



2020-21 Budget Forecast



NORTH BRANCH
AREA PUBLIC SCHOOLS
Inspire Dreams, Build Integrity, Instill Hope

January 23, 2020

Discussion Topics

Creating the forecast

- Review assumptions

Budget Summaries

- Current approved budget
- Proposed revised budget
- Projected budget forecast for next year

Review process

Budget Process Overview

- **Goal: To provide students and community with best possible services within available funds**
- **Challenges of low state and federal funding**
 - To keep budget in balance, budget reductions are necessary
 - The process of reducing the budget is challenging
- **Align budget priorities with continuous improvement plan 2019-2021**
 - Budget forecast to begin process
 - Budget Boot Camp – leadership works collaboratively to develop recommendation
 - Collect input from staff and community
 - Refine budget recommendation
 - Present School Board with recommendation
 - School Board action on recommendation

Creating the Forecast

General fund is the focus

Unassigned fund balance is used to hire the majority of staff

Restricted funds are also included in budget assumptions

Long-term facilities maintenance

Construction

Other funds need to be self-supporting

Operating capital

Food Service

Community Education

Debt Service

OPEB Trust and Debt Service

Excludes severance fund balance

Creating the Forecast

Project status quo into future years

Update assumptions

- **Audited beginning of year data**
- **Revenues**
 - **Changes in enrollment**
 - **Current year and projected**
 - **Aid entitlement estimates**
 - **Other revenues: fees, interest, etc.**
 - **Transportation**
 - **FY20 Includes \$150,000 from sale of buses**
 - **FY21 Includes \$150,000 from sale of buses**
- **Expenses**
 - **Staffing assumptions**
 - **FY21 Costs do include settlements with teachers and custodians**
 - **FY21 Costs do not include settlements with all other employees**

NORTH BRANCH Budget Overview

Adopted Budget Summary 2019-20



		July 1, 2019	Revenues	Expenditures	Transfers	June 30, 2020 Proj. Balance	Net Increase or Decrease
General Fund - 01							
Unassigned - 422		653,107	29,127,153	28,660,513	(804,847)	314,900	(338,207)
		1.96%				0.92%	
Restricted							
	Staff Development - 403	240,725	371,107	338,110	-	273,722	32,997
	Long-Term Fac Maint - 467	1,021,083	252,671	1,427,941	-	(154,187)	(1,175,270)
	Capital Projects Levy - 407	-	500,000	500,000	-	-	-
	Health & Safety - 406	-	127,070	-	-	127,070	127,070
	Operating Capital - 424	22,478	956,535	865,050	-	113,963	91,485
	Area Learning Center -434	-	127,801	-	(127,801)	-	-
	Learning & Development - 428	-	575,504	1,316,256	740,752	-	-
	Gifted & Talented - 438	-	38,153	79,476	-	(41,323)	(41,323)
	Basic Skills - 441	-	627,392	526,711	(100,681)	-	-
	Career & Technical - 445	-	-	297,219	297,219	-	-
	Basic Skills Extended Time - 459	-	11,288	11,255	(33)	-	-
	Safe Schools - 449	2,004	113,930	108,747	-	7,187	5,183
	Medical Assistance - 472	7,914	55,000	50,391	(4,609)	7,914	-
Subtotal Restricted		1,294,204	3,756,451	5,521,156	804,847	334,346	(959,858)

2020-21 Budget Assumptions

- **Good News**
 - **General Fund for 2018-19 ended better than projected**
 - **October 1, 2019 enrollment was 39 students over projected.**
 - **Safe Schools allocation**
 - **Staff Development Committee support for media specialists**
 - **2% increase in state aid**
 - **Cash flow borrowing not needed**
- **Challenges**
 - **Projected enrollment continues to decline**
 - **Staff costs related to construction and long-term facilities maintenance need to be rolled back into the general fund**
 - **Revenue is not keeping pace with inflation**

