

# **BUDGET DEVELOPMENT PROCESS: 2018-2019**

March 20, 2018



# GOALS FOR THIS EVENING:

To get Board input to finalize the 2018-2019 Budget for Board adoption at the April 10 meeting.



# BUDGET DEVELOPMENT TIMELINE

March 20, 2018-	Final Draft of 2018-19 Budget
April 10, 2018-	2018-19 Budget Adoption
May 1, 2018-	Mandatory Budget Hearing
May 15, 2018-	Budget Vote and Board Election

# PROGRAM MAINTENANCE BUDGET- ASSUMPTIONS

Enrollment: Kindergarten enrollment stays consistent (@85).

Staffing: projections based on anticipated staffing adjustments and seniority levels for current employee base- CSEA, NTA, NAC.

Salaries- adjustments made as per negotiated agreement.

Special education: all current K- 11 students roll over into the new year including all out-of-District placements; special education needs for incoming kindergarteners is based on preliminary information from the CPSE.

Employee benefit costs reflect known/anticipated adjustments to: retirement contribution based on published estimates from ERS/TRS; health insurance rates; Social Security increases, etc.

Most discretionary budgetary allocations (materials and supplies, field trips, equipment, travel, professional development, etc.) remain at current levels.

Transportation expenses reflect recent bid.

# ENROLLMENT COMPARISON

<b>GRADE</b>	<b>8/25/2017</b>	<b>3/1/2018</b>	<b>2018-2019</b>
<b>K</b>	81	<b>82</b>	<b>85</b>
<b>1</b>	92	<b>94</b>	<b>82</b>
<b>2</b>	102	<b>104</b>	<b>94</b>
<b>3</b>	83	<b>84</b>	<b>104</b>
<b>4</b>	114	<b>115</b>	<b>84</b>
<b>5</b>	98	<b>104</b>	<b>115</b>
<b>6</b>	100	<b>99</b>	<b>104</b>
<b>7</b>	103	<b>101</b>	<b>99</b>
<b>8</b>	133	<b>135</b>	<b>101</b>
<b>9</b>	115	<b>115</b>	<b>135</b>
<b>10</b>	129	<b>133</b>	<b>115</b>
<b>11</b>	149	<b>148</b>	<b>133</b>
<b>12</b>	136	<b>137</b>	<b>148</b>
<b>UNGRADED</b>	18	<b>21</b>	<b>21</b>
<b>TOTALS</b>	1453	<b>1472</b>	<b>1420</b>

# **RECOMMENDATION:**

**We proceed using \$36,385,957 as our expenditure number;**

**We restrict spending for the remainder of 2017-2018 to maximize any “roll-over” funding from current budget year;**

**We continue to monitor the enrollment numbers and adjust staffing WHEN APPROPRIATE and without impacting program offerings;**

