

Scarborough Public Schools

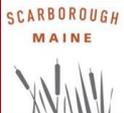
School Board Presentation

SCARBOROUGH
MAINE



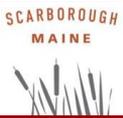
FY2017 Year-end Financials

October 5, 2017



Overview of 2016-2017 – Focus on Education

- Continuing the articulation of a Student-Centered Learning model.
- Creating space for social & emotional supports for students.
- Pursuing NEASC accreditation for Scarborough High School.
- Developing a K-12 approach toward Proficiency-based Education (PbE).
- Supporting continuous improvement in teaching & learning through PEPG & PLTs.
- Advancing a data-driven culture with help of Instructional Coaches & new Improvement Strategists.



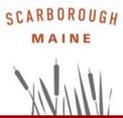
Overview of 2016-2017 - Focus on Efficiency

- Shared services with Town & Cape Elizabeth
- Shared professional development (Marzano training)
- Regional job fairs
- Energy efficiency upgrades to lighting & HVAC
- Centralized printing, Google sharing – leading in FY18 to update of MFPs and print management
- Recycling & composting reduce waste stream for Town
- Long-range facilities planning data & analysis to ensure most effective investment



Overview of 2016-2017 – Focus on Communication

- Superintendent's entry plan, surveys & reporting.
- Improving community outreach & multi-media communications.
- Collaborative budget process – One Town One Budget.
- Developing tools for better public access to information.



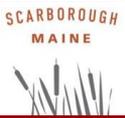
Statement of General Fund Surplus

As of 6/30/2016 Surplus was :	\$ 2,639,453	
Used For FY17 Budget	\$ (425,000)	
Unassigned Fund Balance 6/30/2016	\$ 2,214,453	
FY17 Appropriations Balance	\$ 861,027	
FY17 Revenue Balance	\$ (477,338)	
FY17 Year-end Adjustments	\$ (276,151)	
FY17 Year-end Balance	\$ 107,539	
Total Available Fund Balance	\$ 2,321,992	
Used for FY18 Budget	\$ (2,100,000)	
Unassigned Fund Balance 6/30/2017	\$ 221,992	



Use of Wentworth project funds

- \$2,678,672 remaining after the building project was closed and audited.
- \$1,378,113 used in FY2016 to pay Wentworth debt service.
- Wentworth funds replaced budgeted funds in FY16, creating a larger than usual budget surplus at year-end.

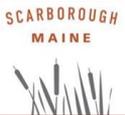


Expenditure Review

General Fund expenditures came in under budget by \$861,027

Significant areas of expenditure savings over budget projections through fortunate outcomes:

- Salaries & benefits district-wide under budget by \$150,000
- Energy and fuel savings of \$100,000 district-wide

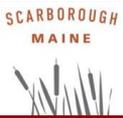


Expenditure Review

General Fund expenditures came in under budget by \$861,027

Significant areas of expenditure savings over budget projections through **strategic efforts**:

- Special Services tuition costs reduced by \$200,000
- Curtailment – Instructional - \$150,000+
- Curtailment – Operations – \$200,000+



Expenditure Review

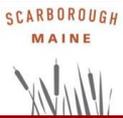
- School Board is required by policy DBJ to vote approval of budget transfers for any individual account overspent by \$10,000 or more.
- All overages can be offset by surplus in other budget lines, all within the same voter-approved categories.



Expenditure Review

Accounts requiring School Board action:

- **Salaries/Wages** – staff turnover/transfers created shifts in spending.
- **Benefits** – pattern of spending affected by staff turnover & changes in insurance status during the year.
- **Postage** – materials mailed home to families.



Expenditure Review

Mid-year transfers:

- **Special Education to ESL** – staffing shifts necessitated additional funding in very small ESL category.
- **Transportation to Athletics** – shortage of bus drivers required use of contracted transportation services.
- **Postage** – buildings reallocated supply funds to postage lines under the Guidance and School Admin categories.
- **Health Services** – increasing need for coverage addressed with substitutes; shifted funding from other sub lines.



Budget Transfers by Category

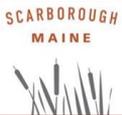
Budget category	FY17 Budget Voter Approved	FY17 Budget Year-end Revised	Category \$ change	Category % change
1) Regular Instruction	19,199,278	19,181,878	(17,400)	-0.1%
2) Special Education Instruction	7,125,737	7,111,737	(14,000)	-0.2%
3) CTE Instruction	259,555	259,555	0	0.0%
4) Other instruction (co- & extra-curricular)	1,005,316	1,051,316	46,000	4.6%
5) Student and staff support	4,481,517	4,498,017	16,500	0.4%
6) System administration	1,012,196	1,012,196	0	0.0%
7) School administration	1,689,833	1,704,733	14,900	0.9%
8) Transportation and buses	1,466,463	1,420,463	(46,000)	-3.1%
9) Facilities maintenance	3,828,539	3,828,539	0	0.0%
10) Debt service	5,761,633	5,761,633	0	0.0%
11) All other expenditures	25,000	25,000	0	0.0%
Total FY17 General Fund budget	45,855,067	45,855,067		

According to State statute, during the year for which the budget is approved using the cost center summary budget format, the School Board may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.



