



# FY17 General Fund Budget Update

Committee of the Board  
May 3, 2016

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Chief Financial Officer



# Purpose

To provide an update on the FY 2016-2017 General Fund budget to the Committee of the Board



# *Strong Schools, Strong Communities 2.0*

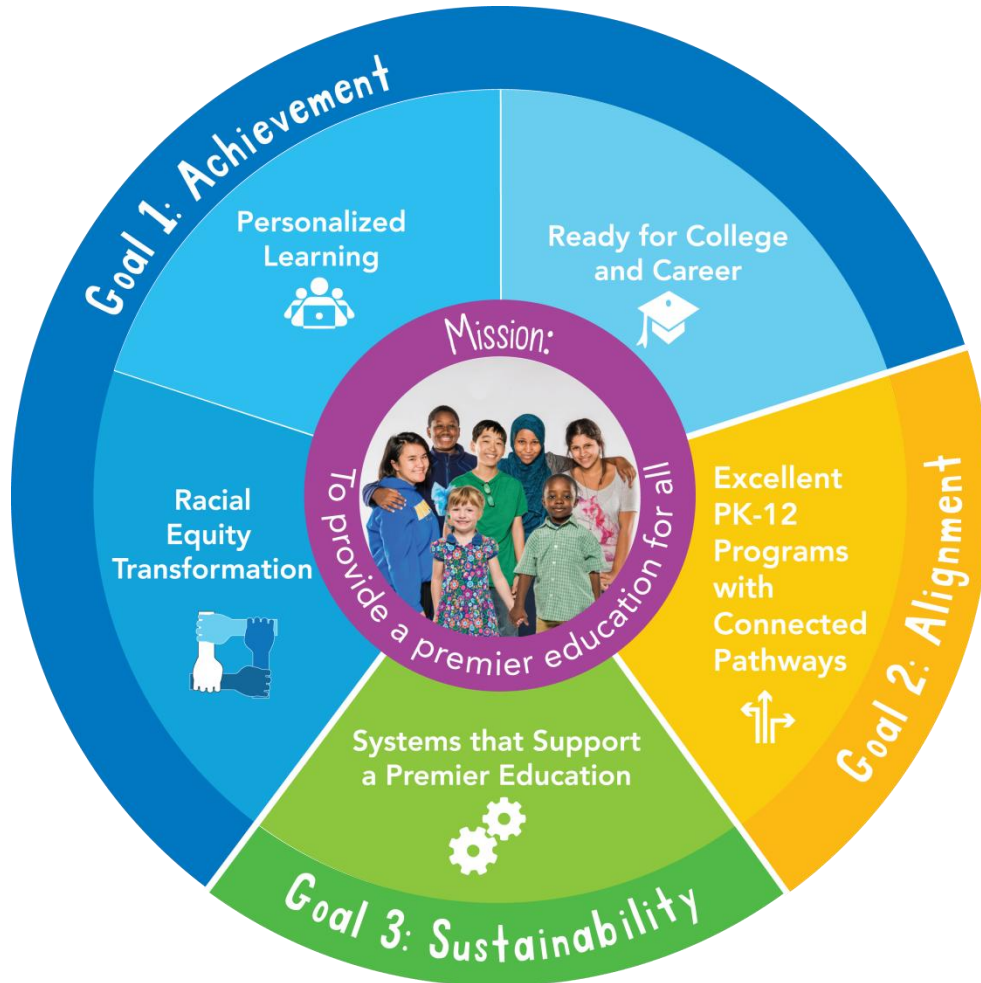
**Goal 1: Achievement** for all students

**Goal 2: Alignment** of school programs

**Goal 3: Sustainability** to optimize classroom resources and academics



# SSSC 2.0 Focus Areas



## Focus Areas

- Racial Equity Transformation
- Personalized Learning
- Ready for College and Career
- Excellent PK-12 Programs with Connected Pathways
- Systems that Support a Premier Education



# FY 2016-17 Budget Guidelines

- SSSC 2.0 Plan is first consideration in funding.
- Class size ranges will determine teacher FTEs.
- Budget built on current laws.
- Blended Site-Based and Centralized funding method will be used for schools.
- A table detailing the average salary and benefits will be provided for budget preparations.
- **The budget should maintain an unassigned fund balance of at least five percent (5%) of the general fund expenditures in accordance with the BOE policy.**
- Non-School programs will be reported into three (3) categories: Central Administration, District-wide Support, and School Service Support.
- Fully Financed budgets with anticipated revenues and expenditures over \$500,000 for the 2016-2017 school year will be included in the Adopted budget.
- The FY 2016-17 budget must be approved by the Board of Education by June 30, 2016.

