2020-2021 Budget Process

Presented by:
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February 18, 2020
Objectives

• Provide highlights of the current and upcoming fiscal year budget
• Provide an overview of the budget process for fiscal year 2020-2021
• Outline next steps
Current Year Budget (2019-2020)

• **Revenue**
  - District Maintenance revenue is trending toward the adopted budget
  - Other funds are also currently trending toward the adopted budget
  - Ad valorem is trending slightly higher than previous years
    - At the end of January 2020 total collections (Fund 1120) were $15,548,640 vs. $10,102,730 in January 2019
  - Due to timing issues with the Hinds County Tax Assessor’s office the district will not receive $189,812.00 in anticipated revenue
Current Year Budget (2019-2020)

• Expenditures

There are several unanticipated expenditures that will have to be addressed this year:

- Charter school payments exceeded anticipated budget by approximately $500,000.00
- Additional needs in Transportation for operations—approximately $175,000.00 (repairs, oil, parts, etc.)
- Additional needs in Facilities for operations—approximately $200,000.00 (supplies, emergency repairs, etc.)
- Expenses related to MOECHS—approximately $30,000.00
- Previous year federal expenditures that can not be paid from federal funds—approximately $155,200.00
Current Year Budget (2019-2020)

• Expenditures

There are several unanticipated expenditures that will have to be addressed this year:

- Previous year expenses for grass contractors that were not submitted timely—approximately $50,000.00
- Previous year expenses for garbage collections that were not submitted timely—approximately $40,000.00
### Revenue and Expenditures

**Major Funds as of 12/31/19**

<table>
<thead>
<tr>
<th>Code</th>
<th>Program</th>
<th>Percent of Revenue Collected (12/19)</th>
<th>Percent of Expenditures (12/19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1120</td>
<td>District Maintenance</td>
<td>43.19%</td>
<td>41.93%</td>
</tr>
<tr>
<td>1130</td>
<td>Exceptional Education*</td>
<td>26.07%</td>
<td>35.46%</td>
</tr>
<tr>
<td>1140</td>
<td>Alternative Education*</td>
<td>43.43%</td>
<td>40.87%</td>
</tr>
<tr>
<td>1901</td>
<td>Athletics*</td>
<td>39.63%</td>
<td>31.16%</td>
</tr>
<tr>
<td>2711</td>
<td>Vocation*</td>
<td>28.73%</td>
<td>30.44%</td>
</tr>
<tr>
<td>2901</td>
<td>JROTC*</td>
<td>11.56%</td>
<td>36.74%</td>
</tr>
<tr>
<td>2110</td>
<td>Child Nutrition</td>
<td>38.87%</td>
<td>39.13%</td>
</tr>
</tbody>
</table>

* Receives allocation from 1120-District Maintenance
Highlights (2020-2021)

• Revenue
  o Ad Valorem collections-projected additional income of approximately $300,000.00 due to increase in assessed values
  o Loss of revenue from 16th Section leases-approximately $400,000.00 due to expired leases that have elected not to renew
  o Projected flat revenue in all other areas
  o Savings from OFE plan-approximately $500,000-$800,000.00
  o MAEP-potential reduction due to enrollment decline and/or not being fully funded

• Expenditures
  o Teacher pay increase
  o Health insurance increase (full year)-estimated $700,000.00
  o Increase in charter school payments-estimated total of $6,100,000.00 (an increase of approximately $500,000.00 over the current year)
Budget Process for 2020-2021

• Timeline

November, 2019-Current:

o Senior Leadership Team identified over 40 budget projects* that were evaluated and prioritized including:
  • Updating the Bus/white fleet -$1,500,000.00
  • Purchase of a backup generator -$100,000.00
  • Additional support for 3rd grade students-$40,000.00
  • Textbooks (including new adoptions)-$1,200,000.00
  • Increase for facilities repairs-$500,000.00
  • Updating staff computers-$1,000,000.00

o Strategic priorities and corresponding costs are also being identified

o Enrollment and staffing projections are being finalized

o Revenue and expenditure projections are being developed

*estimated costs
Budget Process for 2020-2021

• Timeline
  February –June (cont’d):
  o Finance Committee meetings (March-May) as needed
  o Public Hearing-(tentative) June 8, 2020 at 5:00 p.m.
  o Budget Adoption- (tentative) June 16, 2020 at regular board meeting
Next Steps

- Continue to finalize enrollment and staffing plans (2020-21)
- Continue to finalize revenue and expenditures projections (2020-21)
- Develop balanced budget to review with Finance Committee and Board (2020-21)
- Budget Adoption (2020-21)
- Finalize balanced budget (2019-2020) and present for final approval by September 2020