

## REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, April 19, 2018 at 4:00 PM at the Cincinnati Public Schools Education Center in the Board Conference Room.

### ATTENDEES

#### Finance Committee Members

Melanie Bates, Ryan Messer

#### Administrators

Laura Mitchell, Superintendent; Jennifer Wagner, Treasurer; Aaron Childs, Legal Intern; Dan Huying, General Counsel; Paul McDole, Director, Human Resources; Trina Levins, Director of Fiscal Services; Lauren Roberts, Internal Auditor

#### Kearney and Kearney

Eric Kearney, CEO, President

#### Focused Capital Solutions, LLP

George T. Glover, Managing Director

#### Community Members/Parents

David Brenner, Marleim Brookfield, Laura Saureget

#### Cincinnati Federation of Teachers

Julie Sellers, President

#### Cincinnati Preschool Promise

Hector Polanco, Finance Manager; Shiloh Turner, Executive Director

### Governmental Relations Update

Mr. Kearney and Mr. Glover were present and updated the Committee with the following information and projects:

- State Legislators Breakfast Follow Up—There appears to be a solid foundation for future discussions.
- Coordinate meetings with Gubernatorial candidates after primary—Outreach to each of the campaigns to set up meetings with the Superintendent and Board after the May primary.
- Comparison of tax abatement policy among Big 8—Conducting research on the tax abatement tracking methods among the Big 8.
- Coordinating conference call between CPS and Representatives Reineke and Blessing re: House Bill 512

Mr. Kearney recommended that the District submit a resolution opposing HB 512 that may establish a Department of Learning and Achievement, by abolishing the Department of Higher Education, the position of the Chancellor of Higher Education, and the Ohio Board of Regents.

A report provided information on various House and Senate bills, as well as bills introduced in both the House and Senate Education Committees. A copy of this report is available in the Board Office.

### Summary of House Bill 512

At the request of the Committee and General Counsel, Mr. Kearney provided a summary of HB 512.

#### **Background & Status**

HB 512 was introduced in the 132nd General Assembly by Representative Reineke (R - Tiffin) (Assistant Majority Whip) and co-sponsored by Representatives Blessing, Carfagna, Poland's, Brenner (Chair, House Education and Career Readiness), Riedel, Hoops, and Koehler. It was introduced on February 14, 2018 and referred to committee on February 20, 2018. It is currently in House Government Accountability and Oversight Committee.

The Bill seeks to overhaul the administration of Ohio's education system by creating a new department and moving responsibilities from the current departments into it.

The Bill creates the Department of Learning and Achievement which would oversee primary, secondary, and post secondary education. The DLA's Director would be appointed by the Governor. Transferred to DLA would be: (1) most of the powers and duties of the State Board of Education, Superintendent of Public Instruction, and Department of Education; and (2) all of the powers and duties of the Chancellor of Higher Education, Department of Higher Education, and Governor's Office of Workforce Transformation.

#### **Powers of DLA**

Further, the Bill would abolish the Department of Higher Education and the Ohio Board of Regents, and eliminates the position of Chancellor of Higher Education. The State Board of Education, Superintendent of Public Instruction, and Department of Education continue to exist for prescribed purposes.

Of specific concern to CPS, the Bill would transfer powers and duties to DLA such as:

- Issuing school report cards
- Establishing their statewide program for assessing student achievement through standardized assessments
- Adopting the teacher evaluation system
- Calculating and distributing all foundation funding payments
- Developing specified policies regarding school operations

#### **Powers and duties retained by the State Board, Superintendent, and Department of Education**

The following powers and duties are not transferred to the Department of Learning and Achievement and are, instead, retained by the entity that has those powers and duties under existing law:

#### Educator licenses

The State Board retains its responsibility to issue educator licenses and take disciplinary actions regarding those licenses, and the Superintendent retains related powers and duties, including the responsibility to appoint a referee for teacher contract termination hearings. However, the bill requires the Department of Learning and Achievement, rather than the State Board, to adopt all rules related to educator licenses, including the standards and qualifications for those licenses.

#### Territorial transfer

The bill retains the State Board's authority and the Superintendent's role with regard to the existing methods by which city, local, and exempted village school districts may change their boundaries, but it transfers similar responsibilities with respect to joint vocational school districts to the Department of Learning and Achievement

#### Appeals of requests to change community school sponsorship

The State Board continues to have the authority to receive and hear appeals of requests by community schools to change sponsors that are denied. However, the bill requires the Department of Learning and Achievement, rather than the Department of Education, to make the initial decision whether to grant or deny the request to change sponsors.

