

FY 2017 Preliminary Budget

Red Clay Consolidated

School District

July 13, 2016

Recommendation to the Board of Education

Jill M. Floore, CFO

Budget Development Process

- Review FY16 budget to actual
 - Ending balance \$9.0M from \$8.9M
- Develop assumptions based on information and estimates
 - Final State Budget
 - 1.5% state salary increase effective October 1, 2016
 - OEC rate increased 1.01%
 - Funding priorities
 - Strategic plan/operational needs
 - Referendum initiatives
 - » 1:1 Technology (Applications, Bandwidth, Capacity, Devices)
 - » Continued programming
 - Curriculum/Math Textbook Adoption
 - Elementary Talented and Gifted
 - Reading support/RTI
 - International Baccalaureate/AVID/Summer STEM
 - Behavior interventionists
 - Assistant principals/School Climate
 - Priority Schools support
 - School security (SROs, constables, building and bus cameras)
 - K-3 targeted class size reduction
 - » Eliminated Operating Budget Deficit
 - Inclusion 2nd year of implementation
 - » Moving funds to follow the students
 - » Staffing
 - Enrollment Projections
 - +229 charter net of DCPA and Delaware MET closings

FY16 Budget vs. Actual highlights

- Total State and Local Revenues: \$195,100,395 1% above FY16 Budget revenues
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- Expenditures: \$194,709,405 .1% above final FY16 budget
- Local funds ending balance \$9,010,437 vs \$8,944,499 in FY16. Operating deficit eliminated.

FY 2017 Operating Budget Summary

	FY16 Final Budget	FY16 Actual	FY17 Preliminary Budget	FY17 Prelim vs FY16 Final	% Increase
Total Local Revenues	73,940,140	73,171,971	78,746,728	4,806,588	6.5%
Opening Balance - 8000	8,944,499	8,944,499	9,010,437	65,938	0.7%
Total Local Funds Available	82,884,639	82,116,470	87,757,165	4,872,526	5.9%
Total State Revenue	<u>119,089,298</u>	<u>121,928,424</u>	<u>125,801,456</u>	<u>6,712,158</u>	<u>5.6%</u>
TOTAL CURRENT YEAR REVENUE	193,029,438	195,100,395	204,548,184	11,518,746	<u>6.0%</u>
<u>Expenditures:</u>					
Total Expenditures - Division 32	\$194,507,715	\$194,709,405	\$203,284,441	8,776,727	4.5%
Current Year Revenues/Expenses	(1,478,277)	390,990	1,263,742	2,742,019	-185.5%
Carry-Forward Balance (local funds)	7,466,222	9,010,437	10,274,179	2,807,957	37.6%

FY2017 Preliminary Budget – Local Revenues

- Opening Balance \$9.0M
 - Interest increase \$128,409
 - Increase to match tax (resource teacher, MCI and tech as a result of increased assessed value)
 - Increase in number of state senior property tax rebates
 - Reduction in indirect -\$228,000
- 2015 Local Operating Referendum
 - Current Expense Tax Receipts \$78,669,301 +\$5.5M
- Inclusion
 - Adjustment in Needs-based funding reflects increase in Division 54; net increase over FY16 actual
- Early projections for enrollment and choice and charter
 - Charter payment increase \$205,382
 - Choice revenue +\$77,954 3%
- Total local revenues \$78,746,728 from \$73,940,140 +6.5%

FY2017 Preliminary Budget – State Revenues

- Division I increase based on state salary increase (1.5%), OEC increase (1.01%), steps and lanes and projected unit growth +\$5.6M vs FY16 budget (6.1%) and +\$3.6M vs FY16 actual (3.8%)
- Division II and III changes based on estimated unit growth
- Transportation increase based on state contractor formula increase
- Increase in CSCRP recovery +\$160,000
- Reduction in State school improvement funds – Focus funded as federal. Priority Schools funded for 2nd year at \$366,000 per school

Total State Revenues \$125,801,456 vs FY16 Budget \$119,089,298
+5.6%; vs FY16 Actual \$121,928,424 +3.1%

FY17 Preliminary Budget - Expenditures

- Referendum Initiatives
 - Technology +\$521,430
 - Eliminates deficit spending
 - Curriculum and Instruction -\$400,000 (reduction still leaves net increase vs FY16)
- Inclusion
 - Special education 5% budget increase; related services increase \$321,216
 - Staffing allocations
- Salaries and Benefits
 - State Division I +\$5.7M
 - Local Salaries +\$2.2M
 - \$657,425 (28%) contract increase; \$457,921 (19.5%) pension increase; \$190,718 (8.1%) annualized salaries; \$419,909 (18%) position growth; \$629,014 (26.4%) Step Increases
- Cost savings and budget reductions in Data Service Center and Copy Center/Printing
- Special education 5% budget increase; related services increase \$321,216
- Operating increases in student services (CIS), maintenance, substitutes and insurance

