



June 9, 2025

**TO:** Dr. Ron Gorman, Superintendent

**FROM:** Kevin Philipps

**RE:** June Budget Amendment

It's the time of year for the final amendment to the 2024-25 budgets. The first amendment was completed last December and the second amendment was completed in April. This last amendment allows us to make final adjustments before the audit is completed in the fall. With an approximate \$420 million budget and so much of the funds coming from different state and federal sources, tracking this budget is complex and challenging. Behind the strong leadership of Dennis and hard work of his team, they have done a great job solidifying the projected budget for the various funds.

Compared to the April budget amendment, there are two significant changes I would like to highlight:

- **Property Tax Collections:** Property tax collections were reduced by \$967,800 from the April amendment. On a total collection of approximately \$185 million, it only represents a 0.5% reduction. We made the adjustment as a result of comparing actual collections to the percentage we normally have collected by the end of May.
- **Great Start Readiness Grant:** Compared to the April amendment, we made a significant reduction to GSRP revenue based on the actual numbers of student slots filled as of March 1, which is the state's "count day" for GSRP. Revenue was reduced by \$6.6 million, but expenses/distributions were only reduced by \$5.4 million, leaving a \$1.2 million shortfall that has to be covered by general fund dollars. The primary reason for the shortfall was staffing for our LEA direct run programs based on the anticipated student counts at the beginning of the year, which were much higher than actual student counts ended up being. This resulted in several classrooms well below the normal 16:1 student/teacher ratio (less efficient on teachers and associate teacher costs), as well as carrying additional early childhood specialist positions that support classrooms than was needed. These additional costs make up the majority of the \$1.2 million shortfall for the current year.

Below is a summary of the projected changes in fund balance, as well as major revisions since the April amendment for each fund.



## **General Fund**

- **Projected decrease in fund balance of \$430,976** (down from \$798,468 increase in April)

Major revisions from April amendment:

- Reduction in GSRP revenue: \$6,646,907
- Reduction in GSRP expense: \$5,435,518
  - **General Fund dollars used to cover GSRP grant: \$1,211,389**
- Reduction in the WM Teacher Collaborative grant (revenue & expense): \$1,905,246
- **Projected ending fund balance: \$9,641,626 (11.3%)**

## **Special Education**

- **Projected increase in fund balance of \$2,956,891** (down from \$3,480,712 in April)

Major revisions from April amendment:

- Decrease in property tax collections: \$572,600
- Increase in investment earnings: \$164,100
- Increase in contracted Transportation Expense: \$430,300
- Increase in Transportation Revenue: \$325,289
- **Projected ending fund balance: \$20,960,335 (11.5%)**

## **Special Education Center Programs**

- **Projected fund balance of \$768,449** (up from \$311,861 in April)

Major revisions from April amendment:

- Reduction in total revenues: \$216,017
- Reduction in salaries/wages: \$437,521
- Reduction in employee benefits: \$190,808

## **Career Technical Education**

- **Projected increase in fund balance of \$3,472,156** (up from \$3,352,292 in April)

Major revisions from April amendment:

- Decrease in property tax collections: \$150,000
- Reduction in Capital Outlay budgets: \$362,023
- **Projected ending fund balance: \$24,665,510 (67.8%)**



## **Cooperative Education**

- **Projected decrease in fund balance of \$89,421 (down from increase of \$42,090 in April)**

Major revisions from April amendment:

- MySchool revenue from locals down \$144,700
- **Projected ending fund balance: \$3,107,734 (55.7%)**

## **Community Service Fund**

This fund is where the enhancement dollars are budgeted. It will always net to zero as 100% of the money is paid to locals. The total revenue and expenditures are projected to be \$29,907,599, down from \$30,055,939 in April.

## **Capital Projects**

**General Capital Projects:** *Projected decrease to fund balance of \$842,917, down from \$1,280,408 in April. Ending fund balance of \$1,261,514.*

- ESC renovation project timing adjustment reduced budget by \$627K. Expenses will shift to 2025-26.
- Addition of budget for PA system upgrade at conference center: \$101K

**Special Education Capital Projects:** *Projected decrease to fund balance of \$111,033, down from \$872,862 in April. Ending fund balance of \$5,129,435.*

- Reductions to budgets for Empower U North (\$190K), Pine Grove Card Readers (\$125K) Pine Grover Security Cameras (\$100K), Empower U South office (\$85K), and KEC Beltline Generator (\$75K). The capital project holding account was also reduced (\$295K).

**Career Technical Education Capital Projects:** *Projected decrease to fund balance of \$176,227, down from \$265,102 in April. Ending fund balance of \$2,646,034*

- Reduction to budget for Knapp campus exterior signage (\$100K). Expense shifting to 2025-26.

As always, if you have any questions or would like additional information, please let me know.

KP/kg