

THIS IS A DECISION PAPER:

DATE: September 20, 2018
TO: Members of the Hardin County Board Of Education
FROM: Teresa Morgan
SUBJECT: Approval of Working Budget

ISSUE: The Board must approve the FY19 Working Budget

FACTS:

Revenue

In the General Fund, Fund 1, the Kentucky Department of Education has forwarded a forecast of state SEEK funds for Hardin County. It is based on the projected decrease as provided by the General Assembly and the increase in local revenues based on change in property assessments. The projected guaranteed base for FY19 is \$4,000.

Local property assessments have increased slightly and the revenue generated will help to pay for increased operating costs. Currently, the SEEK calculations are based on a projected end of year Average Daily Attendance (ADA) of 12,900. SEEK allocations are adjusted throughout the year with the final adjustment made in April. The Average Daily Attendance (ADA) in the tentative SEEK allocation will be higher based on SARS report and increased enrollment.

Key Budget Points

- The per pupil amount (section 6) will be \$140 for FY19- No textbook or PD grant money for FY19/20. PPA money must be used for these expenses.
- The working budget will remain close to the tentative level due to the fact SEEK and tax rates will see a slight increase.
- Buses were added back to the budget for FY19 \$1 million.
- Property Insurance was moved back to the budget in general fund at \$350,000.
(Total insurance premiums in general fund our \$1,297,279)

- CERS increased the budget approx. \$ 442,000 as the first of four increases went into effect. (Total CERS in general fund \$3,128,107.)
- KTRS will see a slight increase of \$ 20,000 in the budget due to new employees in FY19 paying 2% if current status of bill stands. (Total KTRS in general fund \$1,940,331.)

Fund 2: Grants and Entitlements: Budgets are as close as the information allows at this time. Award notifications have been received on most of the grant allocations from KDE. Final numbers should be available before October 1.

Funds 310 and 320: Capital Outlay and Building Funds: The building fund will be directed to pay debt service. With recent bond issues for Cecilia Valley, EC3, and GCB, most of the funds will be for the district's bond principal and interest payments. There is approximately \$1,290,000 of revenue in Capital Outlay of which will be used for maintenance and repair of facilities.

Fund 360: the Construction Fund: Funding will be available for the current construction projects such as East Hardin, Lincoln Trails, Cecilia Valley, and North Hardin Renovations.

Fund 51: Food Service operational expenses will increase due to rising food and milk costs. The most significant cost expense will be due to salary increases, CERS, and the cost of food products. Food service has maintained a healthy beginning balance to cover many additional costs.

Fund 52, 55, and 7000: Day Care, TVP, and Scholarship Fund. These will continue the same as the FY18 year with no significant changes other than retirement.

Contingency was budgeted at 6.0%. The contingency is based upon the total expense budget in funds (1 & 51).

RECOMMENDATION:

I recommend the Board approve the FY19 Working Budget.

RECOMMENDED MOTION:

I move the Hardin County Board of Education approve the FY19 Working Budget.