

June 28, 2019

**HSA Budget Committee Report
2019-20 Budget Year
Prepared by Robin Goracke**

Executive Summary

Overall, the 2019-20 HSA Budget calls for revenue of \$287,000 and expenses of \$280,700 for a surplus of \$6,300. Compared to the current budget, revenue will decrease by 2% and expenses will decrease by 3%.

Education Support expenses will decrease from \$146,650 to \$142,950, or 2.5%. The biggest impact is a transfer of the instruments purchase for the band from the After-School Program account to the new Performing and Visual Arts account. There were extensive discussions about developing a more robust after school program and the Principal committed to providing a proposal to the HSA Board in the fall of 2019 for further consideration. Also, instead of having an outside expert come to teach 5th graders about puberty and development P.E. teachers will now give that instruction, so the Human Growth & Development account was zeroed out. Finally, there is a decrease of 70% in the Magazine Subscription account because of lack of usage.

Environment and Enrichment Programming expenses will decrease from \$51,650 to \$47,650, or 7.7%. The decrease come from two accounts, Childcare During Events and Presentations due to lack of usage during the previous year. The School Musical account will be renamed Performing and Visual Arts account in order to account for the Murch Choir and Band activities. This change will involve some restructuring of the music department at Murch. These plans were not finalized at the time of the budget was approved.

Operations and Other expenses will decrease from \$47,400 to \$39,900, or 15%. The Custodial Supplies account was increased by \$3,000 at the request of the Principal due to the large school facilities. Most of the decrease is a result of the Professional Development account being zeroed out at the request of the Principal. He would like to come back to the HSA Board in the fall with a proposal to offer more structural professional development supports for the teachers at Murch. At the time of the budget preparations the request was still being developed.

Budget Discussion

This memo contains a line-by-line summary of the HSA budget for the 2019-20 school year. The budget was approved by the HSA Board at the May 7, 2019 meeting and adopted by the membership on May 23, 2019. Where applicable, this summary includes known history of individual budget lines.

Overall, the budget expenses are set at \$280,700, which is lower than 2018-19, and the revenue projections are expected to be less than last year as well. The projections anticipate less revenue from the Miscellaneous Fundraising account, due to Giant Foods ending its A+ rewards program, and the restructuring of the school musical and the creation of a more inclusive Performing and

Visual Arts account. At the time of the budget meetings, the Murch Music Department did not of a performing arts schedule nor had there been any discussion of which performances would charge admissions in order to generate revenue.

There were three major areas of discussion during the budget meetings, those areas were the After-School Program account, the Performing and Visual Arts account and the Professional Development account. All three conversations ended with giving the Principal more time to develop proposals in each area for the HSA Board's consideration in the fall of 2019. These proposals may involve a request for new funding or a transfer of funds from other accounts. These decisions have yet to be made and will be subject to HSA Board approval.

The HSA Budget Committee looks forward to revisiting these discussions in the fall of 2019 and for continuing the successes of our students, teachers, administrative professional and all those that make up the Ben Murch Elementary School community.

REVENUE and Fundraising Expense

Auction Revenue and Expense (41132/51140)

These budget lines were set based on a conservative reading of historical trends.

Year	Budget Revenue	Actual Revenue (including Paddles Up)	Budget Expense	Actual Expense	Net Income
2013-14	\$115,000	\$173,000	\$25,000	\$26,000	\$147,000
2014-15	\$130,000	\$159,258	\$25,000	\$23,038	\$136,220
2015-16	\$130,000	\$164,288	\$30,000	\$21,316	\$142,972
2016-17	\$142,000	\$141,321	\$25,000	\$20,250	\$119,654
2017-18	\$130,000		\$25,000		
2018-19	\$130,000		\$25,000		
2019-20	\$130,000		\$30,000		

In recent years the Murch Auction has generated revenue in excess of the budgeted amount. It is believed that the HSA budget should be conservative in budgeting for its fundraisers to allow for ebbs and flows in the fundraising base and volunteer availability. However, the HSA raised the auction revenue line for 2016-17 to more closely reflect recent history, but actual revenue fell just short. For 2018-19 we are returning the budgeted revenue to the pre-2016-17 level of \$130,000.

