
Expenditures	\$150,737,172	\$154,129,663	\$155,009,522	0.57%
Revenue Over (Under) Expenditures	\$1,037,081	(\$818,651)	(\$1,810,388)	
Beginning Fund Balance - July 1	\$24,205,391	\$25,242,472	\$25,242,472	
Ending Fund Balance - June 30	\$25,242,472	\$24,423,821	\$23,432,084	
Fund Balance - % of Expenditures	16.75%	15.85%	15.12%	

2018-19 General Fund Budget Revenue by Source

Revenue	Audited 6/30/2018	Budget Original 6/30/2019	Budget Amendment #1 6/30/2019	% Difference Original vs. Amend #1
Local	\$38,509,196	\$38,903,147	\$39,428,448	1.35%
State	\$101,977,418	\$102,660,687	\$101,704,386	-0.93%
Federal	\$3,333,253	\$3,993,668	\$4,081,374	2.20%
Interdistrict & Other	\$7,954,386	\$7,753,510	\$7,984,926	2.98%
Total Revenues	\$151,774,253	\$153,311,012	\$153,199,134	-0.07%

2018-19 General Fund Budget Amendment #1

Revenue Adjustments

- Local Revenue increase of approximately \$525,000 or 1.4%
 - Increase in property taxes of \$448,000 relating to non-homestead millage replacement

- State Funding decrease of approximately \$956,000 or 0.9%
 - MPSERS UAAL Stabilization one-time deposit (147c2) decrease of \$1.7 million
 - MPSERS UAAL Stabilization (147c1) increase of \$509,000
 - Special Education categorical increase of \$427,000
 - Pupil decrease of \$484,000 from projected 13,174 FTE to 13,083 FTE
 - MPSERS Normal Cost Offset (147a2) increase of \$353,000

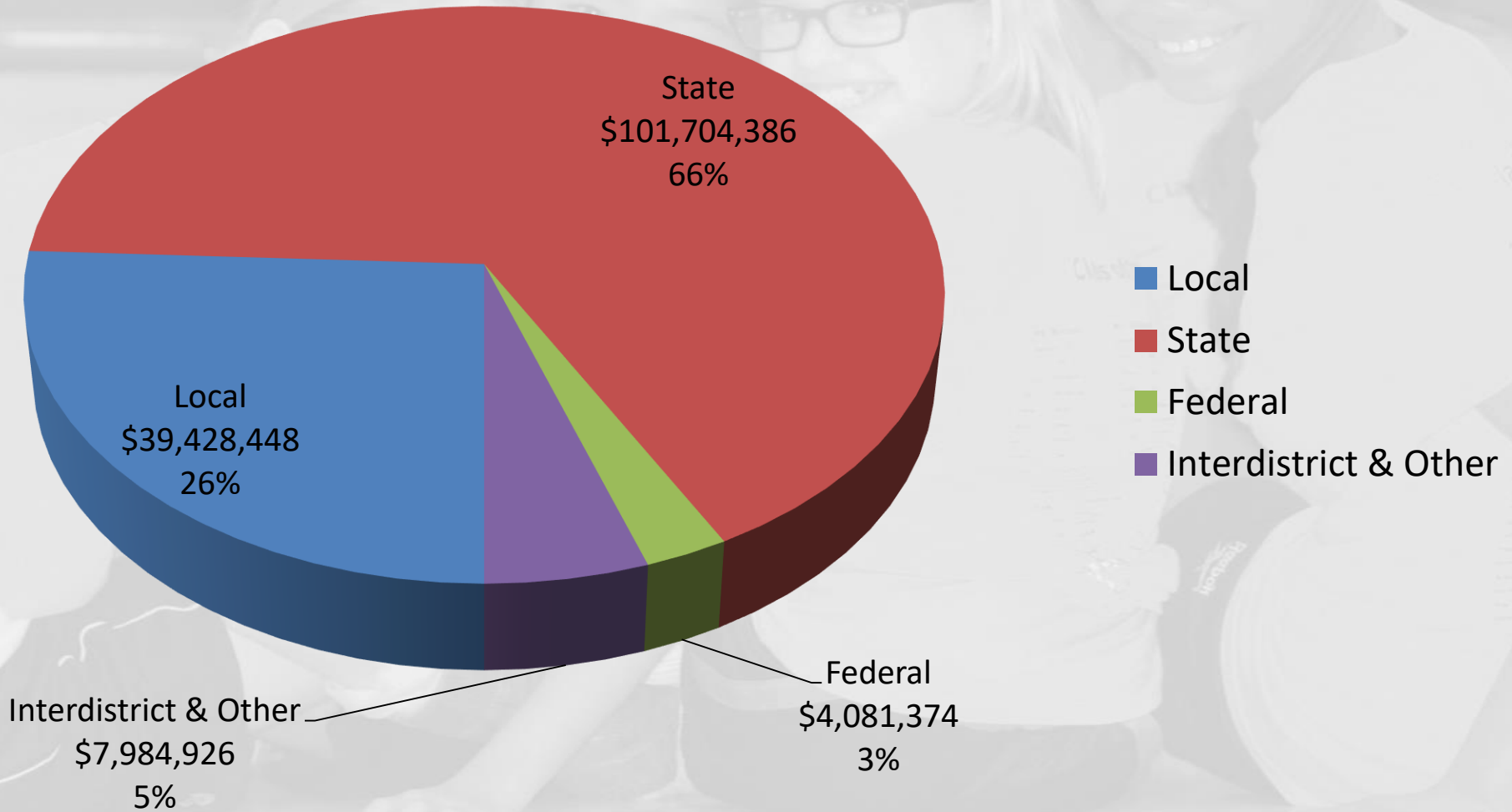
- Federal Funding was not significantly adjusted by this amendment