#### Appointment of fiscal officers for unauditible schools

The Superintendent retains the authority to approve an individual's appointment as a community school's, STEM school's, or college-preparatory boarding school's fiscal officer while that school is considered unauditible, if that appointee is not licensed as a treasurer.

Appeals of requests by parents of students who are determined impractical to transport and reject payment in lieu of transportation.

The State Board continues to have the authority to receive and hear appeals of requests by parents of students who are determined impractical to transport by a district board or community school governing authority who reject the district's or board's payment in lieu of transportation and do not successfully resolve the dispute through mediation. However, the bill requires the Department of Learning and Achievement, rather than the Department of Education, to conduct the initial mediation in this situation.

#### Permanent exclusion from school

The bill retains the Superintendent's authority to issue an adjudication order that permanently excludes a student from attending any of the public schools of the state.

Districts of residence and districts responsible to pay tuition.

The Superintendent continues to have the authority to determine, in the event of a disagreement, (1) the school district in which a child's parent resides and (2) which school district is responsible to pay tuition for a child whose parent is in a juvenile residential placement, correctional facility, or residential facility.

#### Student textbooks

The State Board retains the responsibility to investigate claims that publishers have failed to provide textbooks to school districts at the lowest list wholesale price available to school districts in other states and, if true, to notify publishers and school districts that those textbooks are not to be purchased by school districts in the future.

#### Conclusion

This will be an issue that will be discussed and debated during the next few months not only in the House, but also during the campaigns.

**ACTION:** The Finance Committee will recommend to the Board approval of a resolution opposing House Bill 512. The Committee will recommend using the Ohio School Boards Association's template as a guide in constructing the District's resolution.

#### Treasurer Financial Updates

##### Monthly and Year-to-Date Revenue and Expenditures

Treasurer Wagner provided the Committee with the following information for General Fund monthly statements through March 2018.

- Revenues – Operating revenues continue to trend higher than FY17 due to increases in property tax revenue and state aid (increased enrollment)

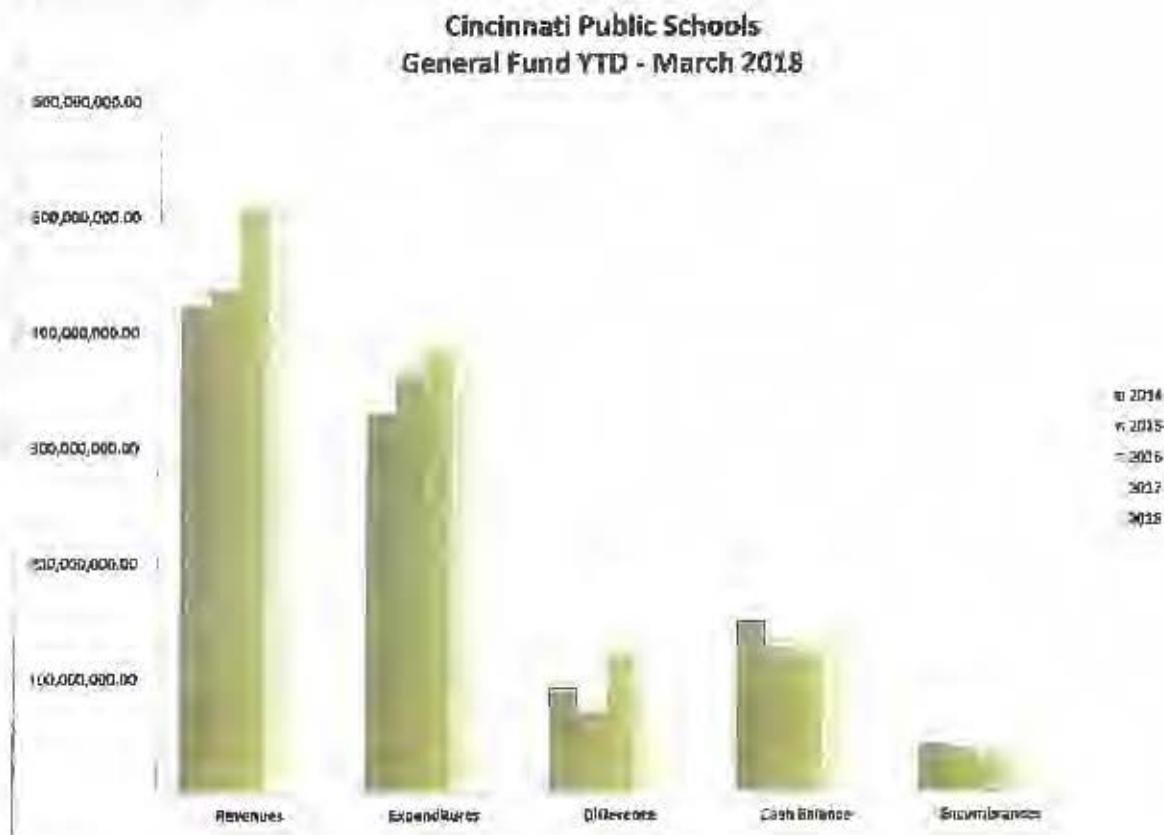
- Expenditures – Are slightly higher than last year, however the District is still trending under as a percentage spent of yearly total. The District spent 67.5 percent of estimated total expenditures, compared to an average of 71% over the last four years.

