



June 8, 2020

# EDUCATION FUND BUDGET

2020-2021

P R E L I M I N A R Y

# EDUCATION FUND

## OVERVIEW

The Education Fund represents the single largest grouping of revenues and expenditures within the District's annual budget. The fund is also the least restrictive of all of the separate funds within the district budget.

The primary components of this budget represent the following components :

### REVENUE:

- Local Tax Revenue
- Local Receipts
- State Funding
- Federal Funding

### EXPENSES:

- Salary & Benefits
- Purchased Services
- Support Services
- Supplies & Materials

# BUDGET DEVELOPMENT

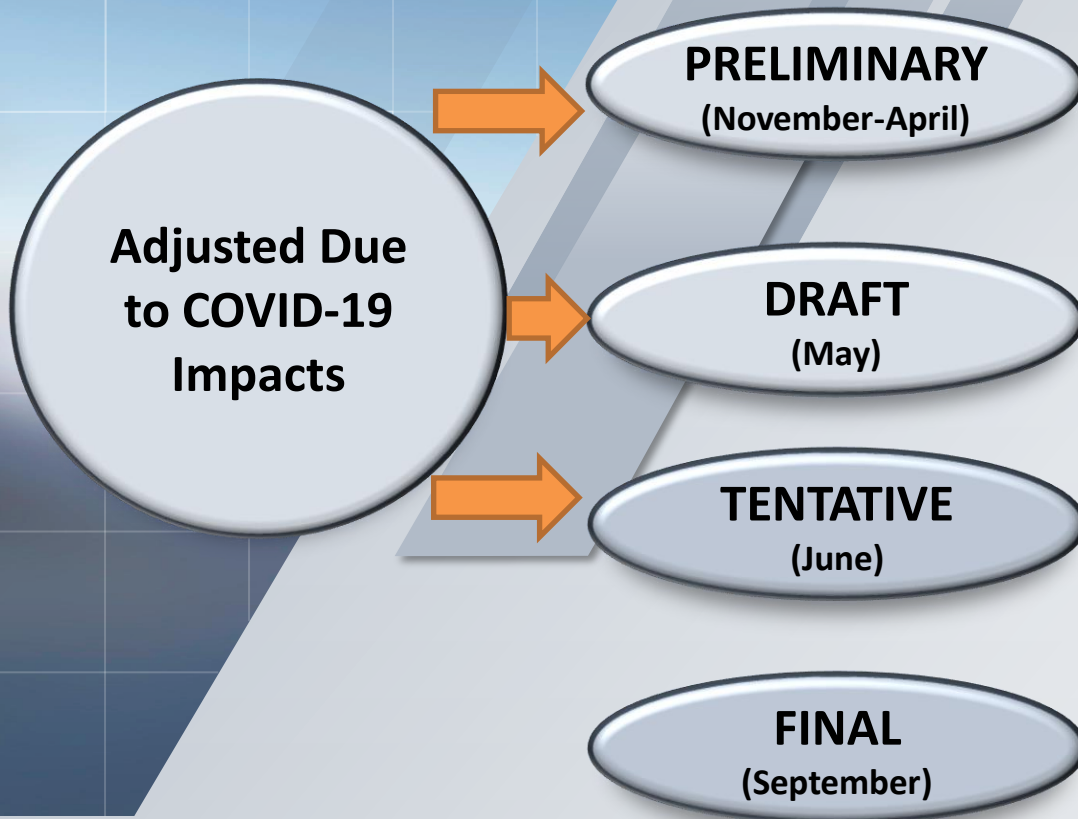
## Annual Development Components



- Estimates are developed for the coming school year based on current enrollment by building, past trends, and housing data.
- Staffing levels are determined for each building using class size targets, program needs, and service level expectations.
- Estimates are generated pertaining to the tax levy, federal and state funding and general receipts.
- Estimated expenditure needs are developed for salaries, benefits, purchased services, supplies and materials, capital outlay and other objects using both known data and assumptions.
- All financial estimates are combined and preliminary, draft, and tentative budgets are developed.
- A final proposed budget is created in accordance with Board of Education policy in support of the Strategic Plan and then approved by the Board of Education.

# BUDGET PHASES

## Annual Development Components



- A “Preliminary” budget is developed for the Technology, Operations & Maintenance, Transportation and Education Fund components of the budget. These budgetary considerations are used as initial assumptions prior to a complete view of the overall budget is completed. – Timeline adjusted to November – June.
- A “Draft” budget combines all assumptions across all components of the proposed budget and represents the first look at an all encompassing District Budget. – Timeline adjusted to July.
- A “Tentative” budget is required by statute and is made available to interested parties as part of the approval process of a final District budget. This version of the budget builds on the “Draft” budget taking into account newly incorporated data or other improvements made to the previous version. – Timeline adjusted to August.
- The “Final” budget is required to be adopted by the Board of Education no later than the month of September within the fiscal year (June-July) it represents. This “Final” budget further improves upon the “Tentative” budget incorporating the most current data available and final enhancements from the previous version.

