



NASHOBA

Regional School District

To: Michael Wood, Superintendent
From: George King, Assistant Superintendent
Date: March 23, 2015
Subject: Historical Context for Excess and Deficiency

I have been requested to provide supplemental information for the previous two fiscal years (FY 2012 and FY 2013) to establish an historical context for the Excess and Deficiency data provided for FY 2014 in the previous memo. Overall it indicates the relative consistent “replenishment” of recent years that we have been discussing. The reasons vary a bit each year, some years are driven by more excess revenue, whereas other years are more due to surplus budget.

Revenue

Overall the revenue surplus has tended to come from regional transportation and Medicaid reimbursement. These are two extremely difficult categories to predict. We have increased our transportation budget over the last couple of years to reflect experience. The Medicaid experience as you can see is widely variable and difficult to rely on. The balance of the revenue is pretty consistent. The only other significant change we have seen is on Chapter 70 funds when the final state budget in July or August is adopted and impacts this amount.

Expenses

We are often discussing the fact that much of our budget is human resources related and any surplus has tended to come from this area, either benefits or salaries. What we have avoided in recent years is deficits in major accounts such as tuitions or energy.

Further Reflection on Current Condition

Once again I reemphasize the current fiscal year is different than we have seen for many years. Although we still will likely have a similar size surplus in insurance and benefits, we will have minimal if any surplus in salary. As stated previously we have two major deficits, with snow and OOD tuitions. There is significant concern as to whether or not we will have any net surplus at the end of this fiscal year. Therefore the E and D certification would have been significantly less going forward as there is minimal “replenishment” available this year. An average revenue surplus based on historical trends would be the main potential for any “replenishment”. If the recommended amount of \$1,000,000 is spent in this budget we would see a diminishment of several hundred thousand dollars in our balance due to this situation. If we spend more than \$1,000,000 there will be a further significant diminishment in the balance.

Here is a recap of FY 2012 and FY 2013 to reflect the FY 2014 information in the other memo:

Fiscal Year 2012

<u>Revenue Category</u>	<u>Budgeted Amount</u>	<u>Actual Amount</u>	<u>Difference</u>
Regional Transportation	\$699,017	\$805,469	\$106,452
Medicaid	\$75,000	\$193,420	\$118,420
Charter School	\$95,000	\$61,923	(\$33,077)
Misc. Revenue	\$1,223,354	\$1,237,833	\$14,479
Interest	\$60,000	\$23,015	(\$36,985)
		Total Revenue Surplus	\$169,289
<u>Expense Category</u>	<u>Budgeted Amount</u>	<u>Actual Amount</u>	<u>Difference</u>
Insurance and Benefits	\$6,547,000	\$6,168,803	\$378,197
Charter School Tuition	\$462,621	\$427,852	\$34,769
SPED Legal	\$25,000	\$7,262	\$17,738
SPED Transportation	\$850,724	\$813,948	\$36,776
Salaries	\$27,540,287	\$27,381,356	\$158,931
Misc Accounts			\$43,202
		Total Budget Surplus	\$669,613
Recap			
7/1/11 E&D	\$2,149,707		
Use in FY 12 Budget	\$950,000		
7/1/12 E&D	\$1,982,889		
Total Surplus	\$838,902		

Fiscal Year 2013

<u>Revenue Category</u>	<u>Budgeted Amount</u>	<u>Actual Amount</u>	<u>Difference</u>
Regional Transportation	\$750,000	\$810,229	\$60,229
Medicaid	\$75,000	\$223,278	\$148,278
Chapter 70	\$6,128,165	\$6,330,456	\$202,291
Charter School Reimbursement	\$75,000	\$119,223	\$44,223
Interest	\$40,000	\$13,060	(\$26,940)
Miscellaneous Revenue	\$1,035,000	\$1,025,793	(\$9,207)
		Total Revenue Surplus	\$418,874

<u>Expense Category</u>	<u>Budgeted Amount</u>	<u>Actual Amount</u>	<u>Difference</u>
Insurance and Benefits	\$6,127,891	\$5,780,436	\$347,455
System Wide	\$5,155,214	\$5,098,852	\$56,362
SPED Transportation	\$843,689	\$832,301	\$11,388
Salaries	\$28,509,129	\$28,389,431	\$119,698
Misc Accounts			\$52,206
		Total Budget Surplus	\$587,109
<u>Recap</u>			
7/1/12 E&D	\$1,982,889		
Use in FY 13 Budget	\$950,000		
7/1/13 E & D	\$2,200,778		
Total Surplus	\$1,005,983		