



FY 2019 Final Budget Recommendation to the Board of Education

Jill M. Floore, Chief Financial Officer
Interim Superintendent

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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 FY19 state reduction amounts:
 - Division 32 **\$2,581,124**
 - Division 54 (Meadowood) **\$136,807**
 - Division 58 (RPLC) **\$149,851**

FY 2019 Final Budget Summary

- Net revenue impact 0% from Preliminary Budget
- Reflects changes in unit enrollment and choice/charter revenues
- 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 1145.38, an increase of 2.58 units from FY18 unit count of 1142.8
- Number of students 15,414 a decrease of 327 students from FY18; continues downward trend of 188 student decrease in prior year
- Total Unit increase at the same time as student decrease means more students in higher needs categories.

Category	Students 17-18	Students 18-19	Change	Units 17-18	Units 18-19	Change
Prek	117	114	-3	9.14	8.91	-0.23
K-3	4742	4625	-117	292.72	285.49	-7.23
4-12	8868	8587	-281	443.4	429.35	-14.05
4-12 Basic	1093	1086	-7	130.12	129.29	-0.83
Intense	506	541	35	84.33	90.17	5.84
Complex	415	461	46	159.62	177.31	17.69

Choice and Charter

- Red Clay students choicing out to other districts decreased by 2 students in 18-19; total 458
- Other district students choicing in to Red Clay increased by 43 in 18-19; total 1412
- FY19 Choice revenue is \$3,894,342, an increase of \$382,765 from Preliminary Budget. Includes revenue from Christina charter school funding settlement. Choice revenue processes as net revenue.
- FY19 Charter enrollment increased by 52 students
- FY19 Charter payment \$12,972,265 an increase of \$118,421 from prior year (\$1,038,425 less than Preliminary Budget).

Charter Enrollment

Students in charter schools increased by 52 for 18-19; previous increase 117

<u>Charter School</u>	<u>Sept 30, 2017</u>	<u>Sept 30, 2018</u>	<u>Difference</u>
Academia Antonia Alonso	190	233	43
Charter School of Wilmington	818	843	25
DE Academy of Public Safet	35	0	(35)
Delaware Design Lab	54	56	2
DE Military Academy	387	389	2
Early College HS at DSU	11	11	0
East Side Charter	76	72	(4)
Family Foundations	86	82	(4)
First State Military Academy	14	10	(4)
First State Montessori	121	135	14
Friere Charter School	85	102	17
Gateway Lab School	55	51	(4)
Great Oaks	63	50	(13)
Kuumba Academy	161	152	(9)
Las Americas Aspira Academy	114	115	1
MOT Charter	8	6	(2)
Newark Charter	52	50	(2)
Odyssey Charter	614	644	30
Prestige Academy	0	0	0
Providence Creek	0	0	0
Thomas A. Edison Charter	151	146	(5)
	3095	3147	52

Choice Enrollment

Net choice enrollment increased by 45 students from 17/18 to 18/19

District	From Red Clay	To Red Clay
Appoquinimink	11	31
Brandywine	269	190
Capital	0	1
Christina	132	929
Colonial	45	256
Smyrna	1	5
TOTAL	458	1412

FY19 Final Budget Highlights

Revenue

- ❑ Restore senior property tax credit- means test not approved
- ❑ Increase in choice income
- ❑ Reduction in Indirect based on formula
- ❑ Needs-based tuition (\$500,000) based on need in special schools
- ❑ Charter transfer decrease from estimate (\$1,038,425) based on charter enrollment and per pupil calculation
- ❑ State Reduction (\$2,581,124)
 - Division I, III, Technology, Professional Development, Ed Sustainment, Driver's Ed
- ❑ Opportunity Grant decrease from early estimate
- ❑ Safety and Security State Grant funding \$561,292

- ❑ Local Revenue +0.7%; State -0.6% Net Revenue change 0%

FY19 Final Budget Highlights

Expenses

- ❑ Reflects continued state reductions/give-back
- ❑ Additional expenses in Maintenance \$200,000 Special Education \$300,000; Related Services \$200,000
- ❑ Division I salary based on unit allocation, expenditures, state give-back and state OEC rate (\$984,014)
- ❑ School budgets adjusted for September 30th count enrollment increases
- ❑ Opportunity Grants reduced to final allocation (\$410,000)
- ❑ Local salaries and benefits reduced (\$718,310) based on experience, unit allocation and OEC rate
- ❑ Reduction in substitutes based on experience (\$100,000)
- ❑ Related services increase \$200,000 for contracted services
- ❑ State security grant increase \$561,292
- ❑ Total expenditures -0.4% from Preliminary Budget
- ❑ Estimated year-end balance \$14.7 million; slight increase ad sufficient balance to meet obligations for FY19 and necessary carry-forward.

FY 2019 Tuition Budget Summary

- Supports district Inclusion Plan for Intense and Complex Students and ELL
- Reflects movement of \$500,000 from operating budget to special schools based on staffing and units earned
- Tuition tax supports continued growth of special education units
- Given unit growth, pressure on tuition funding expected to continue for FY20
- Continued support and advocacy needed for Basic K-3 funding for special education

Next Steps

- ❑ January Board approval of final budget
- ❑ Continued Monthly CFRC meetings
- ❑ February 1 and May 1 Financial Position Reports
- ❑ FY20 - Governor's Recommended Budget released January, 2019.
- ❑ Continued advocacy; support for K-3 Basic unit and ELL and high poverty funding, Safety and Security Funding, PreK and Mental Health
- ❑ Schedule early fall 2019 Budget Workshop for long range forecast and planning