

# **2016-2017**

# **Budget Development Update**

Public Presentation and Input Session

3.3.16

# Preliminary Budget – Tax Impact\*

Impact	General Fund Tax Levy	Debt Service Tax Levy	Annual Tax Increase* (includes debt)
Tax levy @ 2% Cap:	\$ 140,518,945	\$3,356,975	\$ 72
Add Healthcare waiver:	\$ 1,460,217		+ \$ 32
Add remaining Banked Cap:	\$ 1,250,460		+ \$ 27
Maximum Permitted Tax Levy:	\$ 143,229,622	\$3,356,975	<b>\$ 131</b>
<b>* Total Valuations INCREASED:</b>	<b>\$ 62,929,100</b>		

# Tax Impact – multi year trend

SCHOOL YEAR	VALUATION \$228,200	VALUATION \$300,000	VALUATION \$400,000	VALUATION \$500,000
2006-2007	\$251	\$330	\$440	\$550
2007-2008	\$183	\$240	\$320	\$400
2008-2009	\$189	\$249	\$332	\$415
2009-2010	\$162	\$213	\$284	\$355
2010-2011	\$221	\$291	\$388	\$485
2011-2012	\$215	\$282	\$376	\$470
2012-2013	\$126	\$165	\$220	\$275
2013-2014	\$164	\$216	\$288	\$360
2014-2015	\$164	\$216	\$288	\$360
2015-2016	\$180	\$237	\$316	\$395
2016-2017	\$131	\$171	\$228	\$285

# Revenues

REVENUES	2014-2015 Audited	2015-2016 Adjusted	2016-2017 Proposed	CHANGE
Tax Levy	\$ 132,926,961	\$ 137,763,672	\$ 143,229,623	\$ 5,465,951 4%
State Aid	\$ 3,946,414	\$ 3,946,414	\$ 4,042,746	\$ 96,332 2.4%
Extraordinary Aid, Other State Aids	\$ 2,544,187	\$ 2,047,963	\$ 2,289,768	\$ 241,805 11.8%
Medicaid/SEMI	\$ 103,193	\$ 75,025	\$ 73,195	\$ -1,830 -2.4%
Other Revenues	\$ 982,376	\$ 1,105,803	\$ 1,184,250	\$ 78,447 7.1%

# Revenues

REVENUES	2014-2015 Audited	2015-2016 Adjusted	2016-2017 Proposed	CHANGE
Fund Balance	\$ 3,600,000 (for presentation only)	\$ 3,000,000	\$ 1,300,000	\$ -1,700,000 -56.7%
Capital Reserve	\$ 409,533 (for presentation only)	\$ 382,950	\$ 965,500	\$ 582,550 152.1%
Transfers from Other Funds	\$ 2,180	\$ 0	\$ 0	---
Prior Year Encumbrances	\$ 0	\$ 322,388	\$ 0	---
Revenues (over) / under Expenditures	\$ -110,460	\$ 0	\$ 0	---
<b>Total Revenues</b>	<b>\$ 140,394,851</b>	<b>\$ 148,644,215</b>	<b>\$ 153,085,082</b>	<b>\$ 4,440,867 3.0%</b>

# Program Expenditures

Program	2014-2015 Audited	2015-2016 Adjusted	2016-2017 Proposed	\$ (%) CHANGE
Instruction	\$ 41,821,601	\$ 43,041,306	\$ 43,963,388	\$ 922,082 2.1%
Special Education	\$ 24,828,955	\$ 26,419,515	\$ 27,416,031	\$ 996,516 3.8%
Improvement of Instruction, Prof Dev	\$ 717,687	\$ 1,467,707	\$ 1,072,081	\$ -395,626 -27%
Academic Support and ESL	\$ 2,729,696	\$ 2,419,261	\$ 3,186,180	\$ 766,919 31.7%
General Administration	\$ 1,422,650	\$ 1,407,142	\$ 1,407,481	\$ 339 0%
School Administration	\$ 5,697,384	\$ 5,571,479	\$ 5,697,039	\$ 125,560 2.3%
Central Services	\$ 1,429,949	\$ 1,497,125	\$ 1,518,403	\$ 21,278 1.4%
Technology	\$ 1,905,868	\$ 1,560,883	\$ 1,778,774	\$ 217,891 14%
Activities/Clubs	\$ 630,081	\$ 752,081	\$ 776,090	\$ 24,009 3.2%

