

May 24, 2021

# EDUCATION FUND BUDGET

2021-2022

PRELIMINARY

# EDUCATION FUND

## OVERVIEW

The Education Fund represents the single largest grouping of revenues and expenditures within the District's annual budget. The fund is also the least restrictive of all of the separate funds within the district budget.

The primary components of this budget represent the following components :

### **REVENUE:**

- Local Tax Revenue
- Local Receipts
- State Funding
- Federal Funding

### **EXPENSES:**

- Salary & Benefits
- Purchased Services
- Support Services
- Supplies & Materials

# BUDGET DEVELOPMENT

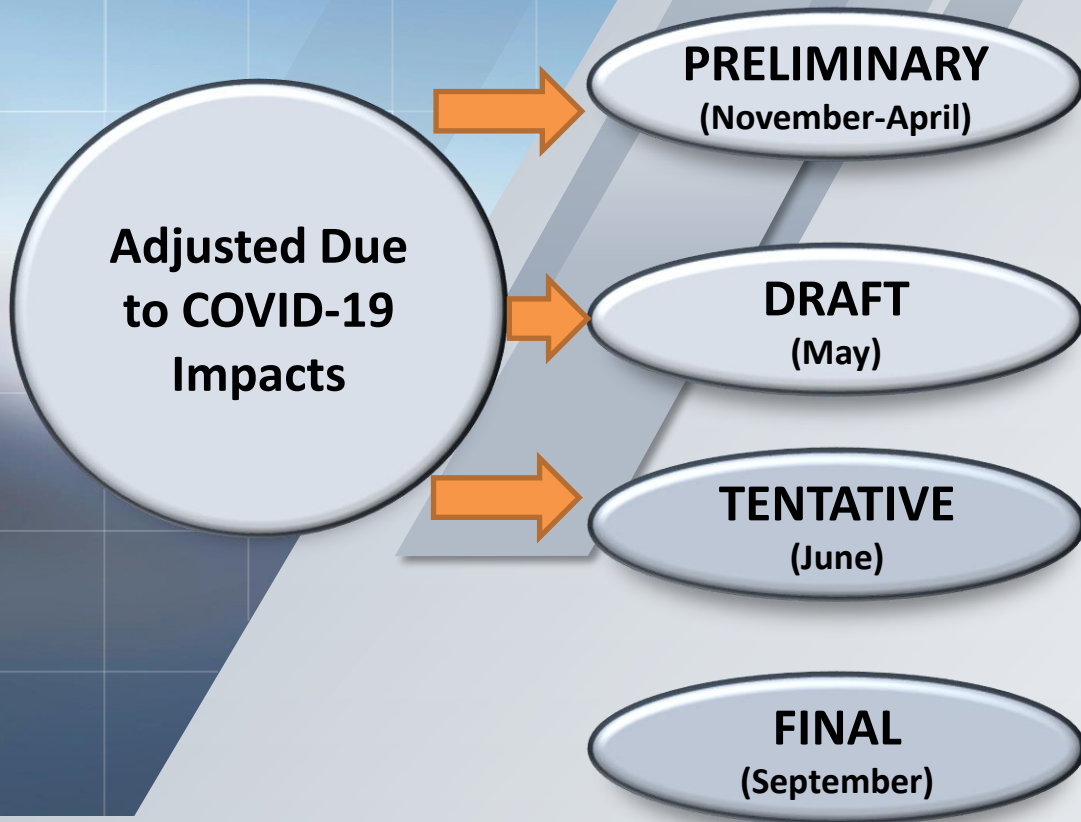
## Annual Development Components



- Estimates are developed for the coming school year based on current enrollment by building, past trends, and housing data.
- Staffing levels are determined for each building using class size targets, program needs, and service level expectations.
- Estimates are generated pertaining to the tax levy, federal and state funding and general receipts.
- Estimated expenditure needs are developed for salaries, benefits, purchased services, supplies and materials, capital outlay and other objects using both known data and assumptions.
- All financial estimates are combined and preliminary, draft, and tentative budgets are developed.
- A final proposed budget is created in accordance with Board of Education policy in support of the Strategic Plan and then approved by the Board of Education.

# BUDGET PHASES

## Annual Development Components



- A “Preliminary” budget is developed for the Technology, Operations & Maintenance, Transportation and Education Fund components of the budget. These budgetary considerations are used as initial assumptions prior to a complete view of the overall budget is completed. – Timeline adjusted to November – **May**.
- A “Draft” budget combines all assumptions across all components of the proposed budget and represents the first look at an all encompassing District Budget. – Timeline adjusted to **June**.
- A “Tentative” budget is required by statute and is made available to interested parties as part of the approval process of a final District budget. This version of the budget builds on the “Draft” budget taking into account newly incorporated data or other improvements made to the previous version. – Timeline adjusted to **July**.
- The “Final” budget is required to be adopted by the Board of Education no later than the month of September within the fiscal year (June-July) it represents. This “Final” budget further improves upon the “Tentative” budget incorporating the most current data available and final enhancements from the previous version.

