

2019-20 Budget

Preparation and Planning

Revenue and Expenditures

Revenue- 3 primary sources

State- Apportionment provided through the prototypical school model

Federal- Funding provided through formulas, some based on F/R lunch %'s along with enrollment and participation. These are restricted funds earmarked for specific uses. Examples:

Title programs- Title I (learning assistance), Title II (staff development)

Special education- based on FTE's in program

Other- small amounts (various other Title programs)

Local- Levy receipts based on property valuation. (can only be used for enrichment activities) Local receipts (class fees, breakfast & Lunch, etc.)

State Revenue

1. Based on student FTE
2. Prototypical school model converts Student FTE into revenue.
3. Current Comparison
 - a. [Elementary](#)
 - b. [Middle School](#)
 - c. [High School](#)

Where can the board have input on Revenue?

- State and Federal- None!
 - The board can direct the approach to estimating student enrollment that drives the month to month state apportionment.
 - Historical estimates have been VERY conservative. This resulted in less funds through the first half of the year and large amounts the second half.
 - Over the last three years we have used a more “realistically conservative” approach.
 - Ultimately the district will receive the same funding at the end of the year regardless of the approach. Thus we have no control or input on revenue ultimately received. The difference in estimation ultimately determines when those funds are available and how the district plans upfront in the budgeting process for the use of those funds.
 - Smaller FTE projections upfront will result in smaller budgets, less spending opportunities and larger ending fund balances along with less risk.
 - Larger FTE projections upfront will result in larger budgets, more spending opportunities and smaller ending fund balances along with greater risk.

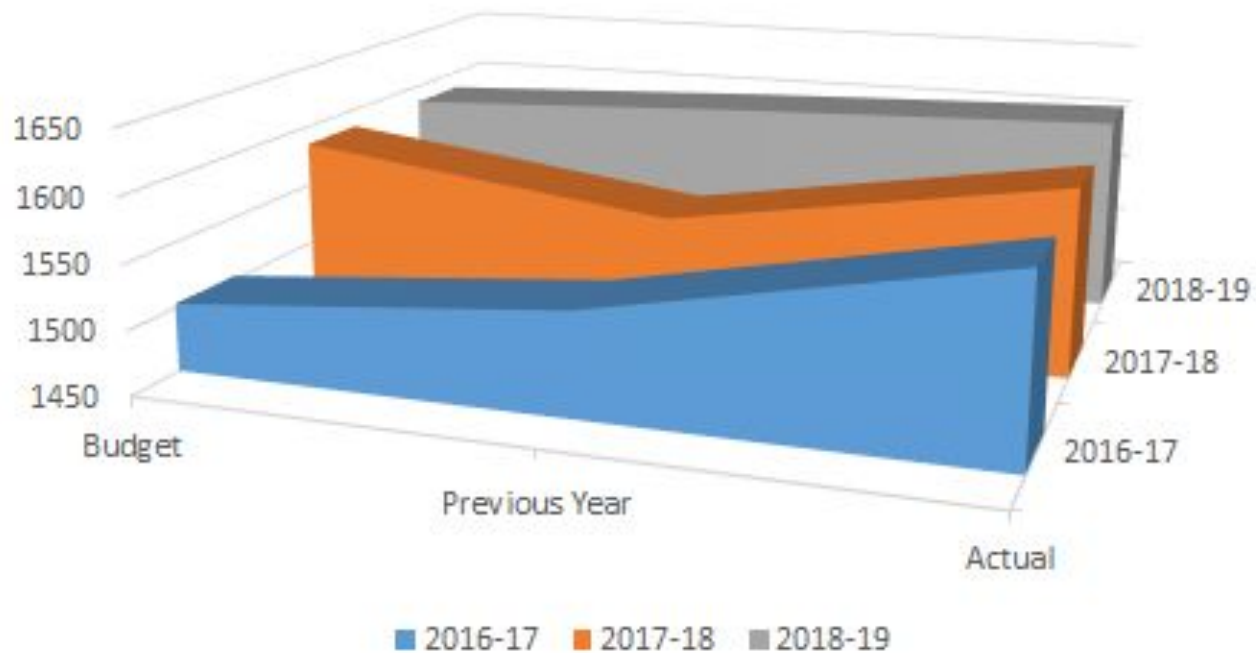
Historical FTE estimations

School Year	Budget	Previous Year Enroll	Actual Enroll	Difference
2018-19	1585	1597	1606 (YTD)	+21
2017-18	1585	1547	1597	+12
2016-17	1503	1530	1591	+88

Proposed 2019-20 budget- **1585**

Board input on FTE projections for budget?

Historical FTE Estimations



Where the board can have input on Revenue?

