
DEUBROOK AREA SCHOOL DISTRICT 5-6

**STATE OF
THE DISTRICT**

planning for 2019-2020

TYPES OF FUNDS

- General Fund
- Capital Outlay
- Special Education
- Pension (no longer funded)
- School Food Service
- Drivers Education / Preschool

Each fund has a separate revenue source and separate set of allowable expenditures

GENERAL FUND REVENUE

- “State Aid Need” (General Aid Calculator)
 - Calculated by the number of students enrolled
 - Last Friday in September
- LOCAL EFFORT deducted from STATE AID
 - Local Effort = taxes and “other revenue”
 - FY19/20 is **2nd year of 5-year equalization** of “OTHER REVENUE”

“equalized local effort”

- utility taxes
- revenue in lieu of taxes
- county apportionment
- wind farm tax
- bank franchise tax

GENERAL FUND REVENUE DECREASE

- SY18-19 = decrease SY17-18 at approximately \$175,000.00
 - \$52,000.00 (other revenue) + \$123,000.00 (pension fund)
- **SY19-20 = decrease SY18-19 at approximately \$190,000.00**
 - \$120,000.00 (other revenue) + \$70,000.00 (student count)
 - Student Count:
 - September enrollment SY18-19 = **378** students
 - Projected enrollment SY19-20 = **364** students
 - $378 - 364 = 14$ @ approximately \$5000.00 each = **\$70,000.**
- SY20-21 / SY21-22 / SY22-23 = projected decrease of \$140,000.00 / year

A LITTLE MORE TO THE STORY...

- **SY19-20 = decrease SY18-19 at approximately \$190,000.00**
 - \$120,000.00 (other revenue) + \$70,000.00 (student count)
- Legislature is promising a State Aid Increase...
 - Gov. Daugaard (2.3%)... Gov. Noem (2.5%)... Legislature (???)
- Return of “other revenue” to our district:
 - SY18-19... decrease of \$51,475.00 (our “local effort”)...
return of \$12,196.00 (our portion of reallocated from all)
 - SY19-20... decrease of \$120,000.00 (our “local effort”)... return of ???

GENERAL FUND EXPENDITURES

- 74% of General Fund Expenditures = Salary and Benefits
- Additional Expenditures = bussing, classroom supplies, purchased services (lawyer fees, building repairs, snow removal, etc.)

School District Response for FY18-19... general fund cuts of \$181,680.00

School District Response for FY19-20: \$190,000.00 less translates into:

- general fund cuts and/or
- spend down fund balance (basically a savings account) and/or
- flex capital outlay fund dollars (differed maintenance?)

MISCONCEPTIONS

- Why are you hiring some positions while eliminating some other positions?
 - New hires paid out of Special Education Fund (not general fund)... separate levy revenue source + required by Federal Law for FAPE
- Why did you cut positions in spring and then give a raise in the fall?
 - State Law – Accountability for Average Teacher Compensation (salary and benefits)
- Why did you cut general fund expenditures and then buy a car?
 - Balanced fleet for variety of situations (one staff member in a Suburban)
 - Cheaper to put gas in the car than in the Suburban
- Why pay for HVAC improvements when we have decreasing revenue?
 - Improvements pd out of Capital Outlay Fund... fuel & repairs out of General Fund
 - Deferred improvements cost more
- Are we actually going to be able to stay competitive with new staff members?

CAN WE STAY COMPETITIVE?

Average Teacher Compensation Comparison

District	Average Total Compensation FY2018	Cost per ADM (student count)	Total # of Attendance Centers
Deubrook	\$58,796.00 (1)	\$11,042.00 (3)	2 + 2 colony
Hamlin	\$58,510.00 (2)	\$7,449.00	1
Sioux Valley	\$58,349.00 (3)	\$8,913.00	1
Castlewood	\$57,624.00	\$8,572.00	1 + 1 colony
DeSmet	\$57,267.00	\$11,117.00 (2)	1
Deuel	\$57,167.00	\$8,788.00	1
Elkton	\$56,986.00	\$9,131.00	1 + 2 colony
Lake Preston	\$56,319.00	\$14,245.00 (1)	1

CAPITAL OUTLAY REVENUE

- Revenue dependent on taxes
- ALL LOCAL EFFORT

FY18/19 = 1,252,238.00

2021... \$2800/student cap =
approx. \$200,000.00 less / year

CAPITAL OUTLAY EXPENDITURES

- Textbooks / Technology / Equipment / Furniture / Vehicles
- Building Improvement & Repairs (HVAC / Lighting / Exterior)
- Supplement General Fund (45% transfer into allowed by state law)

WHAT HAPPENS NOW?

- Wait for Legislature to tell us our final % increase
- Begin discussions within board:
 - If we cut... where?
 - If we spend down fund balance... how much?
 - If we flex capital outlay funds... how much?
- Initial budget will be made public in May.

QUESTIONS??