



## **2018-2019 Budget Planning**

*February 5, 2018*

*Board of Education Meeting*

### ***Budget Update – Multi-Year View***



## Major Changes in Expenses

Health Insurance	\$650,000
Teachers Retirement System	\$250,000
CDOS Grant Ending	\$200,000
Social Security	\$50,000
<u>Other (salaries, insurance, etc)</u>	<u>\$660,000</u>
<b>Total</b>	<b>\$1,810,000</b>





## Major Changes in Revenue

Levy Growth Factor (2% - final)*	\$530,000
Tax-Based Growth Factor (.42%-final)*	\$110,000
<u>State Aid – (after Governor’s Budget)</u>	<u>\$250,000</u>
<b>Total</b>	<b>\$890,000</b>

\*Levy factors assume that the district will levy the amount of the state calculation





## Current “GAP”

Increase in Expenses	\$1,810,000
<u>Increase in Revenue</u>	<u>\$890,000</u>
<b>Current “GAP”</b>	<b>\$920,000</b>





## Overview of the Past Four Years

School Year	Two Major Cost Drivers		Major Revenues		Total of Increase in "Spendable Money"	Change in Instruct. FTE/ Total FTE
	TRS	Health Insurance	GEA/Foundation Aid	Tax Levy - without capital exclusion		
<b>2015-16</b>	-\$750,000	\$225,000	\$1,170,000	\$490,000	\$2,185,000	9.3/9.3
<b>2016-17</b>	-\$125,000	\$125,000	\$740,000	\$180,000	\$920,000	10.3/15.6
<b>2017-18</b>	-\$350,000	\$500,000	\$350,000	\$525,000	\$725,000	8.5/10.5
<b>2018-19*</b>	\$250,000	\$650,000	\$250,000	\$640,000	-\$10,000	?

\* Projected to receive approximately \$2 million less in Foundation Aid than current formula would indicate





## Fund Balance and Reserves

District “savings accounts” – 3 categories

Specific Use, Specific Liability/Fully Funded (Dollar for Dollar) – Tax Certiorari Reserve, Compensated Absences, Employee Benefits (Health Insurance from prior Retirement Incentives), Encumbrances

Specific Use, Non-Specific Liability/Not Fully Funded (Dollar for Dollar) – Employees Retirement Reserve (ERS), Unemployment Reserve

General Use –Appropriated and Unappropriated Fund Balance





## Appropriated Funds in the Budget

These are district funds used to balance the budget

- Reserve Appropriation – reserve funds amounts put into the budget for a specific use. Examples include Employee’s Retirement Contribution (ERS) and Unemployment.
- Appropriated Fund Balance – “general” revenue appropriation





## Use of Fund Balance and Reserves

<b>Year</b>	<b>Dollar Appropriation</b>	<b>Percent of Budgeted Revenue</b>
<b>2012-13</b>	\$2,050,000	4.65%
<b>2013-14</b>	\$1,875,000	4.13%
<b>2014-15</b>	\$1,875,000	4.04%
<b>2015-16</b>	\$1,675,000	3.49%
<b>2016-17</b>	\$1,675,000	3.46%
<b>2017-18</b>	\$2,000,000	3.93%







## “Real” Revenue

<b>Year</b>	<b>Percent of <u>Budgeted</u> Revenue from FB/Reserves</b>	<b>Percent of <u>Budgeted</u> “Real” Revenue (Mostly State Aid and Tax Levy)</b>
<b>2012-13</b>	4.65%	95.35%
<b>2013-14</b>	4.13%	95.87%
<b>2014-15</b>	4.04%	95.96%
<b>2015-16</b>	3.49%	96.51%
<b>2016-17</b>	3.46%	96.54%
<b>2017-18</b>	3.93%	96.07%
<b>2018-19</b>	5.80%	94.20%





## Percent of Budget Spent

- There are cost variations from year to year within individual budget lines due to unforeseen circumstances (ex. Leave positions, fuel/electricity, special education placements, etc)
- The budget is built with the expectation of NOT spending 100% of the appropriations

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Budget</b>	\$44,082,000	\$45,377,864	\$46,408,029	\$48,002,424	\$48,365,409	\$50,945,000
<b>Spent</b>	\$42,700,000	\$43,664,000	\$44,310,000	\$45,825,000	\$46,867,000	\$49,645,000
<b>Percent of Budget Spent</b>	96.9%	96.2%	95.5%	95.5%	96.9%	97.4%





## “Real” Revenue vs. Percent of Budget Spent

Year	Percent of Budgeted “Real” Revenue (Mostly State Aid and Tax Levy)	Percent of Budget Spent	Difference	Net Impact on FB & Reserves
<b>2012-13</b>	95.35%	96.90%	-1.55%	-\$505,000
<b>2013-14</b>	95.87%	96.20%	-0.33%	\$95,000
<b>2014-15</b>	95.96%	95.50%	0.46%	\$510,000
<b>2015-16</b>	96.51%	95.50%	1.01%	\$460,000
<b>2016-17</b>	96.54%	96.90%	-0.36%	-\$120,000
<b>2017-18</b>	96.07%	97.40%	-1.33%	-\$700,000
<b>2018-19</b>	94.20%	97.40%	-3.20%	-\$1,600,000





## Percent of Budget Spent

Year	Beginning Total FB/Reserves	Net Impact
<b>2012-13</b>	\$6,800,000	-\$505,000
<b>2013-14</b>	\$6,295,000	\$95,000
<b>2014-15</b>	\$6,390,000	\$510,000
<b>2015-16</b>	\$6,900,000	\$460,000
<b>2016-17</b>	\$7,360,000	-\$120,000
<b>2017-18</b>	<i>\$7,240,000</i>	<i>-\$700,000</i>
<b>2018-19</b>	<i>\$6,540,000</i>	<i>-\$1,600,000</i>
<b>2019-20</b>	<i>\$4,940,000</i>	<i>-\$1,600,000</i>
<b>2020-21</b>	<i>\$3,340,000</i>	<i>-\$1,600,000</i>
<b>2021-22</b>	<i>\$1,740,000</i>	<i>-\$1,600,000</i>





## What Does This Mean for Future?

### Expenses

Attempt to keep expenses to 2-3% annually

- 80% of budget is salary (\$28 million) and benefits (\$12.5 million)
- Continuous analysis of staffing and programs/potential retirements
- Health Insurance – work toward universal plan design, lowers admin costs, gives more stability to rates
- Continue to explore shared services and consortiums to find savings

### Revenue

State Funding

- Foundation Aid – currently underfunded by \$2 million per year based on formula

Use of Fund Balance and Reserves

- Multi-year plan

Continue to explore grant opportunities – have received over \$3 million in competitive grants since 2012-13



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**Questions?**