NORTH BRANCH Budget Overview



Proposed Revised Budget Summary

	July 1, 2019	Revenues	Expenditures	Transfers	June 30, 2020 Proj. Balance	Net Increase or Decrease
General Fund - 01						
Unassigned - 422	653,107	28,951,990	25,887,790	(1,969,410)	1,747,897	1,094,790
	1.96%				5.59%	
Restricted						
Staff Development - 403	240,725	384,040	302,983	-	321,782	81,057
Long-Term Fac Maint - 467	1,021,083	193,964	521,602	-	693,445	(327,638)
Capital Projects Levy - 407	-	500,000	494,514	-	5,486	5,486
Health & Safety - 406	-	-	-	-	-	-
Operating Capital - 424	22,478	753,593	620,097	195,823	351,797	329,319
Area Learning Center -434	-	116,800	444,080	327,280	-	-
Learning & Development - 428	-	573,054	1,686,468	1,113,414	-	-
Gifted & Talented - 438	-	38,774	127,861	89,087	(0)	(0)
Basic Skills - 441	-	695,060	628,142	(66,918)	-	-
Career & Technical - 445	-	-	293,307	293,307	-	-
Basic Skills Extended Time - 459	-	24,327	25,546	1,219	-	-
Safe Schools - 449	2,004	208,042	130,394	-	79,653	77,649
Medical Assistance - 472	7,914	79,207	95,405	16,198	7,914	-
Subtotal Restricted	1,294,204	3,566,861	5,370,399	1,969,410	1,460,076	165,872

NORTH BRANCH Budget Overview

Preliminary Budget Summary 2020-21



	July 1, 2020	Revenues	Expenditures	Transfers	June 30, 2021 Proj. Balance	Net Increase or Decrease
General Fund - 01						
Unassigned - 422	1,747,897	29,243,176	27,035,011	(1,984,164)	1,971,899	224,001
	5.59%				6.08%	
Restricted						
Staff Development - 403	321,782	384,040	312,075	-	393,747	71,965
Long-Term Fac Maint - 467	693,445	216,811	417,447	-	492,809	(200,636)
Capital Projects Levy - 407	5,486	500,000	509,352	-	(3,866)	(9,352)
Health & Safety - 406	-	-	-	-	-	-
Operating Capital - 424	351,797	750,418	638,700	-	463,515	111,718
Area Learning Center - 434	-	116,800	457,402	340,602	-	-
Learning & Development - 428	-	573,054	1,737,063	1,164,009	-	-
Gifted & Talented - 438	(0)	38,774	131,697	92,923	(0)	-
Basic Skills - 441	-	583,511	646,989	63,478	-	-
Career & Technical - 445	-	-	302,106	302,106	-	-
Basic Skills Extended Time - 459	-	24,327	26,312	1,985	-	-
Safe Schools - 449	79,653	102,131	134,302	-	47,481	(32,171)
Medical Assistance - 472	7,914	79,207	98,268	19,061	7,914	-
Subtotal Restricted	1,460,076	3,369,072	5,411,713	1,984,164	1,401,600	(58,476)

2020-21 Budget: Summary

Deficit

- **\$500,000**

Beginning of year projected unassigned fund balance

- **Making progress toward the 5% - 10% fund balance target**

How good are the numbers?

Budget projection is a collection of assumptions

- Enrollment
- Legislation/Funding
- Staffing
- Inflation
- Negotiations

Error grows each year

- 2020 numbers are likely closer than 2021 numbers

Assumptions are generally conservative

- Assumes all budgets are fully spent
- End of year actual numbers historically are better

Next Steps: Creating the Recommendation

Considerations for Budget Recommendation

- **Aligned with School District Continuous Improvement Plan 2019-2021**
 - Prioritize to protect class size and program quality
- **Legal requirements and limitations**
 - Restrictions on uses of some funds / Mandates
- **Labor contracts and seniority**
- **Comprehensive review**
 - Rationale for each component of the recommendation
 - Consider ramifications of each component

Work has already started

- **Budget Boot Camp – February 11th**

Next Steps: Creating the Recommendation

Recommendation to school board:

- Recommendation with rationale
- Presentation at school board meeting

School board discussion:

- Send questions or comments about the recommendation to Superintendent
- Administration will provide additional information
- Staff and public input
- Consideration of recommendation as a whole

School board action:

- Affected employees notified before school board presentation
- Timelines for layoff of tenured staff to allow for hearing if requested

Communications

Communication Plan

- **Informing constituents**
 - **Internal:**
 - **Board Brief**
 - **External:**
 - **Website and School News**
- **Seeking input**
 - **Phone line and e-mail**
 - **Input before recommendation**

Budget Fact Sheet

Proposed Timeline

Budget Forecast	January 23
School Board Action	February 13
◦ Direct administration to develop a recommendation	
Budget Boot Camp	February 11
Budget Recommendation to Board	February 27
School Board Action	March 5
Budget Adoption for FY 21	June 30

Budget Forecast

Questions and discussion



2020-21 Budget Forecast



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