- Local Levy revenue- Board has already had input on this!
 - Board supported the issuance of a local levy.
 - The board supported running the levy for the maximum allowed by law. (\$1.50/ thousand of assessed value)
 - Based on current property valuation across the district (\$1,218,179,402) this will produce \$1,827,268 for the 2019-20 school year.
 - This is down from \$2,954,259 that was previously passed by our voters for the levy that expires this year.
- Local collections- Board sets the level of local fees collected by the district, some of those are on the board agenda tonight.
 - Breakfast and lunch prices
 - Fees for classes, etc.

Expenditures

- General Fund- 99% of the decisions to be made are under this fund
- Capital Fund- For buildings- long term facility and equipment
 - Also includes impact fees.
- Debt Service- Pre determined by outstanding debt. Designed to pay for interest expense. Think new MS bond! Leased equipment etc.
- Fund 70- Donations, scholarships etc. - not controlled by the board.

Where the board should have input on General Fund expenditures!

Ending Fund Balance- Philosophical questions, what is the right amount?

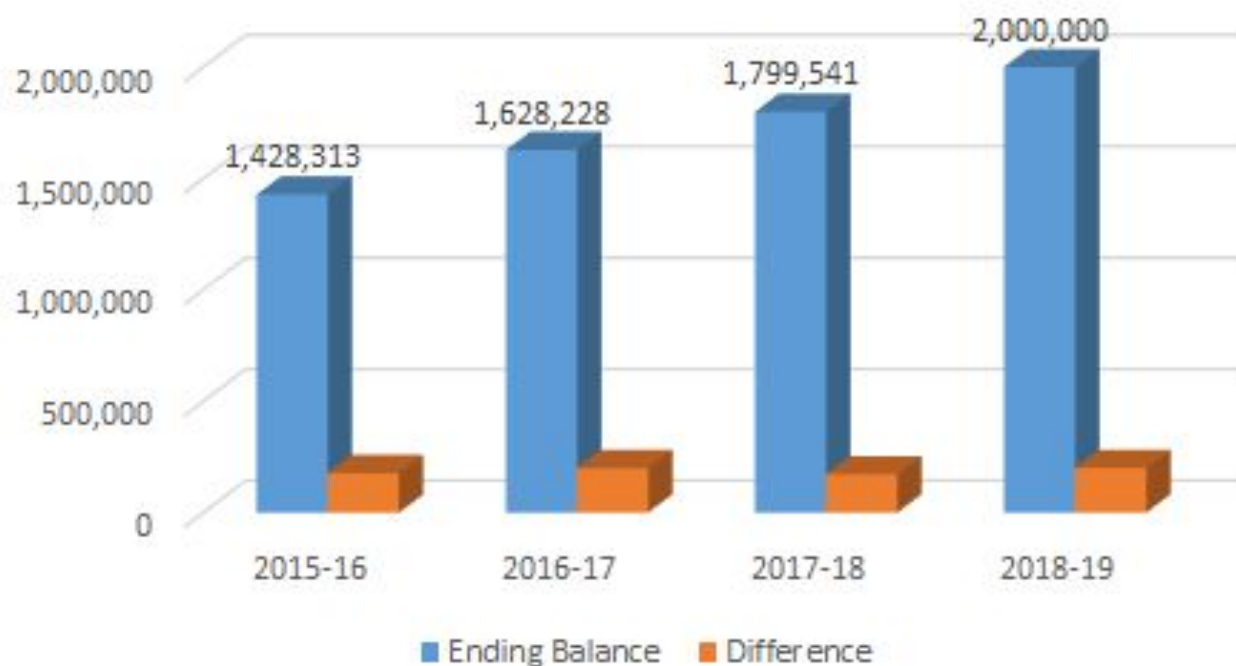
- Having sufficient cash flow- currently projected ~\$1.60 million
- Sufficient capacity to handle emergencies and crisis events?
- Sufficient capacity to take advantage of unforeseen opportunities?
- Political ramifications of the balance? We are not a bank! Shouldn't we be spending today's tax dollars on today's students?

Historical perspective on Ending Fund balance

Budget year	Ending balance	Difference
2018-19	~\$2,000,000	\$200,459
2017-18	\$1,799,541	\$171,313
2016-17	\$1,628,228	\$199,915
2015-16	\$1,428,313	\$176,861

Where should we be? Current draft- \$1,700,000

Ending Fund Balance - Year-to-Year Comparison



Board Resolutions

2016/17-1 Resolution to increase ending fund balance reflecting best business practices- Projected \$1,700,000 does not meet the goal of 60 days cash reserve but does enable progress on the other two resolutions.