**We allocate 1/3 of the Debt Service Reserve to the 2018-2019 budget and calculate the Tax Cap accordingly (4.26%);**

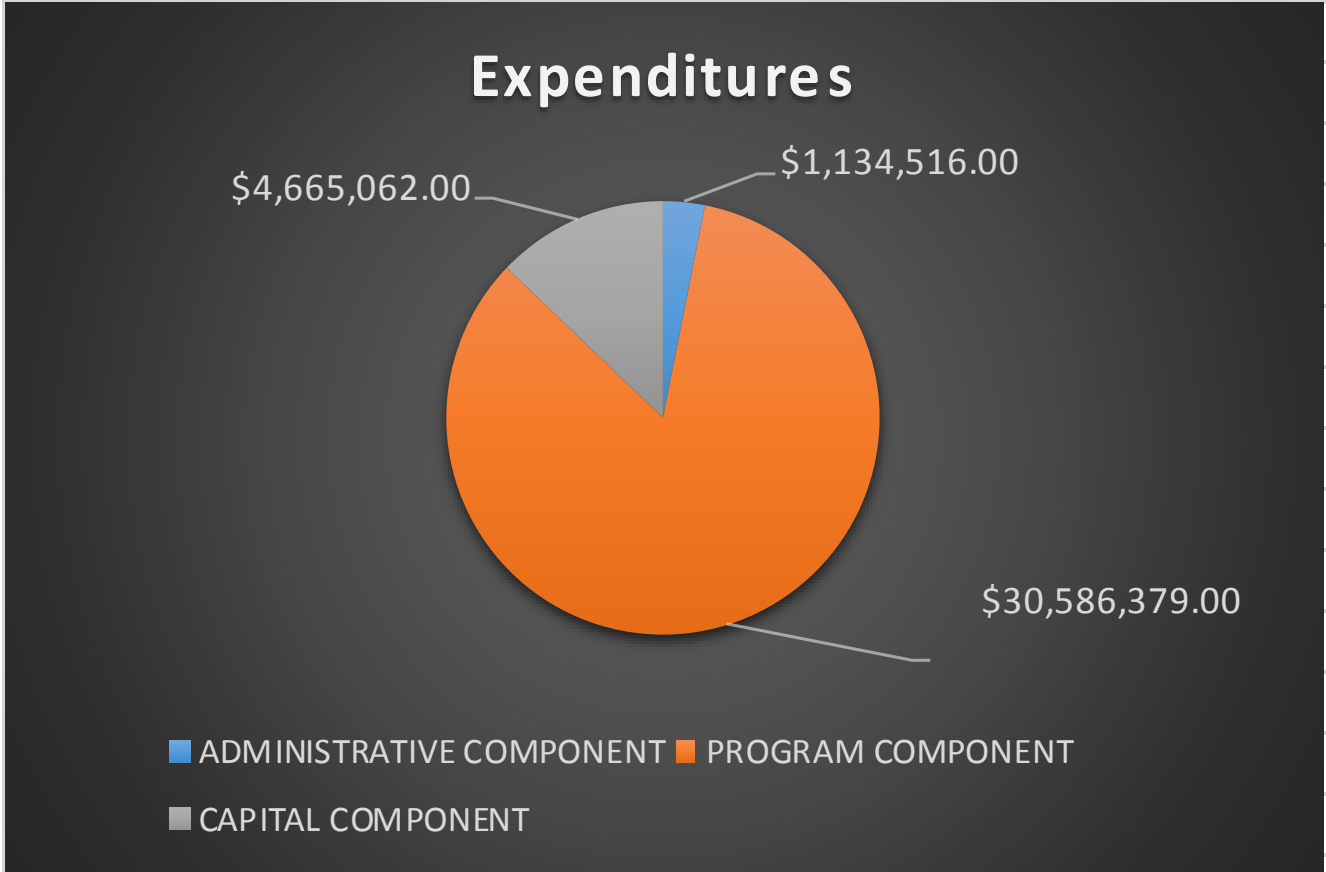
**We increase the tax levy by 3% (still well below the calculated tax cap of 4.26%);**

**Use personnel changes (resignations, retirements, etc.) received before April 10 to adjust the personnel expenditure line accordingly;**

