



2018-19 Budget Update

Board Update
March 20th, 2018

Agenda



- Update on General Fund Budget
- Next Steps

Budget Progress



| Budget Element | % Complete (Est.) | Primary Factors |
|------------------------------------|-------------------|--|
| Revenue | 90% | <ul style="list-style-type: none">• 2017-18 Ending Fund Balance• State School Fund• Local Option Revenue• Non-FTE Budget (Consolidated)• Other |
| School Site Budget | 95% | <ul style="list-style-type: none">• Improved Staffing Model• Teacher Pay Increases• Benefits and Insurance |
| Centrally Managed School Resources | 80% | <ul style="list-style-type: none">• Levels of Support• Pay Increases |
| Central Office | 15% | <ul style="list-style-type: none">• FTE Levels and Pay• Contracted Services |
| Contingency | TBD | <ul style="list-style-type: none">• Target; on trend to goals |

General Fund Summary



USD in Millions

| 2018-19 Financial Summary | Forecast | | Analysis | Change |
|-------------------------------|-----------------|-----------------|----------|-----------|
| | 2017-18 | 2018-19 | 2018-19 | |
| Beginning Balance | \$ 20.0 | \$ 23.3 | | 16% |
| Total Revenue | 601.7 | 608.7 | | |
| Total Resources | \$ 621.7 | \$ 632.0 | | 2% |
| Total Expenses | 598.4 | 607.7 | | 2% |
| Total Expenses | \$ 598.4 | \$ 607.7 | | |
| Ending Balance/Reserve | \$ 23.3 | \$ 24.3 | | 5% |
| <i>% of Revenue</i> | 4% | 4% | | |

