

# Finance Committee

Chancellor Center, Historic Classroom

May 26, 2016, 6:30PM

# Discussion Items

- 2016-2017 Budget Update
  - Retirement Update
  - Adjustments:
    - Revenues
    - Healthcare
  - Final Budget Discussions
  - Federal Mandates
    - Required Board Policies
  - Student Transportation
    - New Routing Software

# How did we get here? Comparison between 2015-2016 and 2016-2017

	2015-2016 Budget	2016-2017 First Draft Budget	2016-2017 Preliminary Budget	Increase (Decrease)	Percent
<b>REVENUES AND OTHER FINANCING SOURCES:</b>					
<b>Revenues:</b>					
Local Sources	\$165,112,412	\$166,927,771	\$170,464,225	\$3,536,454	2.12%
State Sources	47,127,891	49,896,052	49,630,776	(265,276)	-0.53%
Federal Sources	1,806,834	1,765,418	1,765,418	-	0.00%
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>214,047,137</u>	<u>218,589,241</u>	<u>221,860,419</u>	<u>3,271,178</u>	<u>1.50%</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>					
<b>Expenditures:</b>					
Instruction	139,696,026	148,473,559	144,956,138	(3,517,421)	-2.37%
Support Services	59,351,774	62,621,568	60,830,748	(1,790,820)	-2.86%
Non Instructional Services	3,618,836	3,835,072	3,650,406	(184,666)	-4.82%
<b>Total Expenditures</b>	<u>202,666,636</u>	<u>214,930,199</u>	<u>209,437,292</u>	<u>(5,492,907)</u>	<u>-2.56%</u>
<b>Other Financing Uses:</b>					
Debt Service	17,827,245	17,660,934	17,660,934	-	0.09%
Fund Transfers	-	-	-	-	N/A
Budgetary Reserve	-	-	-	-	N/A
<b>Total Other Financing Uses</b>	<u>17,827,245</u>	<u>17,660,934</u>	<u>17,660,934</u>	<u>-</u>	<u>-0.93%</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>220,493,881</u>	<u>232,591,133</u>	<u>227,098,226</u>	<u>(5,492,907)</u>	<u>5.55%</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>					
	<u>(\$6,446,744)</u>	<u>(\$14,001,892)</u>	<u>(\$5,237,807)</u>	<u>\$8,764,085</u>	

# Retirement Update

- As of May 25, 2016 , 18 FTE's affecting the 2016-2017 Budget
  - Savings:

\$923,457

# Healthcare Update

- Developing Premiums
  - Summarize most recent 12 month claims.
    - First Look – January 2014 through December 2015
    - Second Look – March 2014 through February 2015
    - Third Look – April 2014 through March 2015
    - Alternative – 24 month weighting of claims
  - First Look - 10.32% increase in projected costs (Preliminary Budget)
  - Second Look – 14.44% increase in projected costs
  - Third Look – 13.52% increase in projected costs
  - Third look (24 Month) – 12.68% increase in projected costs

# Impact of Healthcare Projections

- Recommend Using the :
  - Third Look (24 Month) – 12.68% increase in projected costs
  - Additional Cost to Budget:  
**\$461,130**
- Complicating Factor:
  - Offering Two Plans:
    - Personal Choice 20/30/70
    - Personal Choice C3F101
  - District Pays a larger amount of costs for Personal Choice C3F101
    - Current budget assumption is 20% of staff will move.
    - If larger number of staff members move we may over expend the Healthcare line item of the budget.

# Revenue Adjustments – Other Than Effects from State Share of FICA and Retirement

	<b>Preliminary Budget</b>	<b>New Projections</b>	<b>Adjustment</b>
Basic Education Funding	\$ 13,895,296	\$ 14,030,149	\$ 134,853
Accountability Block Grant	353,192	416,762	63,570
Special Education Funding	6,400,000	6,475,037	75,037
<b>Total State</b>	<b>\$ 20,648,488</b>	<b>\$ 20,921,948</b>	<b>\$ 273,460</b>
Delinquent Taxes	1,790,000	1,890,000	100,000
Interest Earnings	400,000	500,000	100,000
<b>Total</b>	<b>\$ 22,838,488</b>	<b>\$ 23,311,948</b>	<b>\$ 473,460</b>

# Recommended Adjustments To Preliminary Budget

## **PRELIMINARY BUDGET**

Estimated Revenues	\$ 221,860,419
Appropriations	<u>227,098,226</u>
<b>Use of Fund Balance</b>	<u>(5,237,807)</u>

## **Recommended Adjustments:**

Retirements	923,457
Additional Healthcare	(461,130)
Additional Adjustments to Revenues	<u>473,460</u>
Total Recommended Adjustments	<u>935,787</u>

<b>Adjusted Use of Fund Balance</b>	\$ (4,302,020)
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## **Additional Consideration**

4 PM Buses (Middle School on Thursdays Only)	<u>90,000</u>
<b>Adjusted Use of Fund Balance Without Reduction</b>	<u>\$ (4,392,020)</u>



# Summary of Final Budget Adoption

## Revenues:

- 2.4% Increase in Real Estate Tax Mil Rate -  
\$3,386,454

## Appropriations:

- Total of net reductions equal \$5,139,332

## Use of Fund Balance:

\$(4,302,020)

Or

\$(4,392,020)

