

**SOUTH KINGSTOWN PUBLIC SCHOOL
FACEBOOK LIVE SESSION 2**

Manit
5-1-23

YEAR TO DATE REPORT BUDGET REPORT

The Year to Date Budget Report is a financial system generated report that includes the "**Actual Expenditures**" paid to date and "**Encumbered Expenditures**". Encumbered expenditures are **known** contractual/mandated expenditures that will be paid before the end of the fiscal year (example are remaining employee salary/benefits, out of district tuition, transportation, etc.)

Available Budget-is the dollars available for future expenditures that have not been paid or encumbered. Below is the available budget within the General Fund. The available budget is **not a surplus** but the available dollars to pay all remaining expenditures in the final months of the fiscal year.

- Available Budget on May 1, 2023 \$2,127,903
- Available Budget on May 22, 2023 \$1,351,721
- Available Budget on May 24, 2023 \$1,292,169
- Available Budget on May 31, 2023

As Final
Expenditure
are paid-the
available
budget is
reduced

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**WHAT EXPENDITURES DOES THE DISTRICT
STILL HAVE THAT WILL BE PAID OUT OF THE
“AVAILABLE BUDGET”?**

Below are **Examples** of Expenditures that will be Paid out of the Available Budget-

- Final Payment of Employee Contractual Obligations (Severance Payments for Employees that will Retire or have Resigned, Contractual Year End Payments for Existing Staff, Employee Contractual Ratification (Retroactive & Other Payments)
- Future Substitute Costs, Overtime Costs, Class Coverage, Final Employer Portion of Retiree Expenditures
- All Non Compensation Cost (Future Repairs/Maintenance Expenditures, Graduation Expenditures, Final Special Education Expenditures, Utility Costs, Legal Expenses, etc.)

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CAN YOU EXPLAIN PER PUPIL EXPENDITURE CALCULATION?

- The Per Pupil Amount is calculated by dividing Average Daily Membership into Total Expenditures. The Average Daily Membership (ADM) refers to the Average Number of Students Enrolled within the District Each Day over a Specific Time Period. The Per Pupil Calculation includes All **Expenditures Reported by a School District** from **All Funding Sources** received within a Specific Fiscal Year (which includes **Grant Funding and Private Donations**).
- Per Pupil Expenditures include Mandated Expenditures such as Employee Compensation, Out of District Tuition, Transportation, Utilities, and any Other Cost (from Any Funding Source) that are **Reported** by a School District to Rhode Island Department of Education.
- The Next Slide provides a Summary of Per Pupil Calculation for Similar **Districts-Please Note that This is Based on What Each District Reports Which can Differ from District to District** (for example- School Department Share of Town-Wide Expenditures, Capital Expenditures, Reporting all Grant and Private Donations)
- Grant Funding such as **ESSER Funding** can Increase Per Pupil Expenditures and when the Funding ends- the Per Pupil can Decrease as the Calculation is based on Total Expenditures from All Funding Sources (For Example-FY 2022 Per Pupil Would Include ESSER Funding for Many Districts)

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**Below is a Summary of 2021 Per Pupil Calculation by Object Code Summary
(District by Proximity and Similar Size)**

Rhode Island Department of Education FY 2021 Per Pupil Calculation and UCOA Object Code Summary

OBJECT Summary Level - Expenditures Per Pupil	Westerly	Narragansett	South Kingstown	Newport	North Kingstown	Portsmouth	East Greenwich	Barrington
51 Personnel Services - Compensation	13,821	14,317	12,796	12,570	10,765	10,595	9,787	10,081
52 Personnel Services - Employee Benefits	5,804	6,437	5,444	6,021	4,118	3,795	3,282	3,560
53 Purchased Professional & Technical Services	512	554	528	1,056	727	528	735	623
54 Purchased Property Services	1,099	357	270	344	775	293	534	242
55 Other Purchased Services*	2,598	1,469	3,749	2,062	1,520	2,287	1,699	1,270
56 Supplies	1,119	793	706	815	877	618	639	519
57 Property	644	684	289	305	514	643	227	266
58 Debt Service and Miscellaneous	38	31	25	65	40	28	16	42
59 Other Items	50	93	42	76	67	72	85	35
Total FY 21 Per Pupil/Object Summary	25,684	24,735	23,850	23,313	19,402	18,859	17,004	16,639
Average Daily Membership	2,411	1,215	2,704	1,976	3,853	2,292	2,514	3,361
* Major Categories within Purchased Property Services								
Tuition to Other Publics Only	2,830,275	686,848	3,343,285	458,937	2,255,990	586,598	410,280	294,569
Tuition (Special Education/Other)	2,324,203	563,819	1,711,997	1,113,534	1,584,611	1,377,459	1,191,860	1,481,130
Transportation	69,639	905	4,087,675	1,572,471	1,586,063	2,492,130	1,878,725	1,549,847
*Transportation Staff (District Transportation Sta	1,100,436	1,100,436	86,479	51,626	1,340,323	208,259	N/A	232,922

