

FY 2016 Preliminary Budget

Red Clay Consolidated

School District

July 8, 2015

Recommendation to the Board of Education

Jill M. Floore, CFO

Budget Development Process

- Review FY15 budget to actual
 - Ending balance \$8.9M from \$14.7M
- Develop assumptions based on information and estimates
 - Final State Budget
 - No general state salary increase
 - OEC rate increased .42%
 - \$1M increase statewide in Education Sustainment funds
 - Epilogue provision for cashing in partial units
 - Funding priorities
 - Strategic plan/operational needs
 - Referendum initiatives
 - » Curriculum and Instruction
 - » Technology
 - » Eliminating deficit spending
 - Inclusion
 - » Moving funds to follow the student
 - » Inclusion coaches
 - Enrollment Projections
 - Attendance Zone Changes
 - Charter/choice student changes

FY15 Budget vs. Actual highlights

Total State and Local Revenues: \$175,689,370 .6% above projected revenues

Expenditures: \$177,554,261 2.7% below final FY15 budget

Local funds ending balance \$8,944,499. vs \$7,704,037 budget; difference of \$1.2M. Deficit spending- balance declining from \$14,677,949 in FY14 to \$8,944,499 in FY15.

FY 2016 Tax Rates

Tax Category	2015-2016	2014-2015	Difference	Local Tax Rate Dollar Value
Current Expense	\$1.426	\$1.226	\$0.200	\$72,889,360
Tuition	\$0.362	\$0.352	\$0.010	\$18,788,543
Debt Service	\$0.146	\$0.141	\$0.005	\$7,577,700
Match Tax	\$0.050	\$0.052	(\$0.002)	\$2,595,103
TOTAL	\$1.984	\$1.771	\$0.213	\$101,850,706

Includes both residential and non-residential

Per \$100 of assessed value

Assumes 99% collection rate

Amount per average household \$1,629.23, an increase of \$210.66.

FY 2016 Operating Budget Summary

	FY15 Final Budget	FY15 Actual	FY16 Preliminary Budget	FY16 Prelim vs FY15 Final Budget	% Change
Total Local Revenues	60,284,946	61,260,151	74,886,105	14,601,159	24.2%
Total State Revenue	<u>114,312,405</u>	<u>114,429,219</u>	<u>121,717,504</u>	<u>7,405,099</u>	<u>6.5%</u>
TOTAL CURRENT YEAR REVENUE	174,597,351	175,689,370	196,603,609	22,006,258	<u>12.6%</u>
Revenue Available with Local Carry-Forward	189,275,300	190,367,319	205,548,108	16,272,808	<u>8.6%</u>
Total Expenditures - Division 32	\$181,571,263	\$176,561,697	\$196,553,282	\$14,982,019	8.3%
Current Year Revenues/Expenses	(6,973,912)	(872,327)	50,327	7,024,239	-100.7%
Carry-Forward Balance (local funds)	7,704,037	8,944,499	8,994,826	1,290,789	16.8%

Three major factors impacting FY16 Operating Budget:

- FY15 Operating Referendun
- Inclusion
- Attendance Zone Changes

FY2016 Preliminary Budget - Revenues

Local Funds

- Opening Balance \$8.9M
- 2015 Operating Referendum
 - Current Expense Tax Receipts \$70,405,909 +\$10.8M
- Inclusion
 - transfer of students and tuition expenses from Division 54 +\$4.6M
- Early projections for enrollment and choice and charter
 - Increased charter payments \$629,489 or approx. 200 students
- Total local revenues \$74,886,105 from \$60,284,946
 - Reductions in interest and indirect

FY2016 Preliminary Budget - Revenues

- State
 - Division I Salaries \$95,382,486 (+\$6.4M)
 - State share of salaries moving from Division 58
 - Step increases
 - Division II and III increases based on unit growth of students moving from Division 58
 - Related Services increases based on unit growth of students moving from Division 58
 - Anticipates cashing in 1 fractional unit based on new flexibility epilogue
 - Related Services cash in \$1.2M
 - Increase in CSCRP recovery
 - Reduction in State school improvement funds
 - Total State Revenues \$121,717,504