#### Preschool Expansion Financial Report

- CPS Tuition assistance review

#### Schoolwide Pool (Fund 598)

- Revenues – \$135.4M of anticipated \$199.4M (67.9%)
- Expenditures – \$135.5M of anticipated \$199.4M (68%)



#### State & Federal Grants Summary

|                     | State         | Federal        | Combined      |
|---------------------|---------------|----------------|---------------|
| Beg. Cash           | 160,203.97    | 9,033,883.07   | 9,194,087.04  |
| Receipts YTD        | 12,259,646.04 | 35,003,291.58  | 47,262,937.62 |
| Expenditures YTD    | 9,864,367.60  | 41,833,335.99  | 51,697,703.59 |
| Encumbrances        | 1,613,538.24  | 3,772,827.45   | 5,386,365.69  |
| Unencumbered Cash   | 941,944.17    | (1,568,988.79) | (627,044.62)  |
| Estimated Receipts  | \$ 15,115,192 | \$ 59,905,380  | \$ 75,020,572 |
| % Received of total | 81.1%         | 58.4%          | 63.0%         |

*Note: Federal fund estimated receipts include 13 months of estimated resources due to carryover funds*

## Payment In Lieu of Tax Agreements

| <u>Agreement</u>  | <u>Years of Agreement</u> | <u>Estimated Annual Revenue</u> | <u>Estimated Total Agreement Revenue</u> |
|---|---------------------------|---------------------------------|--|
| <b>(A.) <u>Kroger Limited Partnership I</u></b>   | 15-years                  | \$175,860.71                    | \$2,637,910.65                           |
| <i>Description:</i> the improvements made to the real property located at the northeast corner of Court Street and Walnut Street in the Central Business District of Cincinnati in connection with the construction of a two-story, approximately 45,000 square foot commercial and retail facility containing a grocery store - Ordinance #180-2017, Contract #85x2018-187.  |                           |                                 |  |
| <b>(B.) <u>Dutton South LLC</u></b>   | 15-years                  | \$1,635.91                      | \$19,630.96                              |
| <i>Description:</i> the improvements made to the real property located at the northeast corner of Court Street and Walnut Street in the Central Business District of Cincinnati in connection with the construction of a private parking garage containing approximately 139 parking space - Ordinance #24-2018, Contract #85x2018-243.   |                           |                                 |  |
| <b>(C.) <u>DeVotie Hall Association</u></b>   | 15-years                  | \$7,014.47                      | \$56,115.73                              |
| <i>Description:</i> the improvements made to the real property located at 2707 Clifton Avenue, 2702 and 2706 Stratford Avenue, Cincinnati, OH 45220 to construct a two-story wing to an existing residential building and renovation of 14,800 square feet of existing residential units - Ordinance #173-2009, Contract #85x2018-183 (this is revenue from the remaining 8-years of a 15-year contract - payment of \$46,207.00 was already received for prior years). |                           |                                 |  |
| <b>(D.) <u>OTR Holdings</u></b>   | 12-years                  | \$9,226.14                      | \$110,713.75                             |
| <i>Description:</i> the improvements made to the real property located at located at 1501 Vine Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of the first floor of the existing building into approximately 3,057 square feet of commercial condominium space - Ordinance #12-2018, Contract #85x2018-252.   |                           |                                 |  |

Mrs. Wagner updated the Committee on the following financial reports:

- CPS General Fund Financial Report as of March 31, 2018
- General Fund Revenues as of March 2018
- Cash Summary By Fund as of March 2018
- Fund 001 - General - Budget to Actual with Encumb by Fund, Obj, as of 3/31/2018
- Fund 598 - Schoolwide Building Program, Budget to Actual with Encumb by Fund, Obj, as of 3/31/2018

Copies of the reports are available in the Board office.