**Use any increase to state aid to reduce of our use of reserves in the 2018-2019 budget.**

<b>EXPENDITURES</b>		CURRENT BUDGET 2017-2018	BUDGETED 2018-2019	Increase
<b>ADMINISTRATIVE COMPONENT</b>				
Board of Education	1000	\$ 82,004.00	\$ 79,470.00	\$ (2,534.00)
Chief School Administrator	1200	\$ 218,170.00	\$ 219,567.00	\$ 1,397.00
Finance	1300	\$ 331,766.00	\$ 340,912.00	\$ 9,146.00
Legal/Personnel/PR	1400	\$ 152,813.00	\$ 154,088.00	\$ 1,275.00
Special Misc. Items	1900	\$ 332,133.00	\$ 333,439.00	\$ 1,306.00
Curriculum Admin/Supervision	2010	\$ 6,880.00	\$ 7,040.00	\$ 160.00
<b>Total Administrative Component</b>		<b>\$ 1,123,766.00</b>	<b>\$ 1,134,516.00</b>	<b>\$ 10,750.00</b>
<b>PROGRAM COMPONENT</b>				
Instruction- Day School	2020	\$ 13,255,950.00	\$ 13,583,937.00	\$ 327,987.00
Special Education	2250	\$ 4,770,897.00	\$ 5,255,924.00	\$ 485,027.00
Summer School	2330	\$ 48,835.00	\$ 56,335.00	\$ 7,500.00
Transportation	5000	\$ 2,481,596.00	\$ 3,024,255.00	\$ 542,659.00
Interfund Transfers	9900	\$ 145,000.00	\$ 145,000.00	\$ -
Employee Benefits- Total	9000	\$ 8,067,453.00	\$ 8,520,928.00	\$ 453,475.00
<b>Total Program Component</b>		<b>\$ 28,769,731.00</b>	<b>\$ 30,586,379.00</b>	<b>\$ 1,816,648.00</b>
<b>CAPITAL COMPONENT</b>				
Plant Operation and Maintenance	1600	\$ 2,694,523.00	\$ 2,750,566.00	\$ 56,043.00
Debt Service Principal/Interest	9700	\$ 1,646,825.00	\$ 1,914,496.00	\$ 267,671.00
<b>Total Capital Component</b>		<b>\$ 4,341,348.00</b>	<b>\$ 4,665,062.00</b>	<b>\$ 323,714.00</b>
Adjustments/Carry-over				
<b>BASIC BUDGET EXPENDITURES</b>		<b>\$ 34,234,845.00</b>	<b>\$ 36,385,957.00</b>	<b>\$ 2,151,112.00</b>

		<b>2018-2019</b>
<b>ADMINISTRATIVE COMPONENT</b>	\$	1,134,516.00
<b>PROGRAM COMPONENT</b>	\$	30,586,379.00
<b>CAPITAL COMPONENT</b>	\$	4,665,062.00
	\$	36,385,957.00





# FUNDING: HOW ARE WE GOING TO PAY FOR THE BUDGET?

## FOUR SOURCES OF FUNDING:

- State Aid
- Tax Levy
- Miscellaneous revenue
- Reserves (savings)

