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# Fiscal Year 2015 Preliminary Budget

School Board Meeting  
June 9, 2014

WHITE BEAR LAKE AREA SCHOOLS



# 2014 Legislative Session Impact

## General Education Revenue

### – Formula Allowance

- \$25 increase to \$5,831 beginning FY15
- 0.4%, making the total increase 1.9% for FY15
- Approximately **\$220,000** for WBL above what the district receives based on the 2013 legislative session
- Associated increases to other revenues linked to formula allowance (compensatory, nonpublic transportation, nonpublic pupil, ECFE)

### – English Learner (EL) Funding

- Eligibility extended from 5 to 6 years
- Approximately **\$30,000** for WBL (included in budget)



# 2014 Legislative Session Impact

## Recovery Program Grants

- \$500,000 in FY15 for recovery program grants, up to **\$125,000** per program (WBL—Insight, 1 of 4 in Minnesota) (not included in budget, application required)

## Teacher Development and Evaluation

- \$302 x full-time equivalent teachers/administrators/ licensed professionals
- Approximately **\$179,000** for WBL (included in budget)



# 2014 Legislative Session Impact

## Review and Comment

- Increases threshold from \$1.4 million to \$2 million
- Exempts from review and comment:
  - Facility additions, remodeling and maintenance projects funded only with general education revenue, health & safety, alternative facilities, deferred maintenance, lease levies, or facilities bonding

## Nutrition

- Increases state school lunch aid from 12.5 cents to 52.5 cents per lunch for reduced-price lunch students; districts must make lunches free for these students
- Increases state aid for school breakfasts for kindergarten students from 55 cents to \$1.30 and makes school breakfasts free for all kindergarten students
- Approximately **\$32,000** for WBL (included in budget)



# 2014 Legislative Session Impact

## Early Childhood Family Education (ECFE)

- ECFE allowance equals 2.3% of the general education formula allowance. For FY15, this is an increase from \$120 to \$134.11 (11.8% increase)
- Requires a community needs assessment that identifies new and underserved populations and identifies child and family risk factors.
- Approximately **\$53,000** for WBL (included in budget)

## School Readiness

- Increases state total aid entitlements by \$2 million per year beginning in FY15
- Approximately **\$17,800** for WBL (included in budget)



# Food Services Budget (Fund 2)

## Revenues

- Meal prices unchanged for 2014-2015
  - \$2.55 elementary lunch, \$2.90 secondary lunch, \$3.90 adult lunch, \$1.65 student breakfast, \$1.85 adult breakfast
- Additional reimbursements due to legislative changes (previously highlighted)

## Expenses

- Food prices continue to rise at a 3-5% rate
- Continued planning for equipment upgrades

## Overall Budget

- Preliminary budget indicates that revenues will exceed expenses by approximately \$51,900



# Community Services Budget (Fund 4)

## Revenues

- \$4,067,226 plus General Fund transfer \$388,000
- Program review underway

## Expenditures

- \$4,476,829
- Program review underway

## Overall Budget

- Preliminary budget indicates that expenses will exceed revenue by approximately \$21,000



# **Debt Service Budget (Fund 7 & Fund 47)**

## **Building Construction (Fund 7)**

- Follows amortization schedule established at issuance

## **Other Post Employment Benefits (OPEB) Debt Service (Fund 47)**

- Follows amortization schedule established at issuance



# General Fund Budget (Fund 1, 3, 5)

## Revenues

- \$99.7 million total (\$92.8 million General Education revenue plus \$6.88 million Other Sources)
- Revenue compared to fiscal year 2013-2014
  - Formula allowance increase (on-going) 1.9% or \$900,000
    - Includes \$25 per pupil allowance increase from 2014 legislative session
  - All-day kindergarten (on-going) \$1.5 million
  - Teacher Development and Evaluation (one-time) \$179,000
  - Levy adjustment (one-time) \$2.3 million
  - Health and Safety (catch-up) \$1.2 million

## Expenses

- \$99.3 million
- Expense changes compared to fiscal year 2013-2014
  - Approximately (\$500,000) in budget adjustments
  - Primary increases were in staffing costs and building projects



# General Fund Budget (Fund 1, 3, 5)

## Overall Budget

- A swing of nearly \$1 million projected based on new revenue and budget adjustments
- Revenues are expected to exceed expenses by approximately \$379,000
- Impact of Willow Lane and Lakeaires construction projects may impact projections (ex. Timing of work completion and reimbursements from funding source, anticipated vs. actual costs)
- One-time revenues (Health and Safety, Operating Levy Adjustment) in FY15 means that a projected deficit is likely for FY16 and FY17



# Budget Planning

## **Key Milestones in 2014-2015 (FY15)**

- Preliminary levy approval in September 2014
- Auditor presentation of FY14 audit in October or November 2014
- Final levy certification in December 2014
- Health insurance renewal January 1, 2015
- Revised FY15 budget presented mid-year, December 2014 or January 2015
- Projected FY16 and FY17 budgets presented in December 2014 January 2015
- Transportation program review late summer/fall 2014
- Secondary facilities study recommendations early 2015



# Budget Planning

## **Anticipated changes during 2014-2015 (FY15)**

- Development and phase in of comprehensive Annual Operating Plan
- Development of finance related page on district's website with relevant content
- Development of finance related policies (ex. Fund balance)



## Board Action

**Board action recommended on budget as presented**