- Interdistrict funding increase of approximately \$231,000 or 3.0%
 - PA-18 increase of \$305,000

- All other revenue sources were not adjusted significantly by this amendment

2018-19 General Fund Budget Amendment #1

Revenue by Source



2017-18 General Fund Budget Expenditures by Object

Expenditures	Audited 6/30/2018	Budget Original 6/30/2019	Budget Amendment #1 6/30/2019	% Difference Original vs. Amend #1
Salaries	\$ 73,742,709	\$ 75,423,552	\$ 75,860,611	0.58%
Benefits	\$ 48,780,591	\$ 49,570,014	\$ 48,475,413	-2.21%
Purchased Services	\$ 19,696,207	\$ 19,664,211	\$ 20,371,540	3.60%
Supplies	\$ 6,053,236	\$ 6,767,038	\$ 7,774,069	14.88%
Capital Outlay	\$ 484,461	\$ 544,556	\$ 505,341	-7.20%
Other	\$ 182,242	\$ 224,981	\$ 227,555	1.14%
Outgoing Transfers and Other	\$ 1,797,726	\$ 1,935,311	\$ 1,794,993	-7.25%
Total Expenditures	\$ 150,737,172	\$ 154,129,663	\$ 155,009,522	0.57%

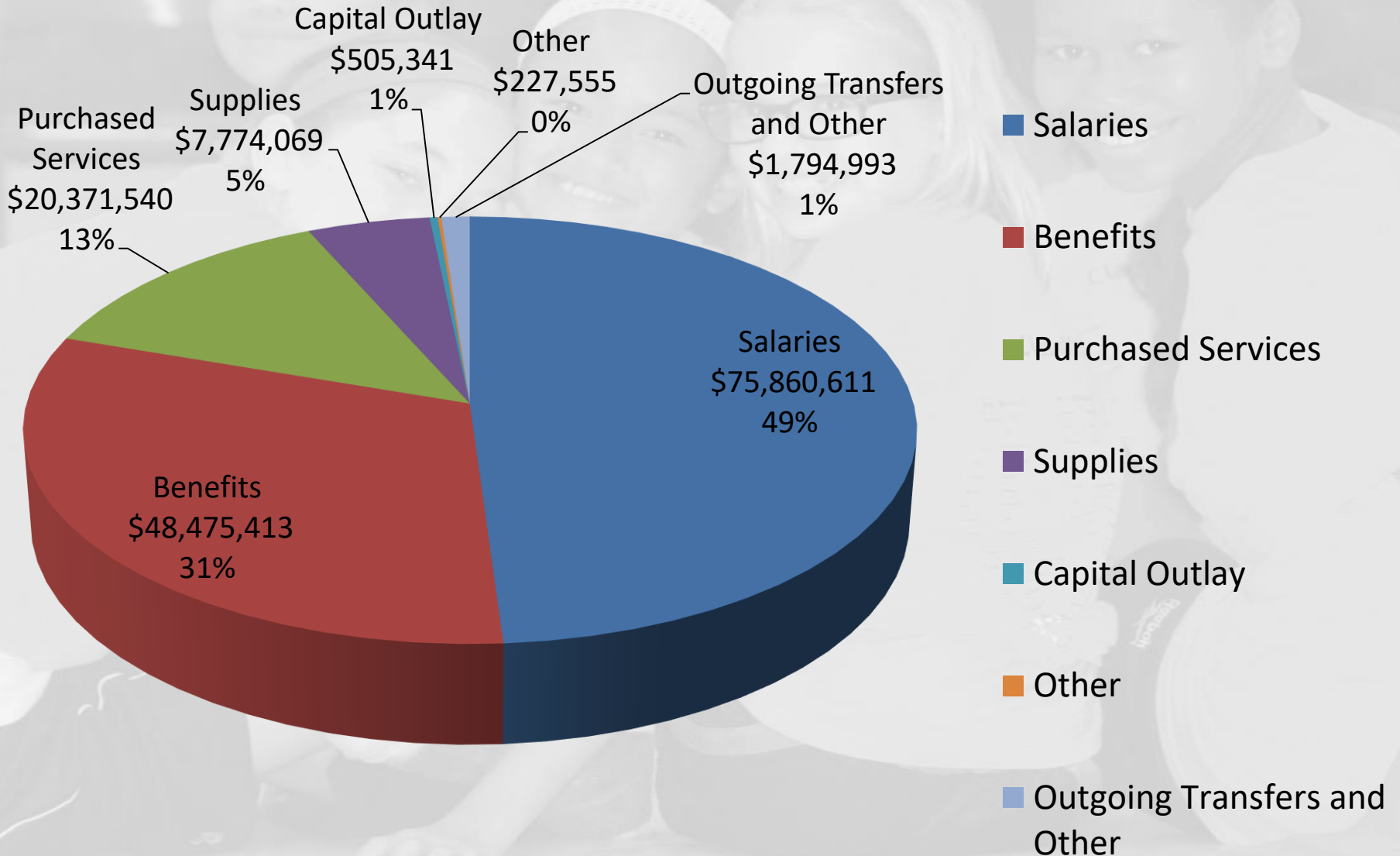
2018-19 General Fund Budget Amendment #1

Expenditure Adjustments

- Salaries remained relatively consistent compared to original budget, with a projected increase of approximately \$437,000, or less than 1%, related to the hiring of special education paraprofessionals and teaching staff.
- Benefits decreased by approximately \$1,095,000 or 2.21%
 - MPSERS UAAL Stabilization one-time deposit and related payments (147c2) decrease of \$1.7 million
 - MPSERS UAAL Stabilization (147c1) increase of \$509,000
 - Increase in retirement costs of \$677,000 attributable to increased MPSERS rates effective October 1
