

# **WOODFORD COUNTY BOARD OF EDUCATION**

**2020-21 DRAFT BUDGET**



# **BUDGETING PROCESS FY 2021**

- Draft due in January 2020
- Tentative due in May 2020
- Working (aka Final) due in September 2020



# STATUS:

- Unknown property assessments
- Unknown end-of-year ADA
- Unknown Legislative Mandates
  - *Possible Mandated staff raises*
- *Need for conservative budget planning*



# **ASSUMPTIONS:**

- Conservative AADA – 3,658
- 4% Rate for local tax revenues
- 12% increase in CERS
  - CERS = County Employee's Retirement System
  - Does not include Teachers/Certified Staff



# **SUMMARY OF GOVERNMENTAL FUNDS:**

## **General Fund - \$45.2 million**

- Local Revenue = 44%
- State Revenue = 21%
  - On-Behalf Payments = 21% (\$9,159,000)
- Contingency = 7.81%



## **SUMMARY OF GOVERNMENTAL FUNDS:**

- Special Revenue Fund – N/A until Tentative Budget
- District Activity Fund – N/A until Tentative Budget
- School Activity Fund– N/A until Tentative Budget



## **SUMMARY OF GOVERNMENTAL FUNDS:**

- Capital Outlay Fund - \$365,800
  - \$100 per AADA
    - AADA = Adjusted Average Daily Attendance
  
- Building Fund - \$3.6 million
  - Local Revenue = 96%
  - State Revenue = 4%
  
- Debt Service Fund - \$2.6 million
  - Current Required Bond Payments for Fiscal Year 2020-21



# **SUMMARY OF BUSINESS-TYPE FUNDS:**

- Food Service Fund - \$2.7 million
  - Local Revenue = 28%
  - State Revenue = 10%
    - On-Behalf Payments = 9%
  - Federal Revenue = 49%





# **SUMMARY OF BUSINESS-TYPE FUNDS:**

- Enterprise Daycare Fund - \$726,177
  - Local Revenue = 66%
  - State Revenue = 18%
    - All is On-Behalf Payments (\$133,177)
  
- Community Ed Fund - \$32,000



# **SIGNIFICANT FACTORS:**

- Staffing based upon staffing formula
- Includes experience/step increments  $\approx$  \$359K
  - Certified Staff Step  $\approx$  \$150,700
  - Classified Staff Step  $\approx$  \$46,700
  - Fringe Benefits  $\approx$  \$162,000
    - CERS  $\approx$  \$155,000 is included in \$162,000
- Does not include retirements nor rank changes



# **FUTURE CONSIDERATIONS:**

- Confirmation of grant revenues
- Significant long-term maintenance needs
- Possible use of Capital Outlay fund



# **FUTURE CONSIDERATIONS:**

- SEEK funding level
  - Final AADA
  
- Property assessments and tax rates – August
  - Used a 2% increase in assessments for estimated tax revenues
  
- End of year balance expected to decline again in FY 2020
  - FY 2021 Budget is based on a projected \$1.3 million decline compared to the beginning balance for FY 2020
  - Will not know final number until July/August 2020



# OPTIONS

Woodford Co Board of Education - Budget Options for FY 2020-21 Draft Budget					
Expenditures:			Option 1	Option 2	Option 3
Program	Purpose	Impact	Total Cost	Total Cost	Total Cost
		<b>Total Expenditures without On Behalf Payments &amp; Contingency</b>	<b>\$ 31,825,314</b>	<b>\$ 31,825,314</b>	<b>\$ 31,825,314</b>
On Behalf Payments	Required by State Law	Amount State on behalf of our District; cannot be reduced	\$ 9,681,500	\$ 9,681,500	\$ 9,681,500
Contingency	Required by State Law	Minimum is 2% - Recommended 8%-10%	\$ 3,744,811	\$ 3,146,609	\$ 2,787,410
		Percent Contingency (Based on General & Food Service Funds)	7.809%	6.644%	5.931%
		<b>Total Expenditures with On Behalf Payments &amp; Contingency</b>	<b>\$ 45,251,624</b>	<b>\$ 44,653,423</b>	<b>\$ 44,294,224</b>
			<b>Recommended FY 2020-21 Draft</b>		
			<b>Based on 4% Tax Rate</b>	<b>Based on Holding Rate at .693</b>	<b>Compensating Rate</b>
		<b>Revenues:</b>			
		Estimated Beginning Balance	\$ 5,538,327	\$ 5,538,327	\$ 5,538,327
		Property taxes	\$ 15,576,593	\$ 15,006,013	\$ 14,693,935
		Distilled spirits	\$ 897,743	\$ 870,120	\$ 823,000
		Motor vehicle taxes	\$ 1,263,036	\$ 1,263,036	\$ 1,263,036
		Utility taxes (Projected 2% Increase)	\$ 1,938,000	\$ 1,938,000	\$ 1,938,000
		Revenue in lieu of taxes (Projected 2% Increase)	\$ 153,000	\$ 153,000	\$ 153,000
		Tuition and Fees	\$ 64,000	\$ 64,000	\$ 64,000
		Transportation	\$ 45,799	\$ 45,799	\$ 45,799
		Earnings on investments	\$ 200,000	\$ 200,000	\$ 200,000
		Other Local Revenues	\$ 94,354	\$ 94,354	\$ 94,354
		SEEK - only adjusted for 2% Inc in Assessments	\$ 9,596,500	\$ 9,596,500	\$ 9,596,500
		Other revenues	\$ 202,773	\$ 202,773	\$ 202,773
		<b>Total Revenues without Beginning Balance &amp; On Behalf Payments</b>	<b>\$ 30,031,798</b>	<b>\$ 29,433,596</b>	<b>\$ 29,074,397</b>
		On Behalf Payments	\$ 9,681,500	\$ 9,681,500	\$ 9,681,500
		<b>Total Revenues with On Behalf Payments &amp; Beginning Balance</b>	<b>\$ 45,251,625</b>	<b>\$ 44,653,423</b>	<b>\$ 44,294,224</b>
		<b>Deficit of Revenues over Expenditures (without Beginning Balance, Contingency &amp; On Behalf Payments)</b>	<b>\$ (1,793,516)</b>	<b>\$ (2,391,718)</b>	<b>\$ (2,750,917)</b>



# OPTION #1

- Approve the Draft Budget based on taking the 4% tax rate in August/September once our assessments have been certified.
  - This option is recommended
  - Contingency will be about \$3.7 million
  - General Fund cash will be close to zero on October 31, 2020 to cover bond payments for July-October 2020



## OPTION #2

- Option 2 – Draft Budget based on maintaining our current tax rate of 69.3 in August/September once our assessments have been certified
  - Drops Contingency to about \$3.1 million
  - Not a sufficient amount in General Fund to cover our bond payments from July to October 2020



# OPTION #3

- Option 3 – Draft Budget based on taking the compensating rate in August/September once our assessments have been certified
  - Drop Contingency to about \$2.7 million
  - Not a sufficient amount in General Fund to cover our bond payments from July to October 2020





# **OPTION 1 RECOMMENDED**

**Approve the Draft Budget based on taking the 4% tax rate in August/September once our assessments have been certified**