General Fund Appropriations by Category

General Fund Appropriations:	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY17 % Used	FY16 % Used	FY15 % Used
Regular Instruction:							
Regular Instruction Programs	18,633,608	18,604,208	18,429,042	175,166	99.1%	98.5%	99.7%
English as a Second Language (ESL)	263,771	275,771	275,751	20	100.0%	92.9%	97.4%
Gifted and Talented Programs	301,899	301,899	298,900	2,999	99.0%	97.4%	99.5%
Special Education Instruction	7,125,737	7,111,737	6,901,258	210,479	97.0%	95.6%	99.5%
CTE Instruction (Career & Technical Ed)	259,555	259,555	259,555	(0)	100.0%	98.0%	101.5%
Other Instruction:							
Co-Curricular	138,729	138,729	133,621	5,108	96.3%	95.7%	93.6%
Extra-Curricular	866,587	912,587	912,566	21	100.0%	99.9%	99.6%
Student & Staff Support:							
Guidance Services	1,285,197	1,294,697	1,291,616	3,081	99.8%	99.9%	99.1%
Health Services	601,743	608,743	608,642	101	100.0%	100.0%	98.7%
Instructional Technology	995,908	995,908	967,815	28,093	97.2%	93.6%	97.4%
Improvement of Instruction	993,479	993,479	926,247	67,232	93.2%	90.4%	95.8%
Library Services	605,190	605,190	580,237	24,953	95.9%	96.5%	94.6%
System Administration	1,012,196	1,012,196	1,011,385	811	99.9%	100.0%	98.7%
School Administration	1,689,833	1,704,733	1,700,923	3,810	99.8%	99.3%	99.9%
Transportation	1,455,813	1,409,813	1,353,200	56,613	96.0%	90.0%	95.4%
Facilities & Maintenance	3,839,189	3,839,189	3,557,652	281,537	92.7%	95.8%	96.7%
Debt Service	5,761,633	5,761,633	5,760,631	1,002	100.0%	73.1%	96.4%
All Other	25,000	25,000	25,000	0	100.0%	100.0%	100.0%
Total General Fund Appropriations	45,855,067	45,855,067	44,994,040	861,027	98.1%	94.3%	98.6%



Revenue Review

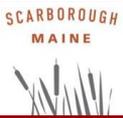
FY2017 revenue showed an overall shortfall of \$477,338 against budgeted projections

Wentworth funds budgeted amount was impacted by FY16 year-end transfer:

\$1,569,553 budgeted as revenue

\$1,300,559 actually remained available

\$268,994 less than originally planned for FY17



Revenue Review

Spending plan developed with Bernstein Shur - March 2016

1) Use funds to replace WS debt service funding already budgeted for FY16 (expenditure offset)

November 2015 Interest	\$358,998
May 2016 Interest	\$683,178
Total for FY16	\$1,042,176

2) Budget balance of available funds as revenue for debt service payments in FY17

November 2016 Interest	\$683,178
November 2016 Principal	\$913,375

3) Apply 2014 bond premium already planned for interest payment in FY17

May 2017 Interest	\$39,943
Total for FY17	\$1,636,496

Grand total use of Wentworth Project funds \$2,678,672

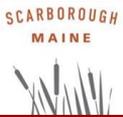
Actual amounts disbursed & transferred as of 6/30/17

November 2015 Interest	\$694,935
May 2016 Interest	\$683,178
Total for FY16	\$1,378,113

November 2016 Interest	\$683,178
November 2016 Principal	\$617,381

Total for FY17 \$1,300,559

\$2,678,672

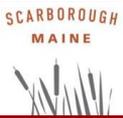


Revenue Review

FY2017 revenue showed an overall shortfall of \$477,338 against budgeted projections

Other significant revenue shortfalls:

- GPA deferred to Special Purpose Schools
- State Agency Client reimbursement
- Medicaid reimbursement



Revenue Review

Alternate Revenues & Creative Funding

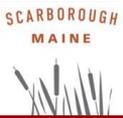
- Grant funding
- Scarborough Education Foundation (SEF) innovation grants
- Donations
- Boosters/PTA fundraisers
- Student fees
- Business partners
- Volunteers



Other Funds

Along with General Fund data, the Financial Statement includes:

- Adult Education
- School Nutrition
- Federal Restricted Funds
- Grants & Trusts
- Capital Improvement Projects



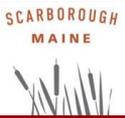
Adult Education

- ▶ Slightly over budget on expenditures due to investment in instructional materials for workforce programming.
- ▶ Revenue shortfall in tuition receipts mostly offset by increased state subsidy.
- ▶ Program year-end fund balance is \$3,982.



School Nutrition

- ▶ Spending shift from prepared foods to staff wages continues.
- ▶ New software provides better sales data & revenue controls.
- ▶ Actively pursuing grants & donations - new fund established for tracking.



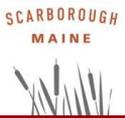
School Nutrition

- Revenue shortfall again an issue, overambitious projections on food sales (adjusted down for FY18).
- FY17 ended with a deficit of \$276,151, which will need to be covered by General Fund surplus.



Capital Projects

- Multi-year project funds follow budget plan.
- Security and Access Management spending deferred.



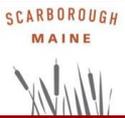
Works in Progress

- ▶ FY2018 1st Quarter Financials & State reporting.
- ▶ School & Town audit work begins in mid-November, report due in late December.
- ▶ Joint Finance Committee already meeting.



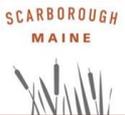
Looking forward to FY18 – the challenge ahead

- ▶ Budget passed in September, \$209,000 below level services
- ▶ Challenge of FY19 budget development
- ▶ Minimal fund balance available
- ▶ State GPA likely to remain at statutory minimum



Looking forward to FY18 – the challenge ahead

- ▶ Reconciliations & reallocations accomplished
- ▶ Personnel turnover will create some savings
- ▶ Curtailment in place to maximize expenditure savings & year-end fund balance.



Action Items

FY2017 year-end action items for School Board

October 5, 2017:

- ▶ 1) Request approval of budget transfers for accounts which were overspent by more than \$10,000.
- ▶ 2) Request approval of transfer of \$276,151 from General Fund surplus to cover Food Services deficit.

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