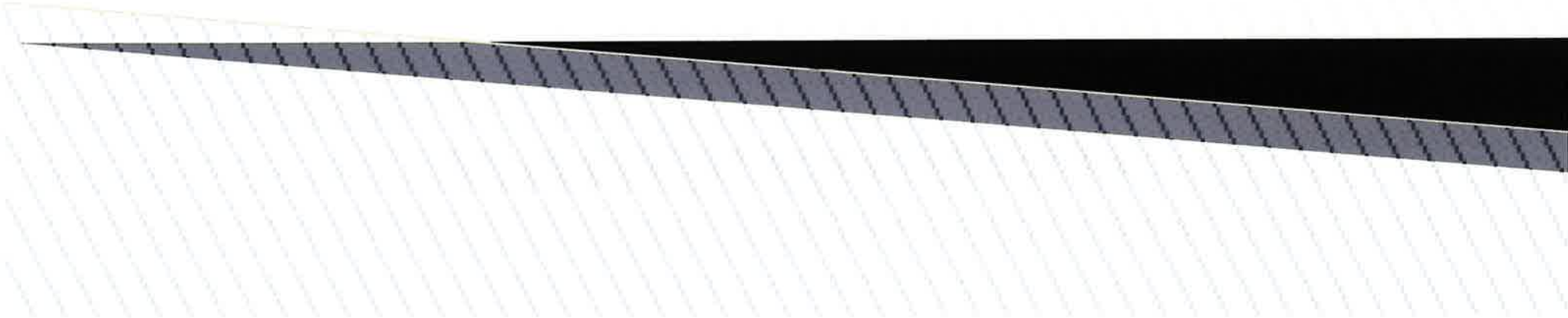


# Mahtomedi Public Schools

## Revised Budget 2016–2017

Todd Netzke

February 23, 2016 Finance Committee Meeting



# 2017 Legislative Session

- ▶ **Education Tax Credits & Scholarships:**
  - Provides scholarships for low income students to attend non-public schools and tax credits for those who donate to them, also increases E-12 Education credit to \$2,600 (K-6) and \$3,000 (7-12) and income threshold to \$50,000 from \$33,500 for phase-out of deduction.
  
  - **Governor Dayton's Funding Plan:**
    - 2% Years 1 & 2 on the Formula
    - Expand voluntary Pre-k
    - Special Ed Funding
    - Funding to cover anticipated TRA increase from 7.5% to 8.0% of Licensed wages.
    - Debt Service Equalization
    - Total package equals \$600 million increase in Education Funding.

# School Finance Funds

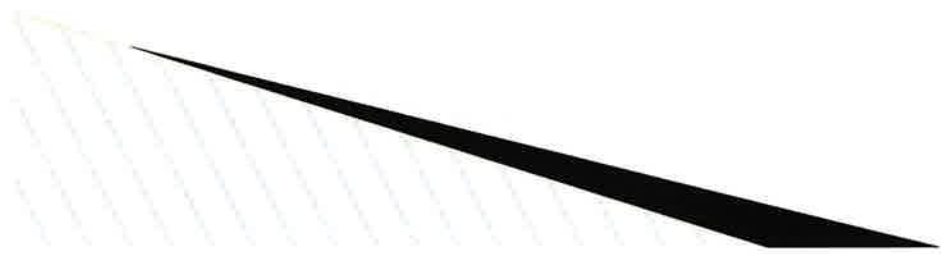
- ▶ General
- ▶ Food Service
- ▶ Community Education
- ▶ Debt Service
- ▶ OPEB Debt Service
- ▶ **Building Construction Fund**
- ▶ Internal Service
- ▶ OPEB Trust

Proprietary fund

Fiduciary fund

Operating funds

Non Operating funds



# General Fund–Legislative Changes FY 16–17

- ▶ **Basic formula**
  - Increase of 2%
    - \$119/pupil (from \$5,948 to \$6,067)
    - Impact of 3,612 Students X \$119 = \$429,888
  
