



# Portage Public Schools

THE FUTURE LEARNS HERE

## **PPS GF Financial Planning**

FY 10/11 Update

FY 11/12 Outlook

Presented to Board of Education Work Study Session

November 8, 2010



# PPS General Fund

## As Adopted – June 21<sup>st</sup>

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	<u>SY 09/10</u>	<u>SY 10/11</u>	
<b>Revenues</b>	\$76,275,342	\$74,074,000	A <u>2.9%</u> Decrease
<b>Expenses</b>	<u>\$76,451,149</u>	<u>\$74,685,350</u>	A <u>2.3%</u> Decrease
<b>Bottom Line</b>	<u>\$ (175,807)</u>	<u>\$ ( 611,350)</u>	
<b>Fund</b>			
<b>Balance %</b>	<u>8.11%</u>	<u>7.49%</u>	

*Nearly \$800,000 of Fund Balance Used*


# Events After Budget Adoption

- PPS Audit Completed
- State Aid Bill Approved
  - Impacts to both 9/10 and 10/11
- PEA Contract Negotiated
- Enrollment Finalized
- Revised Retirement Rate Received
- EduJobs Legislation Passed
- Senate Fiscal Agency Report Issued
- Governor, Senate, House elections



# Financial Impact of the Events

Event	Financial Impact to 2010/11
PPS Audit (+)	Increase Fund Balance by \$328,000
State Aid Bill (+)	\$ 94,000
PEA Contract (+/-)	\$ 0
Enrollment (+)	\$ 400,000
Retirement Rate (-)	\$ (384,000)
EduJobs (+)	<u>\$1,879,000</u>
Net Change (+)	<u>\$1,989,000</u>



# What Uncertainties Still Exist For 2010/11?

## ✓ Retirement Rate Downward

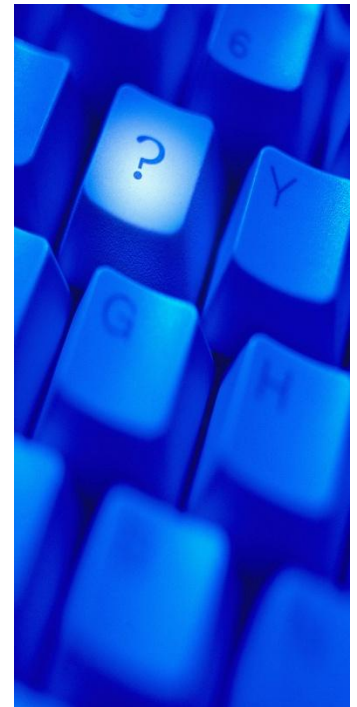
- Each 1.00 in Basis Decrease is \$ 307,000 Positive (if retro to 10/1)

## ✓ State Aid

- Can We Rely on Senate Fiscal Agency Report?

## ✓ Special Education Revenue

- Information available by end of month

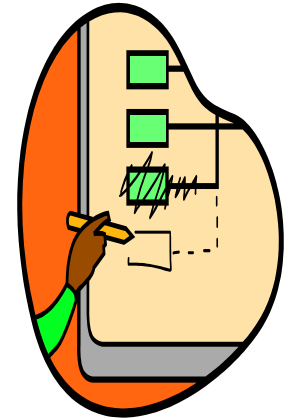


# PPS General Fund

## After Audit and Revised Projections

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	<u>Audit 9/10</u>	<u>Revised 10/11</u>
<b>Revenues</b>	\$75,960,466	\$76,447,889
<b>Expenses</b>	<u>\$75,807,810</u>	<u>\$75,069,715</u>
<b>Bottom Line</b>	<u>\$ 152,656</u>	<u>\$ 1,378,174</u>
<b>Fund</b>		
<b>Balance %</b>	<u>8.61%</u>	<u>10.54%</u>



# What Does 2011/12 Look Like?



- State Challenges:
  - Economic uncertainty
  - Retirement Rate
- Local Challenges:
  - Enhancement Millage Expires = \$2,920,000 shortfall
    - Per Pupil Basis = \$342
  - Special Education ARRA Funds Expire=\$300,000
  - Potential increases in labor and energy costs
  - Enrollment

