

2018/19 Budget Amendments
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February 18, 2019

We are presenting budget amendments for the following school district funds:

General Fund
Athletic Fund
Cafeteria Fund

These are the first amendments to the budgets that were approved on June 25, 2018. The attached document attempts to provide a narrative of the changes by budget category. These amendments have been reviewed with the Finance Committee on January 25, 2019.

Adjustments have been made at this point based on every account being reviewed (the General Fund has approximately 80 revenue accounts and 1,900 expenditure accounts). Every employee's salary was calculated along with the associated fringe benefits. Adjustments have been included for administration's expectations for volatile areas such as fuel and utility costs. While we did adopt the original 2018/19 budget based on our overall projections, in some cases, the projected increases and decreases were allocated to a few of the larger budget areas rather than to each of the 1,900 expenditure accounts. Therefore, during this amendment process, some dollars are simply being reallocated from where the dollars were initially budgeted to the individual line items where they will actually be spent.

Please remember that by law, amendments are made to change what we originally adopted to where we believe we are now. Ultimately we are showing an amended General Fund expenditure budget for 2018/19 that is -.32% (-\$184,082) less than budgeted. There were a number of increases and decreases that ultimately played into our amended 2018/19 budget numbers and are referenced in detail throughout the following pages.

Based upon what we know as of today, I am confident these amended budgets have been reviewed appropriately and accurately represent how the 2018/19 fiscal year should play out for the funds addressed. In June, we will present any additional amendments for these three funds and will also prepare an initial/final amendment for the Debt Fund, the Capital Projects Fund -2010 Bond and the Capital Projects – Sinking Fund.

HARTLAND CONSOLIDATED SCHOOLS
BUDGET AMENDMENT
GENERAL FUND
JUNE 30, 2019

	LAST APPROVED 6/25/2018	AS AMENDED 2/18/2019	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL SOURCES	\$ 8,096,217	\$ 8,139,759	\$ 43,542	0.53% A
STATE SOURCES	45,121,410	44,863,452	(257,958)	-0.57% B
FEDERAL SOURCES	333,567	310,555	(23,012)	-7.41% C
TOTAL REVENUES	53,551,194	53,313,766	(237,428)	-0.45%
INCOMING TRANSFERS AND OTHER	3,484,544	3,595,802	111,258	3.09% D
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 57,035,738	\$ 56,909,568	\$ (126,170)	-0.22%
EXPENDITURES:				
INSTRUCTION:				
BASIC PROGRAMS	27,038,361	26,977,054	(61,307)	-0.23% E
ADDED NEEDS	6,675,656	6,827,635	151,979	2.23% E
SUPPORT SERVICES:				
PUPIL SERVICES	1,482,594	1,414,822	(67,772)	-4.79% E
INSTRUCTIONAL SERVICES	1,774,615	1,669,542	(105,073)	-6.29% E
GENERAL ADMINISTRATION	1,333,962	1,316,666	(17,296)	-1.31% F
SCHOOL ADMINISTRATION	3,383,114	3,347,852	(35,262)	-1.05% G
BUSINESS SERVICES	684,653	634,754	(49,899)	-7.86% H
OPERATIONS & MAINTENANCE	5,495,353	5,440,111	(55,242)	-1.02% I
TRANSPORTATION	3,296,121	3,241,414	(54,707)	-1.69% J
CENTRAL SERVICES	820,921	797,129	(23,792)	-2.98% K
OTHER	164,321	170,021	5,700	3.35% L
COMMUNITY SERVICES	3,158,304	3,286,893	128,589	3.91% M
DEBT SERVICE	457,445	457,445	-	0.00%
CAPITAL OUTLAY	320,000	320,000	-	0.00%
TOTAL EXPENDITURES	56,085,420	55,901,338	(184,082)	-0.33%
OUTGOING TRANSFERS (ATHLETICS)	773,160	773,160	-	0.00%
TOTAL APPROPRIATED	\$ 56,858,580	\$ 56,674,498	\$ (184,082)	-0.32%
EXCESS REVENUES(APPROPRIATION)	\$ 177,158	\$ 235,070	\$ 57,912	
FUND BALANCE, JULY 1	4,948,653	5,317,694	369,041	
FUND BALANCE, JUNE 30	\$ 5,125,811	\$ 5,552,764	\$ 426,953	
FUND BALANCE AS A % OF EXPENDITURES	9.02%	9.80%		