FY16 Preliminary Budget - Expenditures

- Referendum Initiatives
 - Curriculum and Instruction +2.7M
 - Technology +1.3M
 - Eliminates deficit spending
- Inclusion
 - \$3.9M local tuition salaries moved from Division 58
- Strategic Plan- RTI teachers, after school programs, Assistant Principals, class size, security
- Salaries and Benefits
 - State Division I +\$6.4M; majority due to moving salaries from Division 54
 - Local Salaries +\$4.2M; majority due to moving salaries from Division 54
- Collapse facilities and maintenance budget into one operating unit
- Special education increase due to moving expenses from Division 54

FY16 Preliminary Budget - Expenditures

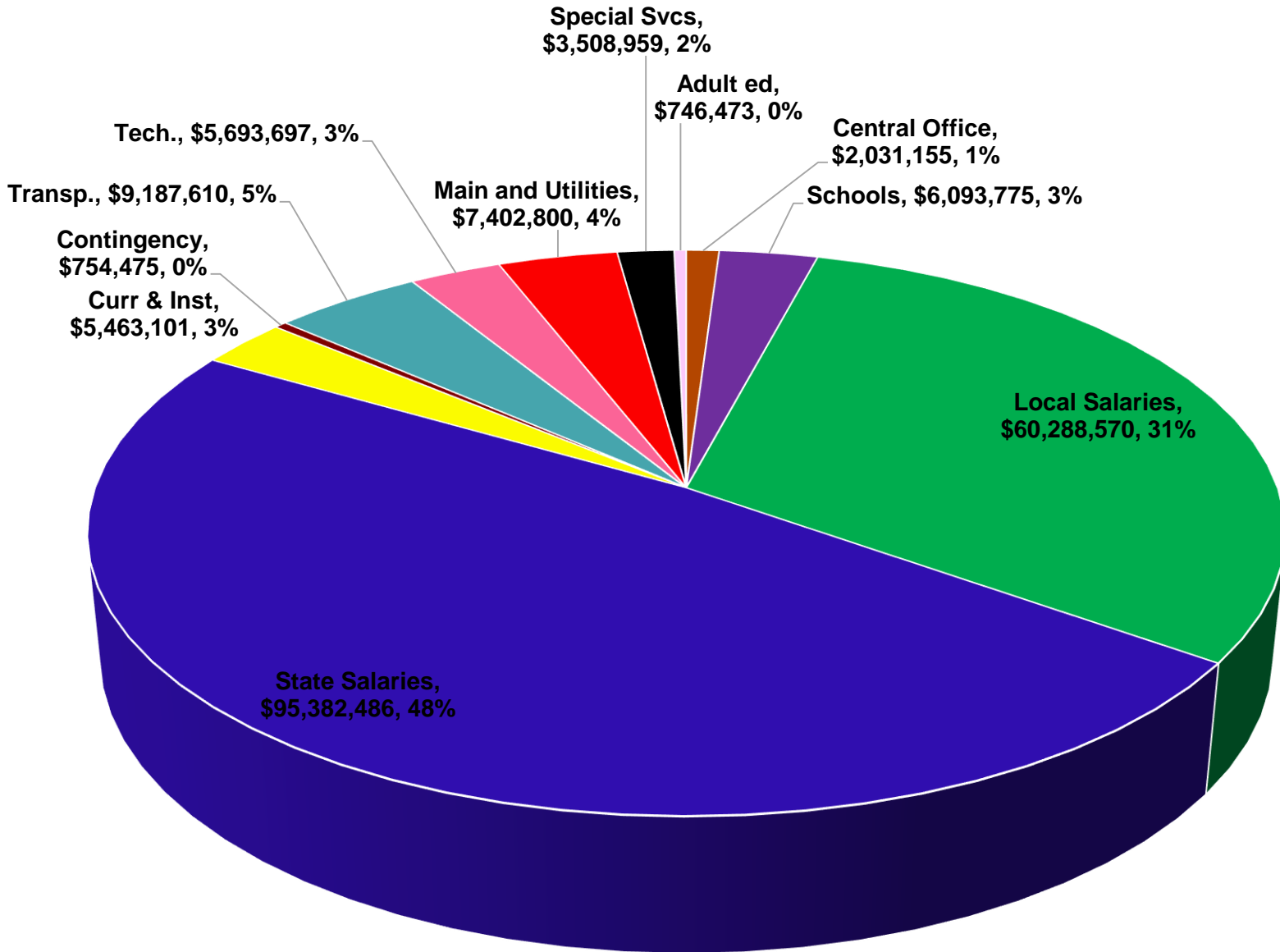
- School budgets based on units and carry-over funds. Can show as a reduction if carry-over amount is less than previous year or can show as an increase if carry-over balance was higher than previous year. Also impacted by attendance zone changes and addition of Cooke.
- Operations/Utilities reduction based on energy savings
- Transportation decrease based on FY15 actuals and increase based on moving expenses from Division 58
- Legal budget to closely watch; previously increased \$125,000 but over budget in FY14 and FY15
- District Wide Services \$109,817
 - Moving substitute teacher costs from Division 54
 - Data Service Center Payment

