

**HARLAN COMMUNITY SCHOOL DISTRICT  
BOARD OF DIRECTORS – BUDGET HEARING**

**ELECTRONIC MEETING  
HOSTED IN THE BOARD ROOM - HARLAN COMMUNITY HIGH SCHOOL**

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Meeting ID: 703 757 122

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**April 6, 2020**

**5:30 p.m.**

**AGENDA**

- A. Call meeting to order and determination of a quorum
- B. Approve the Agenda
- C. Presentation of the 2020 – 2021 Budget
- D. Comments from the Public
- E. Adjourn

### **Parameters Set by the Board's Finance Committee**

- To keep the overall levy rate at no more than \$12.38
- Work towards having a solvency ratio of 10% to 12% within the next five years
- Keep the unspent authority at or above \$6,000,000

### **Revenues and Expenditures**

- Fiscal Year 2019
  - Revenues of \$21,396,355
  - Expenditures of \$21,458,207
- Fiscal Year 2020
  - Revenues of \$21,791,252
  - Expenditures of \$22,132,413
- Fiscal Year 2021
  - Revenues of \$22,265,583
  - Expenditures of \$22,236,443

### **General Fund Expenditure Comparison**

- Most categories the changes are due to staff costs

### **Other Fund Expenditure Comparisons**

- Timing of vehicle purchase in PPEL is biggest change
- All other funds have minimal change

### **Our Proposed Tax Levy for Fiscal Year 2021**

- Total levy rate of \$12.30250
- Levy rate for Fiscal Year 2020 was \$11.70
- \$12.30 is below the Board parameter maximum that was set at \$12.38

### **Projected Solvency Ratio for Fiscal Year 2021**

- Projected to be approximately 8.75%
- Options to increase this are limited in the short-term
- The options would require us to increase the levy rate either in the short or long term
- Goal was to be in the 10% to 12% within five years and we should be able to get there

### **Projected Unspent Authority at Completion of Fiscal Year 2021**

- Projected to be at \$6,138,954
- SPED deficit does have an effect on this and it is somewhat difficult to predict
- We have projected the SPED deficit will stay approximately the same
- This meets the Board parameter of at or above \$6,000,000

