



Waterford School District Board of Education Meeting May 21, 2020

2019-20 Revised Budget and 2020-21 Original Budget Update

Presented by:

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Potential Current Year Proration

- Revenue Estimating Conference May 15, 2020:
 - 2019-20 School Aid Fund is short \$1.1 billion
 - This equates to an estimated \$700 per student
- State Legislative Options:
 - Take action within 30 days or 6 session day period to prevent an automatic proration
 - Appropriate General Fund dollars, including the use of the Stabilization Fund, to cover the School Aid Fund shortfall
- Federal Funds
 - State is requesting financial assistance from the Federal Government

Potential Current Year Proration

- Revenue Estimating Conference May 15, 2020 (cont'd):
 - Impact to WSD is a loss of \$5.7 million between now and June 30th (unable to adjust before year end)
 - This structural shortfall carries on indefinitely until the economy recovers, legislative action occurs at the state and federal level, and/or reductions are implemented
- Due to the severity of the situation a special Revenue Estimating Conference will be held in August to reassess the revenue numbers
- Current information from the state is limited at this time as the economy has not re-opened, so the full impact is unknown

2019-20 Revised Budget Update

	As Presented	As of
	May 7, 2020	May 21, 2020
Net Revenues	\$ 2,703,580	\$ 2,703,580
Net Expenditures	795,763	795,763
Net Annual Surplus	<u>\$ 1,907,817</u>	<u>\$ 1,907,817</u>
Potential Proration (\$700/Student)	-	(5,751,200)
Unused Contingency	<u>500,000</u>	<u>500,000</u>
Net Annual Surplus/(Deficit)	<u><u>\$ 2,407,817</u></u>	<u><u>\$ (3,343,383)</u></u>
Annual Surplus/(Deficit) Per Student	<u><u>\$ 294</u></u>	<u><u>\$ (408)</u></u>

2019-20 Revised Budget Update

	Before Proration	With \$700 Proration
Beginning Fund Balance	\$ 9,425,881	\$ 9,425,881
Net Annual Surplus/(Deficit)	2,407,817	(3,343,383)
Projected Fund Balance	<u>\$ 11,833,698</u>	<u>\$ 6,082,498</u>
Fund Balance as a percent of expenditures	<u>12.14%</u>	<u>6.24%</u>

2020-21 Original Budget Update

	As Presented	As of
	May 7, 2020	May 21, 2020
Net Revenues	\$ (538,288)	\$ (538,288)
Net Expenditures	(698,098)	(698,098)
Net Annual Surplus	<u>\$ 159,810</u>	<u>\$ 159,810</u>
Foundation Reduction Carryover	-	(5,495,000)
Net Annual Surplus/(Deficit)	<u>\$ 159,810</u>	<u>\$ (5,335,191)</u>
Annual Surplus/(Deficit) Per Student	<u>\$ 19</u>	<u>\$ (651)</u>

2020-21 Original Budget Update

	Before 19-20 Proration	After 19-20 Proration
Beginning Fund Balance	\$ 11,833,698	\$ 6,082,498
Net Annual Surplus/(Deficit)	159,810	(5,335,191)
Projected Fund Balance	<u>\$ 11,993,508</u>	<u>\$ 747,308</u>
Fund Balance as a percent of expenditures	<u>12.20%</u>	<u>0.77%</u>

Timeline:

- **May 7, 2020:** The Board of Education received an update on the 2019-20 Revised Budget and the 2020-21 Original Budget
- **May 21, 2020:** The Board of Education was to take Action on the 2019-20 Revised Budget, however the Revenue Conference has postponed the Action date to June 4, 2020
- **June 4, 2020:** The Board of Education takes Action on the 2019-20 Revised Budget
- **June 4, 2020:** The administration presents the 2020-21 Original Budget to the Board of Education for approval on June 18, 2020
- **June 18, 2020:** Budget Hearing and Action is taken by the Board of Education on the 2020-21 Original Budget



Questions