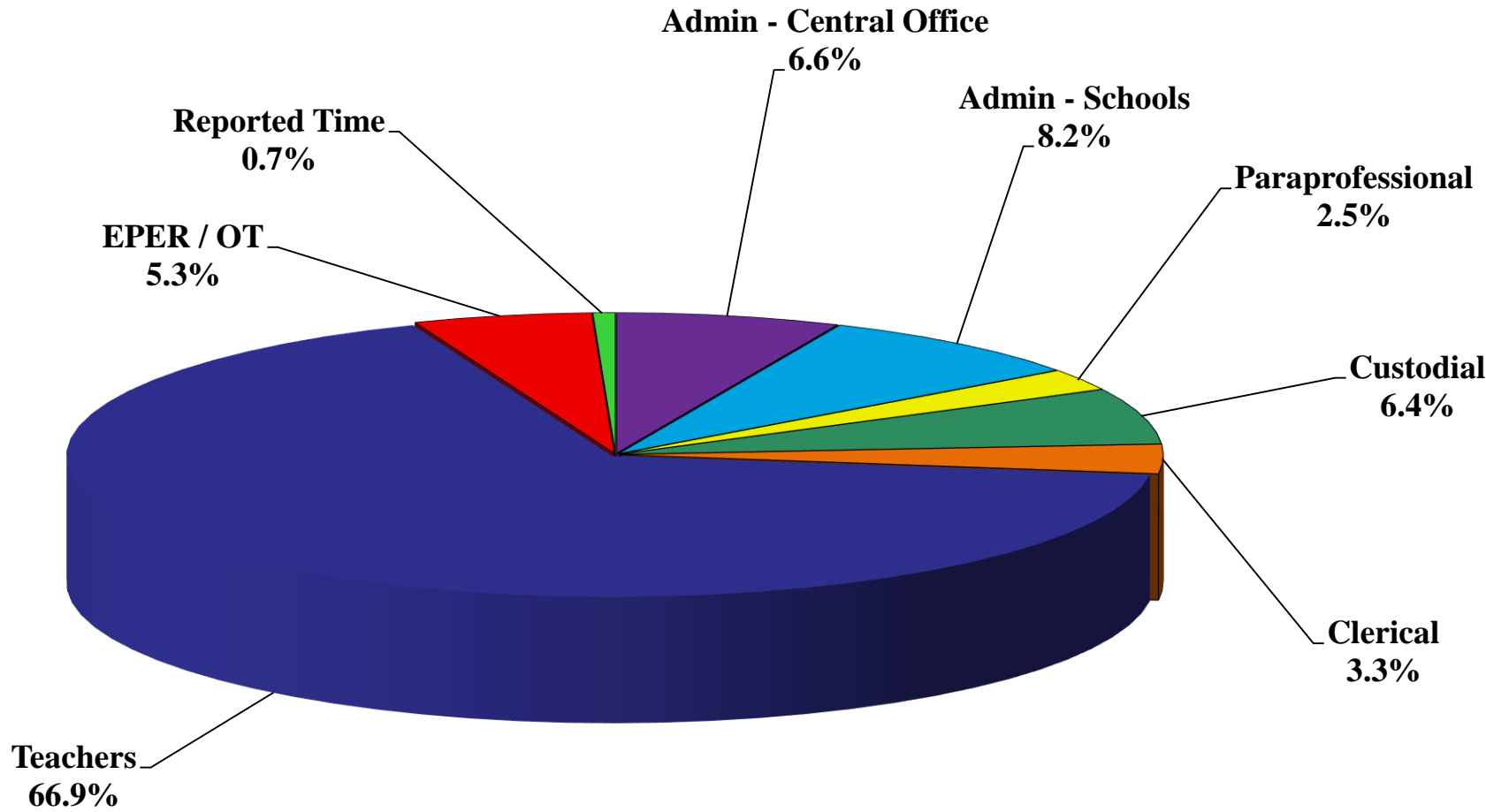
**Moving expenses for inclusion artificially inflates budget growth;