REVENUE:		
A	Local Sources	Increase is mostly due to adjustments made to the various Community Ed program revenue line items, which have been offset by similar increases in expense.
B	State Sources	<p>Decrease in state revenue is the result of a loss of an additional 28 students compared to what was originally budgeted. In addition, the District's 147c allocation was \$353K lower than expected. (Expenditures for 147c retirement have been reduced by an equal amount.)</p> <p>A portion of this decrease was offset by increases in certain state categorical funding, including 31a, (At-Risk pupils), 61d (CTE), and 147a & 147e (retirement).</p>
C	Federal Sources	Federal grant revenues have been adjusted to reflect actual award amounts. The original budget is based on estimates provided by the state. The district received a lower Title I allocation and a higher Title II allocation than the original estimate provided by the state.
D	Incoming Transfers and Other	The district will receive an additional \$166K in operational support/special ed milage revenue than originally budgeted due to better than anticipated property values and an increase in the district's proportionate share of county-wide special ed costs. However, a portion of this increase has been offset by a lower CTE allocation than budgeted. The offsetting expenditures for the reduced CTE allocation have been adjusted accordingly.

EXPENDITURES:	
	<p>General Comments:</p> <p>District-wide, expenditures decreased by \$184K over the original adopted budget.</p> <p>Salaries and fringe benefits were adjusted to account for two additional long-term teacher absences than originally budgeted. These absences were filled by contracted permanent subs at a lower cost than salaried employees. In addition, the formula increase for non-union support staff was reduced to a more accurate amount. These decreases have been offset by the cost of the new HEA contract provision requiring a payment to HEA members for fund balance exceeding 9%. The net effect of these changes was an increase of approximately \$248K to the salary budget.</p>

Expenditures for 147c retirement were reduced by \$353K. The decrease was spread to many of the expenditure categories. Revenues for 147c retirement have been reduced by an equal amount (see item B). Healthcare was also reduced since the hard cap effective January 1, 2019 only increased by 2% instead of 3.3% that was budgeted.

Please refer to the individual line-item explanations for the remaining expenditure variance.

In addition to the changes described above, expenditures for salaries and benefits have been reviewed by individual employee and re-allocated to proper account numbers based on current year job assignments and/or special ed FTE. Since the original budget projection is based on prior year, expenditures for salaries and benefits tend to shift between the various budget categories during the amendment process.

E	Basic Programs/ Added Needs/ Pupil Services/ Instructional Services	<p>In total, expenditures between the basic programs, added needs, pupil services, and instructional services categories decreased by \$82K, which was primarily a result of the change in salaries, 147c retirement, and healthcare described in the general comments section. Note that a majority of the anticipated payment to HEA members for fund balance exceeding 9% was allocated to these categories, since a bulk of teacher salary and benefits are accounted for in these line items. In addition, a majority of the \$353K reduction in 147c retirement expense was allocated to categories. This is because 147c retirement expense in total was re-aligned to all of the various categories relative to proportionate salary.</p> <p>Expenditures for salaries and benefits have been shifted between these line items due to a reallocation of FTE for general ed teachers (basic programs), resource room teachers (added needs), teacher consultants (pupil services) and ITC teachers (instructional services). Teacher FTE is adjusted each year based on the student need within each of these categories.</p>
F	General Administration	<p>Line item was adjusted to reflect current year central office secretarial staffing and fringe benefit elections. The budget is based on prior year, and therefore an adjustment was needed due to significant turnover and occasional overlapping of positions that occurred during the prior year.</p>
G	School Administration	<p>Decrease is mostly due to the changes in salaries, 147c retirement, and healthcare described in the general comments section.</p>
H	Business Services	<p>Salaries and fringes were adjusted for current year business office staffing and fringe benefit elections. The budget is based on prior</p>

