

# Proposed FY 2017 Budget Revision

Board of Education

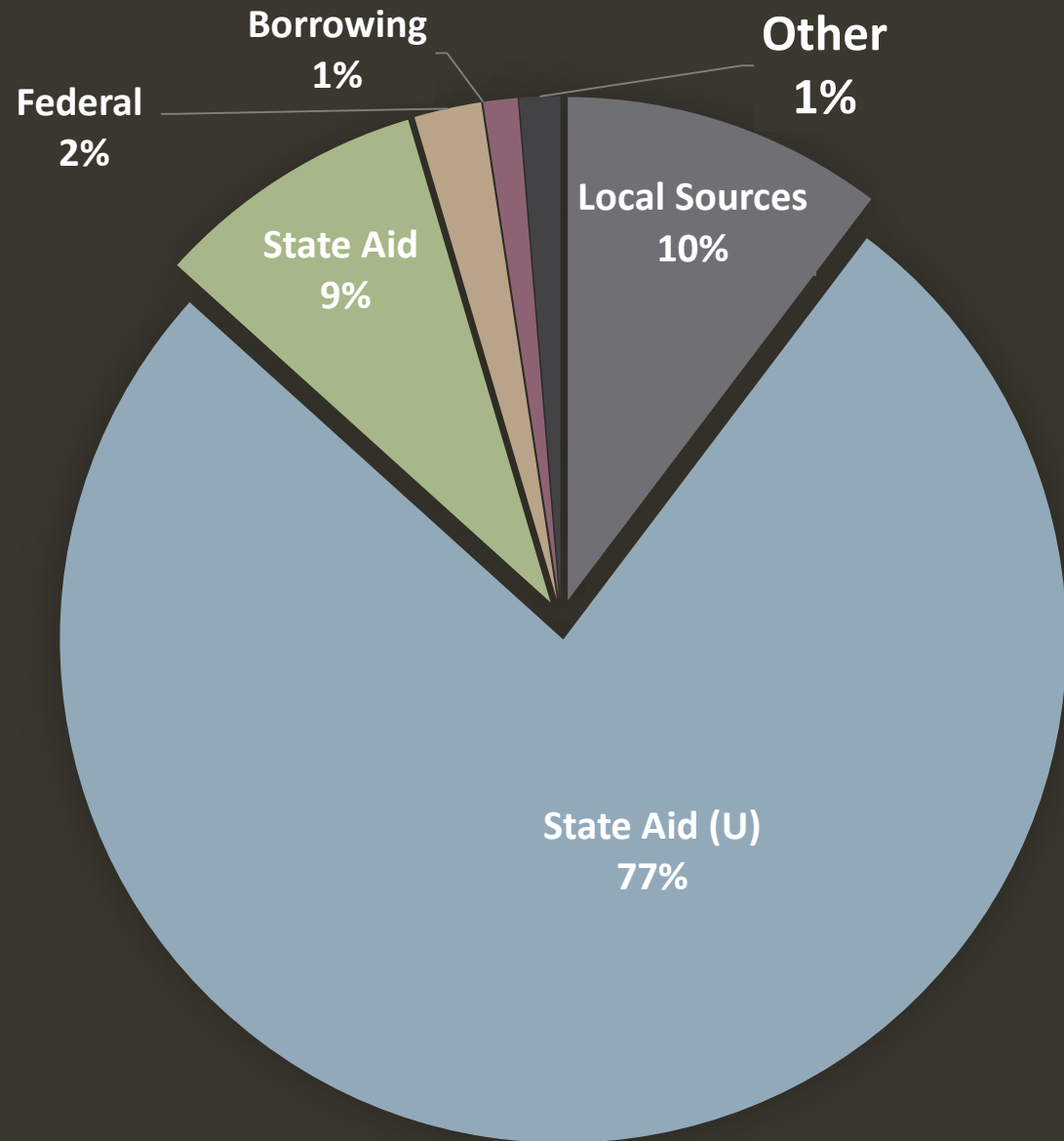
*December 12, 2016*

## FY 2017 BUDGET OVERVIEW - FIRST REVISION

	<u>2016-2017 PRELIMINARY</u>	<u>2016-2017 REVISION</u>	<u>CHANGE FROM PRELIMINARY</u>
Beginning Fund Equity	\$ 1,727,588	\$ 1,727,588	
Revenue	16,392,393	16,733,215	340,822
Expenditures	<u>16,164,187</u>	<u>16,681,590</u>	<u>517,403</u>
Excess(Deficit)	228,206	51,625	(176,581)
Ending Fund Equity	\$ 1,955,794	\$ 1,779,213	
% of Expenditures	12.10%	10.67%	

