

I.B

Finance Section

Introduction

The Master Plan Annual Updates provide insight into the work that school systems engage in on a daily basis, demonstrating their commitment to accelerating student achievement and eliminating achievement gaps. The finance section, in conjunction with the budget narrative information in the Executive Summary, includes a Current Year Variance Table, a Prior Year Variance Table with analyzing questions, and revenue, expenditure and FTE statements. Together, these documents illustrate the local school system's alignment of the annual budget with the Master Plan priorities.

In FY 2009, the finance structure created through the Bridge to Excellence Act was fully phased-in. For the 2009 Annual Update, the focus of the finance section will now include all budgetary changes (retargeted funds, redistributed resources, and new funds) as opposed to only looking at uses of new funds. This change in focus is indicated in the Executive Summary and Current Year Variance Table.

1.1.A: Current Year Variance Table					
Local School System: <u>SOMERSET</u>					
	FY 2009	FY 2010			
	Original	Original			
	Approved	Approved			
(\$ in Thousands)	<u>Budget</u>	<u>Budget</u>	<u>Change</u>	<u>% Change</u>	
Revenues:					
Local Appropriation	\$8,994,324	\$8,743,774	(\$250,550)	-2.79%	
Other Local Revenue	314,218	265,000	(\$49,218)	-15.66%	
State Revenue	23,279,631	23,070,614	(\$209,017)	-0.90%	
Federal Revenue					
ARRA Funds		\$1,539,184	\$1,539,184		
Other Federal Funds	3,800,000	3,800,000	\$0	0.00%	
Other Resources/Transfers	1,223,633	261,905	(\$961,728)	-78.60%	
Total Revenue	\$37,611,806	\$37,680,477	\$68,671	0.18%	
Change in Expenditures:					
<u>LEA Master Plan Goal 1: Student Achievement</u>				<u>Amount</u>	<u>FTE</u>
NCLB Goal: Student Achievement	Redistributed Funds - Positions Eliminated through Attrition		-195,181	-4	
NCLB Goal: Student Achievement	Redistributed Funds - Character Education Positions Eliminated		-209,918	-3	
NCLB Goal: Student Achievement	Redistributed Funds - Decrease in Technology Equipment		-329,900		
NCLB Goal: Student Achievement	Redistributed Funds - Decrease in materials and textbooks		-159,200		
NCLB Goal: Student Achievement	Redistributed Funds - Decrease in technology software and support contracts		-49,790		
NCLB Goal: Student Achievement	ARRA Funds - 1:1 Laptop Initiative Consultant		20,000		
NCLB Goal: Student Achievement	ARRA Funds - Extended Year programs		90,072		
NCLB Goal: Student Achievement	ARRA Funds - saved positions (2 years)		317,626	4	
NCLB Goal: Student Achievement	ARRA Funds - SFSF - instructional materials and textbooks		109,200		
NCLB Goal: Student Achievement	ARRA Funds - SFSF - Student data tracking software		33,000		
NCLB Goal: Student Achievement	ARRA Funds - SFSF - Success Maker Software		8,000		
NCLB Goal: Student Achievement	ARRA Funds - created positions (Reading/Math/ELL Tutors)		221,038		
NCLB Goal: Student Achievement	ARRA Funds used to create hi tech elem school		118,001		
NCLB Goal: Student Achievement	ARRA Funds used to continue and improve technology		125,336		