### Preschool Promise Expansion Report

Mrs. Wagner also discussed with the Committee the following Preschool Promise Expansion report:

#### **Cincinnati Public Schools Preschool Expansion - FY2018**

|                                      | CPS FY18             | Rev EPS Budget       | March YTD Actual     | Encumbered            | Balance               |
|--------------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| <b>Revenues:</b>                     |                      |                      |                      |                       |                       |
| General R/E Property Tax             | 18,649,552.39        | 18,649,552.39        | 15,181,025.37        |                       | (1,531,471.88)        |
| Public Utility Personal Property Tax | 1,100,847.17         | 1,100,847.17         | 583,685.87           |                       | 519,151.70            |
| Homestead Exemption                  | 249,599.65           | 249,599.65           | 185,154.65           |                       | 114,444.80            |
| Less: Auditor collection fees        | (165,000.00)         | (165,000.00)         | (86,813.69)          |                       | (78,186.31)           |
| <b>Revenues</b>                      | <b>14,035,000.01</b> | <b>14,835,000.01</b> | <b>15,831,051.70</b> | <b>-</b>              | <b>(975,061.88)</b>   |
| <b>Expenses:</b>                     |                      |                      |                      |                       |                       |
| Tuition Assistance                   | 4,504,418.00         | 4,504,418.00         | 3,018,026.88         |                       | 1,486,391.12          |
| CPS Payments to United Way           | 7,081,837.18         | 7,081,837.18         | 5,233,372.87         | 1,770,459.31          |                       |
| Cost of Quality (Wages) and WDC      | 57,722.00            | 57,722.00            |                      |                       | 57,722.00             |
| ** Special Education Support:        | 880,003.95           | 834,841.76           | 154,159.96           |                       | 680,781.80            |
| Recurring administrative:            | 200,000.00           | 199,274.27           | 79,564.25            |                       | 119,715.11            |
| <b>Expenses</b>                      | <b>12,725,981.13</b> | <b>12,679,193.21</b> | <b>8,495,123.97</b>  | <b>1,770,459.31</b>   | <b>2,264,005.05</b>   |
| <b>Net Income:</b>                   | <b>2,111,038.88</b>  | <b>1,196,806.70</b>  | <b>7,167,927.73</b>  | <b>(1,770,459.31)</b> | <b>(3,240,658.72)</b> |

\*\* Note: The Special education agreed upon allocation has been reduced to \$519,893.17 to reflect immediate staffing needs. The budget remains at \$835K in order to allow us to move quickly when the demand for services exceeds available staffing.

### Review: Draft of New Year Budget

Treasurer Wagner updated the Committee with a timeline of her *FY2019 Schedule of Activities* for the Budget. The schedule included progress on the following activities:

- Student Projections
- Student Based Budgeting
- Performance Leadership Team Budget Retreat
  - a. Strategic Initiatives
  - b. School Staffing
  - c. State/Federal Projects
  - d. General Fund Budget Target
- Budget Commission
- School Budget Templates/Central Budgets
- BOE Budget Presentation #1
- Budget Commission
- Five-Year Forecast
- Public Presentation #2
- Public Hearing
- Budget Adoption (Board) – June 25, 2018

Mrs. Wagner reported that a challenge of the budget is in the area of tuition and that she is anticipating a charge-off from the state.

**ACTION:** Treasurer Wagner will provide a historical analysis of the charge-offs at the May 17, 2018 Finance Committee meeting.

Committee Chair Messer discussed with the Committee the possibility of working sessions about the budget being conducted in Finance Committee meetings to allow for more analysis of budget items being tied to the District's strategic plans.

**ACTION:** Mr. Messer will recommend that *Finance Committee Review of New Programs or Policy Proposals* be added as a topic for *Board Matters* at the April 23, 2018 Board meeting.