In 2013-14 the auction expense budget line was raised to reflect actual expenses. The expense line was raised again for 2015-16 to allow for the outsourcing of auction "backroom/check out" operations at a cost of \$4000-\$5000. Further operational and marketing changes in the 2016 auction reduced costs in several areas, resulting in an expense reduction to \$25,000 for 2016-17, which is continued for 2018-19. For 2018-19 Murch hosted the action on their campus and while it was a great success assessment afterwards indicated there was an expectation of more food would be provided. Therefore the Budget Committee recommended additional funding in 2019-20 to provide more food.

Directory Revenue (41230)

This budget line reflects income generated through paid advertising in the Directory. The budget line for 2019-20 is slightly reduces from 2018-19 to reflect a reduction in sale space.

Book Fair Revenue (41195)

This fundraiser/community event has taken different forms over the years but frequently is scheduled for the first week in December (dates with the bookseller must be reserved far in advance). In addition to the financial income, this event also generates several book donations for classrooms. Based on the current vendor, there are no expenses expected from this event. Any expenses that do arise should be charged to the Miscellaneous Fundraiser expense budget line. Expected revenue is slightly reduced for 2019-20 to reflect a reduction in donations.

Fall Fair Revenue and Expense (41233/51195)

The 2018 Fall Fair raised more than expected but also spent more in order to fill up the space of the new Murch playground with additional activities. In order to accommodate this adjustment in the future the HSA Board has already approved and secured the rentals needed for the 2019 Fall Fair.

5th Grade Fundraiser Revenue (NEW)

This budget line reflects the expected amount the 5th grade will raise as part of its annual campaign to support Promotion events and activities. Instead of partially supporting 5th Grade Promotion through the underwriting of the grade's graduation "memory book," all funds collected and raised will be considered HSA income and all expenses will flow directly through the organization

Miscellaneous Fundraising Revenue and Expenses (41240/51310)

These budget lines reflect income and expenses from a number of fundraising activities, including restaurant nights and shopping events at certain retail establishments. Given the announcement that Giant Foods is ending their A+ rewards program, we anticipate level fundraising from last year.

Online and Store Purchases (41240)

This budget line shows income from Amazon rewards and other purchase reward programs. We consolidated the Escript line (004) here for 2015-16 and modestly raised the revenue line for 2015-16 in anticipation of a modest education campaign in August/September to increase revenue from these sources (which did not occur). For 2016-17 the HSA reduced the revenue expectation, and we are trending to miss the target, so we reduced it further for 2017-18, and will keep it flat for 2018-19 and 2019-20.

SOS Revenue and Expense (41245/51350)

This budget line was decreased for 2016-17 in order to reflect lower revenue achieved during 2015-16. The corresponding expense line was eliminated after the HSA moved to exclusively online communications. For 2019-20, we are reducing the projected revenue in order to reach our goal sooner in the year instead at the very end of the school year.

History: Prior to 2014-15, the SOS Campaign consistently raised about 5-10% less than the budgeted amount. This shortfall has not negatively affected the organization financially because it has been offset by other fundraisers.

In years past this budget line was set through a two-step process. First, the total cost of Educational Support expenses (employee salary and tax, teacher stipends, teacher grants, resource class allocations, etc.) was divided by the school-wide enrollment number to generate the per-child donation (the "ask"). Then the "ask" was multiplied by a projected participation rate to get the budget line. In 2013-14 the HSA modified this process and elected to keep the "ask" at \$355 even though the formula produced a slightly lower figure. In setting the budget for 2014-15, the decision was first made to keep the "ask" the same, and then the budget line was set after calculating an anticipated participation rate and the enrollment projection. In 2014-15, the SOS chairs modified SOS messaging to include both an official "ask" of \$355 and a suggested donation of \$500. This was done because it was unclear whether the budget approved by the membership had also set a specific "ask" or just a total revenue goal. In 2015-16, the HSA moved to a budgeting process of setting an overall fundraising goal for the following year's Board and SOS Chairs to meet and giving those individuals discretion to develop the messaging they feel would be most effective.