		<p>year, and therefore an adjustment was needed due to staffing turnover and occasional overlapping of positions that occurred during the prior year.</p> <p>In addition, contracted services were reduced \$29K for certain contracted staff being reduced to a part-time schedule. Interest on the state aid note was also reduced by \$9K due to a lower borrowing in the current year.</p>
I	Operations & Maintenance	<p>In addition to changes in salaries, 147c retirement, and healthcare described in the general comments section, the custodial contract was reduced \$39K since incentives that were originally budgeted will not be implemented in the current year. Other contract services and supplies were adjusted to be more in line with expected needs.</p>
H	Transportation	<p>In addition to changes in salaries, 147c retirement, and healthcare described in the general comments section, the RTC contract for bus drivers was reduced \$36K since the additional bus route originally budgeted was not needed in the current year.</p>
K	Central Services	<p>In addition to changes in salaries, 147c retirement, and healthcare described in the general comments section, software licenses were adjusted to reflect actual expected needs for the current year.</p>
L	Other	<p>Amount was increased for the additional FIRST Robotics grant expenditures. Revenues in an equal amount were added to the "State Sources" line item.</p>
M	Community Services	<p>Expenditures were increased across several programs to be more in line with current year expected activity. The increase in expenditures has been mostly offset by similar increases in revenue described in Item A, with the exception of additional pool repairs budgeted and increases to minimum wage and related fringe benefits (that will not be offset by increases in revenues).</p> <p>Approximately \$18K was added for a part time assistant in the senior center, however, this cost is offset by an increase in the transfer revenues.</p> <p>Finally, \$33K was added for the Partners in Progress initiative between the District, Hartland Township, and Cromaine Library.</p>

HARTLAND CONSOLIDATED SCHOOLS
 BUDGET AMENDMENT
 ATHLETICS FUND
 FISCAL YEAR ENDING JUNE 30, 2019

	LAST APPROVED 6/25/2018	AS AMENDED 2/18/2019	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE (GATE)	\$ 153,622	\$ 147,624	\$ (5,998)	-3.90% A
OTHER LOCAL REVENUE	127,610	125,860	(1,750)	-1.37%
TOTAL REVENUE	281,232	273,484	(7,748)	-2.76%
INCOMING TRANSFERS	773,160	773,160	-	0.00%
TOTAL REVENUE & INCOMING TRANSFERS	1,054,392	1,046,644	(7,748)	-0.73%
EXPENDITURES:				
SALARIES	251,562	255,982	4,420	1.76% B
EMPLOYEE BENEFITS	126,114	127,164	1,050	0.83% B
CONTRACTED SERVICES/SUPPLIES	499,776	500,346	570	0.11%
EQUIPMENT	30,560	31,724	1,164	3.81% C
OFFICIALS	43,220	44,226	1,006	2.33% D
TRANSPORTATION	47,500	47,500	-	0.00%
CAPITAL OUTLAY	51,000	51,000	-	0.00%
TOTAL APPROPRIATED	1,049,732	1,057,942	8,210	0.78%
EXCESS REVENUE (APPROPRIATION)	4,660	(11,298)	(15,958)	-342.45%
FUND BALANCE, JULY 1	190,489	198,631	8,142	4.27%
FUND BALANCE, JUNE 30	\$ 195,149	\$ 187,333	\$ (7,816)	-4.01%

LINE-ITEM SPECIFIC COMMENTS:

