



**Novi Community School District
2016-17 Original Budget
June 30, 2016**



General Fund



The Challenges We Face

- Foundation allowance cut of \$470 per pupil in 2011-12 not restored
- Funds diverted from School Aid Fund to community colleges, higher education and General Fund
- Corporate tax cuts
- Road funding
- Detroit
- Flint
- Retirement system obligations



Revenue Assumptions

	2012-13	2013-14	2014-15	2015-16	2016-17
Fall Pupil Count	6,376.61	6,441.23	6,448.16	6,511.74	6,551.74
Blended Pupil Count	6,371.67	6,443.77	6,452.74	6,509.96	6,545.29
State Aid - Foundation Allowance	\$8,329	\$8,359	\$8,409	\$8,479	\$8,539
State Aid – MPSERS Cost Offset (converted to per pupil)	\$126	\$82	\$85	\$85	\$85
State Aid – Best Practices	\$52	\$52	\$50	\$0	\$0
State Aid – Performance Based	\$40	\$70	\$70	\$0	\$0
State Aid – Categorical Offset 20f	\$0	\$18	\$18	\$93	\$93
State Aid – Hold Harmless 20m	N/A	N/A	N/A	N/A	Incl. above
Total State Aid (per pupil)	\$8,547	\$8,581	\$8,632	\$8,657	\$8,717
Increase (decrease) per pupil compared to prior year	(\$5)	+\$34	+\$51	+\$25	+\$60
Special Education Millage (PA-18) (converted to per pupil)	\$526	\$508	\$528	\$555	\$552
Total	\$9,073	\$9,089	\$9,160	\$9,212	\$9,269
Increase (decrease) per pupil compared to prior year	(\$28)	+\$16	+\$71	+\$52	+\$57



Sources of Revenue

Source	% of Total General Fund Revenue
Property Taxes	26%
State Aid	60%
Federal Grants	2%
Other	12%
Total	100%

Total General Fund revenue is estimated to be approximately \$73.7 million in 2016-17



Expense Assumptions

- Staffing
 - General education teachers – net increase of 3 teachers
 - 10 teacher retirements
 - Special education teachers
 - ELL
 - Social workers
 - MTSS coordinator
 - Communications specialist
 - Bus drivers
 - HVAC



Expense Assumptions (cont'd)

- Salaries
 - NEA-No change in salary schedule, half-step increase
 - Schedule B-new schedule
 - Admin-1.5% increase, steps N/A
 - NESPA (Secretaries, paras and CARE leaders)-No change in salary schedule, off schedule stipends based on performance, steps included
 - NTA (Bus drivers and aides)-New salary schedule per CBA, off schedule stipends based on performance, steps included
 - IUOE (Maintenance)-New salary schedule per CBA, steps included, off schedule stipends based on performance
 - Merit pay



Expense Assumptions (cont'd)

- Retirement rate ~37% (~24.94% paid by employer)
- Insurance benefits
 - All employees-hard cap
- Contracted Services
 - Technology services through Oakland Schools
 - Transportation
 - HVAC
- Other
 - Science kits
 - Utilities
 - ECEC operating costs



Expenses by Category

<u>Category</u>	<u>% of Budget</u>
Salaries	53.5%
Benefits	32.8%
Purchased Services	7.9%
Supplies	3.7%
Capital Outlay	0.1%
Special Ed Center Programs	1.5%
Other	0.5%
Total	<u><u>100.0%</u></u>

86.3%



Where Do We Spend our Money?

2014-15 School Year		Rank out of 841 Michigan School Districts	Rank out of 28 Oakland County LEA's
Instruction per Pupil	\$7,038	42	5
Instructional Support per Pupil	\$1,351	81	8
Average Teacher Salary	\$68,586	45	8
Pupil/Teacher Ratio	19	-	2
Business and Administration per Pupil	\$879	815	26
Operations and Maintenance per Pupil	\$588	776	27



Benefits

- Retirement ~37% of payroll, net ~24.94% paid by employer
- FICA (7.65% of payroll)
- Insurance benefits (averages 15.7% of payroll)
 - Medical, dental, vision, life, LTD
- Worker's compensation
- Unemployment compensation
- Other