# REVENUE ASSUMPTIONS

- CPI:
  - CY20: 2.3%
  - CY21: 1.4%
- COLLECTION RATE: 99.6%
- CY21 New Construction: \$12,000,000
- Evidence Based Funding (State): No Change
- Mandated Categorical Payments: 4 of 4
- Grant Funding (State/Fed.): No Change
- Grant Funding: FEMA/ESSER 1-3 = NOT INCLUDED
- Local revenues (fees): Carryover Prior Yr. Budget

# EXPENSE ASSUMPTIONS

- Salary costs projected at current contract increases
- Health benefits projected at:
  - PPO: 2.6% increase & HMO: -0.6% decrease
  - Dental: 0.2% increase
- Purchased services projected at 2.0% increase
- Supplies & Materials projected at 2.0% increase
- Technology preliminary budget included
- Pension cost shift not included
- P&C Coverage: 19% inc. / WC coverage: 19% inc.

# EDUCATION FUND

## Preliminary Budget

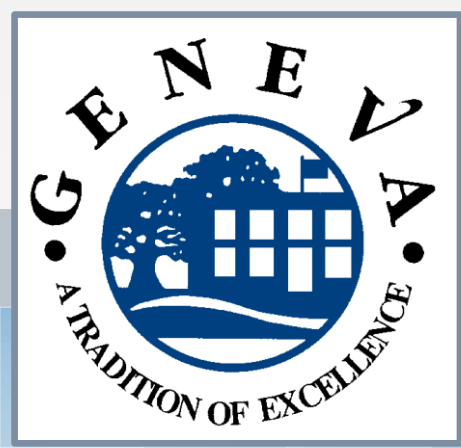
Revenues Education Fund (10)	2021 Current	2022 Projected
1000 Local Sources	\$62,943,376	\$63,985,960
3000 State Sources	\$3,175,171	\$3,150,831
4000 Federal Sources	\$2,502,842	\$3,611,533
	<u>\$68,621,389</u>	<u>\$70,748,324</u>

Expenses Education Fund (10)	2021 Current	2022 Projected
000 Transfer	\$254,050	\$272,391
100 Salaries	\$48,452,414	\$49,457,562
200 Employee Benefits	\$9,286,631	\$10,061,905
300 Purchased Services	\$5,447,462	\$4,835,466
400 Supplies & Materials	\$1,281,103	\$1,188,103
500 Capital Outlay	\$511,980	\$557,078
600 Other Objects	\$4,617,205	\$4,866,237
700 Non-Cap. Equipment	\$124,830	\$125,782
	<u>\$69,975,674</u>	<u>\$71,364,525</u>

Expense  
Increase  
of **1.98%**

*At this point in the budget development process, Federal Funding through FEMA and ESSER 1, 2, and 3 are not included as these grants are not finalized.*

FY20 ED Fund Balance: \$18,840,667



May 24, 2021

# O&M FUND BUDGET

2021-2022

PRELIMINARY



# O&M FUND

## Preliminary Budget

Revenues O&M Fund (20)	2021 Current	2022 Projected
1000 Local Sources	\$11,716,323	\$11,997,604
3000 State Sources	\$1,531,335	\$1,739,360
7000 Other Fin. Sources	\$0	\$0
	<u>\$13,247,658</u>	<u>\$13,716,964</u>

Expenses O&M Fund (20)	2021 Current	2022 Projected
000 Transfer	\$1,500,000	\$1,500,000
100 Salaries	\$5,139,551	\$5,191,027
200 Employee Benefits	\$1,066,535	\$987,007
300 Purchased Services	\$2,023,730	\$2,003,430
400 Supplies & Materials	\$3,069,500	\$3,089,500
500 Capital Outlay	\$29,500	\$500,000
600 Other Objects	\$216,717	\$76,000
700 Non-Cap. Equipment	\$370,000	\$370,000
	<u>\$13,415,533</u>	<u>\$13,716,964</u>

Expense  
Increase of  
**2.25%**

# BUDGET DEVELOPMENT

## Next Actions

- Develop 2021-2022 Draft Budget (JUNE)
  - Review projections for all funds
  - Analyze impact to ending fund balance across all funds
  - Adjust line-item allocations to improve budget design and accuracy
  - Update all budget line items as new data is available
  - Update all grants inclusive of carryover totals
  - Incorporate FEMA and ESSER 1, 2, and 3 grant funding

# BUDGET DEVELOPMENT

## Next Actions – Continued

- Permanent Fund Transfers to Capital Projects Fund: **Fall**
  - Review FY21 O&M expenses & revenues
  - Identify resources which moved to fund balance
  - Monitor Fund Balance Totals within the O&M related to tax collections
  - Prepare a Board Resolution to permanently transfer funds from the O&M Fund to the Capital Projects Fund