

MEMORANDUM  
6.19.17

TO: Superintendent Hill & Board of Education

FROM: William Mull, Asst. Superintendent for Business

RE: 2017-18 General Fund Administrative Budget Recommendation

The proposed net budget spending deficit (Expenditures in excess of Revenues) for 2017-18 is (\$1,091,041). The ending fund balance calculation for 6.30.18 is projected to be \$5,126,985; or 8.16% of budgeted revenues. This assumes no variance in budget vs. actual for either fiscal 2016-17 or 2017-18. It is expected there will be some level of budget vs. actual variance for both school fiscal years. In broad terms here is how the proposed budget is summarized:

	Proposed Budget	Increase (Decrease)	Amend #2 Budget	Amend #1 Budget	Original Budget	Actual
	2017-18	2017-18	2016-17	2016-17	2016-17	2015-16
Beginning Fund Balance	\$ 6,218,026	\$ 588,428	\$ 5,629,598	\$ 5,629,598	\$ 5,629,598	\$ 1,021,605
Revenue Budget	62,794,485	(107,425)	62,901,910	62,892,859	61,354,428	64,586,641
Expenditures Budget	63,885,526	1,572,044	62,313,482	62,299,700	61,743,191	59,978,648
Operating Surplus (Deficit)	(1,091,041)	(1,679,469)	588,428	593,159	(388,763)	4,607,993
Ending Fund Balance	\$ 5,126,985	\$ (1,091,041)	\$ 6,218,026	\$ 6,222,757	\$ 5,240,835	\$ 5,629,598
Ending Fund Balance %	8.16%	-1.72%	9.89%	9.89%	8.54%	8.72%

**SOURCES**

Proposed total general operating revenues are \$62.79 million:

- State Aid Revenue \$ 42.97
- Property Taxes and Interest 11.47
- Revenue via Oakland Schools ISD 4.42
- Federal Revenue 2.84
- Other Local Revenue .57
- Tuition-based programs .52

**USES**

Proposed total general operating expenditures are \$63.88 million:

- Salaries and Wages \$30.92
- Employment Benefits 20.98  
  - Sub-total Personnel Costs \$51.90 = 81.2% of budget
- All other expenditures \$11.98 = 18.8% of budget  
 (Purchased Services, Supplies,  
 Capital Outlay, and Other)

**ASSUMPTIONS**

- Hold Harmless Millage Rate (\$886/FTE) 3.4533 mills
- Non-Homestead Millage Rate 17.6384 mills
- Taxable Values Homestead \$ 1,411,047,490
- Taxable Values Non-Homestead \$ 370,120,610
- Foundation Allowance \$ 8,916
- Student Blended (Funded) FTE count 5,447
- Blended FTE Count based on: Feb. 2017: 10% / Oct. 2017: 90%
- MIPSRS Retirement Rate 36.82%
- Health Insurance Cap Employer  
 cost increase +3% (annualized) +1.5%
- Collective Bargaining Contracts settled & budgeted

**OVERALL PER PUPIL FTE ANALYSIS OF SCHOOL AID BILL for WBSD:**

DESCRIPTION	2017-18	CHANGE	2016-17
Foundation Allowance	\$8,916	\$60	\$8,856
Hold Harmless Categorical	\$23	-0-	\$23
Data Collection	\$25	-0-	\$25
At-Risk Categorical Funding	\$63	-0-	-0-
Other Categorical Funding (net)	\$37	-0-	\$37
MIPSERS restricted Cost Offset/Rate Stabilization Categorical Revenue	\$729	(\$22)	\$751
MIPSERS Retirement Rate Expenditures	(\$2,090)	(\$115)	(\$1,975)

**Total Per Pupil FTE State Funding Increase (Decrease): (\$77)**

**STAFFING ADJUSTMENTS**

	FTE's	NOTES
Elementary Certified	-2.8	-3.8 adjust for enrollment projection/ +1.0 Contingency
Middle School Certified	-0.5	Composite increase across two buildings
High School/OEC Certified	1.2	Composite Increase including GE/SE/ESL
Curriculum Specialists	0.5	Science coach Elementary level
At-Risk Categorical Funding Certified	TBD	Total Available funding estimated \$345K
Special Ed Certified EI Prg	1.0	AMS
Special Ed Certified Level Prg	1.0	Doherty
Special Ed Certified (TBD)	1.0	+1.0 Contingency
Instructional Tech Support	-0.3	
Sub-total	1.15	

**SUMMARY OF CHANGES TO GENERAL FUND REVENUES & EXPENDITURES**

REVENUE ASSUMPTIONS:		
Change in pupil count		-120
Foundation Allowance increase		\$ 60
REVENUE		
Foundation Allowance: Pupil FTE's -120		\$ (1,046,040)
Foundation Allowance: Foundation Increase	\$ 60	658,241
MIPSRs categorical Retirement expense offset		(208,114)
Grant Funded Programs: At-risk Categorical (new; restricted)		345,776
Special Education ACT 18 County Millage via Oakland Schools		138,424
Special Education Tuition Revenue from Sending Districts		(71,819)
Other Miscellaneous adjustments (net)		76,107
TOTAL ADJUSTMENTS TO REVENUES		\$ (107,425)

EXPENDITURES	FTE's	Change
<b>SALARIES &amp; WAGES</b>		
Grant-funded Programs salaries (At-Risk) estimate		225,000
Special Education STEPS Center Program rolled into General Fund		299,521
Increase in Gross Salaries, inclusive of:		
Collective Bargaining cost impact		706,064
Certified Staffing Adjustments: net FTE's	1.15	79,288
Instructional Tech Support	-0.3	(27,588)
Savings impact from Teacher Retirements	9	(415,071)
<b>SUB-TOTAL SALARIES &amp; WAGES</b>		<b>867,214</b>
<b>EMPLOYMENT BENEFITS</b>		
Retirement Expense (36.82%)		391,555
Health Insurance +3.0% Jan 2018 plus staffing plan adjustments		312,788
FICA Employer portion (7.65%)		51,622
Dental Insurance		25,138
Unemployment Expense		(20,000)
Cash in lieu of Insurance		140,805
Other Miscellaneous Adjustments (net)		2,965
<b>SUB-TOTAL EMPLOYMENT BENEFITS</b>		<b>904,873</b>
<b>ALL OTHER (non-personnel) COSTS</b>		
One-time appropriation for music program uniforms		(90,500)
One-time special school election cost		(60,000)
Eliminate one-time Mandarin Chinese Transportation expense		(24,130)
Reduce district advertising budget		(5,000)
Durham Transportation contractual cost increase		52,900
Durham Eliminate subsidy for Durham-owned buses		(70,000)
IT Management Services via Oakland Schools contractual increase		10,000
GCA Custodial Services contractual cost increase		7,500
Utilities Expense net increase		27,874
Special Education STEPS Program rolled into General Fund		61,847
Special Ed Tuition Expense for Cooperative Agreements		(122,000)
Other miscellaneous adjustments (net)		11,466
<b>SUB-TOTAL ALL OTHER (non-personnel) EXPENDITURES</b>		<b>(200,043)</b>
<b>TOTAL ADJUSTMENTS TO EXPENDITURES</b>		<b>\$ 1,572,044</b>