General Fund



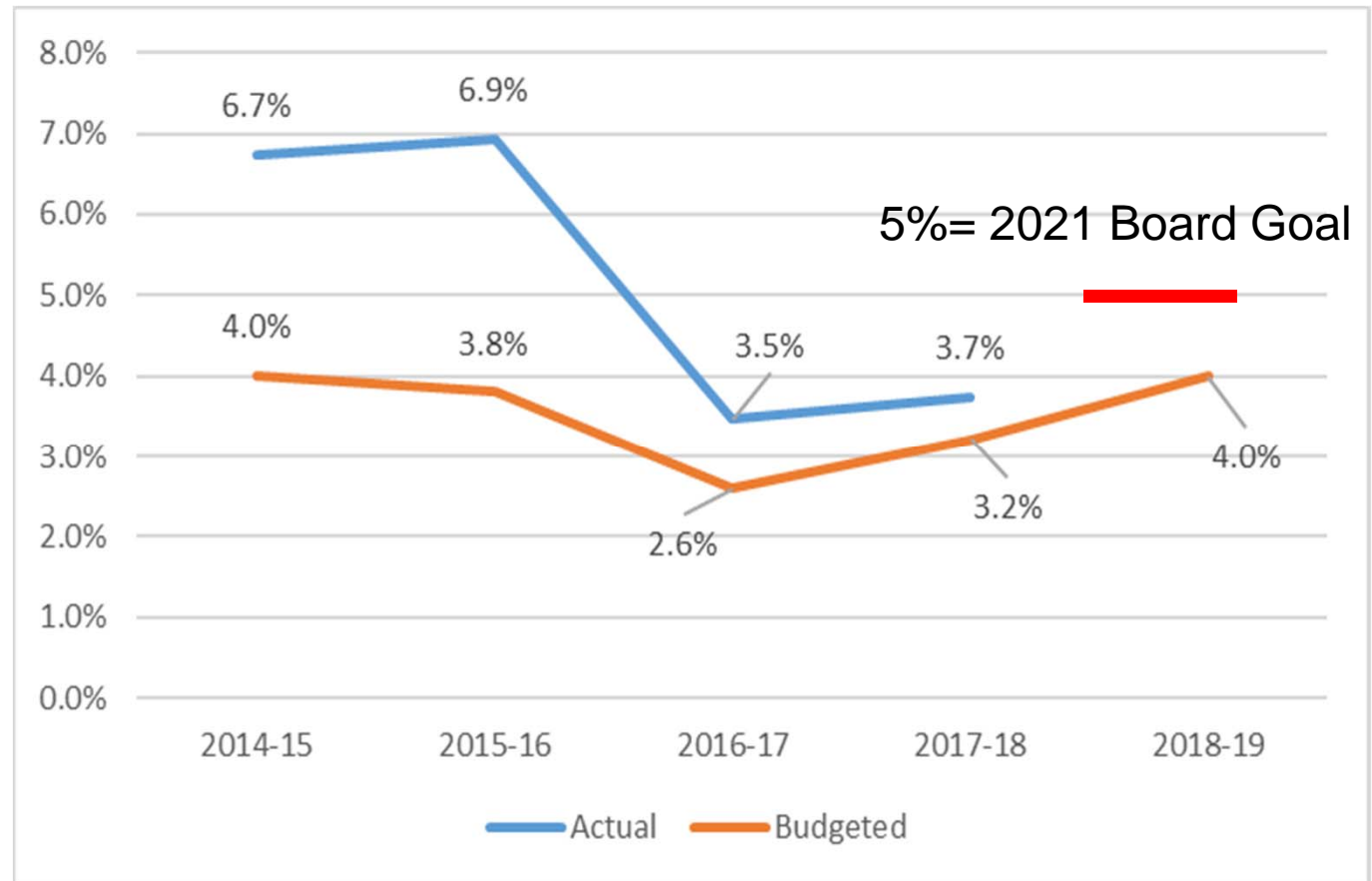
USD in Millions

| 2018-19 Expense Analysis Scenarios--> | 2018-19 Roll Forward | | 2018-19 Vacancies/Contracts | |
|--|-------------------------------------|----------|--------------------------------|----------|
| | Expense | FTE | Expense | FTE |
| | Total General Fund Resources | \$ 632.0 | | \$ 632.0 |
| Licensed Staff | \$ 220.6 | 3,122 | \$ 220.6 | 3,122 |
| Classified Staff | 44.3 | 1,261 | 44.3 | 1,261 |
| Non-Rep/Leadership | 56.6 | 590 | 51.8 | 540 |
| Subs, Temps, Extensions | 18.3 | - | 18.3 | - |
| Total Salaries | \$ 339.9 | 4,973 | \$ 335.1 | 4,923 |
| Total Salaries/Benefits | \$ 508.7 | | \$ 501.5 | |
| Contract Expenses | \$ 78.6 | | \$ 69.3 | |
| Other Expenses | 22.7 | | 22.1 | |
| Debt Service and Transfers | 6.0 | | 6.0 | |
| Total Non-Personnel Expenses | \$ 107.3 | | \$ 97.4 | |
| Total Additional Expenditures | \$ 8.7 | | \$ 8.7 | |
| Total Expenditures | \$ 625 | | \$ 608 | |
| Contingency | \$ 24 | | \$ 24 | |
| Surplus/(Shortfall) | \$ (17) | | \$ 0 | |