# Program Expenditures

Program	2014-2015 Audited	2015-2016 Adjusted	2016-2017 Proposed	\$ (%) CHANGE
Athletics	\$ 2,049,821	\$ 2,361,236	\$ 2,412,005	\$ 50,769 2.2%
Community Programs	\$ 269,157	\$ 250,000	\$ 270,000	\$ 20,000 8%
Nursing, Media, Guidance	\$ 6,184,274	\$ 6,421,549	\$ 6,456,228	\$ 34,679 .5%
Facilities	\$ 12,800,612	\$ 14,062,371	\$ 14,518,019	\$ 455,648 3.2%
Transportation	\$ 5,470,868	\$ 5,851,550	\$ 5,843,739	\$ -7,811 -0.1%
Employee Benefits	\$ 31,196,821	\$ 32,330,108	\$ 35,337,866	\$ 3,007,758 9.3%
Food Services	\$ 63,686	\$ 0	\$ 30,000	\$ 30,000

# Program Expenditures

Program	2014-2015 Audited	2015-2016 Adjusted	2016-2017 Proposed	\$ (%) CHANGE
Charter Schools	\$ 22,279	\$ 66,474	\$ 81,258	\$ 14,784 22.2%
Capital Outlay	\$ 1,153,462	\$ 3,164,428	\$ 1,320,500	\$ -1,843,928 -58.3%
<b>TOTAL EXPENDITURES</b>	<b>\$ 140,394,851</b>	<b>\$ 148,644,215</b>	<b>\$ 153,085,082</b>	<b>\$ 4,440,867 3.0%</b>



# Educational Initiatives

## ELEMENTARY PROGRAMS:

*Foundations* Reading Program K-1 \$ 99,596

## SECONDARY PROGRAMS:

*Discovery Education* Program \$ 147,429

*(Gr 6-8; HS Biology, Chemistry, Physics, Earth/Space Science)*

*EnVision 2.0* Math Program Grade 7 \$ 68,700

# Reductions made in proposed budget

(from original *wish list* budget)

## General Reductions

# Reductions continued

Program Reductions	\$ 197,838
Instructional Supplies (Equipment, student accident insurance) (Fairview Lakes, Environmental Center, Meadowlands)	
Capital Equipment	\$ 812,502
Capital Projects	\$2,479,500
Changes to Revenues	\$ 462,045
(State Aid, Budgeted Fund Balance, Pay to Play)	
<b>GRAND TOTAL OF REDUCTIONS MADE:</b>	<b>\$8,076,409</b>

# Banked Cap

Description	Generated in 2013-2014	Generated in 2014-2015	Generated in 2015-2016	Total Cap
Cap Available	\$ 1,549,168	\$ 142,180	\$ 0	\$ 1,691,348
Banked Cap Used PY	\$ 440,888	\$ 0	\$ 0	\$ -440,888
<u>Remaining Cap</u>	<u>\$ 1,108,280</u>	<u>\$ 142,180</u>	<u>\$ 0</u>	<u>\$ 0</u>
Cap Available for use in 2016- 2017	\$ 1,108,280	\$ 142,180	\$ 0	\$ 1,250,460

# Health Care Waiver

Total Health/Prescription Benefits : \$ 34,912,383

**Less:**

Anticipated funds from WEA members for buy-up \$ - 262,526

Anticipated funds from employee contributions \$ -5,927,828

TOTAL BUDGETED COSTS: \$ **28,722,029**

Total Budgeted Costs for 2015-2016: \$ 26,075,310

Total Costs for 2015-2016 inflated by 2%: \$ 26,596,816

Increase in Costs for 2016-2017: \$ **2,125,212**

State Health Benefits percentage increase 7.6%

Calculation:  $7.6\% - 2.0\% = 5.6\%$  of 2015-2016 budgeted costs, not to exceed 15-16 inflated cost