- ▶ **Long Term Facilities Maintenance Revenue**
  - Replaces deferred maintenance and H&S revenue
  - Funding for FY17 = \$516,327, Increase of \$268,000
  - Funding Levels: FY17 = \$193, FY18 = \$292, FY19 = \$380
    - Scheduled larger maintenance projects
    - Moved expenses from operating capital
    - Increased operating capital expenses for curriculum

# General Fund Budget

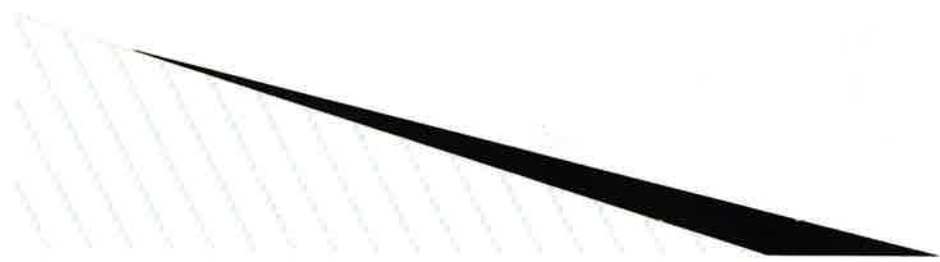
REVISED BUDGET 2016-2017

## PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE BY FUND

	Fund Balance <u>06/30/16</u>	Revenue Budget <u>2016-2017</u>	Expenditure Budget <u>2016-2017</u>	Change in Fund Balance <u>2016-2017</u>	PROJECTED Fund Balance <u>06/30/17</u>	
<b>General Fund</b>						
Unassigned	\$3,573,902	\$34,859,160	\$34,859,160	\$0	\$3,573,902	9.40%
Restricted						
Restricted - Capital Projects Levy	(\$3,622)	\$580,493	\$571,390	\$9,103	\$5,481	
Restricted - Health & Safety	(\$36,863)	\$69,205	\$0	\$69,205	\$32,342	
Restricted – Safe Schools	\$0	\$178,857	\$186,525	(\$7,668)	(\$7,668)	
Restricted - LT Facilities Maintenance	(\$5,451)	\$516,327	\$567,852	(\$51,525)	(\$56,976)	
Restricted - Operating Capital	\$438,515	\$1,033,756	\$1,162,252	(\$128,496)	\$310,019	
	\$392,579	\$2,378,638	\$2,488,019	(\$109,380)	\$283,199	
Assigned						
Assigned - Subsequent Year Budget	\$547,236	\$0	\$487,699	(\$487,699)	\$59,537	
Assigned - Building Donations	\$272,713	\$233,570	\$240,720	(\$7,150)	\$265,563	
Assigned - Student Activity Accounts	\$197,091	\$305,000	\$381,000	(\$76,000)	\$121,091	
Assigned - Severance	\$411,850	\$0	\$20,000	\$20,000)	\$391,850	
	\$1,228,649	\$538,570	\$1,129,419	(\$590,849)	\$838,041	
<b>General Fund</b>	<b>\$5,220,253</b>	<b>\$37,776,368</b>	<b>\$38,476,598</b>	<b>(\$700,229)</b>	<b>\$4,720,715</b>	

## General Fund Budget Comparison

	<b>2015-2016</b> <b><u>Actual</u></b>	<b>2016-2017</b> <b><u>Revised</u></b>	<b><u>Change</u></b>
<b>Revenue</b>	37,087,693	37,268,670	180,977
<b>Expenditures</b>	37,088,972	37,968,899	879,927
<b>Total</b>	(1,279)	(700,229)	(698,950)



