

**Novi Community School District
2014-15 Original Budget
June 26, 2014**

General Fund

The Challenges We Face

- Continued flat or reduced school funding since 2002
- Foundation allowance cut of \$470 per pupil in 2011-12 not restored
- Funds diverted from School Aid Fund to community colleges and higher education
- Retirement system obligations
- Collective bargaining

State Aid 2008-09 to 2014-15

Description	Per Pupil						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Foundation Allowance	\$8,799	\$8,799	\$8,799	\$8,329	\$8,329	\$8,359	\$8,409
20j Hold Harmless	\$281	\$0	\$0	\$0	\$0	\$0	\$0
11d Proration	\$0	(\$154)	\$0	\$0	\$0	\$0	\$0
MPSERS Cost Offset	\$0	\$0	\$0	\$123	\$126	\$83	\$83
Best Practices	\$0	\$0	\$0	\$100	\$52	\$52	\$50
Pupil Performance Based Funding	\$0	\$0	\$0	\$0	\$40	\$70	\$70
20f Hold Harmless	\$0	\$0	\$0	\$0	\$0	\$18	\$18
Total State Aid (per pupil)	\$9,080	\$8,645	\$8,799	\$8,552	\$8,547	\$8,582	\$8,630
State Aid Increase (Decrease) over Prior Year (per pupil)	\$56	(\$435)	\$154	(\$247)	(\$5)	\$35	\$48
Increase in Retirement Rate (0.99%) over 2013-14 (per pupil)							(\$64)

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Decrease
of 5%
since
2008/09

Revenue Assumptions

	2010-11	2011-12	2012-13	2013-14	2014-15
Fall Pupil Count	6,343.66	6,357.26	6,376.61	6,441.23	6,473.97
Blended Pupil Count	6,315.97	6,352.43	6,371.67	6,443.97	6,473.97
State Aid - Per Pupil Foundation Allowance	\$8,799	\$8,329	\$8,329	\$8,359	\$8,409
State Aid – MPSERS Cost Offset (converted to per pupil)	\$0	\$123	\$126	\$83	\$83
State Aid – Best Practices	\$0	\$100	\$52	\$52	\$50
State Aid – Performance Based Funding	\$0	\$0	\$40	\$70	\$70
State Aid – Hold Harmless	\$0	\$0	\$0	\$18	\$18
Total State Aid (per pupil)	\$8,799	\$8,552	\$8,547	\$8,582	\$8,630
Federal – ARRA State Fiscal Stabilization Fund	\$114	\$0	\$0	\$0	\$0
Federal – ARRA IDEA (converted to per pupil)-carryover in 2011-12	\$39	\$17	\$0	\$0	\$0
Federal – Education Jobs Fund	\$114	\$8	\$0	\$0	\$0
Special Education Millage (PA-18) (converted to per pupil)	\$728	\$549	\$526	\$508	\$510
Total	\$9,794	\$9,126	\$9,073	\$9,090	\$9,140
Increase (decrease) per pupil compared to prior year	-	(\$668)	(\$53)	+\$39	+\$50

Sources of Revenue

Source	% of Total General Fund Revenue
Property Taxes	27%
State Aid	60%
Federal Grants	2%
Other	11%
Total	100%

Total General Fund revenue is estimated to be approximately \$69.3 million in 2014-15

Expense Assumptions

- Salaries
 - NEA-.5% pay reduction carries over from 2013/14
 - Admin-No change in contract amounts
 - NESPA-No change in salary schedule
 - NFSEA-4% reduction in salary schedule
 - NEA and NESPA-No Steps
 - IUOE-Maintenance-no change in salary schedule-steps included
 - IUOE-Transportation-steps included
 - 12 teacher retirements
 - Increase of 2 teaching staff
- Retirement rate = 33.99% (24.58% paid by employer)
- Insurance benefits
 - All employees-hard cap
- Spend down of Recreation Fund fund balance

Expenses by Category

<u>Category</u>	<u>% of Budget</u>
Salaries	56.0%
Benefits	30.0%
Purchased Services	7.0%
Supplies	4.2%
Capital Outlay	0.3%
Special Ed Center Programs	1.3%
Other	1.2%
Total	<u><u>100.0%</u></u>

86.0%

General Fund

2014-15 Original Budget - Summary

	2013-14 Budget Amendment 2	2014-15 Original Budget
Revenue	\$68,872,404	\$69,203,430
Expenditures	\$69,406,807	\$68,923,913
Expenditures over Revenue	(\$534,403)	\$279,517
Fund Balance, Beginning of Year	\$7,030,109	\$6,495,706
Fund Balance, End of Year	\$6,495,706	\$6,775,223