# POTENTIAL REVENUE SUMMARY:

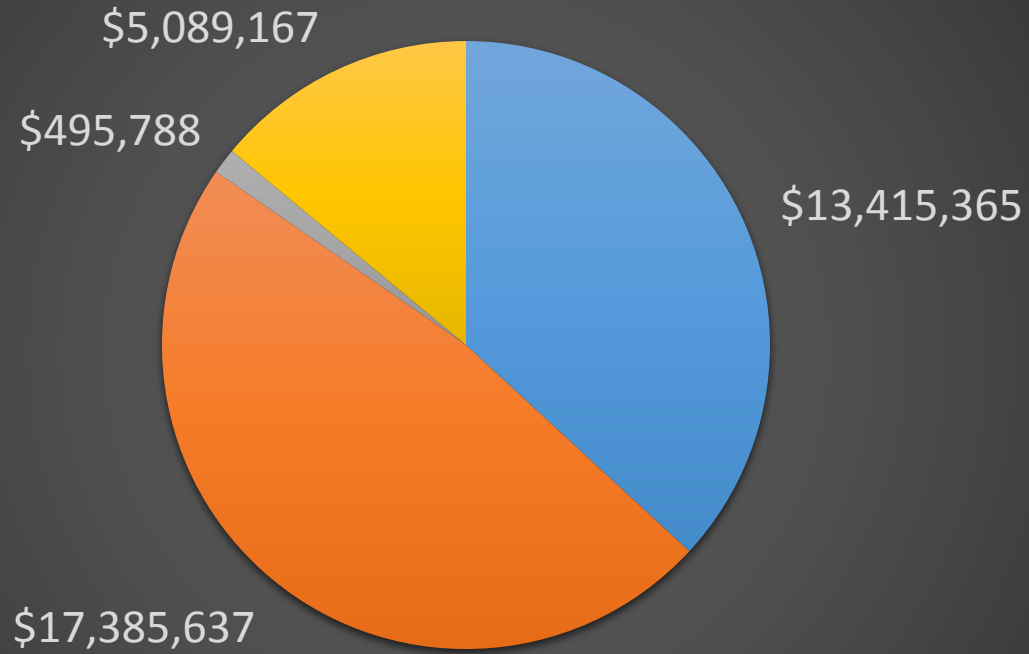
TAX LEVY INCREASE @3.0%

**2.18449% DECREASE IN STATE AID**

MINIMAL ADJUSTMENT TO MISC. REVENUE

DESCRIPTION	Budgeted 2018-2019
Real Property Tax Levy	\$13,415,364.78
Miscellaneous Revenue	\$495,788.00
State Aid	\$17,385,637.00
Unallocated Reserves	\$5,089,167.22
<b>BASIC BUDGET</b>	<b>\$36,385,957.00</b>

## FUNDING SOURCES



■ Tax Levy ■ State Aid ■ Other ■ Reserves

# USE OF RESERVES:

<b>Use of Reserves</b>	<b>\$</b>	<b>5,089,167</b>
<i>2017-2018 Budget Roll-over</i>	<b>\$</b>	<b>1,500,000</b>
<i>Employee Benefit Reserve</i>	<b>\$</b>	<b>1,200,000</b>
<i>Debt Service Reserve</i>	<b>\$</b>	<b>322,030</b>
<i>Appropriated Fund Balance</i>	<b>\$</b>	<b>1,146,344</b>
<i>Unreserved Fund Balance</i>	<b>\$</b>	<b>920,793</b>

# FIVE YEAR PROJECTIONS

					19-20	20-21	21-22	22-23	23-24	
				Budget to Budget increase	0.00%	1.00%	1.00%	1.00%	1.00%	
2018-2019	4.79%	tax cap		State Aid increase	2.00%	3.00%	1.00%	1.00%	1.00%	
				Tax Cap	2.00%	2.00%	2.00%	2.00%	2.00%	
DESCRIPTION	Budget 2017-2018	BUDGETED 2018-2019	AMOUNT CHANGE	percent change						
Real Property Tax Levy	\$13,024,626	\$13,415,365	\$390,739	3.000000%	\$ 13,683,672	\$ 13,957,346	\$ 14,236,492	\$ 14,521,222	\$ 14,811,647	
Miscellaneous Revenue	\$473,888	\$495,788			\$ 475,000.00	\$ 475,000.00	\$ 475,000.00	\$ 475,000.00	\$ 475,000.00	
State Aid	\$17,773,906	\$17,385,637	(\$388,269)	-2.18449%	\$17,733,349.54	\$ 18,265,350.02	\$ 18,448,003.52	\$ 18,632,483.56	\$ 18,818,808.39	
Unallocated Reserves	\$ 2,962,425	\$ 5,089,167								
<b>BASIC BUDGET</b>	<b>\$34,234,845</b>	<b>\$ 36,385,957</b>	<b>\$ 2,151,112</b>	<b>6.2834%</b>	<b>\$ 36,385,957.00</b>	<b>\$ 36,749,816.57</b>	<b>\$ 37,117,314.74</b>	<b>\$ 37,488,487.88</b>	<b>\$ 37,863,372.76</b>	
Reserves as a % of budget:	8.65%	13.99%		2018 balance	<b>\$ 4,493,935</b>	<b>\$ 4,052,121</b>	<b>\$ 3,957,819</b>	<b>\$ 3,859,782</b>	<b>\$ 3,757,918</b>	
				Appropriated Fund Balance	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,500,000.00	
			\$ 11,377,416.97	Employee Benefit Reserve	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 1,200,000.00	\$ 5,377,416.97
			\$ 644,060.00	Debt Service Reserve	\$ 322,030.00	\$ 322,030.00	\$ -	\$ -	\$ -	\$ -
			\$ 6,259,514.53	Fund Balance, Unreserved	\$ 1,471,905.39	\$ 1,030,091.03	\$ 1,257,818.79	\$ 1,159,782.05	\$ 1,057,917.65	\$ 281,999.63



# DISCUSSION/ QUESTIONS