General Fund

2016-17 Original Budget - Summary

	2015-16 Budget Amendment 2	2016-17 Original Budget
Revenue	\$73,242,236	\$73,680,907
Expenditures	\$71,762,584	\$73,438,092
Revenue over Expenditures	\$1,479,652	\$242,815
Fund Balance, Beginning of Year	\$6,965,291	\$8,444,943
Fund Balance, End of Year	\$8,444,943	\$8,687,758



General Fund

2016-17 Original Budget

Revenue

	2015-16 Budget Amendment 1	2016-17 Original Budget	Increase (Decrease)
Local	\$23,183,582	\$23,608,270	\$424,688
State	44,497,688	44,511,671	13,983
Federal	1,765,584	1,765,584	-
Incoming Transfers and Other Transactions	3,795,382	3,795,382	-
Total Revenue	\$73,242,236	\$73,680,907	\$438,671



General Fund

2016-17 Original Budget

Expenditures

	2015-16 Budget Amendment 1	2016-17 Original Budget	Increase (Decrease)
Instruction			
Basic Programs	\$39,491,715	\$40,324,442	\$832,727
Added Needs	8,705,692	8,871,954	166,262
Adult Education	190,172	191,686	1,514
Total Instruction	48,387,579	49,388,082	1,000,503
Non-Instruction			
Pupil Services	4,386,628	4,396,495	9,867
Instructional Services	4,780,455	4,232,569	(547,866)
General Administration	537,576	532,039	(5,537)
School Administration	3,620,287	3,664,820	44,533
Business Services	903,147	919,764	16,617
Maintenance/Operations & Security	3,931,325	4,142,277	210,952
Transportation	1,979,684	2,067,642	87,958
Central Services	796,591	1,570,178	773,587
Athletics and Other Support Services	970,732	967,504	(3,228)
Community Services	1,459,653	1,502,692	43,039
Payments to Other School Districts	8,927	54,030	45,103
Total Non-Instruction	23,375,005	24,050,010	675,005
Total Expenditures	\$71,762,584	\$73,438,092	\$1,675,508



General Fund Forecasted Revenue 2016-17 thru 2018-19

	2016-17 Original Budget	2017-18 Projection	2018-19 Projection
Revenue	\$73,680,907	\$73,680,907	\$74,034,575
Change in student enrollment		303,668	131,905
Change in foundation allowance		-	-
PA-18 Special Education millage		50,000	50,000
Total Revenue	\$73,680,907	\$74,034,575	\$74,216,480



General Fund Forecasted Expenditures 2016-17 thru 2018-19

	2016-17 Original Budget	2017-18 Projection	2018-19 Projection
Expenditures	\$73,438,092	\$73,438,092	\$73,778,892
Savings from teacher retirements		(\$480,000)	(\$480,000)
Increase in teaching staff		210,000	210,000
Increase in retirement rate		310,800	
Medical insurance-increase in hard caps		150,000	150,000
Science kits		150,000	100,000
Total Expenditures	\$73,438,092	\$73,778,892	\$73,758,892



General Fund Summary

	2016-17 Original Budget	2017-18 Projection	2018-19 Projection
Revenue	\$73,680,907	\$74,034,575	\$74,216,480
Expenditures	73,438,092	73,778,892	73,758,892
Revenue over Expenditures	242,815	255,683	457,588
Fund Balance, Beginning of Year	8,444,943	8,687,758	8,943,441
Fund Balance, End of Year	8,687,758	8,943,441	9,401,029
Expenditures less Section 147c Retirement	\$68,960,658	\$69,301,458	\$69,281,458
Ending Fund Balance, % of Expenditures less 147c Retirement	12.60%	12.91%	13.57%



Recreation Fund 2016-17 Original Budget

	2015-16 Budget Amendment 1	2016-17 Original Budget
Revenue	\$2,023,265	\$2,024,472
Expenditures	2,129,528	1,918,820
Net Revenue over (under) Expenditures	(106,263)	105,652
Fund Balance, Beginning of Year	207,437	101,174
Fund Balance, End of Year	\$101,174	\$206,826



Food Service Fund 2016-17 Original Budget

	2015-16 Budget Amendment 1	2016-17 Original Budget
Revenue	\$2,240,284	\$2,333,462
Expenditures	2,135,644	1,943,880
Operating Profit	104,640	389,582
Overhead Costs	228,500	228,500
Net Expenditures over (under) Revenue	(123,860)	161,082
Fund Balance, Beginning of Year	190,345	66,485
Fund Balance, End of Year	\$66,485	\$227,567