# REVENUE ASSUMPTIONS

- CPI:
  - CY19: 2.3%      COLLECTION RATE: 99.0%
  - CY20: 0.25%
- CY20 New Construction: \$10,000,000
- Evidence Based Funding (State): No Change
- Mandated Categorical Payments: 3 of 4
- Special Education Funding (State/Federal): No Change
- Grant Funding: No Change
- Local revenues (fees): 5% Reduction

# EXPENSE ASSUMPTIONS

- Salary costs projected at current contract increases
- Health benefits projected at:
  - PPO: 5.6% increase & HMO: 9.7% increase
  - Dental: 5.2% increase
- Purchased services projected at 2.0% increase
- Supplies & Materials projected at 2.0% increase
- Technology preliminary budget included
- Pension cost shift not included
- P&C Coverage: 19% inc. / WC coverage: 7% Inc.



# EDUCATION FUND

## Preliminary Budget

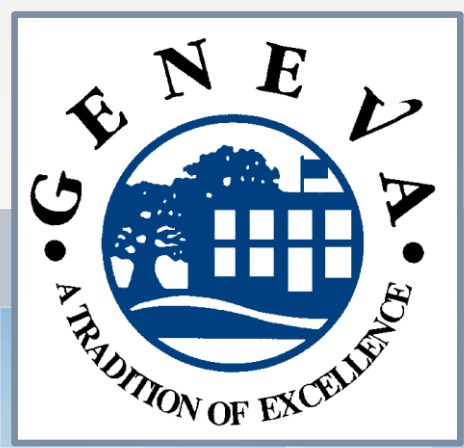
Revenues Education Fund (10)	2020 Current	2021 Projected
1000 Local Sources	\$61,792,680	\$62,937,626
3000 State Sources	\$2,569,020	\$2,569,020
4000 Federal Sources	\$1,996,728	\$1,951,728
	<b>\$66,358,428</b>	<b>\$67,458,374</b>

FY19 ED Fund Balance:

\$24,256,599

Expenses Education Fund (10)	2020 Current	2021 Projected
000 Transfer	\$338,000	\$338,000
100 Salaries	\$46,867,870	\$47,686,417
200 Employee Benefits	\$8,044,447	\$8,582,895
300 Purchased Services	\$5,283,494	\$5,755,829
400 Supplies & Materials	\$1,125,038	\$1,093,233
500 Capital Outlay	\$482,100	\$504,980
600 Other Objects	\$4,094,001	\$4,052,605
700 Non-Cap. Equipment	\$123,478	\$117,030
	<b>\$66,358,428</b>	<b>\$68,130,989</b>

Expense  
Increase  
of **2.67%**



June 8, 2020

# O&M FUND BUDGET

2020-2021

P R E L I M I N A R Y



# O&M FUND

## Preliminary Budget

Revenues O&M Fund (20)	2020 Current	2021 Projected
1000 Local Sources	\$11,626,133	\$11,497,823
3000 State Sources	\$2,137,486	\$2,137,486
7000 Other Fin. Sources	\$0	\$0
	\$13,763,619	\$13,635,309

Expenses O&M Fund (20)	2020 Current	2021 Projected
000 Transfer	\$1,800,000	\$1,500,000
100 Salaries	\$4,780,611	\$4,931,997
200 Employee Benefits	\$913,847	\$992,984
300 Purchased Services	\$2,087,730	\$2,024,830
400 Supplies & Materials	\$3,069,500	\$3,069,500
500 Capital Outlay	\$525,214	\$525,214
600 Other Objects	\$216,717	\$216,717
700 Non-Cap. Equipment	\$370,000	\$370,000
	\$13,763,619	\$13,631,242

Expense  
Increase of  
**-0.96%**

# BUDGET DEVELOPMENT

## Next Actions

- Develop 2020-2021 Draft Budget (JULY)
  - Review projections for all funds
  - Analyze impact to ending fund balance across all funds
  - Adjust line item allocations to improve budget design and accuracy
  - Update all budget line items as new data is available
  - Update all grants inclusive of carryover totals
  - Update Interfund Transfer levels for lease payments

# BUDGET DEVELOPMENT

## Next Actions – Continued

- Permanent Fund Transfers to Capital Projects Fund: **Fall**
  - Review FY20 O&M expenses & revenues
  - Identify resources which moved to fund balance
  - Monitor Fund Balance Totals within the O&M related to tax collections
  - Prepare a Board Resolution to permanently transfer funds from the O&M Fund to the Capital Projects Fund