

June 1, 2018 Budget Update for the Board

The budget talks with the Commissioners are well underway. Bubba has talked with Mark at length to get a compromise budget developed that will fund the school system's needs, but remain within the county's ability to maintain its tax rate and fund the other departments. At this point, my interpretation of the talks leaves us with an Operating Budget as follows:

- Fund all of the 2017-12018 budget - \$23,020,046;
- Increase that allocation to account for the state-mandated increases - \$405,875;
- Fund two of the mental health professionals, but set that into a contingency fund until we know the results of the proposed Trillium grant (June 30) - \$125,000; and,
- Fund 50% of the salary adjustment this year and fund the remainder next year - \$185,000.

In addition, the state released information this week that further increased the retirement contribution. The 2017-2018 contribution was 17.13% and the state's projection for next year was an increase to 18.44%, the figure we used in our budget request. This week, however, the state has revised that increase to require even more funding with a projected rate of 18.86%. That 2.25% increase will cost us an additional \$40,000. Bubba and Mark are working to include that unexpected change into the budget, as well.

The final piece of the budget picture is much more disconcerting. MaST is on the state's approval track, however we learned yesterday that the Senate Bill removes the funding for all newly approved early colleges. For us, this is a \$180,000 slice into that school's budget rendering it practically defunct. I have contacted Pat McElraft and Norm Sanderson via phone and email to seek their help in getting the associated funding. At the time of this update, I have heard from Sen. Sanderson's administrative assistant stating that he was unaware of this issue and she will seek additional information about the cut. Pat called me this morning and stated that she was unaware of the funding cut and stated there was little she could do to restore it since the budget was an up or down vote. She later emailed stating that the early colleges will have to wait for next year's legislative long session for possible funding. That delayed funding puts us at a distinct disadvantage as we cannot open a new school on the prospects that it may receive

funding in a year. We could wait a year to start the school and have clear, decisive funding in place, of course dependent upon the local funding.

I talked with John Hauser today to determine if other funding sources are available. He thought we could look for staffing reductions, but that does not even approach the cuts we would need to make, not to mention the cuts in educational delivery due to these teacher reductions.

It is possible that an omnibus bill could be instituted by the legislators as I am sure many other items have been overlooked due to the means they took to approve this budget. This would be perhaps our only recourse to recover the MaST funding, but that significant delay would certainly put the school's 2018-2019 opening in jeopardy.

The overall revised Operating Budget request is:

Current Budget	\$22,136,046 (does not include Fines, Forfeitures, or Fund Balance)
Mandated Increases	\$ 405,766
Mental Health Reserve Fund	\$ 125,000
Salary Adjustment	\$ 185,000
Retirement Increase	<u>\$ 40,000</u>
Sub Total	\$22,891,812
MaST (if State Funded)	<u>\$ 186,358</u>
Total Operating Budget	\$23,078,170

There is also an \$8,000 pass thru for the SRO at WOES.

This is a Thursday update and more information may be forthcoming. I will include a further update in tomorrow's email.

Thank you.

Mat