## General Fund Revenues

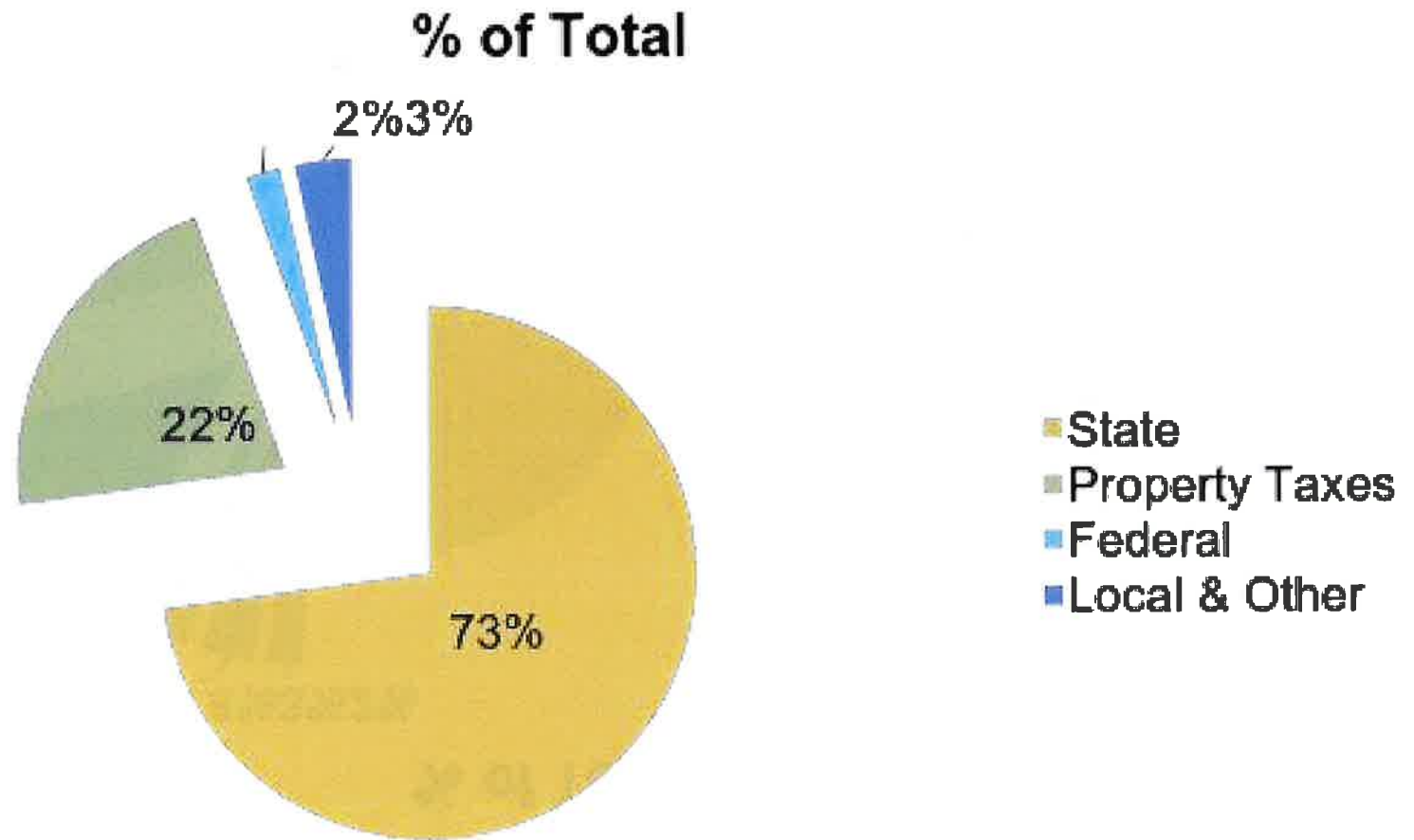
	<b>2015-2016</b>	<b>2016-2017</b>	
	<b><u>Actual</u></b>	<b><u>Revised</u></b>	<b><u>Change</u></b>
<b>General Ed</b>	22,501,638	22,763,108	261,470
<b>Other State: Q-comp, Integration, Literacy</b>	1,598,025	1,360,492	(237,533)
<b>Special Ed</b>	2,815,805	3,050,000	234,195
<b>Federal</b>	631,973	776,087	144,114
<b>Levy</b>	7,795,115	8,077,977	282,862
<b>Misc: fees, rentals, gate receipts</b>	1,099,073	702,436	(396,637)
<b>Student Activities</b>	391,781	305,000	(86,781)
<b>Donations</b>	254,283	233,570	(20,713)
<b>Total</b>	<b>37,087,693</b>	<b>37,268,670</b>	<b>180,977</b>