**REMINDER THAT ALL FUNDS ARE INCLUDED IN TOTAL BELOW**

Proposed Harlan School Budget Summary  
Fiscal Year 2020-2021

	Budget 2021	Re-est. 2020	Actual 2019	Avg %19-21	
Taxes Levied on Property	6,797,330	6,121,298	6,008,977	6.45%	>>>VALUATIONS HAVE INCREASED AND LEVY RATE INCREASED FOR 2021
Utility Replacement Excise Tax	97,502	94,804	95,244	1.2%	>>>VALUATIONS HAVE INCREASED AND LEVY RATE INCREASED FOR 2021
Income Surtaxes	597,569	666,101	597,621	0.0%	>>>MINIMAL CHANGE
Tuition/Transportation Received	968,000	968,000	968,998		
Earnings on Investments	45,030	47,730	64,789		
Nutrition Program Sales	380,000	378,400	351,517		
Student Activities and Sales	562,500	567,500	564,384		
Other Revenues from Local Sources	187,200	173,744	206,272		
Revenue from Intermediary Sources	0	0	0		
State Foundation Aid	9,123,097	9,317,592	9,017,775		
Instructional Support State Aid	36,340	0	0		
Other State Sources	1,545,490	1,546,057	1,563,423		
Commercial & Industrial State Replacement	93,219	86,202	86,670		
Title I Grants	175,000	174,923	181,503		
IDEA and Other Federal Sources	557,500	549,182	591,643		
<b>Total Revenues</b>	<b>21,165,777</b>	<b>20,691,533</b>	<b>20,298,816</b>		
General Long-Term Debt Proceeds	0	0	0		
Transfers In	1,099,806	1,099,719	1,097,539		
Proceeds of Fixed Asset Dispositions	0	0	0		
Special Items/Upward Adjustments	0	0	0		
<b>Total Revenues &amp; Other Sources</b>	<b>22,265,583</b>	<b>21,791,252</b>	<b>21,396,355</b>		
Beginning Fund Balance	4,001,232	4,342,393	4,404,245		
<b>Total Resources</b>	<b>26,266,815</b>	<b>26,133,645</b>	<b>25,800,600</b>		
<b>*Instruction</b>	<b>12,841,624</b>	<b>12,728,967</b>	<b>12,328,296</b>	<b>2.1%</b>	<b>&gt;&gt;&gt;LARGEST FACTOR IS INCREASES IN COMPENSATION COSTS</b>
Student Support Services	442,262	436,814	416,647		
Instructional Staff Support Services	1,009,525	980,002	851,839		
General Administration	415,472	474,471	433,313		
School Administration	999,547	991,440	966,543		
Business & Central Administration	453,498	449,331	417,595		
Plant Operation and Maintenance	1,266,281	1,317,711	1,323,227		
Student Transportation	867,652	930,519	918,876		
This row is intentionally left blank	0	0	0		
<b>*Total Support Services (lines 25-32)</b>	<b>5,454,237</b>	<b>5,580,288</b>	<b>5,328,040</b>	<b>1.2%</b>	<b>&gt;&gt;&gt;LARGEST FACTOR IS INCREASES IN COMPENSATION COSTS</b>
<b>*Noninstructional Programs</b>	<b>761,252</b>	<b>757,812</b>	<b>774,538</b>	<b>-0.9%</b>	<b>&gt;&gt;&gt;MINIMAL CHANGE</b>
Facilities Acquisition and Construction	302,000	238,546	218,076		
Debt Service (Principal, interest, fiscal charges)	1,087,806	1,087,719	1,085,672		
AEA Support - Direct to AEA	689,718	639,362	626,046		
<b>*Total Other Expenditures (lines 34-36)</b>	<b>2,079,524</b>	<b>1,965,627</b>	<b>1,929,794</b>	<b>3.8%</b>	<b>&gt;&gt;&gt;AEA SUPPORT INCREASED WITH ALLOWABLE GROWTH INCREASE AND MAINTENANCE COSTS HAVE INCREASED</b>
<b>Total Expenditures</b>	<b>21,136,637</b>	<b>21,032,694</b>	<b>20,360,668</b>		
Transfers Out	1,099,806	1,099,719	1,097,539		
Other Uses	0	0	0		
<b>Total Expenditures, Transfers Out &amp; Other Uses</b>	<b>22,236,443</b>	<b>22,132,413</b>	<b>21,458,207</b>		
Ending Fund Balance	4,030,372	4,001,232	4,342,393		
<b>Total Requirements</b>	<b>26,266,815</b>	<b>26,133,645</b>	<b>25,800,600</b>		
Proposed Property Tax Rate (per \$1,000 taxable valuation)	12.30250				
<b>BOARD PARAMETER OF NO MORE THAN \$12.38. THIS MEETS THAT PARAMETER.</b>					<b>PRELIMINARY SOLVENCY RATIO OF 8.75%.</b>

GENERAL FUND

HARLAN COMMUNITY SCHOOL DISTRICT  
GENERAL FUND EXPENDITURE COMPARISON

	2019-2020	2020-2021	INCREASE (DECREASE)	COMMENTS
INSTRUCTION	\$ 11,657,342	\$ 11,751,957	\$ 94,615	STAFF COSTS
STUDENT SUPPORT SERVICES(INCLUDES NURSE, AT RISK, GUIDANCE)	\$ 436,814	\$ 442,262	\$ 5,448	STAFF COSTS
INSTRUCTIONAL STAFF SUPPORT SERVICES(INCLUDES TLC, TECH)	\$ 925,002	\$ 954,525	\$ 29,523	STAFF COSTS AND TLC EXPENDITURES
GENERAL ADMINISTRATION(INCLUDES BOARD, SUPERINTENDENT)	\$ 464,530	\$ 405,472	\$ (59,058)	STAFF COSTS
SCHOOL ADMINISTRATION(INCLUDES PRINCIPAL OFFICES)	\$ 991,440	\$ 999,547	\$ 8,107	STAFF COSTS
BUSINESS AND CENTRAL ADMINISTRATION(CENTRAL OFFICE)	\$ 304,510	\$ 307,298	\$ 2,788	STAFF COSTS
PLANT OPERATION AND MAINTENANCE	\$ 1,219,851	\$ 1,194,281	\$ (25,570)	SAFETY COSTS CONTINGENCY BUILT IN FOR 2019-2020
STUDENT TRANSPORTATION	\$ 729,603	\$ 681,652	\$ (47,951)	STAFF COSTS
AEA FLOWTHROUGH SUPPORT	\$ 639,362	\$ 689,718	\$ 50,356	INCREASE DUE TO INCREASE IN ALLOWABLE GROWTH
TOTAL	\$ 17,368,454	\$ 17,426,712	\$ 58,258	