- Purchased services increased by approximately \$707,000 or 3.6%, primarily due to increases in our Transportation, Custodial, and Maintenance Contracts with third parties.
- Supplies were increased significantly by approximately \$1 million, or 14.9%, due to costs associated with the implementation of new elementary science curriculum and the middle schools social studies textbook adoption
- Federal grants are reconciled to actual awards and final prior year expenditures
- All other expenditures were not adjusted significantly by this amendment

2018-19 General Fund Budget Amendment #1

Expenditures by Object



On the Horizon / Thought Starters

- **Collective Bargaining Contract Expirations:**
 - TEA – January 31, 2020; TESA – June 30, 2021; TESPA – June 30, 2022
 - Establish bargaining parameters

- **3rd Party Contract Expirations (June 30, 2019):**
 - First Student
 - DM Burr
 - Sodexo

- **Revenue Enhancements:**
 - Countywide Millage
 - Schools of Choice Strategy
 - Strategic Transfers from Ancillary Funds
 - Program enhancements (i.e. Before and After Care, Tutoring Services, Fee based)

- **Cash Flow**
 - Preschool Building Construction - Sale of Section 1 and Section 16 are not closed equaling \$5.3 million

- **State Budget Process**

- **Fund Balance Policy**

Budget Schedule

- **January 8: Board Budget Workshop**
- **January: Revenue Sharing Conference and Cabinet priority discussions**
- **February: Governor's Budget**
- **March – June: Develop 2019-20 Budgets and 2018-19 Amendments**
- **May/June Board Meeting: Public Hearing and Millage Rate Adoption**
- **June Board Meeting: Budget Adoption**



Questions