



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel

Date: Monday, December 4, 2017

Re: Follow-Up to Contingency Discussion

Background

At the November 7, 2017 Finance Committee meeting, the topic of budgeted contingencies was discussed. The committee determined that the current practice of budgeting 0.5% (half of one percent) of each operating fund should be adjusted, given the historical use of budgeted contingency funds over the past seven years. As a result, the Business Services leadership team will adjust its budgeted contingency practice as follows:

Beginning with the 2018-19 fiscal year budget, the budget will include non-capital project contingency funds in the amount of 0.25% (quarter of one percent) for only the Educational Fund and the Operations and Maintenance Fund.

It should be noted that Board Policy 4010: Annual Budget, includes specific language regarding budgeted contingencies:

Section B, Part 8

The budget shall include a reasonable contingency for variable and unanticipated costs.

While not required, the committee may want to consider recommending that the new contingency practice be added to the existing Board Policy.

Historical Contingencies Activity (Function 6000, Object 6900)

2011-2012				
Fund	Budgeted	Spent	Unspent	Use Reason
10	500,000	-	500,000	
20	50,000	-	50,000	
40	50,000	-	50,000	
50	25,000	-	25,000	
51	25,000	-	25,000	
	650,000	-	650,000	

2012-13				
Fund	Budgeted	Spent	Unspent	Use Reason
10	500,000	-	500,000	
20	50,000	-	50,000	
40	50,000	-	50,000	
50	25,000	-	25,000	
51	25,000	-	25,000	
	650,000	-	650,000	

2013-14				
Fund	Budgeted	Spent	Unspent	Use Reason
10	500,000	-	500,000	
20	50,000	49,073	927	Roofing
40	50,000	-	50,000	
41	50,000	-	50,000	
50	25,000	-	25,000	
51	25,000	-	25,000	
	700,000	49,073	650,927	

2014-15				
Fund	Budgeted	Spent	Unspent	Use Reason
10	500,000	-	500,000	
20	50,000	49,987	13	Sewer
40	50,000	-	50,000	
41	50,000	-	50,000	
50	25,000	-	25,000	
51	25,000	-	25,000	
	700,000	49,987	650,013	

2015-16				
Fund	Budgeted	Spent	Unspent	Use Reason
10	520,000	18,352	501,648	Technology
20	50,000	46,455	3,545	Roofing/Plumbing
40	50,000	-	50,000	
41	80,000	-	80,000	
50	25,000	-	25,000	
51	25,000	-	25,000	
	750,000	64,807	685,193	

2016-17				
Fund	Budgeted	Spent	Unspent	Use Reason
10	510,545	-	510,545	
20	49,096	-	49,096	
40	12,898	-	12,898	
50	7,381	-	7,381	
51	9,526	-	9,526	
	589,446	-	589,446	

2017-18				
Fund	Budgeted	Spent	Unspent	Use Reason
10	518,989	-	518,989	
20	41,904	-	41,904	
40	16,852	-	16,852	
50	7,632	-	7,632	
51	10,442	-	10,442	
	595,819	-	595,819	