### ASSUMPTIONS:

MPSERS Rate	25.78%	25.78%
State Aid Membership	1,861.00	1,862.26
Foundation Allowance	7,511	7,511
MPSERS Cost offset	61	61
Total Per Student State Aid	7,572	7,572



# REVENUE (SOURCES)

# TOTAL REVENUE

APPROVED BUDGET	16,392,393
FIRST REVISION BUDGET	<u>16,733,215</u>
VARIANCE	340,822

<u>LINE ITEM</u>	<u>2016-2017 PRELIMINARY</u>	<u>2016-2017 REVISION</u>	<u>VARIANCE FROM PRELIMINARY</u>
Property Tax	\$ 1,471,517	\$ 1,514,353	\$ 42,836
Admissions	88,250	78,250	(10,000)
Unrestricted State Aid	12,770,589	12,781,098	10,509
Restricted State Aid	1,397,850	1,462,910	65,060
State Grant 35(a)5	-	20,160	20,130
Installment Purchase Agreement	-	184,000	184,000
Smaller Variances Totaling			<u>28,287</u>
			<b>\$ 340,822</b>

	<u>2016-2017</u> <u>PRELIMINARY</u>	<u>2016-2017</u> <u>REVISION</u>	<u>VARIANCE</u> <u>FROM</u> <u>PRELIMINARY</u>
STATE SOURCES			
UNRESTRICTED STATE AID	\$ 12,770,589	\$ 12,781,098	\$ 10,509
RESTRICTED STATE AID	<u>1,397,850</u>	<u>1,462,910</u>	<u>65,060</u>
TOTAL STATE SOURCES	\$ 14,168,439	\$ 14,244,008	\$ 75,569

