

1. FY24 Mid-Year Budget Revisions
Virginia Verbrugge, Assistant Director of Finance

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To: Board of Education
From: Assistant Director of Finance Virginia Verbrugge
Date: April 2, 2024
Re: FY24 Mid-Year Budget Revisions

Background:

As you are aware, the initial fiscal year (FY) 2023-24 budget projections were based on estimates and projections, including enrollment numbers, anticipated revenues, expected expenditures, as well as an analysis of previous budgets.

Recent negotiations, inflation and other unforeseen circumstances have increased our FY2023-24 costs, and has led to expenditures exceeding the projected budget.

Revised Budget Adjustments:

Our unrestricted budget in the general fund is the pot of money we use for our day-to-day operations.

After updates and revisions, the general fund balance of \$19,402,444 is projected to be \$17,581,919, which is a reduction of \$1,820,525.

Reasons for Revision:

Despite our best efforts to accurately forecast expenses, several factors have contributed to additional costs and less revenue:

- **Negotiations:** Negotiations with employee unions or service providers have resulted in higher-than-expected expenses. This included salary increases, benefits adjustments, and contract negotiations at rates exceeding our initial estimates.
- **Inflation:** Inflation has led to higher costs for goods and services, impacting our operational expenses across various departments.
- **Unforeseen costs:** Unexpected circumstances, such as repairs to school facilities, broken equipment, addressing additional needs of students and staff have required additional expenditures not accounted for in the original budget.
- **Declining enrollment:** Our estimated end-of-year enrollment of 10,650 ADMs is down 107 compared to projections.

Timeline:

- Tuesday, April 2, 2024: Work Session: overview of the revised FY2023-24 budget
- Monday, April 15, 2024: Non-Action: overview of the revised FY2023-24 budget
- Monday, May 6, 2024: Action: revised FY2023-24 budget

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Budget Overview
Revised Budget Summary 2023-24

| General Fund - 01 | July 1, 2023 | Revenues | Expenditures | Transfers | June 30, 2024 Proj. Balance | Net Increase or Decrease |
|---------------------------------------|---------------------|--------------------|---------------------|--------------------|--|-------------------------------------|
| Unassigned - 422 | 7,981,091 | 181,955,131 | 184,978,307 | 1,040,000 | 5,997,915 | (1,983,176) |
| | 4.11% | | | | 2.91% | |
| Restricted | | | | | | |
| Student Activities - 401 | 105,948 | 59,860 | 53,874 | - | 111,934 | 5,986 |
| Scholarships - 402 | 472,847 | 24,500 | 7,234 | - | 490,113 | 17,266 |
| Staff Development - 403 | - | 1,668,636 | 1,668,636 | - | - | - |
| Capital Projects Levy - 407 | 4,696,692 | 5,863,119 | 5,156,637 | (540,000) | 4,863,174 | 166,482 |
| Operating Capital - 424 | 3,625,186 | 5,867,881 | 6,533,554 | - | 2,959,513 | (665,673) |
| Learning & Development - 428 | - | 2,237,220 | 2,216,261 | - | 20,959 | 20,959 |
| Gifted & Talented - 438 | - | 151,949 | 151,949 | - | - | - |
| Achievement & Integration - 448 | - | 2,903,055 | 2,903,055 | - | - | - |
| Safe Schools - 449 | 43,618 | 569,705 | 80,170 | (500,000) | 33,153 | (10,465) |
| Long-Term Fac Maint - 467 | (679,834) | 2,156,730 | 1,028,121 | - | 448,775 | 1,128,609 |
| Medical Assistance - 472 | 539,595 | 840,000 | 1,340,513 | - | 39,082 | (500,513) |
| Subtotal Restricted | 8,804,052 | 22,342,655 | 21,140,004 | (1,040,000) | 8,966,703 | 162,651 |
| Nonspendable | | | | | | |
| Prepays | 1,054,268 | - | - | - | 1,054,268 | - |
| Subtotal Nonspendable - 460 | 1,054,268 | - | - | - | 1,054,268 | - |
| Assigned Funds | | | | | | |
| Assigned - " " | 1,563,033 | - | - | - | 1,563,033 | - |
| Subtotal Assigned - 462 | 1,563,033 | - | - | - | 1,563,033 | - |
| Total General Fund | 19,402,444 | 204,297,786 | 206,118,311 | - | 17,581,919 | (1,820,525) |
| Food Service Fund - 02 | | | | | | |
| Nonspendable | | | | | | |
| Inventory | 85,916 | - | - | - | 85,916 | - |
| Subtotal Nonspendable - 460 | 85,916 | - | - | - | 85,916 | - |
| Restricted - 464 | 4,541,849 | 7,766,361 | 9,655,521 | - | 2,652,689 | (1,889,160) |
| Total Food Service | 4,627,765 | 7,766,361 | 9,655,521 | - | 2,738,605 | (1,889,160) |
| Community Services - 04 | | | | | | |
| Restricted - 464 | 10,433 | 50,000 | 50,274 | - | 10,159 | (274) |
| Restricted / Reserved | | | | | | |
| Community Ed - 431 | 2,277,532 | 6,190,784 | 6,577,909 | - | 1,890,407 | (387,125) |
| ECFE - 432 | 453,920 | 1,570,210 | 1,308,008 | - | 716,122 | 262,202 |
| Adult Basic Ed - 447 | 386,935 | 1,786,445 | 1,836,533 | - | 336,847 | (50,088) |
| School Readiness - 444 | 256,911 | 1,169,187 | 1,258,917 | - | 167,181 | (89,730) |
| Restricted/Reserved - Subtotal | 3,375,298 | 10,716,626 | 10,981,367 | - | 3,110,557 | (264,741) |
| Unassigned - 463 | - | - | - | - | - | - |
| Total Community Education | 3,385,731 | 10,766,626 | 11,031,641 | - | 3,120,716 | (265,015) |
| Construction - 06 | | | | | | |
| Restricted/Reserved | | | | | | |
| LTFM - 467 | 9,242,385 | - | 9,242,385 | - | - | (9,242,385) |
| Restricted/Reserved - Subtotal | 9,242,385 | - | 9,242,385 | - | - | (9,242,385) |
| Restricted - 464 | 261,494 | 20,410,680 | 9,287,965 | - | 11,384,209 | 11,122,715 |
| Total Construction Fund | 9,503,879 | 20,410,680 | 18,530,350 | - | 11,384,209 | 1,880,330 |
| Debt Service - 07 | | | | | | |
| Restricted - 464 | 1,472,162 | 20,736,408 | 19,667,708 | - | 2,540,862 | 1,068,700 |
| Total Debt Service Fund | 1,472,162 | 20,736,408 | 19,667,708 | - | 2,540,862 | 1,068,700 |
| Internal Service - 20 | 414,871 | 21,000,000 | 20,250,000 | - | 1,164,871 | 750,000 |
| OPEB Irrevocable Trust - 45 | 13,012,718 | 550,000 | 1,015,496 | - | 12,547,222 | (465,496) |
| OPEB Debt Service - 47 | 497,528 | 2,750,000 | 2,630,000 | - | 617,528 | 120,000 |
| Total All Funds: | 52,317,098 | 288,277,861 | 288,899,027 | - | 51,695,932 | (621,166) |