## General Fund Expenditures

	<b>2015-2016</b> <b><u>Actual</u></b>	<b>2016-2017</b> <b><u>Revised</u></b>	<b><u>Change</u></b>
<b>Salaries</b>	21,013,055	21,713,497	700,442
<b>Benefits</b>	8,297,849	8,267,876	(29,973)
<b>Purchased Services</b>	4,393,582	4,892,064	498,482
<b>Supplies</b>	1,034,096	1,109,165	75,069
<b>Capital</b>	1,221,641	1,181,371	(40,270)
<b>Other</b>	162,144	183,206	21,062
<b>Student Activities</b>	389,094	381,000	(8,094)
<b>Donations</b>	577,512	240,720	(336,792)
<b>Total</b>	<b>37,088,972</b>	<b>37,968,899</b>	<b>879,927</b>

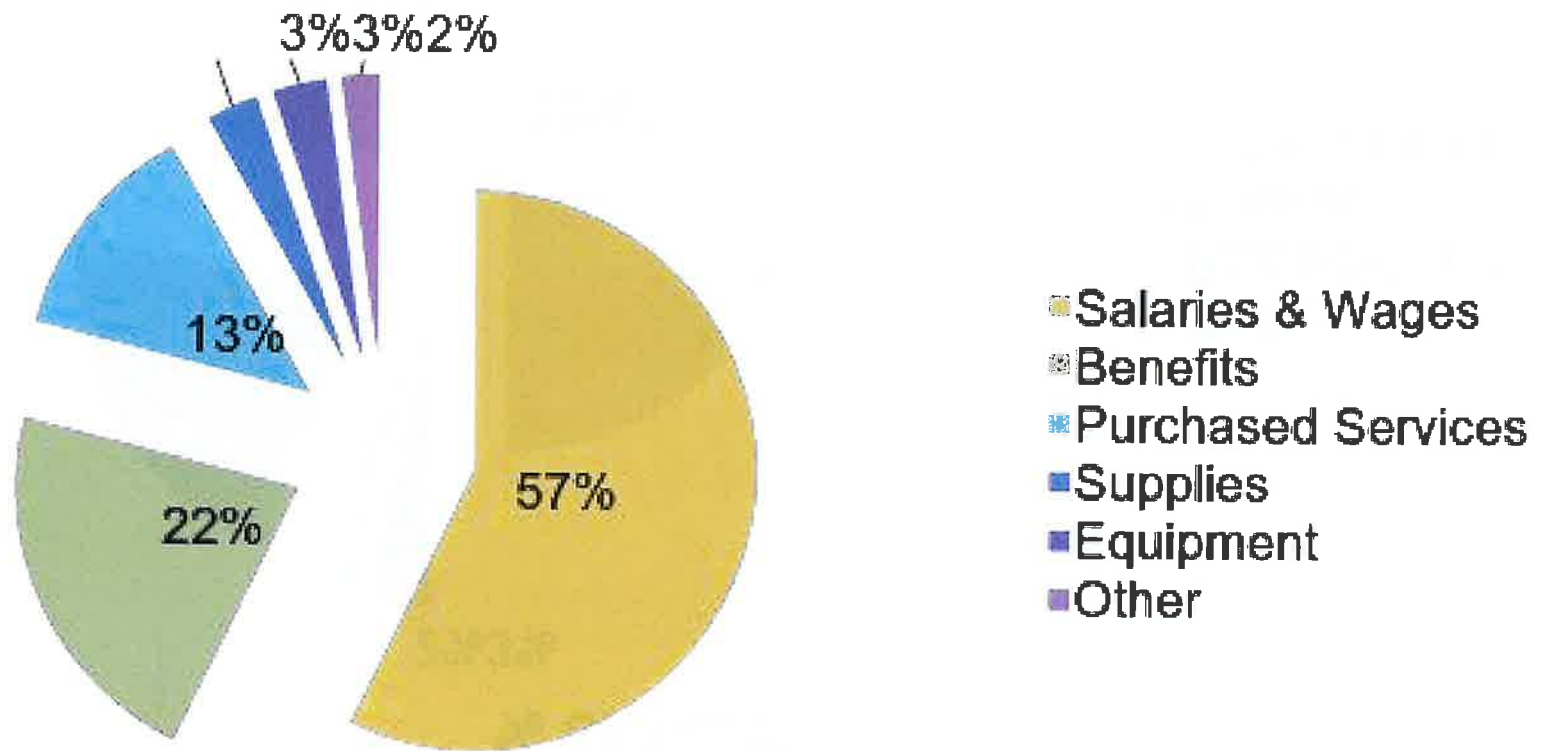


# General Fund by Revenue Source



# General Fund by Expense Object

% of Total



# Food Service Fund

- ▶ Thirteenth year of Stillwater contract for services
- ▶ Price Increase due to Paid Lunch Equity Calc
  - Pricing requirements must be met based on a federal standard compared to district average price
    - School breakfast will remain the same at \$1.30 (elem) and \$1.40 (sec)
    - School lunch will increase \$.10 to \$2.50 (elem) and \$2.80 (sec)
    - Milk will remain the same at \$.50/carton



# Food Service Fund Budget

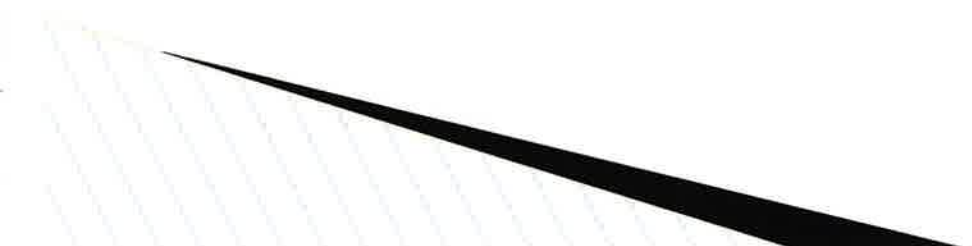
