2015-2016 Draft Budget

The Draft Budget is a preliminary projection for the upcoming fiscal year. There are still many variables that are yet to be finalized, however, SEEK funding, as well as any mandated salary increases are a known entity since 2015-16 is the second year of the biennium. The Draft Budget provides a look at the budgetary situation based on data as we know it and gives an opportunity to plan in case the funding situation improves or does not improve.

General Fund

Revenues

Local tax revenues were increased by 4.1% ($169,386). This includes a slight increase in property tax revenue and motor vehicles due to new property and a projected increase of 2.3% in property assessments, and also a larger budgeted increase in utility tax revenues since this year’s numbers seem to be holding steady with last year. The SEEK base per pupil increases 2%, coupled with a 1.2% increase in ADA, resulting in a SEEK allocation increase of $195,000. The current year SEEK budget has already been increased by $150,000 to reflect this year’s actual numbers. Other notable revenue increases are $18,000 for Medicaid reimbursements and $183,000 in transfers from Capital Accounts to be used for current operating expense. Total budgeted receipts are $601,242 more than 2014-2015, an increase of 4.5%.

Expenditures

Salary increases are at 2% plus the experience step is incorporated in this budget. Also In addition, extracurricular salaries are budgeted at a 2% increase. These increases would cost $283,000 if staffed at current levels, but adjustments for attrition and retirements result in an increase of approximately $32,000 in salary for 2015-16. However, employer matching costs are projected to increase by $75,000+, a 9.4% increase. This is primarily due to the KTRS Match increase of 33%. This is last year of scheduled KTRS increases, so we are now at the maximum match level in FY 2015-2016. Total salary and benefit costs are projected at $8.827M, equating to 72.8% of total expenditures.

Other operational costs with the exception of Building Maintenance and operation were increased 1 %, unless current circumstances dictated a different amount. Outlays for non-personnel maintenance expenditures were decreased 2%. Other significant expenditure increases were $75,000 for the OVEC ILEAP program, and the purchase of one new bus financed by the KISTA bus leasing program.

Budgeted expenditures exceed budgeted receipts by $506,514 with a projected ending fund balance of $457,164 compared to this year’s $963,678. This is a about a 3% contingency.

Special Revenue Fund

The Special Revenue Fund and School Activity Fund is not a part of the Draft Budget preparation. The budgets in the Special Revenue Fund are dictated by state and federal grant awards and hopefully this information will be available in time for inclusion in the Tentative Budget presented in May.

Capital Outlay Fund

Revenue of $151,300 is budgeted in Capital Outlay, based on the projected average daily attendance of 1513. This is funding from the state at $100 per ADA. The entire allotment will be transferred to the General Fund to use for current operating expenses.

Building Fund

Revenue of $1,694,068 ($792,564 state/$901,504 local) is budgeted for next year. The state equalizes the district’s tax effort based on property assessment per child relative to 150% of the state average. $1,662,172 will be used to retire debt, while the remaining $31,896 will be transferred to General Fund to be used for current operating expenses.

Construction Fund

The Construction should have a balance in excess of $200,000 at the close of the fiscal year. These funds can be used to retire debt or to begin phases of a new project. The percentage of SFCC participation may affect the district’s percentage of availability to these funds.

Debt Service Fund

This is a transfer fund to record debt payments. The District local debt service **decreases** $7,469 next year to $1,662,172. The state will provide $869,420 toward the district’s debt service.

Food Service Fund

The Food Service Fund is budgeted with a contingency of just over $75,000. Revenues in the Food Service are only projected to increase at a 1.8% increase based on current year trends, but employee salaries and benefits are increasing at a 3.4% rate. While this is not an immediate concern, the gap in revenue versus expenditure of $55,000+ warrants attention.

Summary

The decreasing contingency is an obvious issue that needs to be addressed. However, a large portion of the Draft Budget is predicated on current year budgeted figures. Between January and April of this year these numbers will have to be fleshed out in order to get more clarity on current year budget numbers relative to actual expenditures incurred. The next three months will be employed to ascertain the actions required to achieve equilibrium in the budget.