

PARKER UNIFIED SCHOOL DISTRICT NO. 27
1608 Laguna Avenue
Parker, AZ 85344

MINUTES OF THE BUDGET HEARING OF THE BOARD OF EDUCATION

PLACE: District Office Conference Room, 1608 Laguna Avenue
DATE: December 13, 2011
TIME: 9:00 AM

MEMBERS

PRESENT: Mr. Rudy Parker, President
Mrs. Deanna Beaver, Member
Ms. Margaret Dewey, Member
Mrs. Dolores Ferris, Member
Mrs. Amelia Flores, Member

MEMBERS

ABSENT: None

OTHERS

PRESENT: James Lotts, Superintendent
Brad Sale, Assistant Superintendent
Denyce Cribbs, Executive Assistant

I. OPENING ITEMS

A. Call to Order

The meeting was called to order at 9:00 AM by Mr. Parker, President.

B. Adopt Agenda

Mrs. Beaver moved, seconded by Ms. Dewey, to adopt the agenda of the December 13, 2011, budget hearing. Motion carried unanimously.

II. DISCUSSION ITEM

A. Pursuant to A.R.S. §15-905, A.R.S. §15-910, and A.R.S. §15-915, hold budget hearing to discuss the FY2012 Expenditure budget.

Mr. Sale explained that school district budgets can be revised twice during the course of a fiscal year, by December 15th, and then again by May 15th. The December 15th budget revision is generally done to correct differences between what the Arizona Department of Education calculates as budget limits, and what the school district estimates as budget limits when the budget is initially proposed. Because the initially proposed budget has to be completed in June in order to satisfy publication requirements, school districts are still waiting to close out the fiscal year. There are expenditures that can be charged to the preceding fiscal year if received by June 30th but not paid for until up to 60 days later (the encumbrance period). Therefore, the budget we adopt in July is almost always off by certain amounts. Even this budget will most certainly be revised later in the year to account for student growth (generally due to increases in special education numbers) and budget reductions required by the legislature. For this budget revision, adjustments may be made based on a review of specific ADE reports, the APOR 55 (a state aid apportionment reports that also includes ADE's calculations for student count, Group B weights, and various support levels), BUDG25 and BUDG75 which are budget reports that reconcile current year budgeted amounts and past year budgeted amounts and limits. These reports are updated after the school district submits its Annual Financial Report (AFR) in November.

Mr. Sale summarized the M&O Budget for the current revision: Our Total General Budget Limit is reduced from \$10,965,906 to \$10,730,863. This is a difference of \$235,043. Out-of-state tuition has been reduced from \$809,188 to \$771,840, a difference of \$37,348. In June when we worked on the adopted budget we estimated that seventy-eight California elementary students would enroll at PUSD. In fact, seventy-one California elementary students are currently enrolled. That accounts for the loss of tuition revenue. The next major area is our Budget Balance Carry Forward (BBCF). On our adopted budget, we had a BBCF of \$352,372. On June 30th as part of the budget reductions state wide, our district lost \$189,631. This was after the budget revision in May. We were told it would affect our BBCF at that time. PUSD has used the rest of its EDU-Jobs money to prepay Arizona Risk Retention Trust and Employee Benefit Trust in the same amount. (EDU-Jobs funding has expired.) The rest can be attributed to minor student count differences on the APOR55.

Mr. Sale summarized the Unrestricted Capital, soft capital, and classroom site funds. Our capital budget has been reduced from \$887,324 to \$847,572. This is a reduction of \$39,752. This reduction can be attributed to \$27,989 in additional capital invoices before June 30th for textbooks or technology that exceeded my expectations. As part of the overall budget reduction process this year, our CORL was reduced significantly by the State. Unfortunately, they didn't reduce enough and we had to reduce our capital budget by an additional \$11,433. The rest of the amount can again be contributed through minor student count differences. Our soft capital allocation was reduced from \$289,412 to \$269,979. This is a difference of \$19,433. We estimated that we would spend zero out of this fund but, in reality, we spent \$6232. The additional \$13,201 is a reduction by the state. We overestimated our expenditures in our classroom site fund for FY11 by \$128,871. So our new budget amount will be \$887,359. This doesn't make as much difference in this fund because we can only spend from the amount of cash we have on hand anyway, and that we receive from the taxes that support this fund. The state is also doing the same as last year in terms of how we receive revenue for this fund. The JLBC (joint legislative budget committee) has set the amount per student at \$120. We have routinely only expended the cash amount from this fund. Mrs. Beaver emphasized what a good practice that is. The portion of the budget subject to budget limits shows a decrease from \$12,142,642 to \$11,848,414 (\$294,228). This reduction primarily takes place in the M&O Budget with a small amount out of capital and soft capital.

III. ADJOURNMENT

The meeting was adjourned at 9:10 AM by Mr. Rudy Parker, President.

Parker Unified School District #27
Governing Board President