	Fund	Revenue	Expenditure	Change in Fund	PROJECTED Fund
	Balance	Budget	Budget	Balance	Balance
	<u>06/30/16</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>06/30/17</u>
Food Service Fund	\$348,549	\$1,484,100	\$1,437,715	\$46,385	\$394,934



# Community Education Fund

The Community Education Fund is used to record all financial activities associated with the various community service programs such as:

- ▶ ECFE
- ▶ School Readiness PS <sub>2</sub>
- ▶ Senior
- ▶ Adult Enrichment
- ▶ Elem and Sec Enrichment
- ▶ Summer Recreation <sub>3</sub>
- ▶ School Age Childcare <sub>1</sub>



# Community Education Fund Budget

	Fund	Revenue	Expenditure	Change in	PROJECTED
	Balance	Budget	Budget	Fund	Fund
	<u>06/30/16</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>06/30/17</u>
Community Service Fund	\$439,546	\$1,926,794	\$1,741,130	\$185,664	\$625,210



# Community Education

Community education department plans to use some of the fund balance on:

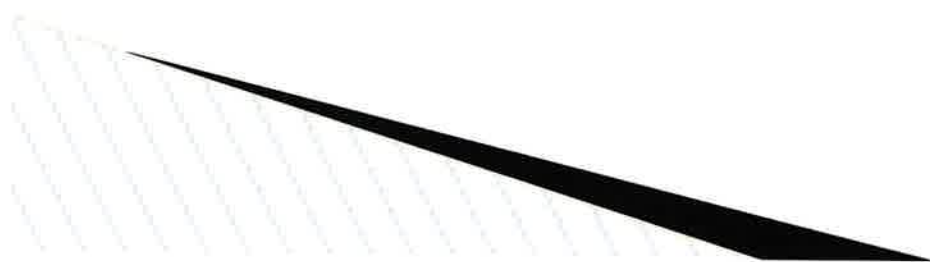
- ▶ Field improvements
- ▶ DEC gymnasium upgrades



# Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or capital loans.

