



FY17 General Fund Budget Update

Committee of the Board
April 12, 2016

Marie Schrul
Chief Financial Officer



Purpose

To provide an update on the FY 2016-2017
General Fund budget to the Committee of the
Board



Agenda

- Framing the discussion: *Strong Schools, Strong Communities 2.0*
- FY 2016-17 Budget Guidelines
- General Budget Information
- Other Influencing Factors
- FY 2016-17 General Fund Big Picture
- Staffing the Schools
- FY 2016-17 Budget Adoption Schedule
- Community Engagement Information
- Board Action – Approval of Recommendations





Strong Schools, Strong Communities 2.0

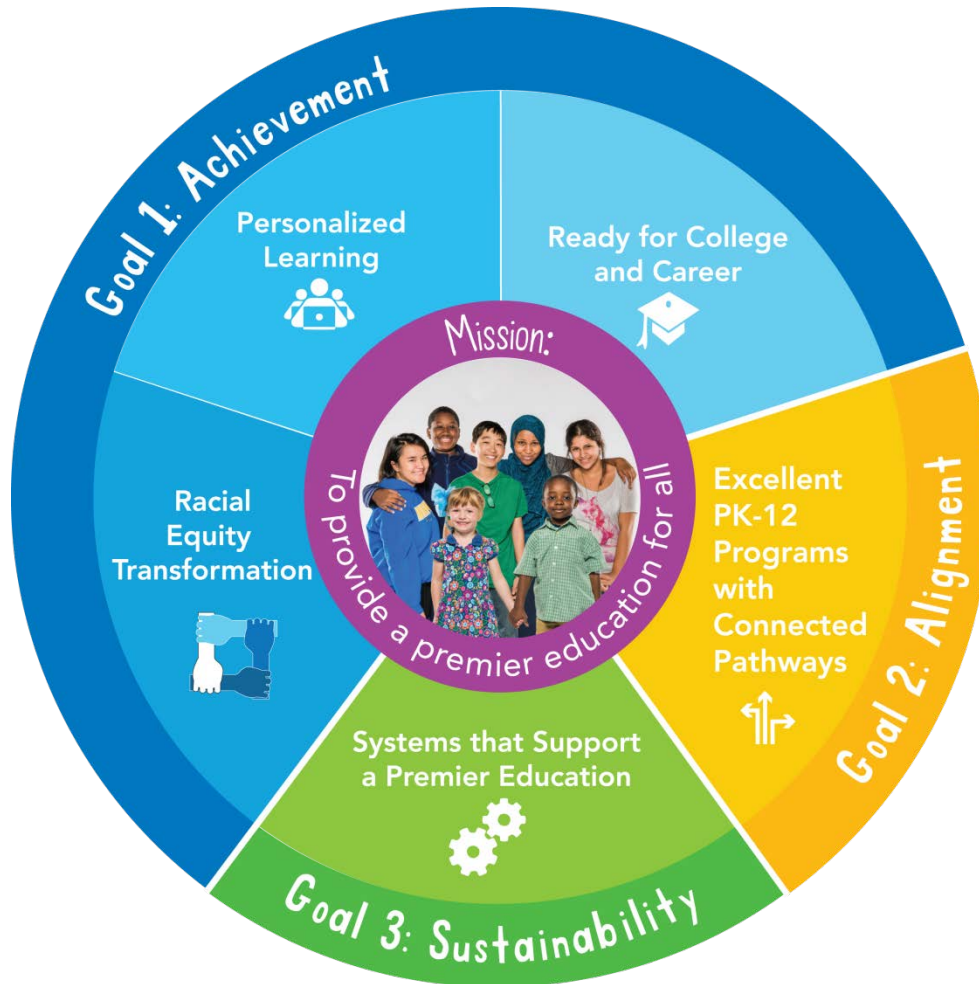
Goal 1: Achievement for all students

Goal 2: Alignment of school programs

Goal 3: Sustainability to optimize classroom resources and academics



SSSC 2.0 Focus Areas



Focus Areas

- Racial Equity Transformation
- Personalized Learning
- Ready for College and Career
- Excellent PK-12 Programs with Connected Pathways
- Systems that Support a Premier Education



FY 2016-17 Budget Guidelines

- SSSC 2.0 Plan is first consideration in funding.
- Class size ranges will determine teacher FTEs.
- Budget built on current laws.
- Blended Site-Based and Centralized funding method will be used for schools.
- A table detailing the average salary and benefits will be provided for budget preparations.
- **The budget should maintain an unassigned fund balance of at least five percent (5%) of the general fund expenditures in accordance with the BOE policy.**
- Non-School programs will be reported into three (3) categories: Central Administration, District-wide Support, and School Service Support.
- Fully Financed budgets with anticipated revenues and expenditures over \$500,000 for the 2016-2017 school year will be included in the Adopted budget.
- The FY 2016-17 budget must be approved by the Board of Education by June 30, 2016.

