

**Novi Community School District
2012-13 Original Budget
June 21, 2012**

**General Fund &
Recreation Fund
Combined**

The Challenges We Face

- Continued flat or reduced school funding since 2002
- Foundation allowance cut of \$470 per pupil in 2011-12 not restored
- Declining enrollment
- Countywide declining taxable values
- Tax tribunals
- Contract negotiations
- MPSERS reform
 - Effect on retirement rate, staff retirements
- Final spending of 2007 bond proceeds
 - Future technology purchases
- Long range plan for Sinking Fund

State Aid Formula

$$\begin{array}{r} \text{Total Number of Students} \\ \times \text{Foundation Allowance} \\ \text{Membership Allowance} \\ (-) \text{Local Property Taxes} \\ \hline \text{State Aid} \end{array}$$

- Student count is blended
 - 10% of February 2012 count
 - 90% of October 2012 count
- Increased property taxes result in decreased state aid allocation.
- Decreased property taxes result in increased state aid allocation.
- Only way to increase operational revenue from the State is to:
 - Increase student count
 - Increase foundation allowance
- Bond issue funds CANNOT be used for general operating purposes.

Revenue Assumptions

	2010-11	2011-12	2012-13
Fall Pupil Count	6,343.66	6,357.26	6,327.19
Blended Pupil Count	6,315.97	6,352.43	6,333.26
State Aid - Per Pupil Foundation Allowance	\$8,799	\$8,329	\$8,329
State Aid – MPSERS Cost Offset (converted to per pupil)	\$0	\$123	\$123
State Aid – Best Practices	\$0	\$100	\$52
State Aid – Performance Based Funding	\$0	\$0	\$40
Total State Aid (per pupil)	\$8,799	\$8,552	\$8,544
Federal – ARRA State Fiscal Stabilization Fund	\$114	\$0	\$0
Federal – ARRA IDEA (converted to per pupil)-carryover in 2011-12	\$39	\$17	\$0
Federal – Education Jobs Fund	\$114	\$8	\$0
Special Education Millage (PA-18) (converted to per pupil)	\$728	\$549	\$526
Total	\$9,794	\$9,126	\$9,070
Increase (decrease) per pupil compared to prior year	-	(\$668)	(\$56)

Sources of Revenue

Source	2012-13 % of Total General Fund Revenue
Foundation Allowance (State Aid)	83%
State Categoricals, Best Practices, MPSERS Cost Offset, Performance Based Funding, Prior Year Adjustments	4%
Federal Grants	2%
Other	11%
Total	100%

Total General Fund & Recreation Fund combined revenue is estimated to be approximately \$67.2 million in 2012-13

Expense Assumptions

- Salaries
 - No increases for any employee groups
 - NEA, NESPA, NFSEA-wage reopener, no steps
 - IUOE-full contract negotiations, no steps
 - No furlough days
 - 11 teacher retirements
- Retirement rate = 24.46%
- Insurance benefits
 - Administrators and Maintenance: Hard cap
 - NEA, NESPA, NFSEA, IUOE-Current contract
- Utilities +\$150,000
- Tax tribunals \$1,300,000

Expenses by Category

<u>Category</u>	<u>% of Budget</u>	
Salaries	55.6%	} 83.4%
Benefits	27.8%	
Purchased Services	7.8%	
Supplies	4.8%	
Capital Outlay	0.9%	
Tax Tribunals	1.9%	
Special Ed Center Programs	<u>1.2%</u>	
	<u><u>100.0%</u></u>	

Staffing

- General Education Teachers (FTE's):
 - Elementary K-4 (3.00)
 - Novi Meadows (1.00)
 - Novi Middle School (2.17)
 - Novi High School 6.17
 - Total 0.00

Staffing

- Special Education (FTE's)
 - Resource Room Teachers (0.80)
 - Special Ed. Paras (2.40)
 - Psychologists +0.10
 - Speech/Language (0.60)
 - Social Workers (0.60)
- No other staffing changes

Benefits

- Retirement (24.46% of payroll)
- FICA (7.65% of payroll)
- Insurance benefits (averages 16.6% of payroll)
 - Medical, dental, vision, life, LTD, worker's comp
- Unemployment compensation
- Other

General Fund and Recreation Fund Combined 2012-13 Original Budget - Revenue

	2011-12 Budget Amendment 3	2012-13 Original Budget	Increase (Decrease)
Local	\$25,014,273	\$23,731,999	(\$1,282,274)
State	38,274,727	38,331,120	56,393
Federal	1,678,497	1,519,176	(159,321)
Incoming Transfers and Other Transactions	3,739,696	3,594,784	(144,912)
<i>Total Revenue</i>	\$68,707,193	\$67,177,079	(\$1,530,114)

