

# **FISCAL YEAR 2020-21**

## **BUDGET REVISION #1**

**DECEMBER 2, 2020**

### **KEY ASSUMPTIONS FROM ORIGINAL BUDGET**

- Decrease of 100 FTEs in the blended count (from June 2020 to December 2020)
- Calculation of blended count remaining the same- 90/10- 90% Fall Enrollment, 10% Spring Enrollment
- \$650 reduction in the foundation allowance
- Healthcare increase/decrease unknown
- Utility increase/decrease unknown

## JUNE ASSUMPTIONS VS. ACTUAL INFORMATION AS OF DECEMBER

- June Blended Count: 5227
- December Blended Count: 5190.38 (unaudited)  
Difference: 36.62
- June Foundation Allowance: \$8111
- December Foundation Allowance: \$8111
- Budget assumed regular calculation for revenue
- Revenue actually based on super blend formula

## SUPER BLEND FORMULA

In order to lessen the impact that virtual learning could have on the enrollment, the State is using a different formula to calculate the blended FTE count which is a key component used to determine the amount of revenue that the district receives. This formula is explained below.

**The 90/10 blend for 2019-20 multiplied by .75 will be added to the 90/10 blend for 2020-21 multiplied by .25 to determine the super blend used for 2020-21 membership.**

## COMPONENTS OF CALCULATION

REG ED	4,936.58
SPECIAL ED	273.01
FALL 2019	5,209.59
REG ED	4,919.96
SPECIAL ED	295.09
SPRING 2020	5,215.05
REG ED	4,787.59
SPECIAL ED	277.02
FALL 2020	5,064.61
<b>SUPER BLEND</b>	<b>5,190.38</b>

## REVENUE ANALYSIS

### LOCAL REVENUE

Several local revenue line items are decreased or eliminated due to COVID restrictions:

- Transport Revenue- Handley/SASA
- Athletic Revenue
- After the Bell Revenue

Even with these reductions we will have more local revenue than shown on the original budget if local tax revenue remains at the same level as last fiscal year

## **INTERMEDIATE REVENUE**

Intermediate revenue is expected to be greater than the original budget primarily due to an increase in SCC enrollment. Our reimbursement from the ISD is booked under this category. Last year we paid \$663,670 to the vocational education fund for our students. The ISD reimbursed us for this payment.

The intermediate revenue category increase is also due to higher than anticipated revenue generated from Medicaid payout.

## **STATE REVENUE**

State revenue is expected to be higher than originally forecasted. As shown on a previous slide, the foundation allowance remained the same. Due to the super blend calculation, our blended count only decreased by 36.62 FTEs from the previous year.

These two factors combined with an increase in MPSERS 147C payment were the key reasons for the increase in State revenue.

## FEDERAL REVENUE

The amount of federal revenue in the general fund is very minimal. The amount was reduced by \$2500 due to past trends.

## INCOMING TRANSFERS

The incoming transfers in the general fund are funds transferred from both the grants and the vocational education program. This amount is determined by the amount of expenditures in each of the funds. There is a decrease because we have spent less of the grants than originally anticipated- possibly due to virtual learning rather than face to face.

## EXPENDITURE ANALYSIS

- **Basic Program-** this category is used for all expenses related directly to instruction. The increase in this category is due to the increase in benefits, fringes, and the 147C flow through amount (we are given these funds on the State Aid Status report and we pay them back out with each payroll).
- **Added Needs-** this category is made up of special education and vocational education cost. There is an increase because a budget was added for the amount that is transferred to the vocational education fund for in district students. This was not budgeted this way last year when we started the new fund.
- **Pupil-** our ancillary staff members are paid from this category. After a reclassification from some other line items, there will be an increase to this category on the next budget revision that will actually show this category closer to the original budget. As with all categories there was an increase in benefits and fringes here also.

- **General Administration-** This category is made up of expenditures such as Board expenses, superintendent, auditing, and legal fees. The increase is due to personnel related expenditures -increases in fringes and benefits.
- **School Administration-**This category includes all expenditures related to the administrative offices in the school buildings. The increase shown here is primarily due to increases in personnel related expenditures-fringes and benefits.
- **Business-** This category is for central office expenditures related to the business office. The increase is due to personnel related expenditures-fringes and benefits.

- **Building Operations-** There is a decrease in this category due to a lower cost of utilities (buildings not utilized the same), and less gas being used as the busses are not running. If we should return to face to face instruction there may be an increase in this category in future budget revisions.
- **Pupil Transportation-** The decrease in this category comes as a result of virtual instruction. We currently pay transportation for home to school routes only. We are currently not paying STARS at all. If we should return to face to face instruction this category will be reevaluated.
- **Central-** This category includes human resources, student records, and technology. The increase that is there is due to personnel related expenditures- fringes and benefits.

- **Other-** This category is primarily the athletic budget. There were no changes to this budget. The increase that is shown is a line item added for employee CPR training.
- **Outgoing Transfers-** This amount is the payment that the Board has authorized to go to the capital projects fund. The budget has not changed.

## GENERAL FUND BUDGET SUMMARY

BUDGETED REVENUES:	\$49,625,641
BUDGETED EXPENDITURES:	<u>\$52,403,239</u>
<b>USE OF FUND BALANCE:</b>	<b>(\$ 2,777,598)</b>
FUND BALANCE 07/01/2020:	<u>\$18,910,149</u>
<b>REMAINING FUND BALANCE:</b>	<b>\$16,132,551</b>

As always it is important to remember that even though we are in a good financial position, it is not good to make a practice of deficit spending. We need to avoid going into a reoccurring operating deficit.

## KEEP IN MIND

- This is the first budget revision of the year. There will be at least two more revisions. This was simply to bring us closer in line with reality given the information that we have at this point.
- This budget includes fourteen vacant positions. The cost of this is approximately 1.1 million dollars.
- Benefit costs will change in January- the new amounts will be reflected in the next budget revision.
- The student count that was used to calculate our blended count is unaudited. The audited amount will be used in the next budget revision.

## GRANT FUND

- **Local Revenue-** Increase in local grants applied for and received by the district.
- **State Revenue-** The original budget was based on the information that was available at that time. This decrease is adjusting the budget to the actual amount of the grants received. At Risk is the largest portion of the State grants
- **Federal Revenue-** We were awarded federal grants that were not included in the original budget. These are some of the smaller grants used for PPE and other COVID related expenditures. The budgets are being adjusted to reflect these grants and the carryover amounts from the grants that ended 09/30/2020.

Grant expenditures always equal grant revenue- therefore there are increases in some of the expenditure categories to reflect this spending.

## VOCATIONAL EDUCATION FUND

- The vocational education budget has not changed much from the original budget.
- There is a revenue increase as a result of increased enrollment.
- There is a line item added to show the transfer to the general fund for indirect costs. This offsets the cost the district incurs for running a countywide program.
- This fund will have more adjustments in the next budget revision.

This concludes the information associated with this budget presentation.

Please email me with any questions so that I am able to answer them prior to the Action Meeting

Thank You!