The Adopted budget will be published on the Business Office website (<http://businessoffice.spps.org/2016-17>).



General Budget Information

- FY 2016-17 General Fund revenue is projected to decrease by 4.6m (CompEd, Enrollment)
- The budget meets required contractual obligations
- All schools do not receive the same amount of money per pupil because:
 - Some school funding is categorical (it has specific criteria on its spending)
 - Funding for Comp Ed and Title I follow the students on a one year delay (previous year's Oct 1 count)
 - Higher poverty schools have greater access to categorical dollars than lower poverty sites
- School enrollment affects the dollars allocated

Other Influencing Factors

- 3rd quarter projections impact fiscal year end fund balance
- Enrollment fluctuations impact revenue, class size and building capacity
- Contractual settlements impact expenditure levels
- Legislative adjustments impact revenue
- Previous year's October 1 Free & Reduced lunch count impacts revenue
- Bond ratings



FY 2016-17 General Fund Preliminary Big Picture

	FY16 Adopted (in millions)	FY17 Preliminary (in millions)	Difference	% Change
Revenue	\$522.8	\$518.2	\$ (4.6)	(0.88%)
Use of Fund Balance	2.5	0	(2.5)	(100.0%)
Expenditures	525.3	533.3	(8.0)	(1.50%)
Balance	\$0	(\$15.1)		



FY 2016-17 General Fund Factors Impacting Shortfall

Item	Amount \$M
Projected Shortfall (as of 1/19/16)	(\$9.3)
Contractual commitments	(3.5)
Compensatory Revenue decrease	(1.1)
Gen Ed Revenue decrease (2/29 Projected enrollment)	(1.2)
Total Shortfall	(\$15.1)

FY17 Proposed General Fund Big Picture – Expenditures

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$246,318,621	(\$7,011,562)	(2.77%)
School Service Support	175,987,186	178,608,175	2,620,989	1.49%
District-wide Support*	91,793,916	89,347,274	(2,446,642)	(2.67%)
Central Administration	4,154,590	3,906,370	(248,220)	(5.97%)
Total	\$525,265,875	\$ 518,180,440		



FY17 Proposed General Fund Budget Reductions of Central Administration Programs

Program Category	FY16 Adopted	FY17 Proposed	Reduction Amount	Reduction %	Inflation Amt Not Allocated	% Total Reduction
Central Administration	\$4,154,590	\$3,906,370	(\$248,220)	(5.97%)	(\$73,742)	(7.8%)

- Board of Education
- Superintendent's Office
- Chief Executive Officer
- Chief Academics Officer
- Chief of Operations
- General Counsel
- Office of Elementary and Secondary Education
- Chief of Engagement



FY17 Proposed General Fund Budget

Reductions of District-wide Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Difference Amount	% Change	Inflation Amt Not Allocated	% Total Change
District-wide Support	\$91,806,591	\$89,347,274	(\$2,446,642)	(2.67%)	(\$1,311,404)	(4.1%)

- Finance
 - Enterprise Resource Planning
 - Office of Equity
 - Out for Equity
 - Multicultural Resource Center
 - Family & Community Engagement
- Communications
 - MIS
 - Human Resources
 - Research & Evaluation
 - Referendum Technology
 - Technology Infrastructure
 - Operations & Maintenance
- Grounds
 - Custodial
 - Safety & Security
 - Facility Planning/Leases/Health & Safety
 - Employee Benefits
 - Insurance
 - Utilities



FY17 Proposed General Fund Budget Reductions of School Service Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Reduction Amount	Reduction %	Inflation Amt Not Allocated	% Total Reduction
School Svc Support	\$175,987,186	\$178,608,175	2,620,989	1.49%	(\$2,678,069)	(0.01%)

- Student Placement
- Indian Education
- Valley Branch
- Am Indian Studies
- TDAS
- MLL
- Substitutes
- Athletics
- Pre-K Support