Performing and Visual Arts Revenue (formerly the School Musical) (41765)

The School Musical account will be renamed Performing and Visual Arts account in order to account for the Murch Choir and Band activities. This change will involve some restructuring of the

music department at Murch. In 2016-17, we began to account for revenue from participation fees, and advertising in the programs at the event. Revenues for 2019-20 are expected to be reduced due to establishing smaller events in which less admissions will be generated.

Concessions & Ticket Sales Revenue (formerly Talent Show/Lip Sync) (41180/51180)

In 2016-17, we began to account for revenue from participation fees, the sale of tickets, and the sale of concessions at various events. For 2019-20, we expect to exceed what was raised in 2018-19.

Interest and Banking Income (41235)

This budget line reflects income on HSA bank accounts. Due to a conservative investment strategy and low interest rates, expected income is very modest.

Credit Card Rewards

This budget line reflects rebates and rewards generated using HSA credit cards.

HSA Dues (41234/316)

The HSA Board has determined that it will not be paying dues to the national PTA organization, and thus will not be charging dues to its members. The Board reserves the right to charge dues in the future, if it deems it necessary, according to the organization Bylaws.

EXPENDITURES: Educational Support

After School Programs (54520) [President]

After a hiatus for 2016-17 and 2017-18, funding is being restored with the expectation that there will be programs offered per trimester by teachers, as well as potential other music and/or science programs to be determined by the Board. This may also include the purchase or renting of music instruments or support for Murch sports teams (X-Country, Track, and Basketball). For 2019-20 these programs have yet to be determined at the school. The Principal is committed to providing a proposal to the HSA Board in the fall of 2019 for further consideration. This proposal may involve a request for new funding or a transfer of funds from other accounts. These decisions have yet to be made and will be subject to HSA Board approval.

Battle of the Books (429)

As part of the HSA's continued dedication to literacy, the HSA began providing dedicated funding for the Battle of the Books program for 2015-16. The budgeted amount is enough to cover the entire cost of the program. Holly Hope (Reading Specialist) and Regina Bell (Librarian) work with grade level teachers in September each year to select the book lists.

Classroom Aides (54517) [Personnel Chair]

As of 2018-19, the HSA will no longer employ classroom aides.

Electronic Learning

This budget item was new in 2018-19 and is meant to cover the purchase and use of iPad and online learning apps. This funding will be slightly increased for 2019-20.

Field Trip & Transportation Expense

This budget item was new in 2018-19 and is meant to encourage more learning outside the classroom. This funding will be slightly increased for 2019-20.

Horseshoe Rewards (415)

This budget line has been used to support rewards in the Horseshoe Program [organized by the School Counselor], the greatest expense usually being a pizza party. The school is moving away from food rewards and toward intangible rewards (i.e., pajama day), reflecting a corresponding decrease in financial need. We are keeping it at the same level as 2018-19 in 2019-20.

Human Growth and Development (51430) [President]

In previous years HSA paid for an outside expert to come teach a class on puberty and development to all 5th graders in June. In 2019-20 the Principal informed the HSA that he was instructing the P.E. teachers to provide this information to the 5th grade students so the HSA no longer needs to provide these funds.

Magazine Subscriptions (431)

This budget line was established in response to teacher requests. In 2015 we sought to make a group order through the HSA but were unable to because several teachers strongly wanted to order for their own classrooms. We raised it to \$5,000 for 2017-18 to allow for more classes to have their own subscriptions and requested that the school administration submit one comprehensive order to the HSA in August. In 2019-20 we will decrease this account due to lack of usage.

Peer Mediation (412) [President]

This budget line pays for training for the 5th grade peer mediators, as well as the purchase of hats for each of the student participants. Costs are primarily incurred in the spring when current 4th graders are trained for participation in the following year.

Resource Expense - Art (51440)

This budget line is typically used to pay for a variety of consumable items (such as markers and glue sticks) and non-consumable items (such as posters, shelving and a camera), as a supplement to the school's budget for these items for the art teacher. We are slightly reducing this line item due to lack of usage.