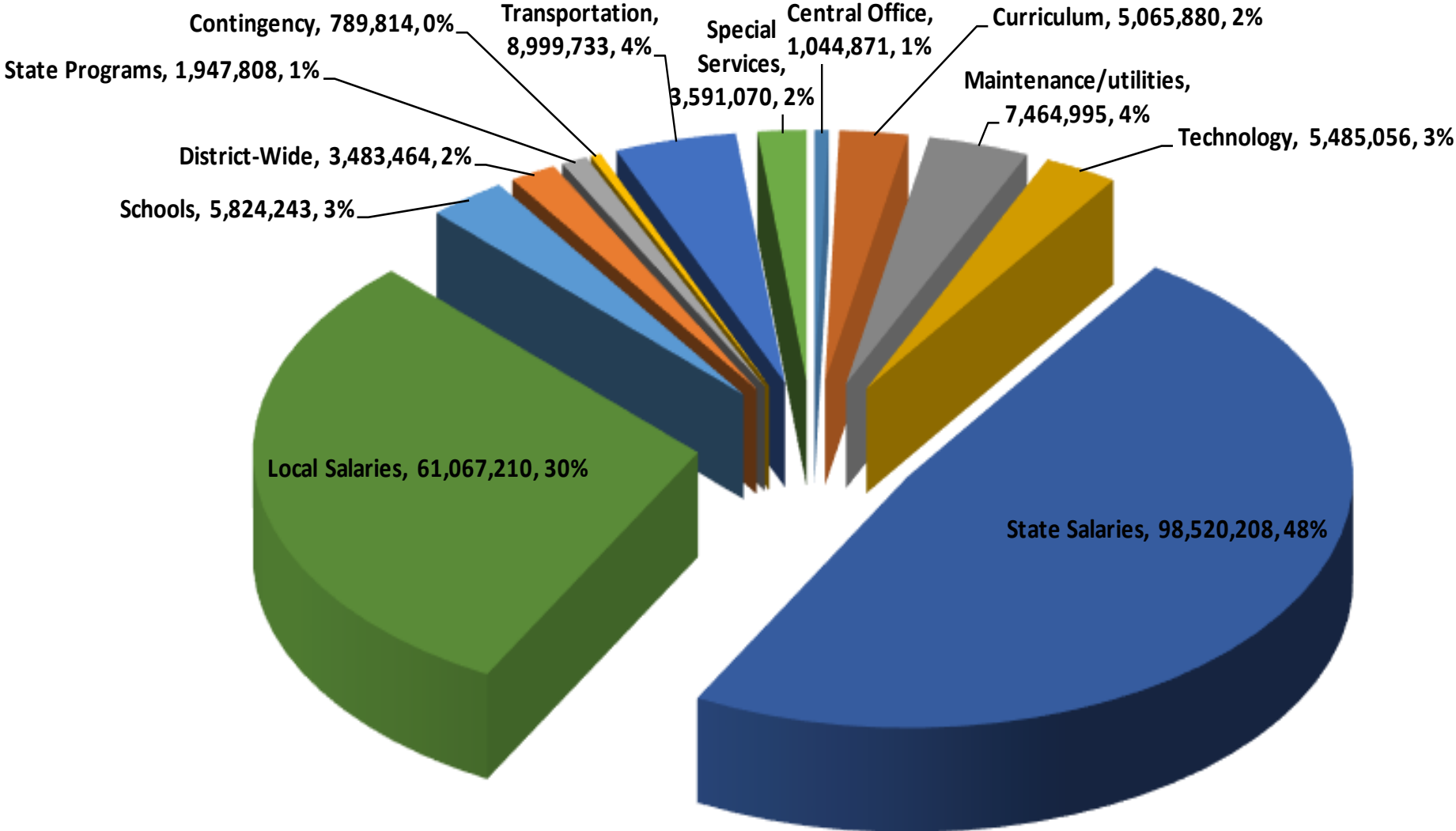
FY17 Preliminary Budget – Expenditures (con't)

- Operating increases in student services (CIS), maintenance, substitutes and insurance
- School budgets based on units and carry-over funds. Can show as a reduction if carry-over amount is less than previous year or can show as an increase if carry-over balance was higher than previous year.
- No increase to utilities - ESCO project cost savings offset cost of debt repayment
- Transportation increase based on FY16 actuals and increase in state contractor payment
- School improvement reduction; future focus allocations funded through federal funds
- No change to legal budget; will continue to watch based on referendum lawsuit expenses