*Please note that District Transportation Staff can be staff to monitor and oversee transportation, school bus drivers, bus monitors, etc)

FY 22 Per Pupil	26,177	26,942	25,717	26,474	20,026	20,242	18,349	17,903
Average Daily Membership	2,345	1,212	2,589	1,963	3,845	2,218	2,534	3,366
Tuition to Other Publics Only	2,501,203	598,730	3,917,702	465,112	2,210,705	532,100	443,220	343,652

PLEASE NOTE THAT PER PUPIL IS BASED ON ACTUAL EXPENDITURES WITHIN A FISCAL YEAR - GRANT FUNDING AND PRIVATE DONATIONS WILL IMPACT THE CALCULATION

**South Kingstown Average Daily Membership is Declining yet the Tuition to Other Public Schools is Increasing
(Please note Rhode Island Department of Education has not released the Object Summary Detail for FY 22 Per Pupil)**

South Kingstown
Highest Cost Per
Pupil for
Mandated
Tuition and
Transportation

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CAN YOU EXPLAIN THE BREAKDOWN OF PROPOSED REDUCTION TO ATHLETICS IS THE REFERENDUM PASSES AND THE SCHOOL DEPARTMENT HAS TO REDUCE BY \$1.5 MILLION? IT IS CONFUSING AND WE ARE UNSURE IF THAT IS JUST FOR COACHING STAFF?

RIIL -Rhode Island
Interscholastic League

RIPCOA-Rhode Island
Principal's Committee of
Athletics (Middle School)

BREAKDOWN OF FALL SPORTS REDUCTION

COACHING STIPENDS	\$59,598
TRANSPORTATION	\$43,000
UNIFORMS	\$12,840
OFFICIALS	\$13,927
GAME OPERATIONS	\$4,300
EQUIPMENT	\$8,782
RIIL (High School) DUES	\$1,000
RIPCOA (Middle School) DUES	\$333
UNIFIED SPORTS DUES	\$1,107
TRAINER FEE	\$8,333
Total Reduction	\$153,220

Mark P.
5-1-23

WHAT IS THE DISTRICTS UNDESIGNATED “FUND BALANCE” FOR EMERGENCIES? WHY CANNOT WE USE THOSE FUNDS TO SAVE ATHLETICS?

- The “Undesignated Fund Balance” can only be used for Identified One Time Expenditures since **Fund Balance is not a Continuous Funding Source**. Using One Time Funding, such a Fund Balance, to Pay for Continuous Annual Expenditures (Example Athletics) Creates what is Called a “**Structural Deficit**”. This happens when a District spends more Expenditures than the Revenue it Receives (Expenditures Exceeding Revenue Creates a Deficit). Any Use of Fund Balance within a Fiscal Year must be Reported to the Division of Municipal Finance-as Knowingly creating a Structural Deficit is Against the Law.
- “Undesignated Fund Balance” is the Balance that is Available to Use in the Future for **One Time Expenditures**. Any Year End Balance within Grant and Private Funds are Restricted to the Specific Use which is Detailed when the Grant or Private Donation is accepted by the School District.
- The Budget/Finance & Policy Subcommittees updated the “Annual Budget Development, Implementation, and Management Policy (3110) in January 2022 to reflect the Law regarding Classification of Fund Balance (Policy was originally Adopted in 1972)