General Fund and Recreation Fund Combined 2012-13 Original Budget - Expenditures

	2011-12 Budget Amendment 3	2012-13 Original Budget	Increase (Decrease)
Instruction			
Basic Programs	\$37,745,075	\$36,110,818	(\$1,634,257)
Added Needs	8,228,173	8,265,902	37,729
Adult Education	107,177	107,177	-
Total Instruction	46,080,425	44,483,897	(1,596,528)
Non-Instruction			
Pupil Services	4,512,682	4,574,676	61,994
Instructional Services	3,872,028	3,967,181	95,153
General Administration	423,249	428,189	4,940
School Administration	3,363,128	3,292,958	(70,170)
Business Services	2,734,266	1,980,060	(754,206)
Maintenance/Operations & Security	4,633,150	4,675,230	42,080
Transportation	2,253,724	2,385,250	131,526
Central Services	921,672	869,011	(52,661)
Athletics	741,841	713,269	(28,572)
Community Services	1,789,227	1,735,978	(53,249)
Bus Loan	62,417	-	(62,417)
Total Non-Instruction	25,307,384	24,621,802	(685,582)
Total Expenditures	\$71,387,809	69,105,699	(\$2,282,110)

General Fund and Recreation Fund Combined 2012-13 Original Budget - Summary

	2011-12 Budget Amendment 3	2012-13 Original Budget
Revenue	\$68,707,193	\$67,177,079
Expenditures	71,387,809	69,105,699
Expenditures over Revenue	(2,680,616)	(1,928,620)
Fund Balance, Beginning of Year	11,527,101	8,846,485
Fund Balance, End of Year	\$8,846,485	\$6,917,865

General Fund and Recreation Fund Combined Forecasted Revenue 2012-13 – 2015-16

	2012-13 Original Budget	2013-14 Projection	2014-15 Projection	2015-16 Projection
Revenue	\$67,177,079	\$67,177,079	\$66,849,166	\$66,668,427
Change in student enrollment		(327,913)	(180,739)	(279,022)
Total Revenue	\$67,177,079	\$66,849,166	\$66,668,427	\$66,389,405

General Fund and Recreation Fund Combined Forecasted Expenditures 2012-13 – 2015-16

	2012-13 Original Budget	2013-14 Projection	2014-15 Projection	2015-16 Projection
Expenditures	\$69,105,699	\$69,105,699	\$67,631,505	\$67,341,505
Savings from teacher retirements/reductions		(550,000)	(550,000)	(550,000)
Decrease in teacher severance pay		(405,000)		
Bus purchases		(519,194)	260,000	
Wage reopeners/negotiations?				
Effect of hard cap on cost of medical insurance benefits?				
Effect of MPSERS reform?				
Tax tribunals?				
Total Expenditures	\$69,105,699	\$67,631,505	\$67,341,505	\$66,791,505

General Fund and Recreation Fund Combined Forecasted Revenue and Expenditures Summary 2012-13 – 2015-16

	2012-13 Original Budget	2013-14 Projection	2014-15 Projection	2015-16 Projection
Revenue	\$67,177,079	\$66,849,166	\$66,668,427	\$66,389,405
Expenditures	69,105,699	67,631,505	67,341,505	66,791,505
Expenditures over Revenue	(1,928,620)	(782,339)	(673,078)	(402,100)
Fund Balance, Beginning of Year	\$8,846,485	\$6,917,865	6,135,526	5,462,448
Fund Balance, End of Year	\$6,917,865	\$6,135,526	\$5,462,448	\$5,060,348
Ending Fund Balance, % of Expenditures	10.01%	9.07%	8.11%	7.58%
Revenue Enhancements/Cost Reductions to Maintain 10% Fund Balance	N/A	\$627,625	\$1,271,703	\$1,618,803

Food Service Fund

Food Service Fund 2012-13 Original Budget

	2011-12 Budget Amendment 3	2012-13 Original Budget	Increase (Decrease)
Revenue	\$2,400,733	\$2,465,340	64,607
Expenditures	2,257,165	2,290,288	33,123
Operating Profit	143,568	175,052	31,484
Operating Transfer to General Fund	146,000	146,000	-
Net Expenditures over Revenue	(2,432)	29,052	31,484
Fund Balance, Beginning of Year	531,359	528,927	(2,432)
Fund Balance, End of Year	\$528,927	\$557,979	\$29,052

Other Funds

- 2007 Capital Projects Fund
- Sinking Fund
- Debt Service Funds