



2016/17 Budget Amendment

General Fund #1

February 27, 2017

To : Mark Bielang, Superintendent
From : Karla Colestock, Director of Finance
Date : February 9, 2017
Subj : General Fund Budget Amendment #1 Resolution for 2016/17

Recommendation

That the Board of Education approve the attached budget amendment resolution to the General Appropriations Act (General Fund) for the 2016/17 year at the February 27, 2017 Board meeting.

Background Information

This amendment to the District's operating fund represents the first of two planned revisions during this school year. Typically, the budget is amended each year in February and June. The extensive amendment process demonstrates our commitment to a continuous budget cycle that updates the Board and community as new and improved information becomes available.

The modifications incorporated in this document are the result of a number of factors that we have previously discussed:

1. Estimate changes due to information available from our 2015/16 audit. These revisions come from a detailed account analysis of budget to actual during the last school year.
2. Changes in budgets necessitated by actual enrollments, actual staffing, and program adjustments.
3. Information received after the budget was adopted in June, 2016.

Typically the first budget amendment is the most extensive one completed during the year. This is certainly the case again this year. Foundation grant revenues have been adjusted to reflect the results of our fall membership count for a new blended membership count. In addition, salaries and fringe benefits have been adjusted to actual staffing levels and reflect negotiated contracted settlements. The resolution attached that will be passed on February 27 is provided at the functional level.

Also attached is the Comparison by Major Categories and Fund Balance Schedule, which is a format familiar to you from the budget adoption process in that it compares major categories and gives you both projected total fund balance and unassigned fund balance information. After the amendment, unassigned fund balance stands at 9.45%. This allows us to maintain compliance with Board Policy Executive Limitations 2.4 and 2.5 for the planning and expenditure of funds so that unassigned fund balance does not fall below 7%.

After all of the proposed changes are considered, the revised budget reflects excess expenditures over revenues of (\$641,680) for the year. The largest portions of the net change of (\$108,000) can be identified as follows:

Revisions	Amount
Revenues:	
Overall net increase in the foundation grant and property taxes, consisting of adjusting to .5 more actual blended membership fte's than budgeted based on actual October, 2016 and February, 2016 counts	\$ 4,000
Increase in other State Aid Categoricals	30,000
Increase in final and carryover allocations for federal and state program grants	394,000
Decrease in estimated Special Education state categoricals	(185,000)
Increase in estimated County Special Education funds	(92,000)
Increase in projection for Childcare, Preschool, and Community Enrichment fees	16,000
Increase in budget for Athletic Gate Receipts and PAF Contributions from SOAR	83,000
Other miscellaneous revenue adjustments	40,000
Expenditures:	
Net increase in estimated salaries and fringe benefits based on actual staffing and contract settlements; includes allocations for retirement incentives for retiring administrators	(9,000)
Decrease in estimated substitute and contractual staff costs	91,000
Increase in teaching supply allocation from fund balance reserve transfers	(177,000)
Increase in athletic costs due to SOAR and PAF contributions	(83,000)
Decrease in estimated utility costs	164,000
Increase in capital outlay expenditures, primarily from technology grant allocations	(394,000)
Other miscellaneous expenditure adjustments	<u>9,000</u>
Total revisions accounted for in these items	<u>(\$108,000)</u>

Please note that this amendment is being completed at a very complex time related to the economy and the State's funding of their obligations. On February 8, 2017, the Governor released the Executive budget recommendation for the State's 2017/18 fiscal year. This will provide us information as we begin preparation of the 2017/18 school year budget.

**PORTAGE PUBLIC SCHOOLS
GENERAL FUND BUDGET APPROPRIATIONS RESOLUTION
2016/17 AMENDED BUDGET**

Be it resolved that this resolution shall be the General Fund appropriations of Portage Public Schools for the fiscal year 2016/17. A resolution to make appropriations; to provide for the expenditures of appropriations; and to provide for the disposition of all revenue received by Portage Public Schools.

Be it further resolved that the total unappropriated fund balance and total revenues to be available for appropriations in the General Fund of Portage Public Schools for fiscal year 2016/17 is as follows:

	Actual 2014/15	Actual 2015/16	Adopted Budget 2016/17	Amended Budget #1 2016/17
Total Fund Balance, Beginning of Year, July 1	7,200,936	7,932,209	8,656,104	10,183,467
REVENUES:				
Local Sources	21,701,543	24,705,067	24,378,175	24,623,763
State Sources	59,274,452	60,949,472	62,859,558	62,869,579
Federal Sources	995,223	980,152	1,028,323	1,141,158
Incoming Transfers and Other Transactions	199,245	1,192,151	394,564	317,098
Total Revenues and Other Transactions	82,170,463	87,826,842	88,660,620	88,951,598
Total Available to Appropriate	89,371,399	95,759,051	97,318,724	99,135,065
Be it further resolved that \$89,593,278 of the total available to appropriate is hereby appropriated in the amounts and for the purposes set forth as follows:				
EXPENDITURES:				
Instruction:				
Basic Programs	42,122,882	43,994,622	46,569,581	46,819,206
Added Needs	6,705,724	6,914,299	7,086,601	6,949,606
Adult Education	55,231	-	-	-
Total Instruction	48,883,837	50,908,921	53,656,182	53,768,812
Supporting Services:				
Pupil	5,143,347	5,537,775	5,738,394	5,761,176
Instructional Staff	4,391,117	4,220,031	4,696,529	4,798,468
General Administration	586,174	606,926	680,005	866,679
School Administration	4,575,612	5,032,974	5,028,039	5,073,015
Business Services	835,750	880,191	1,116,073	1,088,304
Operations and Maintenance	7,719,611	7,326,824	7,825,870	7,709,193
Transportation	2,862,223	3,486,207	3,235,833	3,140,119
Central Services	2,287,620	2,930,203	2,716,571	2,576,468
Athletics	1,400,941	1,540,391	1,328,235	1,493,569
Total Supporting Services	29,802,395	31,563,522	32,365,549	32,506,991
Community Services	2,354,694	2,559,144	2,692,298	2,684,749
Other Financing Use - Debt Service	398,464	543,997	480,182	632,726
Total Expenditure Appropriation	81,439,190	85,575,584	89,194,211	89,593,278
Excess (Deficit) of Revenues over Expenditures	731,273	2,251,258	(533,591)	(641,680)
Total Fund Balance (Assigned and Unassigned), End of Year, June 30 (Estimate)	\$ 7,932,209	\$ 10,183,467	\$ 8,122,513	\$ 9,541,787

Be it further resolved that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement previously adopted. Changes in the amount appropriated shall require approval by the Board of Education.

Be it further resolved that the superintendent is hereby charged with general supervision of the execution of the budget as adopted by the Board of Education and shall hold the directors and department heads responsible for performance of their responsibilities within the amounts appropriated.

**PORTAGE PUBLIC SCHOOLS
2016/17 GENERAL FUND AMENDED BUDGET
COMPARISON BY MAJOR CATEGORIES AND FUND BALANCE INFORMATION**

	AMENDED BUDGET #2 SY 15/16	ACTUAL SY 15/16	ADOPTED BUDGET SY 16/17	AMENDED BUDGET SY 16/17	INCREASE (DECREASE)
Revenues					
Not Program Related	74,252,700	74,228,380	75,111,498	74,947,578	(163,920)
Program Related	13,805,618	13,598,462	13,549,122	14,004,020	454,898
Total Revenues	88,058,318	87,826,842	88,660,620	88,951,598	290,978
Expenditures					
Salaries	42,881,900	42,599,350	44,299,938	44,382,038	82,100
Fringe Benefits:					
FICA*	3,050,924	2,981,832	3,156,040	3,137,818	(18,222)
Retirement*	15,767,929	15,814,546	16,262,695	16,216,936	(45,759)
Health Insurance	6,154,022	6,153,526	7,231,189	7,073,502	(157,687)
Other Insurances:					
Dental	551,611	547,623	548,972	575,357	26,385
Vision	98,820	97,972	112,984	112,699	(285)
Long-Term Disability	101,250	100,887	96,590	95,952	(638)
Life	34,757	34,721	35,586	23,043	(12,543)
Other fringes	605,787	579,191	626,684	744,657	117,973
Total Fringe Benefits	26,365,100	26,310,298	28,070,740	27,979,964	(90,776)
Purchased Services	11,154,498	10,379,201	11,102,150	11,063,211	(38,939)
Supplies, Materials, Other	4,971,818	4,300,360	4,800,701	4,700,530	(100,171)
Capital Outlay	1,569,652	1,442,378	440,500	834,809	394,309
Debt Service	391,455	543,997	480,182	632,726	152,544
Total Expenditures	87,334,423	85,575,584	89,194,211	89,593,278	399,067
Excess Revenues (Expenditures) Projected	723,895	2,251,258	(533,591)	(641,680)	(108,089)
Total Fund Balance Information					
Total Fund Balance - Beginning	7,932,209	7,932,209	8,656,104	10,183,467	
Income(Deficit) - Allocated to Unreserved	723,895	2,251,258	(533,591)	(641,680)	
Estimated Ending Total Fund Balance	8,656,104	10,183,467	8,122,513	9,541,787	
Non-Spendable and Assigned Fund Balance Restrictions	1,042,693	1,911,179	1,042,693	1,074,082	
Estimated Ending Unassigned Fund Balance	7,613,411	8,272,288	7,079,820	8,467,705	
As a Percentage of Budgeted Expenditures	8.72%	9.67%	7.94%	9.45%	

Notes:

*Mandated fringe benefits

**PORTAGE PUBLIC SCHOOLS
GENERAL FUND AMENDMENT #1
PROGRAM LEVEL SUPPORTING DETAIL**

	ADOPTED BUDGET <u>2016/17</u>	AMENDMENTS/ <u>TRANSFERS</u>	AMENDED BUDGET #1 <u>2016/17</u>
REVENUES:			
<i>From Local Sources:</i>			
Property Tax Levy, including Regional Enhancement Millage	15,639,546	130,975	15,770,521
Earnings from Investments and Deposits	15,000	8,000	23,000
Interest on Delinquent Taxes	20,000	(5,000)	15,000
Reimbursements from Other Funds:			
Accounting Services and Indirect Costs	180,000	0	180,000
Other Local Sources (includes bus and copier financing)	77,700	(20,000)	57,700
<i>From State Sources:</i>			
Foundation Grant Allowance	52,582,260	(77,090)	52,505,170
Other State Categoricals/Foundation Adjustments	6,586,992	(205,805)	6,381,187
<i>From Federal Sources-</i>			
Medicaid Administrative Outreach Program	10,000	5,000	15,000
<i>Program Related Revenues:</i>			
Great Start Readiness Program	362,750	(1,949)	360,801
Contributions for Instructional Programs	0	83,078	83,078
Pay to Participate Fees	213,000	(1,350)	211,650
On-line Class and IB/AP Test Fees	117,000	20,120	137,120
Athletic Gate Receipts and Contributions	129,400	71,975	201,375
Community High School	3,500	(1,500)	2,000
Enrichment Class, Advertising, and Facility Rental Fees	415,000	(16,000)	399,000
Childcare and Preschool Fees	2,393,000	16,907	2,409,907
Auditorium Management	0	5,000	5,000
Technology Services	335,377	130,730	466,107
County Special Education and State Categoricals	6,484,255	(112,751)	6,371,505
At Risk Grant	1,030,052	31,947	1,061,999
Title I Grant	709,743	113,494	823,237
Professional Development	6,300	56,700	63,000
Other Grants	492,037	79,191	571,228
Transportation Special Education Categoricals and Billings	857,708	(20,695)	837,013
TOTAL REVENUES	88,660,620	290,978	88,951,598

**PORTAGE PUBLIC SCHOOLS
GENERAL FUND AMENDMENT #1
PROGRAM LEVEL SUPPORTING DETAIL**

	ADOPTED BUDGET 2016/17	AMENDMENTS/ TRANSFERS	AMENDED BUDGET #1 2016/17
EXPENDITURES			
<i>Instructional Services</i>			
Amberly Elementary	3,669,482	95,638	3,765,120
Angling Road Elementary	2,592,257	(52,422)	2,539,835
Central Elementary	2,812,825	(85,011)	2,727,814
Haverhill Elementary	2,862,492	38,799	2,901,291
Lake Center Elementary	3,683,945	35,196	3,719,141
Moorsbridge Elementary	3,634,345	67,944	3,702,289
12th Street Elementary	3,517,203	38,583	3,555,786
Woodland Elementary	2,769,863	111,443	2,881,306
Great Start Readiness Program Grant	462,519	(1,492)	461,027
Academically Gifted and Talented	286,857	(2,737)	284,120
Non-Public Schools-Shared Time Program	636,427	(165,624)	470,803
Central Middle	4,348,459	(50,927)	4,297,532
North Middle	3,584,077	(26,653)	3,557,424
West Middle	4,418,420	23,385	4,441,805
Middle School Athletics	245,365	27,264	272,629
Central High	8,971,602	(19,463)	8,952,139
Northern High	8,475,901	99,492	8,575,393
High School Athletics	1,188,069	148,773	1,336,842
Education for Employment	759,901	(59,031)	700,870
Education for the Arts	134,206	(2,550)	131,656
Auditorium Management	130,027	5,000	135,027
Community High School Program	1,607,001	(104,263)	1,502,738
Childcare and Preschool Program	2,363,958	1,611	2,365,569
Homebound Services	14,444	(24)	14,421
Instructional Services Administration	600,491	77,215	677,706
<i>Technology and Student Information Systems</i>			
Media Services	183,345	(23,630)	159,715
Technology Services	2,585,081	140,377	2,725,458
Library Processing	3,400	0	3,400
<i>Special Education Services</i>			
Special Education Program	8,202,417	(199,303)	8,003,114
At Risk Grant	1,030,051	31,948	1,061,999
Title I Grant	709,744	113,493	823,237
<i>Curriculum and Professional Development</i>			
Curriculum Development	765,219	(20,429)	744,790
Professional Development	278,399	(21,880)	256,519
Other Grants	492,037	79,191	571,228
<i>Operations</i>			
Budget and Finance	1,294,031	(41,398)	1,252,633
Central Services	90,101	(8,212)	81,889
Maintenance & Operations	4,640,723	123,476	4,764,199
Transportation	3,415,684	(131,079)	3,284,605
<i>Community Relations</i>			
Communications	218,062	12,264	230,326
Community Enrichment Program	422,119	(47,041)	375,078
<i>Human Resources</i>			
Administration	440,153	4,473	444,626
<i>Administration</i>			
	653,505	186,674	840,179
TOTAL EXPENDITURES	89,194,211	399,071	89,593,278
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(533,591)	(108,092)	(641,680)