- ▶ Abatement bond project for parking lots, sidewalks and exterior lighting
- ▶ Temporary fund during construction





# Debt Service Funds

The Debt Service Fund is used to record revenues and expenditures for the school district's outstanding bonded indebtedness and includes:

- ▶ School building bonds
- ▶ School refunding bonds

The OPEB Debt Service Fund is used to record revenues and expenditures for the bonds issued for the school district's severance liability under GASB 45.

- ▶ Other Post Employment Benefits bonds
  - ▶ Severance pay for teachers hired prior to July 1, 1988



# Debt Service Funds Budget

	Fund	Revenue	Expenditure	Change in	PROJECTED
	Balance	Budget	Budget	Fund	Fund
	<u>06/30/16</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>06/30/17</u>
<b>Non Operating Funds</b>					
Building Construction Fund	\$6,488,307	\$7,993,621	\$4,179,600	\$3,814,021	\$10,302,328
Debt Service Fund	\$1,589,259	\$4,931,844	\$4,903,484	\$28,360	\$1,617,619
OPEB Debt Service Fund	\$60,563	\$338,325	\$329,333	\$8,992	\$69,555
<b>Total Non Operating Funds</b>	<b>\$8,138,129</b>	<b>\$13,263,790</b>	<b>\$9,412,417</b>	<b>\$3,851,373</b>	<b>\$11,989,502</b>



# Internal Service Fund

The Internal Service Fund is used to record revenues and expenditures for the school district's high deductible medical insurance plan.

- ▶ **Plan changing in FY 2016–17**
  - Two tiers
    - District paid HRA
    - Fully insured
  - Offer employees opportunities to save more funds to be used later



# Internal Service Fund Budget

	Fund	Revenue	Expenditure	Change in Fund	PROJECTED Fund
	Balance	Budget	Budget	Balance	Balance
	<u>06/30/16</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>06/30/17</u>
<b>Proprietary Funds</b>					
Internal Service Fund	(\$66,023)	\$5,222,000	\$5,040,000	\$182,000	\$115,977



# OPEB Trust Fund

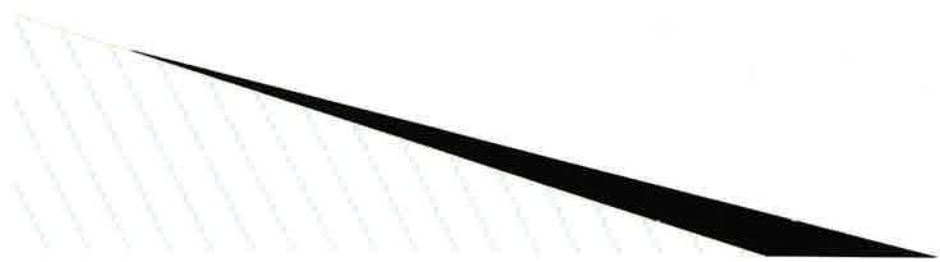
The OPEB Trust Fund is used to record revenues and expenditures for the school district's irrevocable trust.

- ▶ Fund established in FY 2008–09
  - Funds pre July 1, 1988 teacher severance



# OPEB Trust Fund Budget

	Fund	Revenue	Expenditure	Change in	PROJECTED
	Balance	Budget	Budget	Fund	Fund
	<u>06/30/16</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>2016-2017</u>	<u>06/30/17</u>
<b>Fiduciary Funds</b>					
<b>Post-Employ Benefits Irrevocable Trust Fund</b>	\$2,065,518	\$35,000	\$387,459	(\$352,459)	\$1,713,059



# COMMENTS AND QUESTIONS

For questions and/or comments please contact:

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or

651-407-2003

