

BOARD AGENDA ITEM

May 12, 2020

SUBJECT:

2020 – 2021 Budget – First Reading

BACKGROUND INFORMATION:

In its revised 2020 – 2021 budget calendar, the Board scheduled presentations of the first reading of the budget for May 12, 2020, and the second & final reading for June 9, 2020.

A budget hearing is scheduled to be held during the May 26, 2020, Board meeting.

ADMINISTRATIVE CONSIDERATION:

The first reading of the Superintendent’s proposed budget is presented for Board discussion and consideration. This year’s budget process is much different than those of the past as result of the COVID-19 closures. State legislators will consider a continuing resolution to begin the 2020 – 2021 fiscal year on the 2019 – 2020 budget. There has been talk that legislators would return in September and/or October to resume budget discussions. As result, there are limited changes in this version of the budget compared to a typical year.

Most State revenue allocations are based on 2019 – 2020 amounts.

There are a variety of changes in General Fund expenditures; however, most of those changes are the results of school staffing allocations, shifts resulting from loss of or lack of (i.e. exhaustion of carryover) other funding, the removal of amounts to be paid to Horse Creek Academy (which is leaving our District’s sponsorship), the inclusion of phase III fine arts funding for elementary schools, and revisions to various other estimates. The State has frozen salaries at 2019 – 2020 levels, prohibiting districts from providing step increases and/or cost of living adjustments even if districts could accomplish those increases through local funding. The State has also suspended the anticipated 1% increase in the employer retirement contribution rate scheduled to go into effect for 2020 – 2021. This version of the budget does incorporate an anticipated 6.73% increase in health insurance premiums that would go into effect January 1, 2021. Schools’ and departments’ discretionary budget requests have largely been held for possible consideration at a later date.

The General Fund budget totals \$206,169,878, as presented and pending Board discussion. [The General Fund expenditures budgeted currently includes a line titled “amount to balance” totaling \$1,426,052 on page 3. The Administration’s recommendation is that this not be viewed as a surplus that could be used to address various budget requests. When the State resumes budget discussions later this year, these funds may be needed to meet requirements and balance an amended budget.]

No tax increase is proposed in this first reading of the budget.

Budgets for the Special Revenue Fund, EIA Fund, Debt Service Fund, Capital Projects Fund, and School Food Service Fund are also presented for Board review.

RECOMMENDATION:

Approve the first reading of the 2020 – 2021 budget with any changes resulting from Board discussion.

ATTACHMENTS:

1. 2020 – 2021 Budget – First Reading (summary)
2. 2020 – 2021 General Fund Expenditures Budget – First Reading by object (summary)
3. 2020 – 2021 General Fund Expenditures Budget – First Reading by location (summary by object)
4. Staffing formulas

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