#### **Preschool Promise Finances**

Mr. Polanco and Ms. Turner updated the Committee with a summary of a preliminary report of CPP's budget that included CPP's goals. The preliminary update included information in the following areas:

- Tuition Assistance FY19 Budget: Enrollment and Financial Information (CPP Only)
- Quality Improvement FY19 Budget: Enrollment and Financial Information (CPP Only)
- FY2019 Summarized Budget (CPP Only)
- FY2019 Summarized Budget (CPP + CPS)

A copy of the preliminary report is attached at the end of this Finance Committee report.

#### **Supplier Diversity Update**

Ms. Levins updated the Committee on her Supplier Diversity Spend report.

**ACTION:** Committee members advised Ms. Levins to create goals around the report and provide an update at the May 17, 2018 Finance Committee meeting.

A copy of the report is available in the Board office.

#### **Treasurer's Goals for the New Year**

Mrs. Wagner discussed with the Committee a draft of her goals for the new year.

#### **Other Business**

##### **Bond Refinance**

Mrs. Wagner reported that the District received \$3 million in savings. The expectation was that the savings was going to be \$2 million.

A copy of the report is available in the Board office.

The meeting adjourned at 6:05PM

#### **Finance Committee**

Ryan Messer, Chair

Melanie Bates

Ericka Copeland-Dansby, *absent*

#### **Staff Liaisons**

Laura Mitchell, Superintendent

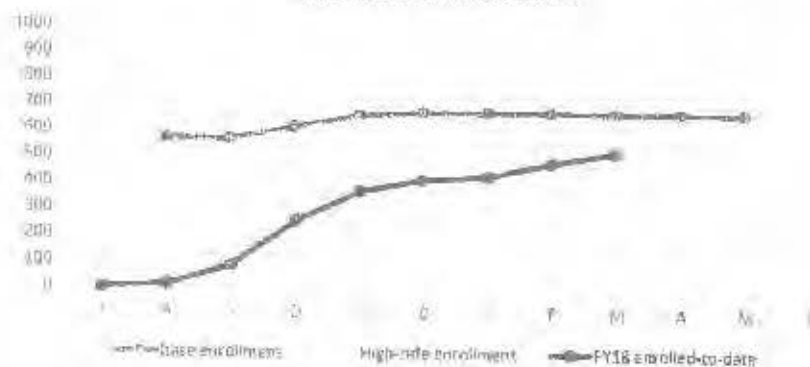
Bill Moehring, Interim Chief Operating Officer

Jennifer Wagner, CFO/Treasurer

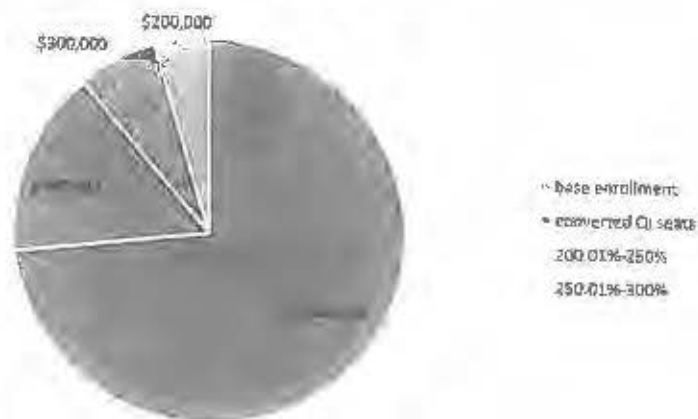
# Tuition Assistance FY19 Budget Enrollment and Financial Information (CPP only)

