



...the educational prism through which students realize meaning and purpose in their lives...

**TO: Members, Board of Education
Dr. Albert G. Roberts, Superintendent of Schools**

FROM: Therese M. O'Neill, Asst. Supt. for Finance & Operations

RE: Public Hearing – 2010-11 Budget

DATE: September 8, 2010

Attached is the most current version of the 2010-11 budget. As a result of refinements and adjustments made over the entire summer with input from budget supervisors, principals and administration, as well as guidance derived from the FORC (Finance Oversight Review Committee) from their meeting on August 25, 2010, the 2010-11 budget is presented for your review at the scheduled Public Hearing on Tuesday evening, September 14, 2010.

FORC reviewed and counseled the Board and Administration to consider constructing revenues for the 2010-11 year, employing a middle ground, and offered these suggestions:

- 1) Rather than reducing GSA (general state aid) by \$450 (from the \$6,119 foundation level), construct GSA revenues with a 90% collection rate.
- 2) Rather than reducing mandated categoricals by the previously utilized ED-RED recommendations, assume 80% collection.
- 3) Assume full collection in 2010-11 of all unreceived but due 2009-10 state revenues.

These recommendations are included in the document presented which results in a \$3,361,530 increase in Education Fund state revenues and an increase of \$1,295,379 in Transportation Fund state revenues from the previously presented July 13, 2010 version of the Tentative Budget.

Also included in the Education Fund is the one-time federal revenue – Education for Jobs -- of \$741,295 (90% of the preliminary estimate of \$823,661) consistent with 90% receipt of GSA assumption.

Operating Fund Expenditures have increased by \$617,296 since July 13, 2010, primarily due to increased salaries and benefits in the Education Fund, as well as some adjustments, due primarily to grant reallocations, in Purchased Services, Supplies & Materials and Capital Outlay. This increase is approximately 1.0% over the Tentative Budget presented in July.

Non-Operating Fund Expenditures have increased by \$700,000 due solely to the identified expenditure in the Capital Projects Fund for the proposed Lincoln addition. In the Tentative Budget, revenues for this work were included; however, the corresponding expenditure was inadvertently omitted.

Overall, from presentation of the Tentative Budget to this evening, revenues have increased by 6.9% and expenditures have increased by 1.68%.

Attached for your review are the following documents:

- 1) Summary Sheet delineating unaudited beginning balance for July 1, 2010, revenues and expenditures for the 2010-11 year, and proposed ending June 30, 2011 balances.
- 2) Two-pages General Ledger summaries for Revenues and Expenditures.
- 3) Spreadsheets delineating unaudited actuals for 2009-10 compared to July 13, 2010 Tentative Budget and proposed September 14, 2010 Budget.
- 4) FORC scenarios – best – middle ground – worst.

tmo

Attachment (4)