NCLB Goal: Student Achievement	Retargeted Funds - change of Science Facilitator to Technology Teacher		0
NCLB Goal: Student Achievement	Retargeted Funds - change of Language Arts Teacher SIS to Intervention Teacher		0
NCLB Goal: Student Achievement	Retargeted Funds - change of Math Teacher to Intervention Teacher		0
NCLB Goal: Student Achievement	Retargeted Funds - change of English position to Math Instructional Facilitator SIS		0
NCLB Goal: Student Achievement	Retargeted Funds - change of .5 Character Education to PreK		0
NCLB Goal: Student Achievement	Retargeted Funds - change of Assessment Coordinator to Technology Teacher		0
Subtotal Goal 1:			98,284
<u>LEA Master Plan Goal 2: Highly Qualified Educators (staff)</u>			
NCLB Goal: Highly Qualified Teachers	ARRA Funds Professional Development (Autism, Co Teaching, Building on Our Strengths)		42,015
NCLB Goal: Highly Qualified Teachers	Redistributed Funds - Facilitator/ Reading Coach position eliminated		-51,382 -1
NCLB Goal: HQT	Negotiated Increase for Staff		260,302
Subtotal Goal 2:			250,935
<u>LEA Master Plan Goal 3: Safe, Quality Environment</u>			
NCLB Goal: Safe Learning Environment	Redistributed Funds - Positions Eliminated through Attrition and Reduction in Force		-95,289 -4.5
NCLB Goal: Safe Learning Environment	Positions Eliminated (Learning Support and Behavior Intervention Specialists) due to loss of grant funding		-267,518 -6
NCLB Goal: Safe Learning Environment	Retention of Learning Support Specialists from grant funding		146,985 3.5
NCLB Goal: Safe Learning Environment	Redistributed Funds - Decrease in furniture and instructional equipment		
Subtotal Goal 3:			-215,822
<u>LEA Master Plan Goal 4: Family and Community Involvement</u>			
NCLB Goal: Student Achievement	ARRA Funds - Saved Position (2 years) Family and Community Involvement Coordinator		157,443 1
Subtotal Goal 4:			157,443
<u>Mandatory/Cost of Doing Business (Not captured elsewhere)*</u>			
Increases in contractual agreements - salaries			
Increases in contractual agreements - benefits (if itemized separately)			
Transportation			18,881
Utilities			-50,500
Non Recurring Cost requests to improve infrastructure for technology			109,450
Nonpublic Special Education Placements			
Costs associated with opening a new school or newly renovated school (please itemize)			
Additional Positions for Enrollment Growth/Class Size reduction initiatives- may include in a specific local goal			
Other items deemed necessary by the local board of education: Redistributed Funds - Reduction in capital outlay budget line			-300,000
Subtotal – Mandatory/Cost of Doing Business			-222,169
Other (list items separately. Total must not exceed 10% of Change in Total Revenue)*			
Total (must equal the Change in Total Revenue)			68,671

1.1.B: Prior Year Variance Table (Comparison of Prior Year Expenditures)

Local School System: SOMERSET

	FY 2009 Planned Revenue	FY 2009 Actual Revenue		
(\$ in Thousands)	<u>7/1/2008</u>	<u>6/30/2009</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Local Appropriation	\$8,994,324	\$8,994,324	\$0	0.00%
Other Local Revenue	314,218	294,355	(\$19,863)	-6.32%
State Revenue	23,279,631	23,329,631	\$50,000	0.21%
Federal Revenue	3,800,000	5,746,397	\$1,946,397	51.22%
Other Resources/Transfers	1,223,633	1,223,633	\$0	0.00%
	0			
Total Revenue	\$37,611,806	\$39,588,340	\$1,976,534	5.26%

Change in Expenditures:		Amount	Actual	Change	FTE
LEA Master Plan Goal 1: STUDENT ACHIEVEMENT					
NCLB Goal: Student Achievement	New Position - Itinerant Core Teacher GES	41,300	41,300	0	1
NCLB Goal: Student Achievement	Redistributed \$\$ Elementary textbooks	-41,400	-41,400	0	
NCLB Goal: Student Achievement	Redistributed \$\$ Teacher Mentoring Stipends	-10,000	-10,000	0	
NCLB Goal: Student Achievement	Redistributed \$\$ elimination of external professional development funds	-199,500	-199,500	0	
NCLB Goal: Student Achievement	Redistributed \$\$ - positions eliminated to meet negotiated increase	-506,988	-506,988	0	
NCLB Goal: Student Achievement	Redistributed \$\$ - Media and replacement furniture reductions to meet other increases	-60,500	-60,500	0	
NCLB Goal: Student Achievement	Redistributed \$\$ - reduction in outside professional development consultants to meet other increases	-50,000	-50,000	0	
NCLB Goal: Student Achievement	Technology Instructional Equipment Increase	198,000	248,000	50,000	
NCLB Goal: Student Achievement	Redistributed \$\$ - reduction in non instruction technology equipment to meet instructional tech equipment needs	-17,200	-17,200	0	
	Subtotal - Goal 1	-646,288	-596,288	50,000	