# Uniform Grants Guidance (UGG) – Federally Mandated

- Board Policies
  - PSBA #626 FEDERAL FISCAL COMPLIANCE
  - PSBA #626.1 TRAVEL REIMBURSEMENT – FEDERAL PROGRAMS
  - PSBA #827 CONFLICT OF INTEREST
  - Administrative Regulations:
    - Cash Management – Federal Programs
    - Administration of Federal Funds – Type of Costs, Obligations and Property Management
    - Allowability of Costs – Federal Programs
    - Procurement – Federal Programs

# Proposal for New Routing Software for Transportation Department

- You have heard me speak about this previously.
- Would like to purchase software begin the migration as soon as possible (2015-2016 Budget).
- I am proposing to request authorization at our June 2, 2016 Board Meeting.
- Memo from Mr. Ro explaining need and the basis for his selection of this software package.
- Mr. Ro is scheduled to update you on his first year experiences and future plans during the June 23<sup>rd</sup> Finance Committee Meeting.

# Additional Information For Reference

# Central Office Programs

## Reduction:

Supervisor of Special Education – 1.0 FTE	\$	157,853
Realign Federal Program Responsibilities – 1.0 FTE		90,877
Superintendent's Office		9,500

# Buildings and Grounds

## **Reduction:**

Security Camera Replacement	\$ 204,500
Service Contract Efficiencies	15,000
Repairs and Maintenance	35,000
Equipment	98,000
Maintenance Supplies	230,000
Elimination of Aramark Day Time Staffing	468,000

# Technology

## Reduction:

Instructional Software and Repairs	\$ 12,500
Library Software	12,000
Equipment Purchases	400,508
Administrative Technology	14,005

# Elementary Education

## Reduction:

Classroom Teachers – 2.0 FTE	\$ 181,754
Special Education Teachers– 4.5 FTE	408,946
Special Education Instructional Assistants – 10.0 FTE	513,014
Librarian – 1.0 FTE	90,877
STEM Specialist – 1.0 FTE	90,877
7% Reduction in Building Allocations	63,120



# Middle School Education

## Reduction:

Classroom Teacher – 1.0 FTE	\$ 90,877
Special Education Teacher – 1.0 FTE	90,877
Special Education Instructional Assistants – 3.0 FTE	153,904
7% Reduction in Building Allocations	26,580

# High School Education

## Reduction:

Classroom Teachers – 2.1 FTE	\$	190,842
Special Education Teacher– 1.3 FTE		118,140
Special Education Instructional Assistants – 2.0 FTE		102,603
Reduction of Hours for Hall Monitors – 1.44 FTE		34,396
After School Detention Offerings – EDRPP		10,392
7% Reduction in Building Allocations		55,515
4 PM Buses (Middle School on Thursdays Only)		90,000
Transportation Efficiencies To and From School		10,000

# Districtwide Education

## Reduction:

Reduction in the Number of Clerical Aides – 6.0 FTE	\$	312,965	
Special Education Contracted Services		200,000	
Staff Nurses will Replace Certified Nurses		55,338	
Homebound Instruction Wage and Benefit Reduction		59,795	
Music Equipment		20,000	(1)
Math Textbook		9,179	(1)
Foundations of Chemistry Textbook		42,951	(1)
Collections Reading Program		111,667	
New Middle School Fiction Book Collection		20,757	

*(1) These items will be purchased during the 2015-2016 year. We were able to rearrange priorities and gain efficiencies to be able to make these purchases early.*

# Extra Curricular Activities

## Reduction:

Adjustment to Athletic Budget to 2015-2016 Level	\$ 10,000
North Band Uniform to be purchased in 2015-2016	78,000 (1)
7% Reduction in Athletic Budget	36,561
Transportation of Newtown Middle Athletes to Playing Fields During Construction	(18,256)

*(1) These items will be purchased during the 2015-2016 year. We were able to reprioritize and gain efficiencies to be able to make these purchases early.*

# 2016-2017 Homestead Farmstead Rebate

	<b>2016-2017</b>
Total Allocation	\$5,525,911.95
Homesteads	20,131
Farmsteads	45
Total	<u>20,176</u>
Reduction for Each Homestead and Farmstead	<u>\$273.82</u>

Fiscal Year	Homestead/Farms Annual Increase	
	Reduction	(Decrease)
2008-2009	274.71	
2009-2010	252.39	(22.32)
2010-2011	279.03	26.64
2011-2012	245.27	(33.76)
2012-2013	281.10	35.83
2013-2014	249.36	(31.74)
2014-2015	259.60	10.24
2015-2016	264.75	5.15
2016-2017	273.82	9.07

# Average Increase in Property Taxes

## 2.40% Increase

<u>Assessed Value</u>	<u>Increase in Milage Rate</u>	<u>Gross Tax Increase</u>	<u>Adjustment in Homestead Rebate</u>	<u>Net Tax Increase</u>
\$ 30,000	2.76	82.80	\$ (9.07)	\$ 73.73
38,400	2.76	105.98	(9.07)	96.91
40,000	2.76	110.40	(9.07)	101.33
50,000	2.76	138.00	(9.07)	128.93
60,000	2.76	165.60	(9.07)	156.53
70,000	2.76	193.20	(9.07)	184.13
80,000	2.76	220.80	(9.07)	211.73
90,000	2.76	248.40	(9.07)	239.33
100,000	2.76	276.00	(9.07)	266.93