The Adopted budget will be published on the Business Office website (<http://businessoffice.spps.org/2016-17>).

# General Budget Information

- FY 2016-17 General Fund revenue is projected to decrease by 4.6m (Comp Ed, Enrollment)
- The budget meets required contractual obligations
- All schools do not receive the same amount of money per pupil because:
  - Some school funding is categorical (it has specific criteria on its spending)
  - Funding for Comp Ed and Title I follow the students on a one year delay (previous year's Oct 1 count)
  - Higher poverty schools have greater access to categorical dollars than lower poverty sites
- School enrollment affects the dollars allocated

# Other Influencing Factors

- 3<sup>rd</sup> quarter projections impact fiscal year end fund balance
- Enrollment fluctuations impact revenue, class size and building capacity
- Contractual settlements impact expenditure levels
- Legislative adjustments impact revenue
- Previous year's October 1 Free & Reduced lunch count impacts revenue
- Bond ratings



# FY 2016-17 General Fund Preliminary Big Picture

	FY16 Adopted (in millions)	FY17 Preliminary (in millions)	Difference	% Change
Revenue	\$522.8	\$518.2	\$ (4.6)	(0.88%)
Use of Fund Balance	2.5	0	(2.5)	(100.0%)
Expenditures	525.3	533.3	(8.0)	(1.50%)
Balance	\$0	(\$15.1)		





# FY 2016-17 General Fund Factors Impacting Shortfall

Item	Amount \$M
Projected Shortfall (as of 1/19/16)	(\$9.3)
Contractual commitments	(3.5)
Compensatory Revenue decrease	(1.1)
Gen Ed Revenue decrease (2/29 Projected enrollment)	(1.2)
<b>Total Shortfall</b>	<b>(\$15.1)</b>



# FY17 Proposed General Fund Big Picture – Expenditures

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$247,561,456	(\$5,768,727)	(2.3%)
School Service Support	175,987,186	178,085,557	2,098,371	1.2%
District-wide Support	91,793,916	88,841,120	(2,952,796)	(3.2%)
Central Administration	4,154,590	3,692,306	(462,284)	(11.1%)
<b>Total</b>	<b>\$525,265,875</b>	<b>\$ 518,180,439</b>		



# FY17 Proposed General Fund Budget Reductions of Central Administration Programs

Program Category	FY16 Adopted	FY17 Proposed	Reduction Amount	Reduction %	Inflation Amt Not Allocated	% Total Reduction
Central Administration	\$4,154,590	\$3,692,306	(\$462,284)	(11.1%)	(\$73,742)	(12.9%)

- Board of Education
- Superintendent’s Office
- Chief Executive Officer
- Chief Academics Officer
- Chief of Operations
- General Counsel
- Office of Elementary and Secondary Education
- Chief of Engagement

### Departments with a 20% or more reduction:

- Chief Executive Officer (25%)
- Chief of Operations (100%)
- Office of Elementary and Secondary Education (21%)

### Departments with an increase:

- Board of Education 18%





# FY17 Proposed General Fund Budget Reductions of District-wide Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Difference Amount	% Change	Inflation Amt Not Allocated	% Total Change
District-wide Support	\$91,793,916	\$88,841,120	(\$2,952,796)	(3.2%)	(\$1,311,404)	(4.7%)

- Finance
- Enterprise Resource Planning
- Office of Equity
- Out for Equity
- Multicultural Resource Center
- Family & Community Engagement

- Communications
- MIS
- Human Resources
- Research & Evaluation
- Referendum Technology
- Technology Infrastructure

- Grounds
- Custodial
- Safety & Security
- Facility Planning/Leases/Health & Safety
- Employee Benefits
- Insurance
- Utilities
- Operations & Maintenance

**Departments with a 9% or more reduction:**

- Family & Community Engagement
- Communications
- Research & Evaluation

**No departments received an increase**





# FY17 Proposed General Fund Budget Reductions of School Service Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Amount of Increase	Increase %	Inflation Amt Not Allocated	% Total Reduction
School Svc Support	\$175,987,186	\$178,085,557	2,098,371	1.2%	(\$2,678,066)	(0.01%)