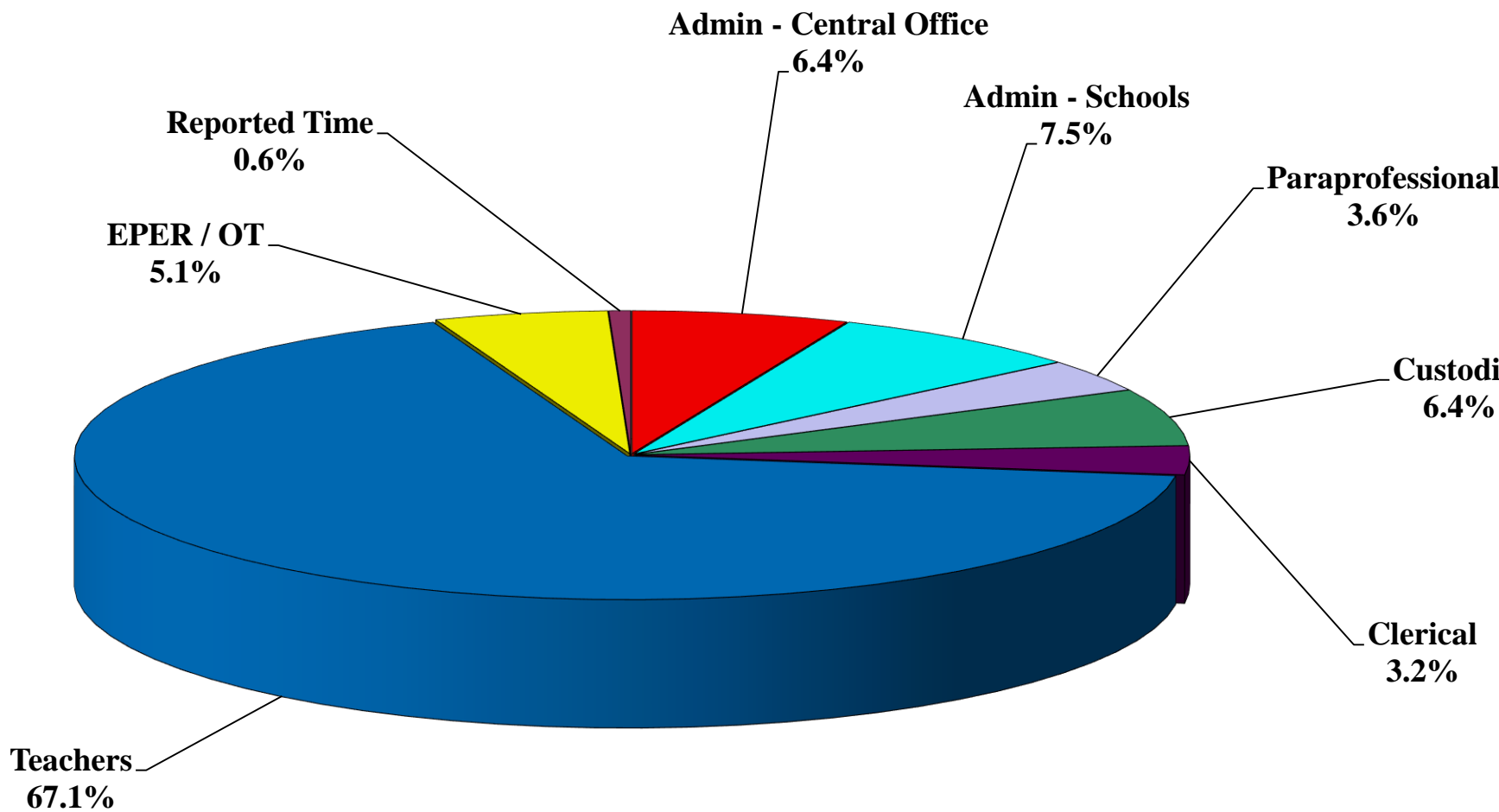
FY17 expenses +8.7M vs FY16 Budget (4.5%) and +\$8.5M (4.4%) vs
FY16 Actual

Largest item \$7.9M or 92.5% of increase attributed to state and local salary

Division 32 Operating Budget Breakdown



FY 2017 Salary Budget by Classification - Div. 32



FY 2017 Tax Rates

Tax Category	2015-2016	2016-2017	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.426	\$1.526	\$0.100	\$78,669,301
Tuition	\$0.362	\$0.382	\$0.020	\$20,002,595
Debt Service	\$0.146	\$0.216	\$0.070	\$11,424,614
Match Tax	\$0.050	\$0.050	\$0.000	\$2,644,587
TOTAL	\$1.984	\$2.174	\$0.190	\$112,741,097

Includes both residential and non-residential

Per \$100 of assessed value

Assumes 99% collection rate

Amount per average household \$1,741.37, an increase of \$152.19.