Resource Expense - Enrichment (424)

We are reactivating this budget line for 2018-19 and continuing funding in 2019-20 to pay for Enrichment Coordinator items/activities including Odyssey of the Mind expenses.

Resource Expense - Recorders for Third Grade (51460)

The budget line previously was used to pay for a range of items to support the music teacher, including electronic music downloads and recorders for third grade students, which are given to the students to keep (for sanitary reasons). For the 2015-16 school year, the HSA dedicated this line to just paying for recorders for third grade. The Principal has funded this for 2017-18 from overages in his 2016-17 budget, so we are restoring funding for 2018-19 and for 2019-20.

Resource Expense – Reggio (51448)

This Pre-K budget line was added in 2013-14 in response to a new school position. The budget line is used to purchase consumable supplies for the 60 Pre-K students (who saw this resource teacher each day, for a total of 300 children served each week). This line item was renamed to Reggio and doubled to \$2,000 in 2017-18 to provide funding for the new Reggio early-education learning program that was introduced in 2016-17. We are keeping this flat for 2018-19 and 2019-20.

Responsive Classroom Training (51479)

This budget line pays for a portion of the costs for ongoing maintenance of RC training for teachers, especially for new hires.

School Supplies (51518) [President]

To allow the Principal more funds for teachers the HSA began funding this for 2017-18, 2018-19, and 2019-20. This year funded at a higher level to account for the new school and larger enrollment, as well as the addition of the Maker Space in the new Media Center.

Student Planners

New in 2016-17, this budget line was established in response to teacher requests. Ms. Heist worked with students to design a planner for the following year. Funding is enough to order a planner for each student in grades 3-5. The Principal funded this for 2017-18 from overages in his 2016-17 budget, so we will be restoring funding for 2018-19. No funding was requested in 2019-20.

Teacher Directed Classroom Expenses (Teacher Grants) (51476)

This budget line funds a program through which teachers can apply for funding to meet a specific educational need in their grade or classroom. The HSA increased funding for this line item in 2015-16 to expand eligibility of this program to resource teachers. Some resource teachers may have individual budget lines to cover consumable items for their classrooms and that funding should be considered first, although these teachers are still eligible to apply for additional funding under this program. In light of the fact that this budget line was not exhausted in 2015-16 and the availability of separate funding for swing space costs, this line was reduced for 2016-17. It was funded at the same level for 2017-18, 2018-19 and 2019-20.

Teacher Start-up Expenses (5478) [President]

This budget line pays a per teacher stipend given in cash at the beginning of the year for "startup" expenses, typically during a special lunch catered by the HSA the week before classes start. Teachers are not required to submit receipts. The budget amount for 2015-16 was set based on the total number of classroom teachers (39 at \$200 each) plus an additional number of support teachers (19 at \$50-\$150 each). The budget line for 2016-17 was reduced slightly to reflect the slight reduction in classrooms for this year. For 2018-19 and again in 2019-20, the line item is being increased to account for the additional teachers being hired for the return to renovated Murch.

EXPENDITURES: Environment and Enrichment**Fifth Grade Promotion (51476)**

The HSA has annually paid for production and printing costs for a "memory book" for each graduating 5th grader. The book is compiled by 5th grade parent volunteers. Costs are typically

incurred late in the school year. This budget line was increased for 2014-15 due to increasing class sizes. For 2018-19, the HSA funded all costs associated with 5th grade promotion festivities (not including the 5th grade dance), with the 5th grade fundraiser revenue going directly into general HSA fundraising as its own line item. Funding in 2019-20 will remain flat.

Childcare During Events (51516) [President]

This budget line pays for babysitting during back to school night and academic informational evenings for parents. It was established as a new budget line in 2013-14. Prior to that these costs were paid either off budget or out of the Presidents' Fund. In 2014-15 the Board authorized an additional \$700 in off-budget spending due to increasing needs. Funding in 2019-20 will be reduced due to lack of usage.