PRELIMINARY

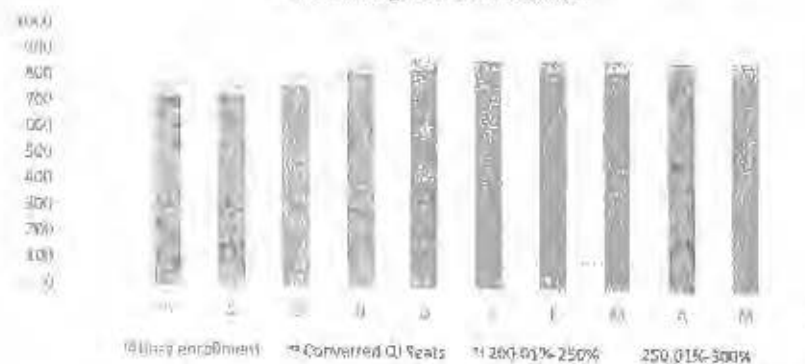
FY19 vs. FY18 Enrollment



FY19 Budgeted TA Spending



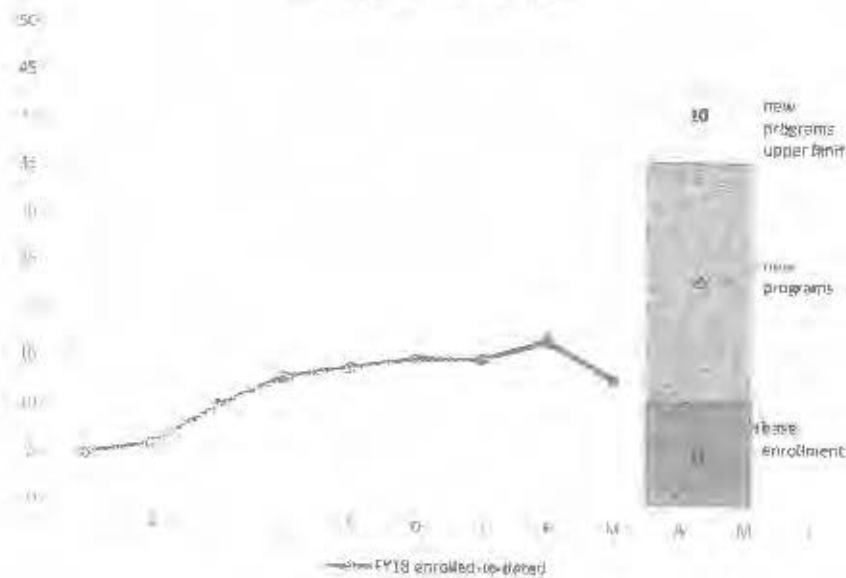
FY19 Budgeted Enrollment



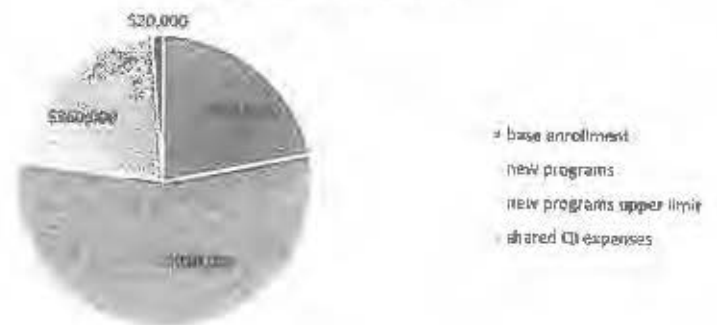
# Quality Improvement FY19 Budget Enrollment and Financial Information (CPP only)

PRELIMINARY

FY19 vs. FY18 Enrollment



FY19 Budgeted QI Spending



## FY19 Summarized Budget (CPP Only)

PRELIMINARY

Summarized CPP-Only FY 2019 Budget  
(last updated 04/04/18)