OTHER FUNDS

HARLAN COMMUNITY SCHOOL DISTRICT  
OTHER FUNDS EXPENDITURE TOTALS COMPARISON

	2019-2020	2020-2021	INCREASE (DECREASE)	COMMENTS
ACTIVITIES FUND	\$ 565,000	\$ 560,000	\$ (5,000)	SLIGHT DECREASE IN PROJECTED COSTS
MANAGEMENT FUND	\$ 403,663	\$ 407,667	\$ 4,004	INSURANCE COSTS
SAVE FUND	\$ 300,000	\$ 300,000	\$ -	NO CHANGE
PPEL FUND	\$ 548,846	\$ 592,000	\$ 43,154	TIMING OF VEHICLE PURCHASES
DEBT SERVICE FUND	\$ 1,088,919	\$ 1,089,006	\$ 87	SLIGHT INCREASE IN DEBT PAYMENT
NUTRITION FUND	\$ 757,812	\$ 761,252	\$ 3,440	STAFF COSTS

# Unspent Authorized Budget Worksheet

	Estimated FY19	Estimated FY20	Estimated FY21
1 Regular Program District Cost	9,688,624	9,811,509	9,783,526
2 Regular Program Budget Adjustment	0	0	126,098
3 Supplementary Weighting District Cost	279,114	312,387	183,938
4 Special Ed District Cost	1,091,688	1,225,005	1,238,243
5 Teacher Salary Supplement District Cost	830,208	840,794	840,794
6 Professional Development Suppl District Cost	97,487	98,655	98,655
7 Early Intervention Supplement District Cost	96,571	97,916	97,916
8 Teacher Leadership Supplement District Cost	467,189	473,153	473,153
9 AEA Special Ed Support	471,079	482,300	481,711
10 AEA Special Ed Support Adjustment	0	0	589
11 AEA Media Services	84,052	84,442	84,080
12 AEA Educational Services	92,933	93,349	92,954
13 AEA Sharing District Cost	0	0	1,112
14 AEA Teacher Salary Suppl District Cost	48,369	49,529	49,529
15 AEA Professional Dev Suppl District Cost	5,174	5,303	5,303
16 SBRC Modified Suppl Amt Dropout Prev	479,638	480,707	478,241
17 SBRC Modified Supplemental Amt Other #1	0	0	0
18 SBRC Modified Supplemental Amt Other #2	46,608	61,315	61,315
19 Special Ed Deficit Modified Suppl Amt	578,750	580,000	580,000
20 Special Ed Positive Balance Reduction	0	0	0
21 AEA Special Ed Positive Balance	0	0	0
22 Allowance for Construction Projects	0	0	0
23 Unspent Allowance for Construction	0	0	0
24 Enrollment Audit Adjustment	0	3,006	0
25 AEA Prorata Reduction	75,561	75,561	25,560
26 Maximum District Cost	14,281,923	14,623,809	14,651,597
27 Total Preschool Foundation Aid	229,024	254,560	229,060
28 Instructional Support Authority	738,854	743,712	797,300
29 Ed Improvement Authority	0	0	0
30 Other Miscellaneous Income	1,681,185	1,597,502	1,610,550
31 Unspent Auth Budget - Previous Year	6,294,014	6,426,030	6,277,159
32 Maximum Authorized Budget	23,225,000	23,645,613	23,565,666
33 Expenditures	16,798,970	17,368,454	17,426,712
34 Unspent Authorized Budget (UAB)	6,426,030	6,277,159	6,138,954
	Decrease from Prior Year	148,871	138,205

This is an illustration of general fund revenue projections.

↓ Prior Year Unspent Authority  
 ↓ Total Authority before Expenses  
 ↓ Projected Expenses  
 ↓ Ending Authority