

Birmingham

PUBLIC SCHOOLS

Achievement • Character • Community

Birmingham Public Schools 2019-2020 Original Budget June 18, 2019





General Operating Fund



2019-2020 General Operating Revenue Comparisons

	2018-2019 AMENDED BUDGET		2019-2020 PROPOSED ORIGINAL BUDGET			
	6/25/19 Proposed Final Amended	% of Total	Proposed Original Budget	% of Total	Increase (Decrease)	% Change
REVENUES:						
Local	57,064,697	46.5%	55,528,227	45.9%	(1,536,470)	-2.7%
*State	61,153,990	49.8%	60,737,572	50.2%	(416,418)	-0.7%
Federal and Intermediate	4,546,437	3.7%	4,646,437	3.8%	100,000	2.2%
Total	<u>122,765,124</u>	<u>100.0%</u>	<u>120,912,236</u>	<u>100.0%</u>	<u>(1,852,888)</u>	-1.5%
OPERATING TRANSFERS	<u>(312,339)</u>		<u>(900,184)</u>		<u>(587,845)</u>	188.2%
NET REVENUES	<u>122,452,785</u>		<u>120,012,052</u>		<u>(2,440,733)</u>	-2.0%

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund or Athletics Fund.



General Operating Fund Revenue Assumptions

Budget Assumptions – Original Budget June 25, 2019

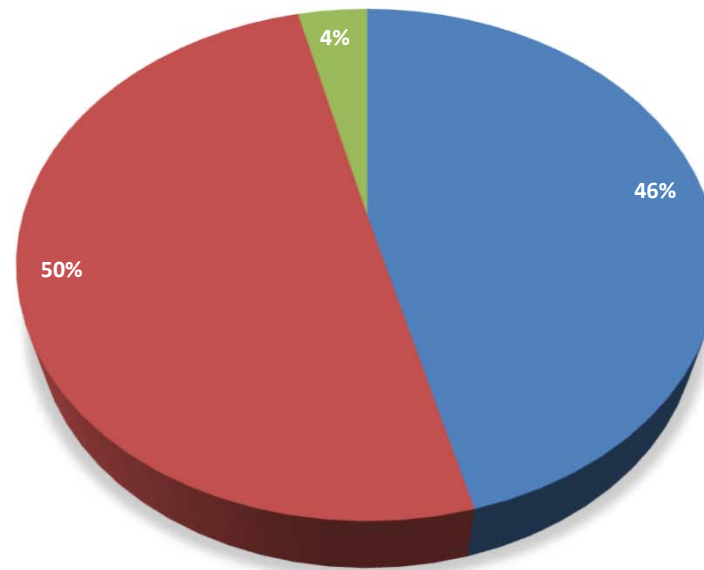
<u>Local</u>	<u>State</u>	<u>Federal & Intermediate</u>
<ul style="list-style-type: none">- Hold Harmless Rate @ 7.1948- Non-Homestead Rate @ 17.5821- Decrease in projected Property Tax Values due to Hold Harmless adjustment- Increase in tuition revenue for Choice Hour, Tuition Enrollment Program, and other fees	<ul style="list-style-type: none">- \$120 Increase in Foundation Allowance- 7950 Blended Enrollment FTE (reduction of 50 FTE)	<ul style="list-style-type: none">- Increase in PA-18 revenues of approximately \$100,000 (unknown at this time but an increase is likely)

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund, or Athletics Fund.



General Operating Fund Revenue Overview

Projected Revenues 6/30/2020



■ Local ■ State ■ Federal and Intermediate

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund, or Athletics Fund.