### Restricted State Aid:

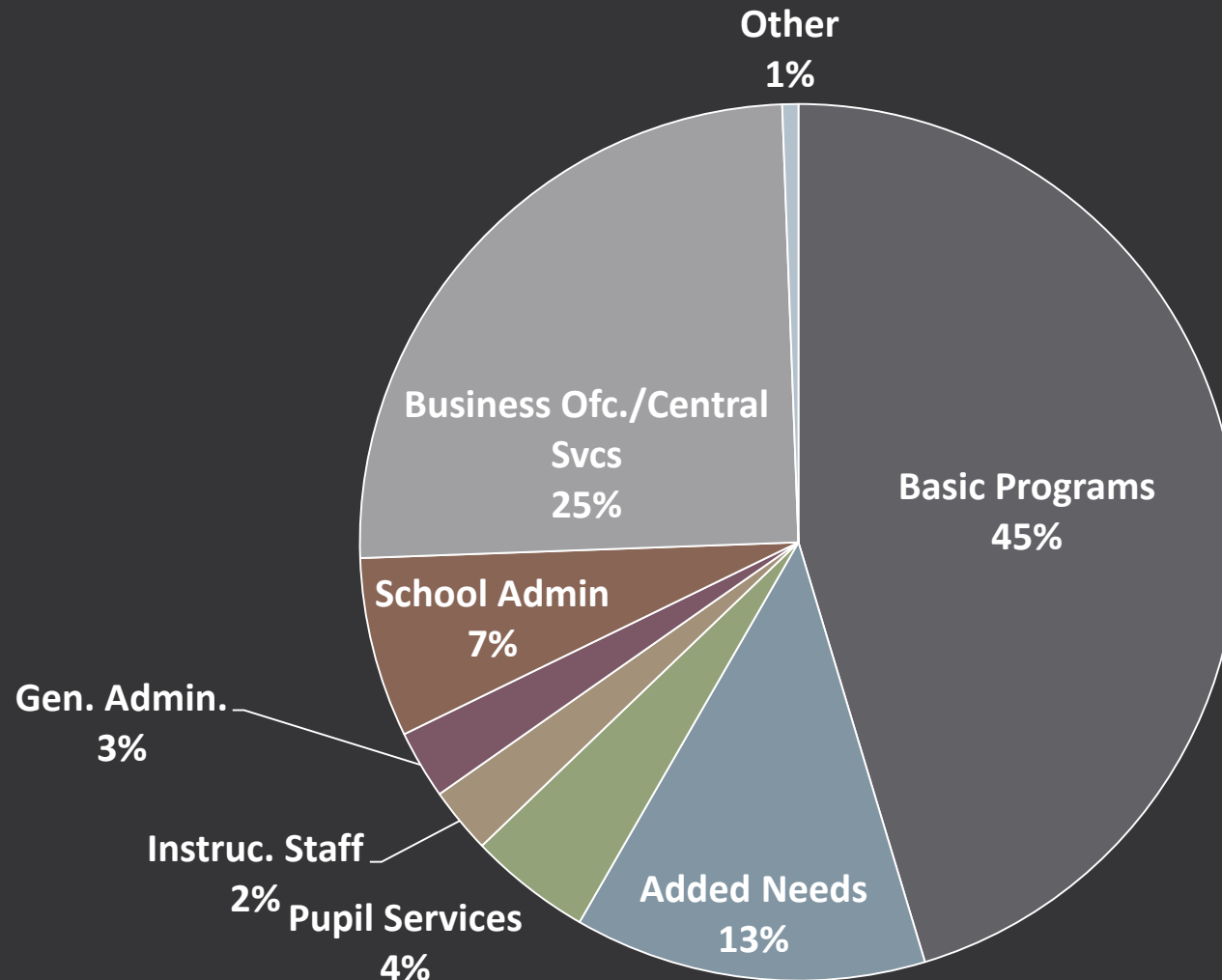
- UAAL increase of \$24,720

MPSERS retirement rate	25.78%
UAAL rate	<u>10.53%</u>
Total retirement expense	36.31%

UAAF = Unfunded Actuarial Accrued Liability  
 The UAAL is an actuarial term that refers to the difference between the actuarial values of assets (AVA) and the actuarial accrued liabilities (AAL) of a plan. It is funded through state aid and passed on to the Office of Retirement Services.

- Restricted State Aid includes 31a, UAAL Rate Stabilizations, First Robotics, any revenue that is limited to a specific program
- Increase in restricted State Aid revenues will be matched by an increase in expenditures with net effect on the budget as zero
- Unspent funds will be deferred and carried over to the next fiscal year