FY15 expenses 8.3% over FY15 actual due to moving expenses from Div58

Without Div58 expenses, FY16 expenses 3.6% higher than FY15 Budget including referendum initiatives

Division 32 Operating Budget Breakdown





FFY 2016 Federal Budget

CATEGORY	<u>FF13</u>	<u>FFY14</u>	<u>FF15</u>	<u>*FF16</u>	Difference
Title I:	4,918,451	4,929,086	5,195,535	5,409,873	214,338
Title II: Teacher Quality and Technology	1,345,855	1,109,153	1,051,483	1,333,455	281,972
Title III: Bilingual	248,410	232,583	313,457	268,836	(44,621)
IDEA 6-21:	3,940,032	3,931,089	3,900,401	4,125,479	225,078
Vocational Education (Perkins)	440,481	380,688	397,020	412,163	15,143
IDEA PreSchool	344,935	98,120	97,570	98,120	550
Race to the Top	1,951,664	2,066,195	-		
TOTAL	13,189,828	12,746,914	10,955,466	11,647,926	692,460
					6.32%
*Preliminary Allocations awaiting finalization					

FY 2016 Tuition Budget

	FY15 Final Budget	FY15 Actual	FY16 Preliminary Budget	Difference	% Change
REVENUE:					
Opening Balance - Tuition Funds	1,974,275	1,974,275	2,158,067	183,792	9.3%
Tuition Tax	18,407,286	18,266,893	18,788,543	381,257	2.1%
Tuition billing	1,381,577	1,365,309	1,433,574	51,997	3.8%
State Revenue (1st State, Unique Alt)	1,358,477	1,162,619	1,185,871	(172,606)	-12.7%
Total Tuition Revenue	23,121,615	22,769,096	23,566,056	444,441	1.9%
EXPENDITURES:					
Tuition Payments to Other Agencies	2,695,387	2,867,744	2,925,099	229,712	8.5%
Unique Alternatives/Private Placement	2,062,327	1,699,694	1,784,679	(277,648)	-13.5%
Consortium	318,102	290,595	311,740	(6,362)	-2.0%
Meadowood Program	3,550,000	3,550,000	3,950,350	400,350	11.3%
Intensive Learning Centers	7,610,000	6,610,000	3,044,000	(4,566,000)	-60.0%
ELL/LEP	3,100,000	3,100,000	3,400,000	300,000	9.7%
First State School	889,500	889,500	1,150,000	260,500	29.3%
Needs-Based Special Education Funding	1,500,000	1,500,000	6,066,000	4,566,000	304.4%
Tuition Contingency	460,182	0	469,714	9,531	
Total Expenditures	22,185,498	20,507,533	23,101,581	916,083	4.1%
Current Year Revenues over Expenses	936,117	2,261,563	464,475	(471,642)	-50.4%

FY 2016 Debt Service Budget

Debt Service Tax Rate Requirements:	FY 2016
Revenue From Debt Service Tax:	\$7,577,700
Balance Available July 1, 2015:	\$3,509,022
CSW Rent	\$320,252
Interest Income	<u>\$17,937</u>
Available Funds	\$11,424,911
Estimated Debt Service amount	
including first four months of FY2017	<u>\$11,405,021</u>
Balance at Year End of October 2016	\$19,890
Tax Rate:	14.6 cents per \$100 of assessed value

FY 2016 Match Tax Budget

Revenue From Match Tax:	\$2,595,103
TOTAL AVAILABLE FUNDS	\$2,595,103
Expenditures:	
Minor Capital Improvement	\$787,282
State Technology Maintenance	\$639,601
Reading/Math Specialist	\$722,951
Extra Time	\$432,977
TOTAL EXPENDITURES	\$2,582,811
Projected Balance 6/30/16	\$12,292

FY 2016 Preliminary Budget – All Funds

<u>Source</u>		<u>Total Budgeted Expenditures</u>
State/local Operating		\$196,553,282
Match Tax		\$2,582,813
Debt Service		\$11,405,021
Tuition		\$23,101,581
Federal Programs		\$11,647,926
Nutrition		\$9,288,375
	Total	<u>\$254,578,998</u>

- Questions
- Next Steps
 - August 18, 2015 Board Action Item
 - September 30 Count
 - Monthly Community Financial Review Committee
 - Final Budget Presented December, 2015
 - Wilmington Implementation Committee (WEIC)
Meetings- Analysis and Funding
 - Governor’s Recommended FY17 Budget
January, 2016