2019-2020 General Operating Fund Expenditures by Object Comparison

	2018-2019 AMENDED BUDGET		2019-2020 PROPOSED ORIGINAL BUDGET			
	6/25/19 Proposed Final Amended	% of Total	Proposed Original Budget	% of Total	Increase (Decrease)	% Change
EXPENDITURE APPROPRIATIONS BY OBJECT:						
Salaries	60,775,300	49.2%	60,629,066	49.6%	(146,234)	-0.2%
Benefits	40,842,311	33.0%	40,973,720	33.5%	131,409	0.3%
Utilities	2,791,132	2.3%	2,741,111	2.2%	(50,021)	-1.8%
Purchased Services	14,162,249	11.5%	13,757,204	11.3%	(405,045)	-2.9%
Supplies	3,338,746	2.7%	2,462,981	2.0%	(875,765)	-26.2%
Capital Outlay	209,325	0.2%	204,687	0.2%	(4,638)	-2.2%
Other	1,516,379	1.2%	1,469,358	1.2%	(47,021)	-3.1%
Total	<u>123,635,442</u>	<u>100.0%</u>	<u>122,238,127</u>	<u>100.0%</u>	<u>(1,397,315)</u>	<u>-1.1%</u>

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund, or Athletics Fund.



General Operating Fund Expenditure Adjustments

Budget Assumptions – Original Budget June 25, 2019

- Salaries adjusted for negotiated full step increases and 2% increase for top step for all groups. **Includes planned staffing reductions and changes.**
- Benefits include a 2% increase to health insurance state hard cap amounts and an approximate 1.32% increase to MPSERS retirement rate.
- **Decrease in anticipated electric and gas usage due to planned change in night temperature settings.**
- 3% increase in transportation contract with Durham School Services, **1 year moratorium on out of state workshops/conferences, reduction in substitute costs, and reduction of legal services.**
- **Reduction in annual textbook purchases and decreases to building level discretionary budgets.**
- **Reduction of food and beverages for meetings.**

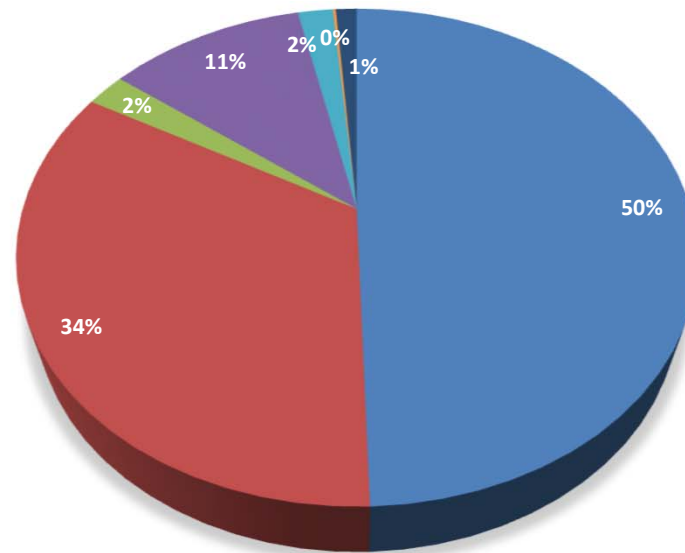
*Note: Items in **bold** are planned budget reduction items*

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund, or Athletics Fund.



General Operating Fund Expenditure Overview

Projected Expenditures 6/30/2020



■ Salaries ■ Benefits ■ Utilities ■ Purchased Services ■ Supplies ■ Capital Outlay ■ Other

Note: Does not include Cash Flow Stabilization Fund, Federal Projects Fund, or Athletics Fund.



