

# **Livonia Public Schools**

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## ***Director of Business Services***

Date: June 6, 2013

To: Randy Liepa, Ph.D., Superintendent

From: Lisa Abbey, Director of Business Services

Re: Discussion of Preliminary 2013-14 Budget

As you know, budgets for 2013-2014 fiscal year are required to be adopted by the end of June. We have provided the Board of Education with updated information on several occasions as projections in revenues and expenditures have changed throughout the budgeting process, including any changes in the school aid fund.

We would like to present the proposed budget (attached) at the Finance Committee meeting on Monday, June 10, 2013. We are pleased to recommend no program reductions for next year. This is a significant accomplishment as school districts continue to struggle across the state and as we once again project less revenue available to us next year compared to the current year. As we discussed at the last Finance Committee meeting, the budget includes a target of \$1 million in revenue enhancement - cost containment measures. We believe we are making progress in the effort to meet this target. We are proposing a budget with a fund balance of just over \$1 million next year. We hope this will be improved by the final results of the current (2013) fiscal year and continued efforts to reduce costs and seek additional resources.

We will ask the Board to adopt the budget at the regular Board meeting on June 17, 2013. As required by law, we will also have a Budget Hearing prior to the regular board meeting. The purpose of this hearing is to discuss the property tax millage rate proposed to be levied to support the proposed budget. This is a standard meeting that has been required of school districts since 1995 to meet Truth in Taxation requirements.

Please let me know if there are any questions. Thank you.

LA/kp

c: Board of Education

**LIVONIA PUBLIC SCHOOLS  
2013/2014  
PROJECTED BUDGET**

<b>Projected fund balance July 1, 2013</b>		<b>\$ 4,056,065</b>
<b>2012-13 Revenues</b>		<b>\$ 140,413,208</b>
<b>2013-2014 Changes to Revenue:</b>	Net Loss of Enrollment	\$ (2,045,000)
	Changes in State Aid	\$ (120,000)
	Federal Edu Jobs & other one time revenue	\$ (170,500)
	Revenue Enhancement / Cost Containment Target	\$ 500,000
	Increase transfer from Special Education fund	\$ 200,000
<b>Total projected Revenue 2013-14</b>		<b>\$ 138,777,708</b>
<b>2012-13 Expenditures</b>		<b>\$ 144,780,038</b>
<b>2013-2014 Changes to Expenditures:</b>	Increase in Retirement Rate	\$ 400,000
	Insurance/Fuel/Other changes	\$ 85,000
	Utilities	\$ 80,000
	Contractual changes	\$ 60,000
	Property Tax refunds	\$ (300,000)
	Energy Education contract complete	\$ (393,000)
	Reduce health care costs -use of fund balance in H&W fund	\$ (500,000)
	Savings from teacher retirements	\$ (950,000)
	Decrease teaching staff - enrollment decline	\$ (1,000,000)
Revenue Enhancement / Cost Containment Target		\$ (500,000)
<b>Total projected Expenditures 2013-14</b>		<b>\$ 141,762,038</b>
<b>Projected Fund balance June 30, 2014</b>		<b>\$ 1,071,735</b>
<b>Potential ways to improve financial projections:</b>		
2012-13 budget results better than projected		\$1,000,000

**Updated: June 4, 2013**