

Education and Contingency Fund Planning for 2024/2025 School Year

BUDGET ADDENDUM:

Developing a sustainable general fund operational budget for
Newport Public Schools

Budget challenges came from a series of events

☐ **First school year in 4 years without "Federal Stimulus Assistance" (ESSER)**

☐ **\$2M Emergency Assistance allocated from Education Fund to RHS Building Project**

☐ **Declining enrollment which has lead into a reduction in State Aid for 2 consecutive years**

[2024 reduction \$700K; 2025 reduction \$180K (forecasted) plus the \$700K reduction from prior year = \$1.58M]

Enrollment decrease of 7.5% Enrollment: **2018** in 2014 to **1868** in 2024 – **decrease of 150**

Demographic changes Black: **25%** in 2014 to **19%** in 2024 – **decrease of 6%**

Hispanic: **23%** in 2014 to **40%** in 2024 – **increase of 17%**

White: **46%** in 2014 to **34%** in 2024 – **decrease of 12%**

Free & Reduced Lunch Eligibility: **61%** in 2014 to **65%** in 2024 – **4% increase**

☐ **50% increase in population of out of district special education service needs within district** (resulting from transition program, DCYF placement or ODP w/ IEP)

Began 2023/2024 School Year with **42 ODP** – Now have **63 ODP - 50% increase** Estimated budget impact of \$715K in 2024/2025 school year

☐ **In order to attain Student Achievement, funding needs to be repurposed and added, to meet the needs of the students in front of us today and going forward.**

IEP pop. increased **6%** **16%** or **323 students** in 2014 to **22%** or **411 students** in **2024**

ELL pop. increased **15%** **5%** or **100 students** in 2014 to **20%** or **374 students** in **2024**

☐ **Global economic impact post-Covid-19**

cost of goods and services increased approximately **20%**

☐ **Annual Operational Increases (\$1.6M)**

**IEP = Individual Education Plan*

**ODP – Out of District Placement*

**Revenue Expense
Summary**

Newport Public Schools

**FY2025 Draft
Budget 4/25/24**

	<u>Expense</u>	<u>FY 2022 Actuals</u>	<u>FY 2023 Actuals</u>	<u>FY 2024 Budget</u>	<u>FY 2025 Draft Budget</u>
51000	Salaries	\$24,388,262.36	\$25,814,974.94	\$26,897,821.58	\$28,429,070.17
52000	Fringe Benefits	\$11,673,907.86	\$11,211,466.62	\$11,547,606.40	\$12,048,415.34
53000	Purchased & Professional Technical Services	\$994,349.91	\$1,274,435.47	\$1,368,982.79	\$1,575,678.24
54000	Purchased Property Services	\$682,942.29	\$933,957.25	\$723,000.00	\$831,000.00
55000	Other Purchased Services	\$3,723,545.77	\$4,342,838.19	\$4,172,566.75	\$5,034,045.71
56000	Supplies & Materials	\$1,292,225.48	\$1,334,366.55	\$1,476,250.00	\$1,549,250.00
57000	Property & Equipment	\$78,475.51	\$224,012.22	\$2,000.00	\$2,000.00
58000	Miscellaneous	\$79,469.40	\$471,518.93	\$73,500.00	\$73,500.00
59000	Other	\$310,209.98	\$0.00	\$0.00	\$0.00
	Grand Total	\$43,223,388.56	\$45,607,570.17	\$46,261,727.52	\$49,542,959.47