- Referendum Family Ed
- School to Work
- Special Education
- Third Party Reimb.
- Instructional Services
- Staff Development
- Leadership Development
- Achievement Plus
- Career in Education

- Counseling/Guidance
- OCCR
- Student Wellness
- Attendance Action Ctr
- Alt to Suspension
- Transportation
- Referendum – PLTT
- Peer Assistance/Review



FY17 General Fund Recommendations to Address Projected Shortfall of **\$15.1 million**

Description	Amount (\$M)
Eliminating the proposed 2017 contribution to the Other Post Employment Benefits (OPEB) trust	1.0
No annual inflationary increases for departments	4.1
Eliminating job-embedded PD at non-Priority elementary, K-8 and 6-8 sites	7.5
Targeted departmental and central administration staff and program adjustments	2.7
Offering an early retirement incentive	<u>2.5</u>
Total	\$17.8





Staffing the Schools

Funding for SSSC 2.0



SSSC 2.0 Class Size Ranges

Higher Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	20 – 24
1 – 3	22 – 25
4 – 5	25 – 28
6 – 8	29 – 33
9 - 12	30 - 35

Higher Poverty threshold is the top 30 schools per the teacher's contract



SSSC 2.0 Class Size Ranges

Lower Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	22 - 26
1 – 3	22 – 27
4 – 5	25 – 29
6 – 8	29 – 35
9 - 12	30 - 37



FY2016-17

Site Staffing Criteria

Site Configurations

- Pre-K – 5
- K – 8
- Dual Campus
- 6 – 8
- 6 – 12
- 9 - 12

Staffing Categories

- Principal
- Assistant Principal
- Administrative Intern
- Teachers
- Clerks
- Counselors
- Library Media Specialists
- Nurses
- Social Workers
- Psychologists
- MLL Teachers
- Library Support (EA or TA)
- SSSC 2.0 Site Staff for Program Articulation



FY 2016-17

Budget Adoption Calendar

Date	Description
November-December 2015	Community budget presentations (Introduction to School District Finance & SPPS Budget)
November – February 2016	FY 2016-17 budget planning meetings (Supt, Asst Supts, Finance, Cabinet, Program Administrators, Principals)
December 15, 2015	SPPS Board of Education Certifies Pay 16 Levy for FY 2016-17
January 2016	FY 2016-17 Revenue & Expenditure Projections
February 2016	SPPS Hyperion (new budget planning system) Go Live
February 5, 2016	REA Office provides preliminary FY17 enrollment projections
February 29, 2016	REA Office provides final FY17 enrollment projections to Finance
March 7, 2016	Presentation to District leadership at Cabinet meeting



FY 2016-17

Budget Adoption Calendar

Date	Description
March 8, 2016	Presentation of the FY 2016-17 Preliminary General Fund budget to the Committee of the Board
April 13-15, 2016 Tentative dates	Distribute school allocations Distribute General Fund program allocations
April 18 – April 29, 2016	Joint budget & staffing meetings (Principals, Human Resources & Finance)
April 14-June 21, 2016	Community engagement budget presentations
April 29, 2016	School budgets returned Program budgets returned HR Staffing worksheets due
June 21, 2016	FY 2016-17 Budget adopted by Board of Education





Engagement Information

- Principal toolkit includes:
 - Allocation worksheet with directions and supporting documentation
 - Talking Points
 - Powerpoint draft that can be tailored to site to use with staff and community
 - Budget Video
- Business office website (businessoffice.spps.org)
 - FAQ & who to contact
 - Board presentations posted in Budget section
- Community meetings scheduled through Office of Family & Community Engagement (dates on next slide)



Community Engagement Meetings

Date	Group	Location
April 14	Budget Breakdown Information Session	360
April 16	Budget Breakdown Information Session	360
April 14- June 21	School Based Budget Meetings	School Sites

Questions?



FY17 General Fund Recommendations to Address Projected Shortfall of **\$15.1 million**

Requested Action – Approval of Recommendations

Description	Amount (\$M)
Eliminating the proposed 2017 contribution to the Other Post Employment Benefits (OPEB) trust	1.0
No annual inflationary increases for departments	4.1
Eliminating job-embedded PD at non-Priority elementary, K-8 and 6-8 sites	7.5
Targeted departmental and central administration staff and program adjustments	2.7
Offering an early retirement incentive	<u>2.5</u>
Total	\$17.8