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SUMMARY OF “UNDESIGNATED FUND BALANCE” AS OF 5/31/23

FY 2023/24 Proposed Budget-Assignment of Fund Balance-General Fund

Ending Balance 7/1/2021	\$ 3,468,894
FY 21/22 Designated Fund Balance for Capital Fund	\$ (537,213)
FY 21/22 General Fund One Time Expenditures	\$ (244,558)
FY 21/22 Audited Financial Statements	\$ 2,687,123
FY 22/23 Designated Fund Balance for Capital Fund	\$ (621,586)
FY 22/23 Budgeted General Fund One Time Expenditures	\$ (247,927)
FY 22/23 Estimated Balance Based on Budgeted Use of Fund Balance	\$ 1,817,610
FY 23/24 Designated Fund Balance for Capital Fund	\$ (541,723)
FY 23/24 Budgeted Fund Balance General Fund One Time Expenditures	\$ (270,400)
	\$ 1,005,487

Budgeted Fund Balance will be adjusted to Actual Use of Fund Balance after FY 23 Audit is Completed (December 2023)

This is the estimated Undesignated Fund Balance based on the Budgeted Use of Fund Balance (FY 23 & FY 24)

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WHY HAVEN'T THERE BEEN ANY TAX SAVINGS OVER THE PAST FEW YEARS WHEN WE HAVE SEEN THE SCHOOL DISTRICT CLOSE SCHOOLS AND CUT PROGRAMS AND HAS DECLINING ENROLLMENT?

- The School District is not able to Answer Questions about Taxes-This Would be a Question Answered by Town Administration.
- There are Annual Increases within the School Department's Fiscal Year Budget. These Increases Include Employee Contractual Agreements (Including Step Increases-RIGL, Benefit Increases, and Other Contractual Obligations), Utility Costs, Transportation, Out of District Tuition, Special Education Services, etc.
- The FY 2024 Budget is the 4th Year that the School District has had the Exact Same Funding From the Town. Without an Increase in Revenue to Cover Expenditures, the District has Reduced Staff, Cut Programs, and Closed Schools, and used Fund Balance to Support One Time Capital and Other Expenditures This was Necessary to Cover the Increased Costs Mentioned Above.
- Not Receiving Any Increase in Town Appropriation for Education is Actually Favorable to the Tax Rate

Mar R
5-1-23

**WHY CAN'T THE DISTRICT ANALYZE POSITIONS WITH
RETIREMENTS AND RESIGNATIONS-DOESN'T THAT SAVE
MONEY?**

- The School District Continuously Analyzing Positions and All Expenditures within the Annual Budget. When there is a Retirement/Resignation that Adjustment is Reflect within the Budget.
- When an employee Retirees from the District there is an Additional Cost for Health and Other Benefits based on Contractual Agreements. Employees that are Newly Hired in the District are Placed on Class(Degree) and Step according to their Education and Prior Teaching Experience. Many Applicants that Apply to the District have Advanced Degrees and Teaching Experience.

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WOULD THE SCHOOL DISTRICT CONSIDER HAVING AN INDEPENDENT AUDITOR REVIEW THE PATH AND USAGE OF MONEY IN THE DISTRICT? THIS COULD REASSURE THOSE WHO ARE QUESTIONING THE BUDGET.

Annual Audits (including Municipal Transparency Report) Can be Found on Town of South Kingstown Website-Annual Comprehensive Financial Reports

- Both School and Town have Annual Audits from an Independent Auditor. There are also Annual Single Audits that are Required for Districts that receive Grants Funding over \$750,000.
- We are also required to have a Supplemental Report within the Annual Audit (Municipal Transparency Report) that is a Crosswalk from Annual Financial Statements to the Municipal/School Budgeted and Actual Expenditures.
- All School Expenditures are Reviewed and Reported Annually for Compliance with the Uniform Chart of Accounts (UCOA) which is the UCOA Agreed Upon Procedures Report.
- All Reports Mentioned are Audited Annually by an Independent Auditor. Reports can be Found on the Town of South Kingstown Website and also on the Division of Municipal Finance Website.
- Detailed Revenue and Expenditures (Uniform Chart of Accounts) for All School Districts are listed on Rhode Island Department of Education Website. Reports are also Provided Annually to the General Assembly.

Detailed Reports for All Municipalities and School Districts are located on Division of Municipal Finance Transparency Portal

Detailed Revenue and Expenditure Reports for All School Districts Since 2010 are located on Department of Education Website-School District Financial Data

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