
MEMORANDUM

TO: Charles Glaes, Superintendent
Members of the Board of Education

FROM: Stephen Goss, Assistant Superintendent

DATE: February 12, 2018

RE: 2017-2018 Amended General Fund Budget

Attached for your review is a proposed amendment to the General Fund budget for the year ending June 30, 2018. The purpose of this amendment is to account for significant, known changes in revenue and expenditures from the assumptions used in the June adopted budget. The focus was on compensation costs, especially retirement and employee health benefits.

The following is a summary of the most significant revisions reflected in the amendment:

Revenues:

General Fund revenues are projected to total \$27.1 million, which represents an increase of \$0.66 million, or 2.5%, from the June adopted budget of \$26.44 million. The is summarized in the table below:

	Increase (decrease)
Projected vs. actual enrollment (+8.5 FTE):	\$65,000
Additional Sec. 147a MPSERS cost offset	84,000
Additional Sec. 147c MPSERS UAAL buy-down	432,000
Additional categoricals (HS pupils, early literacy, etc.)	40,000
Other adjustments, net	<u>45,000</u>
Total projected revenue increase	<u>\$660,000</u>

Expenditures:

Compared to the June adopted budget, general fund expenditures are projected to increase by approximately \$590,000, or approximately 2.3%, from \$26.20 million to \$26.79 million. The most significant budget revisions are summarized in the table below:

	Increase (decrease)
Health insurance, due to increased participation	100,000
MPSERS, primarily Sec. 147c UAAL buy-down	410,000
First year transition costs for Skyward software	60,000
Other miscellaneous adjustments, net	<u>20,000</u>
Total projected increase to budgeted expenditures	590,000

Based on the budget revisions outlined above, we anticipate a shortfall in the current year of approximately \$45,000. This is an improvement over our June estimate of \$114,000, but still represents a drawdown of fund equity.

As always, please remember that this amendment is neither a best-case nor worst-case scenario; it simply represents our best estimates based on the information currently available. Changes in assumptions over the remainder of the school year may significantly impact our final results.

I look forward to presenting the budget in more detail at the board meeting. In the meantime, please do not hesitate to contact me if you have any questions.