Community Events (51519)

This budget line has been used to pay expenses associated with Movie Night since 2011. Cost differences are mostly due to differences in license fees based on the movie selected. The HSA expanded this budget in 2015-16 in order to also provide modest funding for other community events, including International Night (stipend), and Walk to School Day. Funding was increased in 2016-17 due to rising costs for movie night and was increased again for 2017-18 to generate excitement within the Murch community (and allow for more events) in anticipation of the move back to the renovated Murch facility. It is being kept flat for 2019-20.

GreenScene (51494)

This budget line supports the garden program at Murch and pays for garden supplies such as seeds, seedlings, and garden tools. GreenScene regularly benefits from generous donations. The budget line frequently is under-spent due to failure of parents to submit receipts for reimbursement. It is being kept flat for 2019-20 to gauge proper funding levels moving forward.

Hospitality (51495) [Hospitality Chair]

This budget line pays for special catered lunches and snacks for teachers on conference days and the back to school lunch in August. At times it has also been used to support coffee/snacks for open houses and a coffee barista during teacher appreciation week. On occasion the school asks the HSA to sponsor a school event such as a principals' lunch. This line was raised slightly for 2016-17, 2017-18, 2018-19 and again in 2019-20, in order to ensure teacher appreciation during the holiday gift giving remains among all school employees.

Medical [President]

To pay for medical supplies and needs not covered by DCPS budget.

Performing and Visual Arts (formerly "School Musical") (51520)

The School Musical account will be renamed Performing and Visual Arts account in order to account for more students performing arts interest. This budget line is intended to pay for student performing arts productions and went unspent for several years. In 2014-15 the school was able to secure \$8000 in PWP grant funds to fund the spring musical, but these funds were not available in 2015-16. In 2015-16, the HSA used off-budget spending combined with the remaining funds in the Peter Barry Fund (which is now closed) to hire The Adventure Theater Company to direct the school musical (at no cost to individual participants). In 2016-17 the new music teacher, Eugene

Branch, embraced the opportunity and brought The Lion King, Jr. to Murch. This line item will also be used to purchase of band and/or orchestra instruments.

The Principal has discussed the idea of restructuring of the music department at Murch and having smaller more frequent arts related events. The Principal requested more time to develop proposals for the HSA Board's consideration in the fall of 2019. This proposal may involve a request for new funding or a transfer of funds from other accounts. These decisions have yet to be made and will be subject to HSA Board approval.

Presentations [Vice President]

This line item was introduced to cover the hosting of outside authors, speakers or performances for students and parents, primarily during the evenings. These events are designed to not only utilize renovated Murch's excellent stage space, but also build school community by offering enriching and interesting experiences outside of the school day. For 2019-20 this line item was reduced due to lack of usage.

Scholarships (51670)

For 2017-18 this line item was created to allow for scholarships to activities like after school programs, X-Day, the school musical, or other extra-curricular activities, such as Odyssey of the Mind. The application and determination of scholarships is to be administered by the school counselor, and/or the school social worker. It is being kept flat for 2018-19 and 2019-20.

Website (51530) [Communications Chair]

This line pays for back end costs associated with hosting the organization's website. In recent years no more than \$500 has been needed so the HSA reduced this line to actual costs. In the event outside assistance is needed for reprogramming, these costs should be considered on an off-budget basis.

EXPENDITURES: Operations and Other

Bank and Credit Card Fees (formerly Accounting Fees) (51550) [Treasurer]

This line covers various banking charges and previously covered credit card fees. This budget line has been reduced in recent years because we now account for these costs within the accounting for the specific fundraising event to which the credit card fees are connected. Also, we no longer pay a rental fee for a credit card machine. The HSA kept this budget line the same (\$500) for the past couple of years but lowered it to \$300 for 2017-18. We are keeping this flat for 2018-19 and 2019-20.

Bookkeeping and Audit Fees (51570) [Treasurer]

This budget line pays for our accountant to prepare our taxes and produce an annual financial statement. In 2013-14 the organization switched accountants and increased the budget to \$4,000, but fees have gone up since then, so we budgeted \$4,600 for 2017-18, 2018-19 and 2019-20.

