

# Board Budget Questions

## January 24<sup>th</sup>, 2006 Special Meeting

### Revenue Questions:

1. Do we have a written estimate from the county assessor's office to support the \$435,479,872 in assessed valuation? Yes, the document is posted on BoardDocs under the 1/24/06 special meeting.
  - a. Where do we stand on cell tower assessment?
    - i. We do not have a written estimate from the County, nor do we have any verbal confirmation of actual numbers. The only communication we have received is what was stated at the 1/16/06 board meeting. We have requested that we receive an estimate in writing from the County Commissioners and Assessor on this issue.
  - b. Does this figure include revenues from the RT 62 development (Lowes??)
    - i. This \$435 million valuation from the County Assessor does not include any revenue from the development on RT 62.
  - c. What is the rationale behind the ~\$6.5 million decrease in assessed valuation?
    - i. Primarily, the decrease is related to the significant dollar value of court ordered exonerations and assessment reductions for commercial entities in Warren County in addition to the lack of reassessment on additions/improvements to all properties.
2. Please explain the driving factor in each of the following revenue estimates:
  - a. \$5800 decrease in Public Utility Realty (6113 Local)
    - i. Actual revenue received in 04-05 was only \$28,467. The 06-07 budget estimate is \$35k
  - b. \$34000 decrease in delinquent taxes (6400 Local)
    - i. Delinquent taxes are very difficult to predict and don't follow any discernable trends. The actual revenue received in 04-05 was \$1,600,536. The 06-07 budget is \$1,700,000.
  - c. \$51000 decrease in rentals and sinking fund (7320 State)
    - i. This is based on the actual estimate reimbursement formula from the state PLANCON agreement. The 05-06 budget amount is overstated.
  - d. \$7000 decrease in Dare/ALT ED/ Ex Grants (7500 State)
    - i. DARE grants have been decreased across the state.
  - e. \$483,887 decrease in Tutoring (7900 State)
    - i. We do not expect to receive this grant in 06-07 and correspondingly there are no appropriations in the budget.
  - f. \$75,000 decrease in Soc Sec/State Share (7810 State)
    - i. School districts receive ½ of the 7.65% employer contribution for Social Security. This revenue is based on our payroll expenses.

- g. \$50,000 decrease in Unrestricted Grants (Impact Aid) (8100 Federal)
  - i. This was funding that we received in the past for the land lost under the reservoir. We do not expect to receive this in 06-07.
- h. \$50,000 decrease in Restricted IDEA, Part B (8512 Federal)
  - i. IDEA funding is based on eligible special education students. The district is decreasing in size.
- i. \$350,000 decrease in Art Smart (8560 Federal)
  - i. Art Smart funding is not expected nor are there appropriations in the budget.
- j. \$7000 decrease in T IIA/Improving Tchr Qlty (8690 Federal)
  - i. Decrease in Federal funding.
- k. \$18,500 decrease in Title V/Innovative Ed (8690 Federal)
  - i. Decrease in Federal funding.
- 3. Do we know that the Subsidies for Charter Schools (with a level of confidence) will be \$500,000? Why or Why not? (7140 State)
  - a. The state promises to reimburse 30% of a districts previous years' charter school expenses. However, the allocation of funding from the state is not growing at the same rate as charter school participation, thus the actual reimbursement rate is dropping and is only being paid at 22% for 05-06 and we expect it to drop to 20% for 06-07. We will not know what exact revenue we will receive until we know our total charter school expenses for 05-06 and the rate of reimbursement the state will pay.
- 4. Do we know that the Pupil transportation (with a level of confidence) will be \$3,450,000? Why or Why not? (7310 State)
  - a. Eligible transportation expenses are reimbursed one year in arrears at an approximate rate of 70%. The formulas are complex and also (like charter school funding) are contingent upon how much funding the state allocates for transportation reimbursement. This represents our best estimate.
- 5. How is the Special Education revenue determined? (\$3,667,247 => 7271 State)
  - a. Below is an excerpt from PDE on special ed funding.