2016/17-2 Resolution to set aside money specifically designated for opening of the new middle school. Initial goal of \$750,000. This budget draft has \$500,000

2016/17-3 Resolution to set aside money each budget year specifically for bargaining of any open contract during the upcoming budget year- This draft has money set aside for all three, Classified, Certificated and Administrative contract negotiations- Details to be discussed in closed session.

Board input?

Other large categorical budget areas

Technology- Historical perspective-

2018-19* \$166,000

2016-17 \$246,500

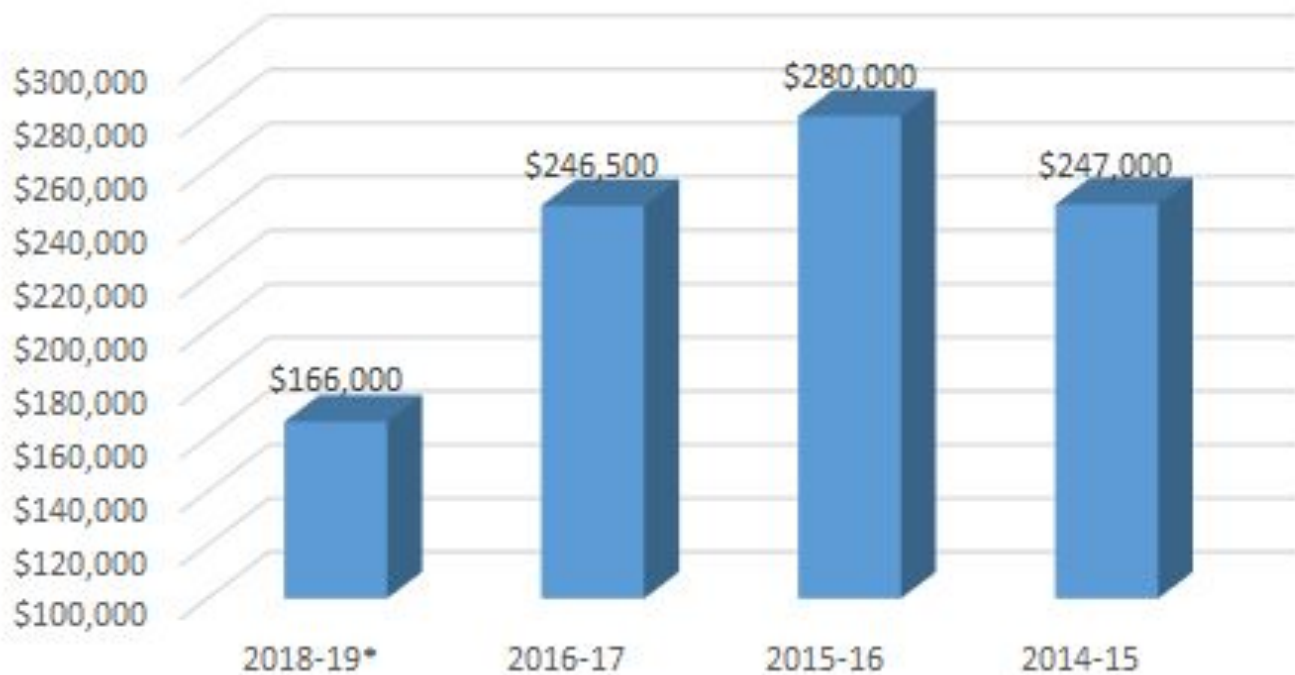
2015-16 \$280,000

2014-15 \$247,000

* Having completed purchases of most individual student devices, upgrades of our infrastructure and our wireless network.

Current draft- \$200,000 Board input?

Technology Budget Year-to-Year Comparison



Categorical budget areas cont.

Curriculum- Historical perspective

2018-19 \$170,000

2017-18 \$147,000

2016-17* \$295,500

2015-16 \$166,000

*K-12 English adoption

Current Draft- \$175,000 Board input?

Curriculum Budget Year-to-Year Comparison



Categorical budget areas cont.

Maintenance- Historical perspective

2018-19* \$484,000

2017-18 \$399,000

2016-17 \$408,000

2015-16 \$207,000

*Attempt to catch up on aging system maintenance

Current Draft- \$450,000 Board input?

Maintenance Budget Year-to-Year Comparison



Other considerations and unknowns!

SEB- This could be an additional expense for as much as \$20K per month

Special education- There could be a funding increase of as much as \$75K for the year.

K-3 class size reduction waiver- If this is not supported by the legislature, we will see increased costs of ~\$140,000

Student enrollment- Back to slide #3

- We have seen moderate growth over the last three years
- \$500k homes do not have the student population we are used to seeing in the past
- New more affordable development coming on line late in the budget year?