



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>
Total	\$1,810,000





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>
Total	\$890,000

*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>
Current “GAP”	\$920,000





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		
2015-16	-\$750,000	\$225,000	\$1,170,000	\$490,000	\$2,185,000	9.3/9.3
2016-17	-\$125,000	\$125,000	\$740,000	\$180,000	\$920,000	10.3/15.6
2017-18	-\$350,000	\$500,000	\$350,000	\$525,000	\$725,000	8.5/10.5
2018-19*	\$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

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





“Real” Revenue

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

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Budget	\$44,082,000	\$45,377,864	\$46,408,029	\$48,002,424	\$48,365,409	\$50,945,000
Spent	\$42,700,000	\$43,664,000	\$44,310,000	\$45,825,000	\$46,867,000	\$49,645,000
Percent of Budget Spent	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
2012-13	95.35%	96.90%	-1.55%	-\$505,000
2013-14	95.87%	96.20%	-0.33%	\$95,000
2014-15	95.96%	95.50%	0.46%	\$510,000
2015-16	96.51%	95.50%	1.01%	\$460,000
2016-17	96.54%	96.90%	-0.36%	-\$120,000
2017-18	96.07%	97.40%	-1.33%	-\$700,000
2018-19	94.20%	97.40%	-3.20%	-\$1,600,000





Percent of Budget Spent

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