		<u>FY 2022 Actuals</u>	<u>FY 2023 Actuals</u>	<u>FY 2024 Budget</u>	<u>FY 2025 Draft Budget</u>
41210	Local Appropriation	(\$27,277,681.00)	(\$27,277,681.00)	(\$27,823,157.41)	(\$28,936,083.71)
41321	Tuitions - Other LEA's	(\$1,134,750.00)	(\$1,345,708.00)	(\$1,275,000.00)	(\$1,300,000.00)
41520	Trust Fund Income	(\$112,352.58)	(\$68,414.36)	(\$100,000.00)	(\$100,000.00)
41707	Other Fees (IDC)	(\$163,093.65)	(\$123,291.83)	(\$415,000.00)	(\$150,000.00)
41901	Rental (Field/Pool/Bldgs.)	(\$742.16)	(\$1,507.59)	(\$0.00)	(\$0.00)
41920	Contributions & Donation	(\$1,000.00)	(\$300.00)	(\$0.00)	(\$0.00)
41922	Instructional Support	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
41980	Refund PY Exp's	(\$12,001.45)	(\$12,459.58)	(\$0.00)	(\$0.00)
41990	Miscellaneous	(\$11.00)	(\$159.38)	(\$6,000.00)	(\$6,000.00)
43101	Unrestricted State Aid	(\$14,926,072.00)	(\$15,633,109.00)	(\$14,958,018.00)	(\$14,708,018.00)
44101	Impact Aid	(\$542,386.00)	(\$708,972.00)	(\$560,000.00)	(\$600,000.00)
44103	JROTC Reimbursement	(\$83,417.37)	(\$88,648.76)	(\$84,000.00)	(\$90,000.00)
44107	Indirect Cost	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
44901	Revenue for/on Behalf of	(\$452.00)	(\$0.00)	(\$0.00)	(\$0.00)
44202	Medicaid	(\$487,723.87)	(\$315,721.48)	(\$430,000.00)	(\$430,000.00)
45405	OFS - Leased Equipment	(\$67,261.00)	(\$37,120.00)	(\$65,000.00)	(\$65,000.00)
45201	Transfers In	(\$0.00)	(\$0.00)	(\$545,552.11)	(\$1,112,926.30)
45501	Proceeds from Capital Leases	(\$47,049.00)	(\$51,472.00)	(\$0.00)	(\$0.00)
45505	Interest Revenue - Leases	(\$18,637.00)	(\$16,184.00)	(\$0.00)	(\$0.00)
49701	****Custodial Funds Revenue	(\$316,974.31)	(\$454,930.29)	(\$0.00)	(\$0.00)
	Grand Total	(\$45,191,604.39)	(\$46,135,679.27)	(\$46,261,727.52)	(\$47,498,028.00)

(4% increase in Local
Appropriation)
(\$1,112,926.30)

(\$14,708,018.00) Jan 24' Estimate

April est. State Aid \$15M -
*not yet final

(\$1,112,926.30) Ed. Fund Balance

VARIANCE (SHORTFALL)

\$2,044,931.47

****This includes a 4% increase in local appropriation****

\$2M - Budget GAP

Education Fund Balance \$2,204,884.67 (before 2024/2025 SY contributions)

Current Budget Gap of \$2M includes a 4% ask/increase from Local Appropriation of (\$1.1M) & includes \$1.1M from School Departments Education Fund Balance.

Strategy use half \$1.1M of the \$2.2M Education Fund Balance (\$1.1M remaining)

Budget GAP: \$4.2M

School Ed. Fund: \$1.1M

City Contribution 4%: \$1.1M

\$2M Budget dilemma to figure out by June 2024

identify a way during next school year to offset elimination of Education Fund Contribution **(\$1.1M) as well as annual operational increases **(\$1.6M)** through further budget reductions**

Pathway to Balanced 2024/2025 Budget:

☐ Restructure student service department	[\$170K]
☐ Dual certification job description update	[\$350K]
☐ Reduction of staff required to balance budget	[\$1.21M]
☐ Reduce maintenance & repair budget	[\$79K]
☐ Utilize grant funding for tiered support services	[\$128K]
☐ Professional Development support through annual grants	[\$100K]
☐ Health Insurance premiums from forecast to actual	[\$60K]
☐ Eliminate Budget for Claims & Settlements	[\$10K]
☐ Reduction to Legal Services Budget	[\$20K]
☐ Reduce overtime budget (\$20K-from \$80K to \$60K)	[\$20K]
☐ Reduce general supplies budget	<u>[\$42K]</u>
	[\$2M]

Pathway for Future Years use of Education Fund Balance (\$2.2M)

\$1.1 remaining balance estimated to start the 2024/2025 School Year

- ★ \$700K - 2025-2026 school year
- ★ \$400K - 2026-2027 school year

City Future Education Appropriation Planning

- ★ 4% 2025-2026 school year (approx. \$1.1M)
- ★ 4% 2026-2027 school year (approx. \$1.1M)

The School Department will continue to operate within the parameters of the annual approved general fund operating budget.



Pathway for Future Years use of Contingency Fund Balance (\$1.7M)

Planned use of Contingency Fund (\$1.7M)

Backup Generator Pell (May 2024) committed - **\$150K**

RTU TMS (June 2024) committed - **\$400K**

Security Enhancements at Entrance (July 2024) committed - **\$500K**

Pell RTU (*potentially* September 2024) earmarked- **\$500K**

\$150K uncommitted balance of the Contingency Fund for 2024/2025 School Year

*RTU – Roof Top Unit (HVAC System)