File Home Insert Page Layout Formulas Data Review View Add-Ins

Clipboard: Paste, Cut, Copy, Format Painter

Font: Arial, 10, Bold, Italic, Underline, Text Color, Background Color

Alignment: Wrap Text, Merge & Center

Number: General, \$, %, .00, >.0

Styles: Conditional Formatting, Format as Table, Cell Styles

Cells: Insert, Delete, Format

Editing: AutoSum, Fill, Clear, Sort & Filter, Find & Select

	A	B	C	D	E	F	G	H	I
1	<b>PPS Strategic Planning - Goal 3.1 Fiscal Vitality</b>								
2	<b>Budget Impact Analysis</b>			<b>Best Case 2011-12</b>					
3	<b>Assumptions &amp; Variables</b>								
4					<u>ASSUMPTIONS &amp; NOTES</u>				
5									
6	<b>Fund Balance - July 1, 2011</b>		\$ 7,908,749	Assumes 10/11 Projections Materialize					
7									
8	<b>Structural Deficit Carried Forward</b>		\$ (400,000)	Assumes Typical Budget Savings Materialize in 2010/11					
9									
10	<b>Revenue Factors</b>								
11	Enrollment Change		\$ (501,340)	Based on Stanfred Projections (-70 FTE @\$7,162)					
12	Foundation Allowance		\$ -	<b>Best Case:</b> No Increase or Additional Reduction Per Pupil					
13	Categoricals		\$ -	Best Case: No Increase or Additional Reduction of Categoricals					
14	Special Education Reimbursement		\$ (103,213)	Assumes a 3% county wide TV reduction					
15	Loss of ARRA Special Education Supplant Funding		\$ (300,000)	Assumes no new stimulus funding available					
16	KRESA County Wide Enhancement Millage		\$ (100,000)	Assumes renewal of 1.50 mills and a 3% county wide TV reduction					
17									
18	<b>Expense Factors</b>								
19	Step Costs		\$ -	If granted this would be approximately \$900,000 deficit increase					
20	Flat Salary Increase		\$ -	Will require negotiations but would seem obtainable based on circumstances					
21	Health Insurance		\$ -	Assumes employee groups would absorb any increase in costs					
22	Retirement Rate		\$ (246,000)	.60 Basis Points or 3.1% rate increase					
23									
24	<b>Budget Estimate Revisions</b>		\$ -	Identified from Audit and/or Year End Analysis					
25									
26	<b>Controlled Outcome - Budget Reductions</b>		\$ -						
27									
28									
29	<b>Deficit Projection With Budget Reductions</b>		\$ (1,650,553)						
30									
31	<b>Fund Balance - June 30, 2012</b>		\$ 6,258,196						
32									
33	<b>Fund Balance - Ending As % of Budget</b>		8.34%						
34									
35									

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PivotTable Table Picture Clip Art Shapes SmartArt Screenshot Column Line Pie Bar Area Scatter Other Charts Line Column Win/Loss Slicer Hyperlink Text Box Header & Footer WordArt Signature Line Object Equation Symbol

Tables Illustrations Charts Sparklines Filter Links Text Text Text Text Symbols

	A	B	C	D	E	F	G	H	I
1	<b>PPS Strategic Planning - Goal 3.1 Fiscal Vitality</b>								
2	<b>Budget Impact Analysis</b>			<b><i>Worst Case 2011-12</i></b>					
3	<b>Assumptions &amp; Variables</b>								
4				<u>ASSUMPTIONS &amp; NOTES</u>					
5									
6	<b>Fund Balance - July 1, 2011</b>		\$ 7,908,749	Assumes Typical Budget Savings Materialize in 2010/11 (Deficit of \$400,000 in 10/11)					
7									
8	<b>Structural Deficit Carried Forward</b>		\$ (400,000)	Assumes Typical Budget Savings Materialize in 2010/11					
9									
10	<b>Revenue Factors</b>								
11	Enrollment Change		\$ (501,340)	Based on Stanfred Projections (-70 FTE @\$7,162)					
12	Foundation Allowance Reduction		\$ (1,264,500)	<b>Worst Case: Additional Reduction of \$100 Per Pupil</b>					
13	Categoricals		\$ -	Assumes No Increase or Additional Reduction of Categoricals					
14	Special Education Reimbursement		\$ (103,213)	Assumes a 3% county wide TV reduction					
15	Loss of ARRA Special Education Supplant Funding		\$ (300,000)	Assumes no new stimulus funding available					
16	KRESA County Wide Enhancement Millage		\$ (2,920,000)	<b>Worst Case: Assumes this millage is not renewed</b>					
17									
18	<b>Expense Factors</b>								
19	Step Costs		\$ (900,000)	Assumes this would be result of negotiations					
20	Flat Salary Increase		\$ -	Will require negotiations but would seem obtainable based on circumstances					
21	Health Insurance		\$ -	Assumes employee groups would absorb any increase in costs					
22	Retirement Rate		\$ (492,000)	1.20 Basis Points or 6.2% rate increase					
23									
24	<b>Budget Estimate Revisions</b>		\$ -	Identified from Audit and/or Year End Analysis					
25									
26	<b>Controlled Outcome - Budget Reductions</b>		\$ 4,300,000						
27									
28									
29	<b>Deficit Projection With Budget Reductions</b>		\$ (2,581,053)						
30									
31	<b>Fund Balance - June 30, 2012</b>		\$ 5,327,696						
32									
33	<b>Fund Balance - Ending As % of Budget</b>		6.98%						
34									
35									