**Health Care Waiver Available** \$ **1,460,217**

# Budget Summary

Total Budget 2016-2017:	\$	153,085,082
Total Dollar Increase of Budget:	\$	4,440,867
Total % Increase of Budget:		3.0%
Total Tax Levy *:	\$	143,229,623
Total Dollar Increase of Tax Levy:	\$	5,465,951
Total % Increase of Tax Levy:		4.0%
Tax Levy Increase on Avg Home:	\$	131/year

\*Includes: Banked Cap \$1,250,460  
Health Care Waiver \$1,460,217

# Full Day Kindergarten

- Costs associated with implementation of a full day kindergarten program were revised using updated costs for salaries, supplies, etc.:
  - Salaries of Teachers (12.5) \$ 826,150
  - Salaries of Paraprofessionals (22) \$ 964,122
  - Cafeteria Playground Aides (9) \$ 72,596
  - Supplies \$ 103,917
  - Professional Development \$ 20,000
  - Technology \$ 16,500
  - Facilities Upgrades \$ 93,600
  - Total Revised Cost for Program: \$2,096,885

# Cuts suggested by Board Members to make room for FDK in budget

- Close Ryerson School \$ 492,495
- Reduce staff to “right size” \$5,500,000  
(cut 100 staff members – salary only)
- AP classes to be paid by parents \$1,209,172
- Make all paraprofessionals part time \$4,918,434  
(24 hrs/week; no benefits)
- Outsource paraprofessionals \$ 301,470



# Board suggestions continued

- Preakness Building \$ 0
- Reduce PCIA lease to fund only school buses \$ 108,333  
(all items cut; savings in lease cost)
- Dis-enroll employees with high health claims from health care plan \$ 254,096

# Other possible reductions

(NOT RECOMMENDED BY ADMINISTRATION)

- Consolidate HS athletic programs \$1,377,080  
(one team per District, not school)
- Cut all athletic programs \$2,892,017
- Abandon maintenance/equipment \$ 30,861  
repair plans in lease
- Increase class size Gr. 1-5 (+2 students) \$ 220,000
- Increase class size Gr. 1-5 (+4 students) \$ 440,000
- Eliminate 3 elective courses per HS \$ 211,865

# Other reductions continued

(NOT RECOMMENDED BY ADMINISTRATION)

- Reduce guidance counselors (HS/MS) \$ 303,000
- Outsource custodians (2013 study) \$ 130,786
- Outsource transportation (2013 study) \$ 49,214
- Outsource child study teams \$ -357,500
- Outsource support services (OT/PT/speech) \$ -738,320
- Phase out physical education at HS  
level for students in athletic programs \$ 311,800
- Consolidate World Languages \$ 179,820
- Eliminate Art and Music Programs \$2,831,316

# Other reductions continued

(NOT RECOMMENDED BY ADMINISTRATION)

- Eliminate use of long terms subs – \$ 614,000  
pay only daily sub rate
- Seek union givebacks for benefits TBD
- Increase PCIA lease to maximum \$ 822,000  
(net of lease)
- Eliminate PCIA lease (cut all) \$ 150,000
- Do not implement corrective actions:
  - increase budgeted surplus \$ 1,750,000
  - budget for salary breakage \$ 760,000

# Other suggestions

- “Swap” non-mandated programs in budget with full day kindergarten and place non-mandated programs in a separate proposal in November:

Athletics	\$ 2,892,017
Art and Music	\$ 2,831,316
Clubs and activities	\$ 776,090

# Next Steps

**March 14:** Special Board Meeting for budget discussion

**March 17:** Adoption of the Preliminary Budget

**April 21:** Second Public Input Session on budget

**April 28\*:** Required Public Hearing  
Adoption of the Final Budget

\* Date of meeting tentative