LEA Master Plan Goal 2: HIGHLY QUALIFIED EDUCATORS (STAFF)					
NCLB Goal: Highly Qualified Teachers	Salary increases PreK - 12 (includes Special Education, ROTC)	709,524	709,524	0	
NCLB Goal: Highly Qualified Teachers	Redistributed \$\$ - moving allowance reduction to meet other increases	-3,500	-3,500	0	
NCLB Goal: Highly Qualified Teachers	Redistributed \$\$ - reduction in recruiting to meet negotiated increases	-3,000	-3,000	0	
NCLB Goal: Highly Qualified Teachers	Redistributed \$\$ - recruiting/retirement bonus eliminated to meet negotiated increases	-67,000	-67,000	0	
	Subtotal – Goal 2	636,024	636,024	0	
LEA Master Plan Goal 3: SAFE, QUALITY ENVIRONMENT					
NCLB Goal: Safe Learning Environment	Alternative Learning Salary Increase	16,283	16,283	0	
NCLB Goal: Safe Learning Environment	Deans of Instruction Salary Increase	20,133	20,133	0	
NCLB Goal: Safe Learning Environment	School Counselor Salary Increase	27,630	27,630	0	
NCLB Goal: Safe Learning Environment	Learning Support, Behavior Intervention Specialists Salary Increase	19,835	19,835	0	
NCLB Goal: Safe Learning Environment	Safe Schools Healthy Students grant - no longer funded	-1,200,000	926,528	2,126,528	
	Subtotal – Goal 3	-1,116,119	1,010,409	2,126,528	
Mandatory/Cost of Doing Business:					
(Not captured elsewhere)					
Increases in negotiated contractual agreements - benefits		75,000	245,006	170,006	
Transportation		250,000	250,000	0	
Utilities		220,000	-150,000	-370,000	
Subtotal – Mandatory/Cost of Doing Business		545,000	345,006	-199,994	
Other (must not exceed 10% of Change in Total Revenue)					
Redistributed resources - elimination of 1 replacement Maintenance Van		-20,000	-20,000	0	
Subtotal – Other		-20,000	-20,000	0	
Total (must equal the Change in Total Revenue)		(\$601,383)	1,375,151	1,976,534	

Resource Allocation Discussion

Revenue Analysis:

- ***Did actual FY 2009 revenue meet expectations as anticipated in the Master Plan update for 2008? If not, identify the changes and the impact any changes had on the FY 2009 budget and on the system's progress towards achieving master plan goals. Please include any subsequent appropriations in your comparison table and narrative analysis.***

Revenue exceeded expectations for FY 2009. A loss of the \$1.2 million Safe Schools Healthy Students grant was anticipated; however, there were unspent funds at the end of the grant period which were approved for carryover into the 2009 fiscal year. This resulted in an increase in federal revenue beyond the planned budget.

Other local revenue was less than anticipated as interest rates continue to decline. State revenue was \$50,000 higher than expected due to a one time grant from MSDE for state budgetary relief.

Analysis of Actual Expenditures

- ***Please provide a comparison of the planned versus actual expenditures for each local goal provided in the Prior Year Variance Table. Identify changes in expenditures and provide a narrative discussion of the impact of the changes.***

GOAL 1: STUDENT ENGAGEMENT: This goal was \$50,000 greater than the planned amount. In June, 2009, Somerset County Public Schools received a grant from MSDE for \$50,000 which was unanticipated. These funds were used to continue the technology plan by adding laptops for the incoming 8th grade students at each high school. These students experienced the 1-1 laptop program at Somerset Intermediate during the 2008 – 2009 school year as 7th graders.