|   | Jul-18           | Aug-18           | Sep-18           | Oct-18           | Nov-18           | Dec-18           | Jan-19           | Feb-19           | Mar-19           | Apr-19           | May-19           | Jun-19           | FY19 Budget        | Up/Down vs. FY18 Budget | Up/Down vs. FY18 Est. |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|-------------------------|-----------------------|
| Tuition Assistance                                      | \$0              | \$198,368        | \$427,245        | \$451,776        | \$476,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$0              | \$4,459,565        | \$2,220,742             | \$2,408,139           |
| Quality Improvement                                     | \$301,400        | \$172,500        | \$92,000         | \$92,000         | \$172,500        | \$92,000         | \$96,000         | \$172,500        | \$92,000         | \$92,000         | \$172,500        | \$92,000         | \$1,639,400        | -\$833,072              | \$2,275,645           |
| Cost of Quality (Wages) & Workforce Development Council | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$500,000        | \$500,000          | \$500,000               | \$500,000             |
| Special Education Support                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    | \$0                     | \$0                   |
| <b>SUM OF PROGRAMS</b>                                  | <b>\$301,400</b> | <b>\$370,868</b> | <b>\$519,245</b> | <b>\$543,776</b> | <b>\$648,811</b> | <b>\$576,311</b> | <b>\$580,311</b> | <b>\$656,811</b> | <b>\$576,311</b> | <b>\$576,311</b> | <b>\$656,811</b> | <b>\$592,000</b> | <b>\$6,598,965</b> | <b>\$1,867,670</b>      | <b>\$4,183,780</b>    |
| Administration and Data Systems                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    |                         |                       |
| Data & Enrollment Systems Evaluation                    | \$40,849         | \$40,849         | \$41,036         | \$152,058        | \$41,036         | \$41,036         | \$41,036         | \$152,058        | \$41,036         | \$56,036         | \$152,058        | \$41,036         | \$840,124          | -\$320,800              | -\$87,122             |
| Communications & Outreach                               | \$18,198         | \$20,926         | \$14,190         | \$7,748          | \$5,748          | \$6,036          | \$4,808          | \$5,948          | \$19,198         | \$28,348         | \$25,823         | \$21,811         | \$176,582          | \$62,979                | \$80,759              |
| M&A - General   | \$6,683          | \$15,183         | \$2,583          | \$2,583          | \$4,883          | \$2,883          | \$6,183          | \$2,583          | \$2,583          | \$7,383          | \$2,583          | \$190,083        | \$246,100          | \$150,600               | \$184,985             |
| M&A - Staff   | \$63,641         | \$63,641         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,759         | \$64,759         | \$64,759         | \$770,500          | -\$2,000                | \$224,071             |
| M&A - Facilities  | \$6,940          | \$3,440          | \$5,060          | \$6,560          | \$4,060          | \$4,060          | \$4,560          | \$4,060          | \$4,060          | \$4,060          | \$4,060          | \$4,060          | \$54,980           | -\$11,035               | -\$17,866             |
| UWGC & CPS Admin Fees                                   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$100,000          | -\$15,000               | \$42,300              |
| <b>SUM OF EXPENSES</b>                                  | <b>\$136,311</b> | <b>\$144,039</b> | <b>\$127,004</b> | <b>\$233,084</b> | <b>\$119,862</b> | <b>\$117,850</b> | <b>\$137,188</b> | <b>\$245,450</b> | <b>\$147,678</b> | <b>\$177,453</b> | <b>\$263,950</b> | <b>\$338,416</b> | <b>\$2,188,286</b> | <b>-\$182,256</b>       | <b>\$962,477</b>      |
| <b>Total</b>  | <b>\$437,711</b> | <b>\$514,903</b> | <b>\$646,249</b> | <b>\$776,862</b> | <b>\$768,673</b> | <b>\$694,161</b> | <b>\$717,900</b> | <b>\$902,261</b> | <b>\$723,990</b> | <b>\$753,768</b> | <b>\$920,762</b> | <b>\$930,416</b> | <b>\$8,787,251</b> | <b>\$1,705,414</b>      | <b>\$5,246,257</b>    |

## Key Drivers of FY18 Budget vs. FY18 Est.

1. TA budget to high-end of range of potential children, but expected to increase between 32% - 76% (from 520 to between 675 and 915)
2. QI restructured and expected to help between 25-35 new preschool providers while continuing to help 11 existing providers
3. Cost of Quality (Wages) pilot budgeted for 5500h
4. Full time Executive Director + building organization by potential addition of up to 2 FTEs. (+\$250k)
5. M&A General includes new items for Investments/Contingency (\$150k) + Fundraising (\$25k)

Cincinnati Preschool Promise | 513-447-4277 | info@cincy-promise.org | www.cincy-promise.org

FY = Fiscal Year

FY18 Est. = Forecast completed on 03/23/18

# FY19 Summarized Budget (CPP+CPS)

PRELIMINARY

## Summarized CPP + CPS FY 2019 Budget

(last updated 04/04/18)

