

April 17, 2023

TO: Ron Koehler, Superintendent
FROM: Kevin Philipps
RE: April Budget Amendment

April is the month we provide the second of the three budget amendments we complete annually. The April amendment is developed in conjunction with the proposed budget for the following fiscal year, which will be presented to the Board in June. The first amendment was completed last December and the final amendment will be completed in June. This amendment allows us to assess revenue and expenditures trends during the fiscal year and make the necessary adjustments needed since December. With the strong leadership of Dennis and the hard work of his team, we have an excellent budget process that results in accurate budget estimates. With an approximate \$425 million budget and so much of the funds coming from different state and federal sources, tracking this budget is complex and challenging.

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

General Fund

- **Projected increase in fund balance of \$1,485,294** (down from \$1,834,579 in December)

Major revisions from December amendment:

Revenues/Transfers In: \$419,518 lower

- Investment Earnings: \$131,000 increase
- State Retirement Offset Funding: \$225,000 reduction (matching expense reduction)
- Transfers in from other funds: \$406,800 reduction

Expenses/Transfers Out: \$72,617 lower

- Capital Outlay budget for ESC building renovations: \$60,000 lower
- Year End Retention bonus payments: \$441,000
- Other Personnel Costs: \$447,612 lower

- **Projected ending fund balance: \$7,936,202 (11.1%)**

Special Education

- **Projected decrease in fund balance of \$3,959,672** (increase from \$2,880,393 in December)

Major revisions from December amendment:

Revenues/Transfers In: \$311,635 higher

- State revenue from Brownfield reimbursements: \$1,124,673
- Physical Therapists & Orientation & Mobility reimbursements from LEA's: Decrease of \$1,154,254
- State Section 31n6 Mental Health Funding: Increase of \$302,000

Expenses/Transfers Out: \$1,390,914 higher

- Fund Modification to Spec Ed Capital Projects: \$1,500,000
- Year End Retention Bonus Payments: \$863,000
- Act 18 Distribution Expenses: Increase of \$1,066,846
- Medicaid distributions: Decrease of \$1,788,195

- **Projected ending fund balance: \$12,443,687 (5.74%)**

Special Education Center Programs

- **Projected excess cost of \$1,066,037** (down from \$2,278,952 in December)

Major revisions from December amendment:

Revenues/Transfers In: \$728,224 higher

- State Funding: Increase of \$449,390
- Investment Earnings: Increase of \$119,500

Expenses/Transfers Out: \$484,691 lower

- Personnel Costs: \$425,559 lower
 - Teaching Salaries: \$222,100 lower
 - Paraprofessional Wages: \$126,437 lower

Career Technical Education

- **Projected increase in fund balance of \$585,626** (\$540,522 decrease in December)

Major revisions from December amendment:

Revenues/Transfers In: \$395,763 higher

- Investment Earnings: \$320,000 higher
- State revenue from Brownfield reimbursements: \$276,693
- Property Tax Collections: \$122,200 higher
- Transfers In: \$305,400 lower

Expenses/Transfers Out: \$730,385 lower

- Year End Retention Bonus Payments: \$315,000
- Other Personnel Costs: \$711,095 lower
- Capital Outlay: \$650,504 lower
- Transfer to CTE Capital Projects: \$1,000,000
- Other transfers out: \$372,000 lower

- **Projected ending fund balance: \$14,706,028 (46.7%)**

Cooperative Education

- **Projected decrease in fund balance of \$147,400** (down from increase of \$178,952 in December)

Major revisions from December amendment:

- MySchool revenue increase of \$190,000
- Year End Retention Bonus transfers out: \$400,000
- Other Transfers out: Increase of \$201,500
- **Projected ending fund balance: \$2,753,477 (54.0%)**

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 **\$25,368,580**, up from \$24,980,510 in December.

Capital Projects

General Capital Projects: Projected decrease to fund balance of \$776,416, reduced from \$1,346,988 in December. Ending fund balance of \$926,433.

- \$585,000 reduction to ESC renovation project budget. Expenses shifted to 2023-24.

Special Education Capital Projects. *Projected decrease to fund balance of \$2,030,382, down from \$2,318,671 in December. **Ending fund balance of \$945,195.***

- Increase in expenses of \$1,278,783 due to increased cost for Oakleigh (\$880,000), new Lincoln Developmental entry (\$180,000), and creation of a \$198,000 renovation budget for the transition of the Wyoming regional center. Expenses are offset by a \$1,500,000 transfer from the Special Education Fund.

Career Technical Education Capital Projects: *Projected decrease to fund balance of \$5,025,188, up from \$3,963,399 in December. **Ending fund balance of \$1,397,191.***

- Increase in expenses of \$2,132,161. Increase due to timing of Phase 2 secondary campus renovations (\$2,500,000), which is a shift forward from 2023-24. Phase 1 renovations lowered by \$414,378. Increase in expenses partially offset by \$1,000,000 transfer from the CTE Fund.

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

KP/kg