

Shakopee Public Schools | 17-18 REVISED BUDGET

BUDGET PROCESS

REVENUE HIGHLIGHTS

State

- Inputs include the MDE WhatIf formula and other MDE revenue reports
- General formula allowance of \$6,188
- Key enrollment projections: Adopted 8,326, Revised 8,277
- Special ed revenue increased from adopted. It is somewhat difficult to predict. Current aid report shows revenue of \$9,891,251. Revised budget \$9,505,142. Want to be conservative as these can swing dramatically

Federal

- Primarily programs include Special Education, Child Nutrition, Title, Indian Education and Carl Perkins
- Revenue estimates based on known budgets with each agency
- Involvement of managers in reviewing revenue and expense budgets

Property taxes: 16PAY17 Levy certification

Local fees

- Reviewed individual line items and made estimates based on previous activity
- Captured known line items, such as the land sale and fee increases that were approved early in the school year

EXPENDITURE HIGHLIGHTS

Salaries/wages

- Performed a thorough review of salaries and wages (based on reports run from Infinite Campus on 9/29)
- Distributed reports to the buildings for review
- Meetings with building/district leadership, Director of HR and Director of Finance to review data
- All changes identified in meetings were adjusted in the system
- New reports were run at the end of October capturing all changes and were used as the baseline in the budget model
- Model captures step ups for bargaining contracts not in a negotiating year, the remaining groups require an estimate of the settlement amounts
- Assumed a 4% increase for SEA (teachers) and 2% for unaffiliated and principals
- Items requiring estimates (not taken from base data) include overtime, substitutes and extracurricular
- Reviewed past activity and spoke with department managers to ensure estimates were reasonable
- Salaries are budgeted to be charged back to the bond as they have in past (this can be seen on the Superintendent line)
- There is a contingency built into salaries and wages for positions hired after our data was pulled and 0.5% reserve

Benefits

- Payroll taxes are built into the model and are calculated based on pay in the master file
- Health, dental, etc. are based on actual participation in benefit plans by employee
- Did not want to use last year's December year to date as our indicator as there were many yearend entries
- Had to ensure we adjusted for last year's unexpected increase in benefits
- There is an offset in benefit expense for our OPEB draw (approx. \$180k)
- Cash in lieu, life insurance, 403(b) match were estimated based on past activity

Purchased services

- Reviewed past activity and spoke with department managers to ensure estimates were reasonable

- Factored in known costs that are new in the current year (or non-recurring)
- Consultant fees (fees for service) included in the adopted budget needed to be reallocated to building improvements (below in equipment) in the revised budget
- Maintenance agreements are expected to decrease from prior year because of services which are no longer being provided
- Bus costs have been on the rise. The revised budget was increased by \$500k but have yet to see the rise mid-way during the year. There are bus instances which can drive costs up, so at this time, we propose to leave the increase in the revised budget

Supplies

- Reviewed past activity and spoke with department managers to ensure estimates were reasonable
- Overall decrease from adopted budget based on feedback from building and district leaders

Equipment and other

- Reviewed past activity and spoke with department managers to ensure estimates were reasonable
- Shifted budgeted expense from purchased services to equipment (adopted budget assumed LTFM expenses would be consulting and they are actually capital expenses)

OPEN ITEMS

- Comparison of December payroll reports to our initial estimates
- Determine if an update is needed to the WhatIf for revised enrollment projections
- Sped budget review
- Finalize remaining funds within the model

TIMELINES

- Finance and CFAC Committees to provide input on budget revisions
- Present to Board at January Learning Session
- Approval by Board at Business Session in February
- Once approved, Director of Finance to begin to develop the 18-19 adopted budget
- Assumptions to CFAC in March. Potential for no meeting in February