A	Gate Revenue	Gate revenue for fall sports were adjusted for actual amounts collected through the end of the fall season, with the biggest adjustment made to football. Despite the additional home varsity game, turn-out was not as high as anticipated. In addition, sales of season passes were not as high as in past years, and therefore, revenue was decreased accordingly.
B	Salaries/Fringe Benefits	Salaries and fringe benefits were adjusted for coaching stipends paid to District teachers. Note that coaches who are not District teachers are paid through a third-party staffing company and are accounted for on the "Contracted Services" line item. In the current year, more coaching positions were filled by district teachers than originally budgeted, and therefore an adjustment was needed to shift dollars from the contracted services line to the salaries and fringe benefits lines.
C	Equipment	Equipment budget was increased to account for the increased cost of football helmet reconditioning that was incurred during the current year.
D	Officials	Officials for fall sports were adjusted to actual amounts spent through the end of the fall season.

HARTLAND CONSOLIDATED SCHOOLS
 BUDGET AMENDMENT
 CAFETERIA FUND
 FISCAL YEAR ENDING JUNE 30, 2019

	LAST APPROVED 6/25/2018	AS AMENDED 2/18/2019	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE	\$ 1,121,450	\$ 1,223,500	\$ 102,050	9.10% A
STATE REVENUE	53,517	53,181	(336)	-0.63%
FEDERAL REVENUE	563,070	616,555	53,485	9.50% B
INCOMING TRANSFERS	481	481	-	0.00%
TOTAL REVENUE	1,738,518	1,893,717	155,199	8.93%
EXPENDITURES:				
SALARIES	542,229	546,411	4,182	0.77% C
EMPLOYEE BENEFITS	280,978	277,552	(3,426)	-1.22% D
FOOD	796,000	905,485	109,485	13.75% E
SUPPLIES & OTHER	97,861	115,861	18,000	18.39% F
CAPITAL OUTLAY	79,000	79,000	-	0.00%
TOTAL EXPENDITURES	1,796,068	1,924,309	128,241	7.14%
OUTGOING TRANSFERS	24,171	24,171	-	0.00%
TOTAL APPROPRIATED	1,820,239	1,948,480	128,241	7.05%
EXCESS REVENUE (APPROPRIATION)	(81,721)	(54,763)	26,958	-32.99%
FUND BALANCE, JULY 1	226,936	234,234	7,298	3.22%
FUND BALANCE, JUNE 30	\$ 145,215	\$ 179,471	\$ 34,256	23.59%

LINE-ITEM SPECIFIC COMMENTS:

A Local Revenue	<p>Revenue from the sale of paid lunch and a la carte were adjusted to account for an increase in participation than was originally budgeted. On average, meals sold are up by 15% compared to the prior year, which was the basis for the original budgeted amounts. Increased participation is due to the new pizza as well as an overall positive response to the menu items offered this year.</p> <p>Catering revenues were also increased to account for the additional catering events scheduled in the current year.</p> <p>Note that the federal reimbursement revenue, as well as food and supplies expense were also increased to account for this increase in sales.</p>
B Federal Revenue	<p>Federal revenues were adjusted to account for an increase in participation and an increased reimbursement rate than was originally budgeted. In addition, the district expects a higher commodity allocation for 2018/19 than was originally budgeted. Offsetting commodity expenditures have been recorded on the "Food" line item.</p>
C Salaries	<p>Salaries have been increased for additional cost of cash in lieu. More employees qualified to receive cash in lieu payments this year than what was originally budgeted.</p>
D Fringe Benefits	<p>While FICA was increased for the increase in cash in lieu payments budgeted on the "Salaries" line item, workers comp expense was reduced to the current year actual premium amount. Overall workers comp expense district-wide has decreased due to a decrease in claims history.</p>
E Food	<p>Food expense was adjusted for the increase in sales noted under the "Local Revenues" line item as well as for price increases on the items purchased.</p> <p>Commodity expenditures were also increased for a higher commodity allocation than was originally budgeted. Offsetting revenues have been budgeted on the "Federal Revenue" line item.</p>
F Supplies & Other	<p>Supplies expense was increased to account for the additional trays and paper products needed as a result of the increase in sales noted under the "Local Revenues" line item.</p>