General Fund

2014-15 Original Budget

Revenue

	2013-14 Budget Amendment 2	2014-15 Original Budget	Increase (Decrease)
Local	\$22,235,535	\$22,727,677	\$492,142
State	\$41,454,851	\$41,267,217	(\$187,634)
Federal	\$1,698,794	\$1,698,794	-
Incoming Transfers and Other Transactions	\$3,483,224	\$3,509,742	\$26,518
Total Revenue	\$68,872,404	\$69,203,430	\$331,026

General Fund

2014-15 Original Budget

Expenditures

	2013-14 Budget Amendment 2	2014-15 Original Budget	Increase (Decrease)
Instruction			
Basic Programs	\$37,639,062	\$38,006,830	\$367,768
Added Needs	\$8,990,683	\$8,728,266	(\$262,417)
Adult Education	\$127,858	\$127,858	-
Total Instruction	\$46,757,603	\$46,862,954	\$105,351
Non-Instruction			
Pupil Services	\$4,330,997	\$4,266,205	(\$64,792)
Instructional Services	\$4,508,117	\$4,396,449	(\$111,668)
General Administration	\$525,046	\$514,916	(\$10,130)
School Administration	\$3,373,078	\$3,248,112	(\$124,966)
Business Services	\$1,052,002	\$930,717	(\$121,285)
Maintenance/Operations & Security	\$3,827,692	\$3,916,544	\$88,852
Transportation	\$1,925,131	\$1,802,338	(\$122,793)
Central Services	\$943,951	\$869,008	(\$74,943)
Athletics	\$785,938	\$782,938	(\$3,000)
Community Services	\$1,377,252	\$1,333,732	(\$43,520)
Total Non-Instruction	\$22,649,204	\$22,060,959	(\$588,245)
Total Expenditures	\$69,406,807	\$68,923,913	(\$482,894)

Recreation Fund 2014-15 Original Budget

	2013-14 Budget Amendment 2	2014-15 Original Budget	Increase (Decrease)
Revenue	\$1,892,572	\$1,953,238	\$60,666
Expenditures	\$1,760,141	\$1,760,141	\$0
Net Revenue over Expenditures	\$132,431	\$193,097	\$60,666
Fund Balance, Beginning of Year	\$183,789	\$316,220	\$132,431
Fund Balance, End of Year	\$316,220	\$509,317	\$193,097

General Fund and Recreation Fund Combined Forecasted Revenue 2014-15 – 2016-17

	2014-15 Original Budget	2015-16 Projection	2016-17 Projection
Revenue	\$71,156,668	\$71,156,668	\$71,613,218
Change in student enrollment		\$431,550	\$258,870
Change in foundation allowance		\$0	\$0
PA-18 Special Education millage		\$25,000	\$25,000
Total Revenue	\$71,156,668	\$71,613,218	\$71,897,088

General Fund and Recreation Fund Combined Forecasted Expenditures 2014-15 – 2016-17

	2014-15 Original Budget	2015-16 Projection	2016-17 Projection
Expenditures	\$70,684,054	\$70,684,054	\$70,509,054
Savings from teacher retirements/reductions		(\$650,000)	(\$650,000)
Increase in teaching staff		\$350,000	\$140,000
Medical insurance-increase in hard caps		\$200,000	\$200,000
Maintenance vehicles		(\$75,000)	\$0
Total Expenditures	\$70,684,054	\$70,509,054	\$70,199,054

General Fund and Recreation Fund Combined Summary

	2014-15 Original Budget	2015-16 Projection	2016-17 Projection
Revenue	\$71,156,668	\$71,613,218	\$71,897,088
Expenditures	\$70,684,054	\$70,509,054	\$70,199,054
Revenue over Expenditures	\$472,614	\$1,104,164	\$1,698,034
Fund Balance, Beginning of Year	\$6,811,926	\$7,284,540	\$8,388,704
Fund Balance, End of Year	\$7,284,540	\$8,388,704	\$10,086,738
Expenditures less Section 147c Retirement	\$68,713,632	\$68,538,632	\$68,228,632
Ending Fund Balance, % of Expenditures less 147c Retirement	10.60%	12.24%	14.78%

Caution

- Items not considered yet in 2015/16 and 2016/17 budgets:
 - Increased operating costs of classrooms additions (2015/16+)
 - Retirement rate increase
 - Foundation allowance
 - Increased non-instructional needs for increased student enrollment
 - Increased revenue from new Early Childhood Education Center (2016/17+)
 - Increased operating costs from new Early Childhood Center (2016/17+)

Food Service Fund 2014-15 Original Budget

	2013-14 Budget Amendment 2	2014-15 Original Budget	Increase (Decrease)
Revenue	\$2,371,170	\$2,390,921	\$19,751
Expenditures	\$2,407,770	\$2,370,670	(\$37,100)
Operating Profit	-	-	-
Operating Transfer to General Fund	-	-	-
Net Expenditures over (under) Revenue	(\$36,600)	\$20,251	56,851
Fund Balance, Beginning of Year	\$493,378	\$456,778	(\$36,600)
Fund Balance, End of Year	\$456,778	\$477,029	\$20,251