GOAL 2: HIGHLY QUALIFIED EDUCATORS: Negotiated increases were given to employees as planned. There was no deviation from planned to actual within this goal.

GOAL 3: SAFE, QUALITY ENVIRONMENT: This goal was impacted by the ability to continue the Safe Schools Healthy Students grant for a final year. Instead of the \$1,200,000 decrease anticipated, the school system was able to continue services provided through this grant for an additional year, expending \$926,528 which resulted in an increase over the planned amount of \$2,126,528.

MANDATORY/COST OF DOING BUSINESS: This goal was under the planned amount by \$199,994. Impacting this goal was utilities, which were anticipated to increase \$220,000; however, as a result of an energy management plan implemented in March, 2008, SCPS realized a decrease in utilities of \$150,000. The savings in utilities offset the higher than anticipated increase in health insurance (negotiated benefits). The higher than expected increase was due to the number of individuals changing from an individual plan to a family plan, resulting in higher expense to the school system.

1.1: ATTACHMENT 1 - TOTAL REVENUE STATEMENT (Current Expense Fund)					
Local School System: SOMERSET					
REVENUES			Original Approved FY 09 Budget	Final FY 09 Actual Revenue	Original Approved FY 10 Budget
Note: Do not include revenue for School Construction Fund, Debt Service Fund, or Food Service Fund.					
LOCAL APPROPRIATIONS	1.1.01.00		8,994,324	8,994,324	8,743,774
OTHER REVENUE*	1.1.05.00		314,218	294,355	265,000
STATE REVENUE					
Foundation	1.1.20.01		2,547,963	2,547,963	12,315,018
Economically Disadvantaged (Comp Ed & EEEP)	1.1.20.02		5,899,354	5,898,929	6,420,885
Special Education**	1.1.20.07		1,308,945	1,308,944	1,298,906
LEP	1.1.20.24		454,258	454,153	619,568
Transportation	1.1.20.39		1,652,351	1,652,351	1,656,887
Guaranteed Tax Base	1.1.20.25		891,647	891,647	759,350
Transportation	1.1.20.39				
Governor's Teacher Salary Challenge	1.1.20.56				
				50,000	
1% Hold Harmless			525,113	525,644	
TOTAL STATE REVENUE			3,279,631	23,329,631	23,070,614
FEDERAL REVENUE					
Title I-A - Local System Grants			1,247,590	1,245,564	1,247,590
Title I-A - School Improvement					
Title I-B1 - Reading First			105,000	400,366	85,000
Title I-B3 - Even Start					
Title I-C - Migrant Education			20,000	210,276	237,938
Title I-D - Neglected and Delinquent					
Title I-F - Comprehensive School Reform					
Title II-A - Teacher Quality			274,820	274,820	274,820
Title II-D - Education Technology			56,405	240,207	56,412
Title III-A - Language Acquisition			16,743	22,135	16,743
Title IV-A - Safe & Drug-Free Schools			17,162	21,701	17,162
Title IV-B - 21st Century Learning Centers			300,000	292,045	349,734
Title V-A - Innovative Education					
Title VI-B2 - Rural & Low-Income Schools Prog.				499	
Title VIII - Impact Aid					
ARRA - Title I					833,781
ARRA - Special Education					385,234
ARRA - State Fiscal Stabilization Fund					320,169
Homeless Children and Youth					
IDEA - Special Education			693,379	685,571	714,437
Perkins Career and Technology Education			67,625	66,479	67,625
Other (specify)*** STEM				733	5,000