2019-2020 General Operating Fund Summary

	2017-2018 Actual	2018-2019 Amended Budget	2019-2020 Original Budget	2019-2020 Increase (Decrease)
Expenditures:				
Salaries	58,910,520	60,775,300	60,629,066	(146,234)
Benefits	40,155,361	40,842,311	40,973,720	131,409
Utilities	2,651,039	2,791,132	2,741,111	(50,021)
Purchased Services	13,831,252	14,162,249	13,757,204	(405,045)
Supplies	3,691,718	3,338,746	2,462,981	(875,765)
Capital Outlay	133,869	209,325	204,687	(4,638)
Other	1,321,031	1,516,379	1,469,358	(47,021)
Total Expenditures	<u>120,694,790</u>	<u>123,635,442</u>	<u>122,238,127</u>	<u>(1,397,315)</u>
Net Revenues	\$117,274,050	\$122,452,785	\$120,012,052	(2,440,733)
Expenditures	<u>120,694,790</u>	<u>123,635,442</u>	<u>122,238,127</u>	<u>(1,397,315)</u>
Net Revenue Over/(Under) Expense	(3,420,740)	(1,182,657)	(2,226,075)	(1,043,418)
Beginning Fund Balance	<u>14,600,401</u>	<u>11,179,661</u>	<u>9,997,004</u>	<u>(1,182,657)</u>
Ending Fund Balance	<u>\$ 11,179,661</u>	<u>\$ 9,997,004</u>	<u>\$ 7,770,929</u>	<u>\$ (2,226,075)</u>
Fund Balance as % of Total Budgeted Expenditures	<u>9.26%</u>	<u>8.09%</u>	<u>6.36%</u>	

Note: Total Net Revenues are net of Operating Transfers



2019-2020 Fund Equity Policy 6215

Use of Fund Equity is limited to the lesser of:

- 3% of anticipated expenditures \$ 3,667,144

OR

- 20% of beginning (July 1, 2019) Fund Equity \$ 1,999,401

Conclusion: Therefore, the proposed 2019-2020 General Fund deficit of (\$2,226,075) does not comply with the Board of Education Fund Equity Policy and must be considered for suspension



GASB 84



GASB 84 - Implementation Required July 1, 2019

Intent:

To improve transparency in reporting of funds held by governmental entities by providing updated accounting guidance where the governmental entity is controlling the assets of a “fiduciary activity.”

Requires:

Each “fiduciary activity” to be included and reported on the District’s Special Revenue Fund Financial Statements and therefore requires the establishment of two new funds, **Community Service Fund** and **Student Activity Fund**. A budget for each of these new funds will need to be established and adopted.



Other Funds



2019-2020 Other Funds Summary

<u>Fund Type</u>	<u>Designation</u>	<u>Use/Purpose</u>	<u>Anticipated Balance @ 6/30/20</u>
Cash Flow Stabilization (Reports to MDE as General Fund)	Committed Fund	Non-expenditure fund to secure cash flow for BPS operations, i.e. payroll	\$ 7,436,827
Federal Projects Fund (Reports to MDE as General Fund)	N/A	Federal grant activities, kept separate from general operations	\$ 0
Athletic Fund (Reports to MDE as General Fund)	N/A	Athletics	\$ 0
Community Service Fund	Committed Fund	Community outreach activities, Kids Club, building-level Preschool, and student enrichment	\$ 1,170,643
HS Stadiums Fund	Committed Fund	Established to accrue balance to pay for replacement of turf fields	(\$ 409,173)
Wee Care Fund	Committed Fund	Wee Care child care center, 0-3 program	\$ 0
Early Childhood Center Fund (ECC)	Committed Fund	Early Childhood Center, 3-5 program. Balance earned from tuition paid by parents.	\$ 1,050,840
Student Activity Fund	Committee Fund	Pupil support activities	\$ 1,172,307
Capital Equipment Fund	Committed Fund	Fund established for capital expenditures. Originated from the sale of old administration center.	\$ 210,393
Building and Site Fund	Committed Fund	Fund established for building and site maintenance	\$ 0
Autistic Center Fund	Restricted Fund	PA18 funds for autistic center services	\$ 2,438,751
Cafeteria Fund	Restricted Fund	Food service operations	\$ 354,527
Debt Fund	Restricted Fund	Repayment of district bonded debt obligations	\$ 3,276,385
2015 and 2018 Building and Site Construction Fund	Restricted Fund	Bond proceeds, passed in two-series	\$ 0



The End

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