

# FY 2018 Final Budget Recommendation to the Board of Education

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# Final Budget Development Process

- Preliminary Budget completed in July. Final budget adjusts for actual student enrollment:
  - September 30 count
  - Charter enrollment
  - Choice enrollment
- Revenue and Expenditure estimates based on current year actuals and experience
- Includes final FY18 state reduction amounts:
  - Division 32 **\$2,645,616**
  - Division 54 (Meadowood) **\$129,699**
  - Division 58 (RPLC) **\$137,805**

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# FY 2018 Final Budget Summary

- Total revenue impact  $-.5\%$  from Preliminary Budget
- Reflects changes in unit enrollment and choice/charter revenues including Christina Choice settlement and revised DOE Local Per Pupil calculations that districts are challenging
- School budgets increased where unit growth occurred; hold harmless for schools with enrollment decline.
- Reflects year to date actual salary vs. July estimate for payroll

# Enrollment – September 30 Unit Count

- Final needs-based unit count 1142.8, an increase of 13.27 units from FY17 unit count of 1129.53
- Number of students 15,741 a decrease of 188 students from FY17; continues downward trend of 165 student decrease in FY17
- Unit increase at the same time as student decrease means more students in higher needs categories.

Category	Students 16-17	Students 17-18	Change	Units 16-17	Units 17-18	Change
Prek	90	117	27	7.03	9.14	2.11
K-3	4921	4742	-179	303.77	292.72	-11.05
4-12	9039	8868	-171	451.95	443.4	-8.55
4-12 Basic	1044	1093	49	124.29	130.12	5.83
Intense	475	506	31	79.17	84.33	5.16
Complex	360	415	55	138.46	159.62	21.16

# Choice and Charter

- Red Clay students choosing out to other districts increased by 36 students; from 424 in 16-17 to 460 in 17-18
- Other district students choosing in to Red Clay decreased by 5; from 1374 in 16-17 to 1369 in 17-18
- FY18 Choice revenue is \$3,648,295, an increase of \$166,189 from Preliminary Budget. Includes revenue from Christina charter school funding settlement and increase of per pupil calculations. Choice revenue processes as net revenue.
- FY18 Charter enrollment increased by 117 students
- FY17 Charter payment \$12,853,844 an increase of \$1,111,037 from prior year (\$587,141 over Preliminary Budget).

# Charter Enrollment

Students in charter schools increased by 117 for 17-18; previous increase 195

<u>Charter School</u>	<u>Sept 30, 2016</u>	<u>Sept 30, 2017</u>	<u>Difference</u>
Academia Antonia Alonso	167	190	23
Charter School of Wilmington	799	818	19
DE Academy of Public Safety	33	35	2
Delaware Design Lab	47	54	7
DE Military Academy	408	387	(21)
Early College HS at DSU	6	11	5
East Side Charter	83	76	(7)
Family Foundations	79	86	7
First State Military Academy	4	14	10
First State Montessori	96	121	25
Friere Charter School	68	85	17
Gateway Lab School	65	55	(10)
Great Oaks	49	63	14
Kuumba Academy	168	161	(7)
Las Americas Aspira Academy	95	114	19
MOT Charter	2	8	6
Newark Charter	57	52	(5)
Odyssey Charter	563	614	51
Prestige Academy	30	0	(30)
Providence Creek	1	0	(1)
Thomas A. Edison Charter	158	151	(7)
	2978	3095	117

# Choice Enrollment

District	From Red Clay	To Red Clay
Appoquinimink	36	15
Brandywine	230	163
Ceasar Rodney	1	2
Cape Henlopen	0	1
Capital	0	5
Christina	142	899
Colonial	36	265
Smyrna	0	3

# FY18 Final Budget Highlights

## Revenue

- ❑ Choice revenue \$166,189 from Christina settlement and per pupil calculation
- ❑ Resource Teacher \$256,658 from match tax carry-forward balance
- ❑ Needs-based tuition (\$500,000) based on savings from additional earned units
- ❑ Charter transfer increase (\$523,883) based on charter enrollment
- ❑ State Reduction (\$2,645,616)
  - Division I, II, III, Technology, Professional Development, Ed Sustainment, Driver's Ed
- ❑ Related services cash-in \$309,767 from additional earned units.
- ❑ CSCRP reduction (\$300,000) based on review status
- ❑ School improvement change from state to federal funding (\$1,098,000)
- ❑ State reduction Adolescent Hospital (\$36,000)
- ❑ Opportunity Grant \$106,833
- ❑ Move state Priority School funding to federal funds (\$1,098,000)



# FY18 Final Budget Highlights

## Expenses

- ❑ Continues 20% departmental cuts
- ❑ Reflects state reductions
- ❑ Additional expenses in Special Education \$100,000; consolidation of operating units (\$58,000)
- ❑ Division I salary based on expenditures and state OEC reduction (\$549,558)
- ❑ State Priority Schools expenditures moved to federal (\$1,098,000)
- ❑ RTI increase based on 9 reading specialists \$256,658
- ❑ School budgets adjusted for September 30<sup>th</sup> count enrollment increases
- ❑ Local salaries and benefits reduced (\$419,839) based on experience and OEC reduction
- ❑ Related services \$401,795 for contracted services
- ❑ School improvement change from state to federal funding (\$1,098,000)
- ❑ State reduction Adolescent Hospital (\$36,000)

# FY18 Final Budget – Year End

- Estimated year-end balance \$12.9 million; sufficient balance to meet obligations for FY18 and necessary carry-forward. Slight increase of \$317,616 from Preliminary Budget
- Includes Referendum Settlement
- Last year of Referendum initiatives- highlights include Math Curriculum adoption, deployment of 1:1 technology initiative in 4, 7 and 10<sup>th</sup> grades, full time behavior interventionists and retention of programs such as reading specialists, academic excellence units, Communities in Schools, Strategic Plan grants, SROs and Assistant Principals/Academic Deans

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# FY 2018 Tuition Budget Summary

- Supports district Inclusion Plan for Intense and Complex Students and ELL
- Reduction in Needs-based funding (\$500,000) based on additional earned related services units
- Reflects change in state process to have districts make private placement payments \$1,727,838
- Supports increased units at RPLC – state and local
- Given unit growth, pressure on tuition funding expected to continue for FY19
- Continued support and advocacy needed for HB30 Basic K-3 funding for special education

# Total District Expenditures FY18 Budget

<u>Source</u>		<u>Total Budgeted Expenditures</u>
State/local Operating		\$207,991,508
Match Tax		\$2,586,845
Debt Service		\$12,932,507
Tuition		\$29,141,350
Federal Programs		\$13,833,951
Nutrition		\$10,904,895
	Total	<u>\$277,391,056</u>

# Next Steps

- ❑ December Board approval of final budget
- ❑ Continued Monthly CFRC meetings
- ❑ February 1 and May 1 Financial Position Reports
- ❑ FY19 - Governor's Recommended Budget released January, 2017.
- ❑ Continued advocacy to restore education funding cuts; support for HB30 K-3 Basic unit and ELL and high poverty funding
- ❑ Board Budget Workshop August 21 for long range forecast and planning