Other (specify)*** Adult Education			212,114	233,058	210,117
Other (specify)*** Gear Up			10,128	8,854	195,474
Other (specify)*** Advanced Placement			60,000	53,378	
Other (specify)*** Medical Assistance			200,000	337,806	200,000
Other (specify)*** MMSR			12,359	12,359	12,359
Other (specify)*** State School Improvement			20,498	80,598	
Other (specify)*** Fine Arts			23,676	21,670	21,309
Other (specify)*** Other Agency Funds			94,322	362,103	23,061
Other (specify)*** Infant and Toddler			68,179	74,333	65,219
Other (specify)*** Safe Schools Healthy Students (Federal Direct)				926,528	
Other (specify)*** MD School Performance				5,314	
TOTAL FEDERAL REVENUE	1.1.30.00		3,800,000	5,746,397	5,339,184
OTHER RESOURCES/TRANSFERS****	1.1.99.99		-	-	-
TOTAL REVENUE			36,388,173	38,364,707	37,418,572
PRIOR BALANCE AVAILABLE	1.1.40.00		1,223,633	1,223,633	261,905
TOTAL REVENUE, TRANSFERS AND FUND BALANCE			37,611,806	39,588,340	37,680,477
*Tuition, payments and fees, earnings on investments, rentals, gifts and other non-state, non-federal revenue sources.					
**Should include state revenues from formula funding as well as non-public placement funding.					
***Add lines as needed for all other fund sources in the Current Expense Fund.					

1.2: ATTACHMENT 2 - TOTAL EXPENDITURE STATEMENT (Current Expense Fund)

Local School System: SOMERSET

TOTAL SUMMARY BY CATEGORY

Category		Original Approved* FY 09 Budget	Final FY 09 Actual Expendi- tures	Original Approved FY 10 Budget	FTE Staffing FY 10 Budget
201	Administration	782,384	806,528	776,574	7.00
202	Mid-level Administration				
	Office of the Principal	1,499,525	1,570,094	1,615,945	27.00
	Administration & Supervision	879,769	851,266	846,098	13.00
203	Instructional Salaries	13,924,344	13,637,687	13,329,600	277.00
204	Textbooks & Instructional Supplies	630,477	572,805	477,209	
205	Other Instructional Costs	940,400	952,640	501,554	
206	Special Education	2,509,032	2,522,890	2,461,788	64.50
207	Student Personnel Services	443,512	431,846	559,077	11.00
208	Health Services	327,214	323,233	310,786	8.00
209	Student Transportation	2,689,107	2,580,463	2,720,177	5.50
210	Operation of Plant	2,570,937	2,406,949	2,581,399	30.50
211	Maintenance of Plant	1,038,669	963,008	995,093	9.00
212	Fixed Charges	5,076,436	5,288,410	4,975,993	
213	Food Service				
214	Community Services				
215	Capital Outlay	500,000	397,565	190,000	
	Undistributed Restricted Funds	3,800,000	5,746,397	3,800,000	
	ARRA FUNDS			1,539,184	
TOTAL EXPENDITURES/FTE		37,611,806	39,051,780	37,680,477	452.50

* Does not reflect budget amendments approved by local jurisdictions during the fiscal year.

**Include federal funds and federally funded positions in Budget (Original and Prior Year Budget AND Original Approved Current Year Budget) and FTE columns.

1.3: ATTACHMENT 3 - TOTAL FULL-TIME EQUIVALENT STAFF

STATEMENT**Local School System: SOMERSET**

POSITION TYPE	FY 09 Budget	FY 10 Budget
Superintendent, Deputy, Assc, Asst	2.00	2.00
Directors, Coord, Supervisor Specialists	10.00	10.00
Principal	9.00	9.00
Vice Principal	4.00	5.00
Teachers	264.00	254.00
Therapists	3.00	3.00
Guidance Counselor	8.00	8.00
Librarian	6.00	6.00
Psychologist	3.00	3.00
PPW/SSW		
Nurse	8.50	8.00
Other Professional Staff		
Secretaries and Clerks	30.00	29.00
Bus Drivers		
Paraprofessionals	64.00	67.50
Other Staff	51.00	48.00
TOTAL FTE STAFF	462.50	452.50

Rev. 5/2007