Corporate Governance (51585) [President]

This budget line primarily pays for the organization's business license, which is required by the District for nonprofit organizations and is renewed on a biannual basis. The HSA increased it to

\$500 in 2016-17 in order to pay for the expected biennial renewal of the business license and lowered it back to \$100 for 2017-18 as the new business license is valid through 2018. This line item is subsequently being increased to \$500 for the next renewal in 2018-19. This item will remain flat in 2019-20.

Custodial Supplies

This budget line is to cover the costs of taking care of the larger building footprint. In 2019-20 this line will be increased as requested by the Principal.

Go-Bags Resupply

This budget line is to cover the costs of maintaining emergency To-Go-Bags for each classroom. This item will remain level funding.

Insurance (51595) [Treasurer]

This budget line pays for insurance to cover HSA activities (including Board Member activities). The actual cost of insurance was reduced in 2013-14 when the Board determined the organization had more coverage than needed and negotiated a new policy. Refunds were issued in 2013-14 and 2014-15 causing this line to be under spent. The HSA set a budget of \$2,500 for 2016-17 which was the amount recommended by the Treasurer as the amount needed to cover the actual policy premiums. For 2018-19, the HSA is keeping the budget at the 2017-18 level of \$3,000 and will be reduced to \$1,000 in 2019-20 due to the change in actual costs without employment insurance will be.

Low Income School Grant Program (51490)

Based on feedback from the Murch community as well as the Budget Committee, this line item was introduced for 2017-18 intended to fund the HSAs at economically challenged DCPS schools. The recommendation is to continue to fund 1% of the Murch HSA Budget for 2019-20 for programs like the WLC's PEP program (<http://www.washlaw.org/projects/public-education>) or others.

Miscellaneous Communications (51596) [President]

This budget line pays for the cost of external written communications, primarily the cost of printing fliers and other written communications to send to parents. Due to the increased reliance on electronic communications, the HSA reduced this budget line to \$700 for the 2015-16 school year and it was further reduced to \$500 for 2017-18. It is kept flat for 2018-19 and 2019-20.

Miscellaneous Operations Expense (51605) [President]

This budget line is used to pay for miscellaneous and unexpected costs. In previous years it has been used to cover fees from Constant Contact and MailChimp, bulk email services. Since actual expenses have averaged around \$300, the HSA reduced this budget line to this level in 2015-16, but we raised it to \$500 for 2017-18, and we are raising it further for 2018-19 and 2019-20 to reflect greater usage and raising costs.

National PTA Dues (316)

The Board determined that there is no benefit to Murch to participate in the National PTA, thus we will not be paying dues.

Office Supplies (51610) [President]

In 2014-15 this budget line was used to pay the \$30 monthly subscription fee for use of Basecamp (a project management tool which is used by the HSA Board, SIT and LSAT Committees) and a small amount of office supplies for HSA use. The budget for 2015-16 was set to cover these limited expenses and remained at that level. For 2017-18, we rolled this line item into Miscellaneous Operations Expense as a combined item, so there is no budget amount for this line item for 2017-18. After being zeroed out for 2017-18, it is being funded in 2018-19 to provide general office supplies and copy paper. The Principal has requested this line item be increases to account for the larger school needs in 2019-20.

President's Fund (51611) [President]

This is a discretionary fund available to the HSA Co-Presidents to pay for unexpected expenses as well as goodwill investments (such as Murch car magnets). Since expenditures under this fund had not exceeded \$2,000 in recent years, the HSA had been reducing this fund slightly each year (from \$3,000 in 2013-14 to \$2,700 in 2016-17). It was raised back to \$3,000 for 2017-18, 2018-19 and again in 2019-20.

Principal's Fund (51612) [President]

This is a discretionary fund available to the school principal to pay for unexpected expenses. The budgeted amount was reduced from \$3,000 to \$1,000 in 2012-13 when the school took over the school photo fundraiser. It is being funded at the same level as 2017-18, 2018-19 and 2019-20.

Professional Development [President]

This line item will be used to fund professional development programs like Differentiation Training, PALS Training, and Reggio, as well specific reading trainings. The 2019-20 budget zeros out this account as requested by the Principal. The HSA anticipates that the Principal will present a new proposal that will offer more structural professional development supports for the teachers at Murch. At the time of the budget preparations the request was still being developed.