Tuition \$0.382/100 (+\$.02)

	FY16 Final Budget	FY16 Actual	FY17 Preliminary Budget	Difference from FY16 Actual	% Change
REVENUE:					
Opening Balance - Tuition Funds	2,158,067	2,158,067	2,145,299	(12,768)	-0.6%
Tuition Tax	18,788,543	18,653,969	20,204,642	1,550,673	8.3%
Tuition billing	1,433,574	1,889,740	1,927,535	37,795	2.0%
State Revenue (1st State, Unique Alt)	1,185,871	1,226,077	1,250,599	24,522	2.0%
Total Tuition Revenue	23,566,055	23,927,853	25,528,074	1,600,221	6.7%
EXPENDITURES:					
Tuition Payments to Other Agencies	2,925,099	2,610,140	2,687,024	76,884	2.9%
Unique Alternatives/Private Placement	1,784,679	1,022,331	1,073,448	51,117	5.0%
Consortium	311,740	316,375	325,866	9,491	3.0%
Meadowood Program	3,450,350	4,150,350	4,850,000	699,650	16.9%
Intensive Learning Centers	4,044,000	4,344,000	4,544,000	200,000	4.6%
ELL/LEP	3,400,000	3,000,000	3,700,000	700,000	23.3%
First State School	1,150,000	1,150,000	1,150,000	0	0.0%
Needs-Based Special Education Funding	5,566,000	4,500,000	4,750,000	250,000	5.6%
Tuition Contingency	469,714	0	404,093	404,093	
Total Expenditures	23,101,582	21,093,196	23,484,431	2,391,235	11.3%
Current Year Revenues over Expenses	(1,693,594)	676,590	(101,655)	(778,246)	-115.0%
				0	
Estimated June 30 Balance	464,473	2,134,657	2,043,644	(91,013)	-4.3%

Current Expense 1.526/100 (+\$.10)

Tax Category	2015- 2016	2016- 2017	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.426	\$1.526	\$0.100	\$78,669,301

Funds operating budget. Last operating referendum 2015.
FY17 second of three year phase-in plan of \$.20/.10/.05.

Debt Service \$.216/100 (+\$.07)

Tax Category	2015- 2016	2016- 2017	Difference	Local Tax Rate Dollar Value
Debt Service	\$0.146	\$0.216	\$0.070	\$11,424,614

Bond repayment schedules for 30 year Debt Service. FY17 first significant year of impact from 2012 \$117M Capital Improvement Program. Reductions in previous debt offset increases in first four years. FY17 highest year and rate will begin to decrease again within 2 years.

MCI and Match Tax .05/100 (no change)

Tax Category	2015- 2016	2016- 2017	Difference	Local Tax Rate Dollar Value
Match Tax	\$0.050	\$0.050	\$0.000	\$2,644,587

Technology Match - \$645,279

Minor Capital Improvement - \$764,048

RTI/Resource Teachers - \$744,641

Extra Time Match - \$432,977

FFY 2017 Federal Budget

CATEGORY	<u>FF15</u>	<u>FF16</u>	<u>FF17</u>	Difference
Title I:	5,195,535	5,409,873	5,635,669	225,796
Title II: Teacher Quality and Technology	1,051,483	1,333,455	1,253,503	(79,952)
Title III: Bilingual	313,457	268,836	245,595	(23,241)
IDEA 6-21:	3,900,401	4,125,479	4,279,048	153,569
Vocational Education (Perkins)	397,020	412,163	392,784	(19,379)
IDEA PreSchool	97,570	98,120	98,528	408
Race to the Top	-			-
TOTAL	10,955,466	11,647,926	11,905,127	692,460
				2.21%

FY17 Budget – All Funds

<u>Source</u>		<u>Total Budgeted Expenditures</u>
State/local Operating		\$203,284,441
Match Tax		\$2,586,945
Debt Service		\$12,932,507
Tuition		\$23,484,431
Federal Programs		\$11,905,127
Nutrition		\$11,225,238
	Total	<u>\$265,418,689</u>

- Questions
- Next Steps
 - August 17, 2016 Board Action Item
 - September 30 Count
 - Monthly Community Financial Review Committee
 - Final Budget Presented December, 2016
 - Governor’s Recommended FY18 Budget
January, 2017