### **2005-2006 Estimated Special Education Funding**

- Increase 2004-2005 appropriation of \$929,175,000 by 2.57 percent (\$23,889,000) to \$953,064,000.
- Maintain 2004-2005 Year Allocations as Funding Base for school district funding formula and provide an additional \$21.1 million distributed as follows:
- Maintain Base Supplement Funding:
  - 1. Each school district receives its 2004-2005 Special Education Formula Funding as a base, approximately \$854.5 million.
  - 2. Each school district also receives a pro rata share of approximately \$20 million new funding based on its 2005-2006 market value/personal income aid ratio (aid ratio) applied to 16 percent of its 2004-2005 average daily membership (ADM).

3. Provide an additional \$1.1 million to guarantee a minimum two percent (2%) funding increase in school district formula for 109 public school districts.
- Continue the special education contingency fund allocation based on 1 percent of the special education appropriation -- approximately \$9.5 million.
  - Continue the CORE Services funding to intermediate units based on 5 percent of the special education appropriation, approximately \$47.6 million.
  - Continue the Institutionalized Children's Program funding to intermediate units - \$10.250 million.
  - Continue Community Services funding, approximately \$0.5 million.

How is the revenue number for the transportation developed?

Transportation revenue is estimated by multiplying 70% times our estimated eligible expenses. Eligible expenses include fuel and contracted expenses for “first run” transportation. Ineligible expenses are athletics, second run bus service, and the management of transportation. The formula is complicated and accounts for the age of the bus, size of the bus, and distance traveled.

How come the local revenue numbers in the issued spreadsheet are different than the audited numbers?

How come the total state revenue numbers in the issued spreadsheet are different than the audited numbers?

The spreadsheet was not updated from the 400 pages of detailed ledger that I use to build my estimates. The spreadsheet was provided strictly for historical comparison for the board. The 04-05 actual receipts are now updated from my detailed ledger.

What is the audited numbers for the individual codes?

The spreadsheet only consolidates codes that are extremely small so you are seeing the individual revenue codes.

How is the income from the recent auction and the sale of Market Street recorded in the revenues?

Currently the income generated from the sale of the Market Street School and auction is recorded in the 9400 function Sale of Real Property.

### Expense Questions:

1. All other 100 Account code expenditures: describe the nature of the expense and the amount budgeted
  - a. See attached spreadsheet “Payroll Estimate 1.25.06”
2. I have a problem with the expense side of the budget when it is presented at the major function and object level as it is presently being done. I would suggest that you direct

them to have expense budgets presented in spreadsheet format at the level of detail as presented to the Ad Hoc committee – including notes explaining specific line items. We can always roll the line item detail up to the summary level on our own.

- a. Attached you will have the documents given to the Ad Hoc committee plus an Excel and pdf version of the line item detail of the entire budget.

We need the expenditures shown down to the line item and then go through it line by line.

Where is the report, in an Excel Spreadsheet containing staff assignments, Includes all individuals who receive a check from WCSD: Employee Name, WCSD Identification number (not SSN), building, Position, BUN charge, Pay rate Hourly, Annual pay, # supplemental contracts, Total \$ supplementals, Eligible for benefits.

See attached document “WCSD Employees Jan 2006”

What are the expected efficiencies from Pentamation and the resulting impact on support staffing?

For this question I will only be speaking to the Finance/Payroll/Purchasing arm of Pentamation. While Pentamation does allow information to be more easily retrieved/analyzed/shared, there is still the implicit need to enter and process the information which is no more efficient or different than with the AS400 with the exception of purchasing. All payroll changes, updates, hour entry, and processing is not any less labor intensive than before. What it does provide you with is retrievable and manageable data. Additionally, accounts payable and receivable are also as labor intensive as before. The posting of revenues and payment of expenses require the same amount of labor as before. What Pentamation does provide in efficiency is in the ease of journal entries, balance transfers, account analysis, and data retrieval. This has allowed us to eliminate ½ of an FTE in accounting and still be able to complete the work. Purchasing will see efficiency when we go on-line with web based requisition processing. As it stands, a requisition is submitted via a hard copy and then a purchasing clerk processes the requisition into an electronic purchase order and then works it through the purchase process. With Pentamation’s Web Requisition module the purchasing clerk will be able to use the time savings to research better prices and have more oversight over individual purchases. While this will not save an FTE, it will provide savings through better pricing.

What are the details from the 04-05 audited report that can be matched up with the spreadsheet?

The Expenditure spreadsheet “Expenditure Est 1.25.06” is updated with the audited figures.