- Student Placement
- Indian Education
- Valley Branch
- Am Indian Studies
- TDAS
- MLL
- Substitutes

- Referendum Family Ed
- School to Work
- Special Education
- Third Party Reimb.
- Instructional Services
- Staff Development
- Leadership Development

- Counseling/Guidance
- OCCR
- Student Wellness
- Alt to Suspension
- Transportation\***
- Referendum – PLTT
- Peer Assistance/Review
- Career in Education
- Pre-K Support
- Achievement Plus
- Athletics

**Departments with an increase:**

- Transportation 8%
- Indian Education/American Indian Studies 9%

**All other departments were reduced between 1.3%-18.6%**





# FY17 General Fund Recommendations to Address Projected Shortfall of **\$15.1 million**

Description	Amount (\$M)
Eliminating the proposed 2017 contribution to the Other Post Employment Benefits (OPEB) trust	1.0
No annual inflationary increases for central administration & departments	4.1
Targeted reductions for central administration & departments	3.9
Eliminating job-embedded PD at <b>non-Priority elementary, K-8 and 6-8 sites</b> (restored \$3.0 m to sites on 4/25/16 to address funding challenges with specialized programs and class size)	4.5
Use of Fall Adjustment funding	1.8
Offering an early retirement incentive (not offering as of 4/25/16)	0
<b>Total</b>	<b>\$15.3</b>





# Staffing the Schools

Funding for SSSC 2.0



# SSSC 2.0 Class Size Ranges Higher Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	20 – 24
1 – 3	22 – 25
4 – 5	25 – 28
6 – 8	29 – 33
9 - 12	30 - 35

Higher Poverty threshold is the top 30 schools per the teacher's contract







# SSSC 2.0 Class Size Ranges Lower Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	22 - 26
1 – 3	22 – 27
4 – 5	25 – 29
6 – 8	29 – 35
9 - 12	30 - 37



# FY2016-17 Site Staffing Criteria

## Site Configurations

- Pre-K – 5
- K – 8
- Dual Campus
- 6 – 8
- 6 – 12
- 9 - 12

## Staffing Categories

- Principal
- Assistant Principal
- Administrative Intern
- Teachers
- Clerks
- Counselors
- Library Media Specialists
- Nurses
- Social Workers
- Psychologists
- MLL Teachers
- Library Support (EA or TA)
- SSSC 2.0 Site Staff for Program Articulation



# FY 2016-17



## Budget Adoption Calendar

Date	Description
November-December 2015	Community budget presentations (Introduction to School District Finance & SPPS Budget)
November – February 2016	FY 2016-17 budget planning meetings (Supt, Asst Supts, Finance, Cabinet, Program Administrators, Principals)
December 15, 2015	SPPS Board of Education Certifies Pay 16 Levy for FY 2016-17
January 2016	FY 2016-17 Revenue & Expenditure Projections
February 2016	SPPS Hyperion (new budget planning system) Go Live
February 5, 2016	REA Office provides preliminary FY17 enrollment projections
February 29, 2016	REA Office provides final FY17 enrollment projections to Finance
March 7, 2016	Presentation to District leadership at Cabinet meeting



# FY 2016-17

# Budget Adoption Calendar

Date	Description
March 8, 2016	Presentation of the FY 2016-17 Preliminary General Fund budget to the Committee of the Board
April 17-19, 2016	Distribute school allocations Distribute General Fund program allocations
April 18 – April 29, 2016	Joint budget & staffing meetings (Principals, Human Resources & Finance)
April 14-June 21, 2016	Community engagement budget presentations
April 29, 2016	School budgets returned Program budgets returned HR Staffing worksheets due
June 21, 2016	FY 2016-17 Budget adopted by Board of Education





# Engagement Information

- Principal toolkit includes:
  - Allocation worksheet with directions and supporting documentation
  - Talking Points
  - Powerpoint draft that can be tailored to site to use with staff and community
  - Budget Video
- Business office website ([businessoffice.spps.org](http://businessoffice.spps.org))
  - FAQ & who to contact
  - Board presentations posted in Budget section
- Community meetings scheduled through Office of Family & Community Engagement (dates on next slide)



# Community Engagement Meetings

Date	Group	Location
April 14	Budget Breakdown Information Session	360
April 16	Budget Breakdown Information Session	360
April 14- June 21	School Based Budget Meetings	School Sites

# Questions?