# 2016-2017 Expenditures (Uses)



# TOTAL EXPENDITURES

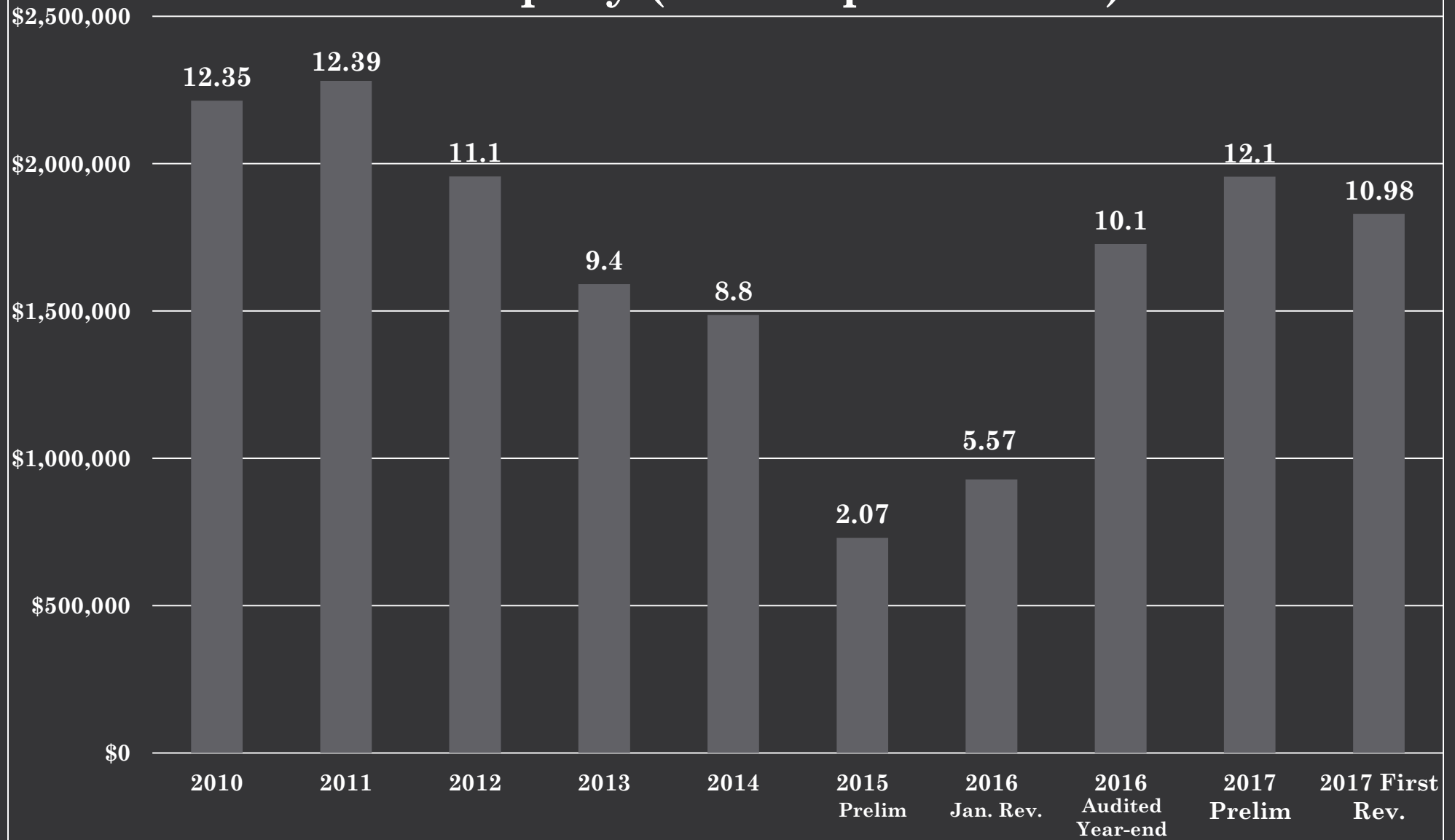
APPROVED BUDGET	16,164,187
FIRST REVISION BUDGET	<u>16,681,590</u>
VARIANCE	517,403

# TOTAL EXPENDITURES

<u>LINE ITEM</u>	<u>2016-2017 PRELIMINARY</u>	<u>2016-2017 REVISION</u>	<u>VARIANCE FROM PRELIMINARY</u>
ELEMENTARY INSTRUCTION	3,367,064	3,259,213	(107,851)
HIGH SCHOOL INSTRUCTION	2,222,361	2,166,047	(56,314)
SPECIAL EDUCATION	1,156,646	1,281,779	125,133
COMPENSATORY EDUCATION	543,286	627,374	84,088
GUIDANCE	351,563	417,899	66,336
BOARD OF EDUCATION	70,559	128,059	57,500
OPERATIONS & MAINTENANCE	1,487,791	1,568,669	80,878
PUPIL TRANSPORTATION SVCS	1,342,146	1,575,638	233,492
SMALLER VARIANCES TOTALLING			34,141
			<u>517,403</u>



# Fund Equity (% of Expenditures)



# Caveats

- ✓ First year in the last 5 years that the BOE has passed a balanced budget
- ✓ Estimated surplus – cash on hand at the end of the current year – is still in the positive (51K), although lower than the preliminary estimation (228K) due to increases in projected expenditures for 16-17

# Why a conservative-based approach to the budget process?

- ✓ Declining enrollment projections
  - Projected loss of 155 students by 2020
  - Projected \$1,200,000 in total loss revenue
  - 45-50 decline for 2017-2018 school year

# Why a conservative-based approach to the budget process?

- ✓ No building and site fund
  - Aging roofs, parking lots, and other infrastructures including technologies
  - Will need replaced in the next 5 years
  - These costs will be general fund expenditures
- ✓ State aid increases not a guarantee

Questions from the Board of Education?