|   | Jul-18           | Aug-18           | Sep-18           | Oct-18           | Nov-18           | Dec-18           | Jan-19           | Feb-19           | Mar-19           | Apr-19           | May-19           | Jun-19             | FY19 Budget         | Up/Down vs. FY18 Budget | Up/Down vs. FY18 Fcst |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|---------------------|-------------------------|-----------------------|
| Tuition Assistance                                      | \$0              | \$196,864        | \$427,245        | \$451,778        | \$476,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$484,311        | \$4,376,878        | \$8,836,443         | \$1,027,997             | \$2,908,133           |
| Quality Improvement                                     | \$301,400        | \$172,500        | \$92,000         | \$92,000         | \$172,500        | \$92,000         | \$96,000         | \$172,500        | \$92,000         | \$92,000         | \$172,500        | \$92,000           | \$1,639,400         | -\$833,072              | \$1,275,645           |
| Cost of Quality (Wages) & Workforce Development Council | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$337,722          | \$557,722           | \$500,000               | \$587,722             |
| Special Education Support                               | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$665,002          | \$665,002           | -\$214,922              | \$176,051             |
| <b>SUM OF PROGRAMS</b>                                  | <b>\$301,400</b> | <b>\$370,864</b> | <b>\$519,245</b> | <b>\$543,778</b> | <b>\$648,811</b> | <b>\$576,311</b> | <b>\$580,311</b> | <b>\$656,811</b> | <b>\$576,311</b> | <b>\$576,311</b> | <b>\$656,811</b> | <b>\$5,691,883</b> | <b>\$11,698,648</b> | <b>\$3,280,004</b>      | <b>\$4,917,553</b>    |
| Administration and Data Systems                         |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    |                     |                         |                       |
| Data & Enrollment Systems, Evaluation                   | \$40,849         | \$40,249         | \$41,036         | \$152,058        | \$41,036         | \$41,036         | \$41,036         | \$132,058        | \$41,036         | \$56,036         | \$151,058        | \$41,036           | \$840,124           | \$320,800               | -\$87,122             |
| Communications & Outreach                               | \$18,198         | \$20,926         | \$14,190         | \$7,748          | \$5,748          | \$5,036          | \$4,603          | \$5,948          | \$19,198         | \$28,248         | \$23,823         | \$21,811           | \$176,582           | \$62,979                | \$80,759              |
| M&A - General   | \$6,883          | \$15,183         | \$2,583          | \$2,583          | \$4,883          | \$2,583          | \$6,183          | \$2,583          | \$2,583          | \$7,583          | \$2,583          | \$190,083          | \$246,100           | \$158,600               | \$194,985             |
| M&A - Staff   | \$63,641         | \$63,641         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,134         | \$64,759         | \$64,759         | \$64,759           | \$770,500           | -\$3,000                | \$234,071             |
| M&A - Facilities  | \$6,940          | \$3,440          | \$5,060          | \$5,560          | \$4,060          | \$4,060          | \$4,560          | \$4,060          | \$4,060          | \$4,060          | \$4,060          | \$4,060            | \$54,980            | -\$11,035               | -\$17,866             |
| UWGC & CPS Admin Fees                                   | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$16,667         | \$33,333         | \$33,333         | \$33,333         | \$33,333         | \$33,333         | \$33,333           | \$300,000           | -\$15,000               | -\$42,500             |
| <b>SUM OF EXPENSES</b>                                  | <b>\$152,978</b> | <b>\$160,708</b> | <b>\$143,670</b> | <b>\$249,750</b> | <b>\$136,528</b> | <b>\$134,516</b> | <b>\$153,855</b> | <b>\$262,117</b> | <b>\$164,345</b> | <b>\$194,120</b> | <b>\$280,617</b> | <b>\$355,083</b>   | <b>\$2,388,286</b>  | <b>-\$182,256</b>       | <b>\$362,477</b>      |
| <b>Total</b>  | <b>\$454,378</b> | <b>\$531,572</b> | <b>\$662,915</b> | <b>\$793,528</b> | <b>\$785,340</b> | <b>\$710,827</b> | <b>\$734,166</b> | <b>\$918,929</b> | <b>\$740,656</b> | <b>\$770,431</b> | <b>\$937,428</b> | <b>\$6,046,766</b> | <b>\$14,086,934</b> | <b>\$1,097,748</b>      | <b>\$5,280,030</b>    |

### Key Drivers of FY19 Budget vs. FY18 Fcst.

1. TA jointly increases between 13%-35% (from 1,125 to 1,288-1,530). CPS enrollment stable at 615. TA increases between 32% - 76% (from 520 to between 675 and 815)
2. CJ restructured and expected to help between 25-35 new preschool providers while continuing to help 11 existing providers
3. Cost of Quality (Wages) pilot (+\$500k). Workforce council stable at (\$50k)
4. Increase in Special Education given joint increase in students
5. Full time Executive Director + building organization by potential addition of up to 2 FTEs (+\$250k)
6. M&A General includes new items for Investments/Contingency (\$150k) + Fundraising (\$25k)

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FY = Fiscal Year

FY18 Fcst = forecast completed on 03/21/18

allow = includes EPP's estimates of CPS numbers