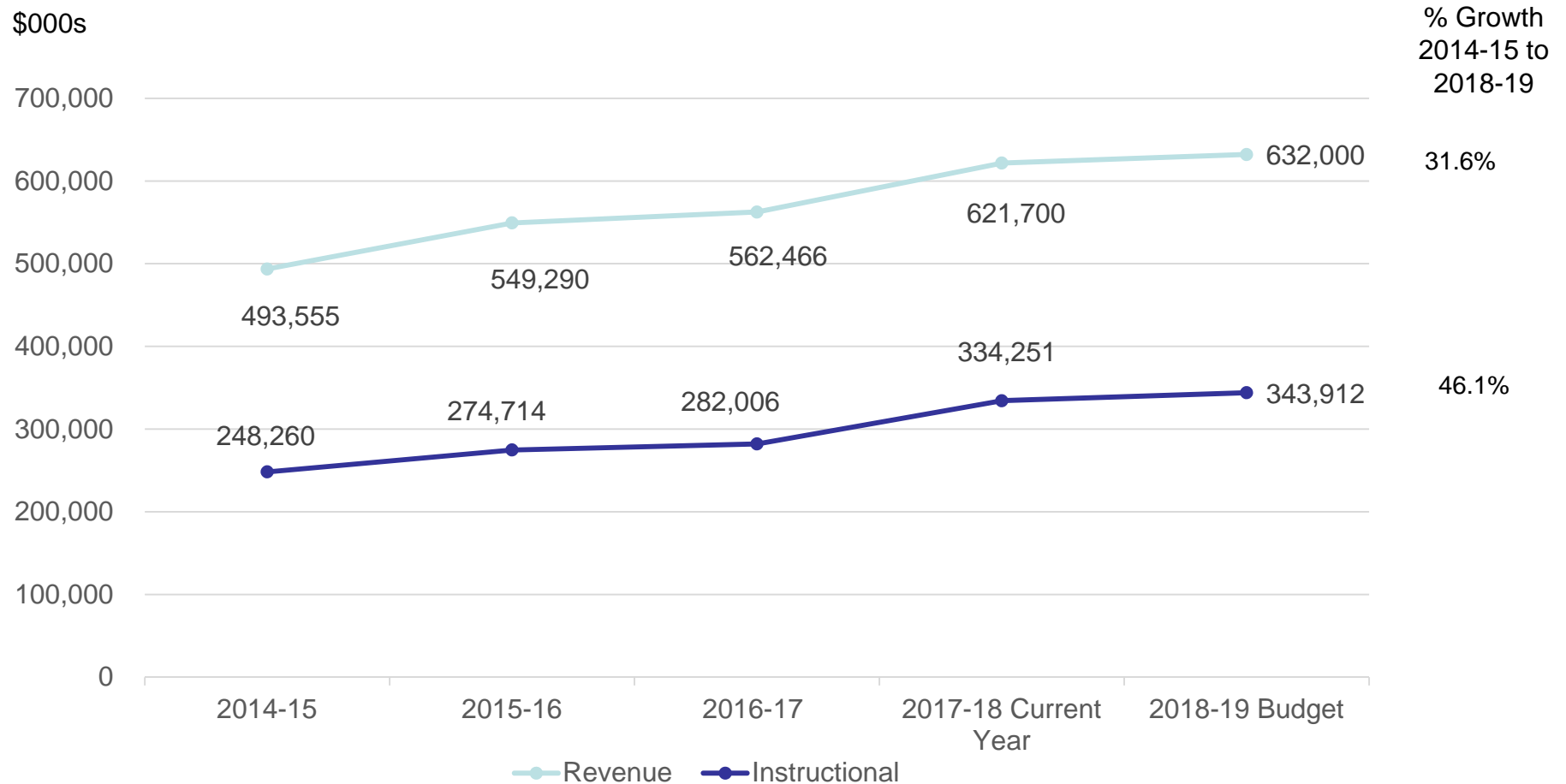
Contingency Trend



- 4% = 24M
- Equivalent to about 15 days of district spending
- Monthly Payroll = \$30M



Revenue vs Instructional Spend FY2014-15 to FY2018-19



School Site Budget Allocation



| | 2017-18 | 2018-2019 Budget | Variance |
|--|-------------------|-------------------|---------------|
| Estimated Headcount: PAT FTEs | 2,273 | 2,324 | 51 |
| Estimated Headcount: Non-PAT FTEs | 450 | 450 | 0 |
| Average PPS Base Salary – PAT staff | \$69,396 | \$70,957 | \$1,561 |
| Average PPS Base Salary – Non-PAT staff | \$57,770 | \$57,770 | 0 |
| Total Base Salaries (\$M) | \$183.7 | \$190.1 | \$7.2 |
| Average Fringe Benefit Rate | 25.34% | 26.36% | 1.02% |
| Estimated Health Insurance: PAT FTE/Non-PAT FTE | \$15,252/\$14,209 | \$16,543/\$15,022 | \$1,291/\$813 |
| Total Fringe/Health Insurance Costs | \$87.6 | \$95.5 | \$7.9 |
| Estimated Overage Wages (\$M) | N/A | \$2.9 | \$2.9 |
| Consolidated Spend (\$M) | \$5.3 | \$5.7 | \$0.4 |
| Total School Site Budget (\$M) | \$276.6 | \$295.1 | \$18.4 |

Update: Foundational Staffing

Prior to allocation of contingency FTE



The new staffing model ensures staff follow the students, allocates necessary staff for each classroom and adjusts for high need schools.

| = or ↑ FTE | ↓ FTE due to enrollment | ↓ FTE due to model change* | Analysis Required |
|--|--|---|--------------------------|
| 57% have consistent or increased Staffing | 30% have a decrease in FTE equal or less than enrollment decrease | 13% have a decrease in FTE due to shift of equity \$ and classroom staffing to higher need schools | 0% |

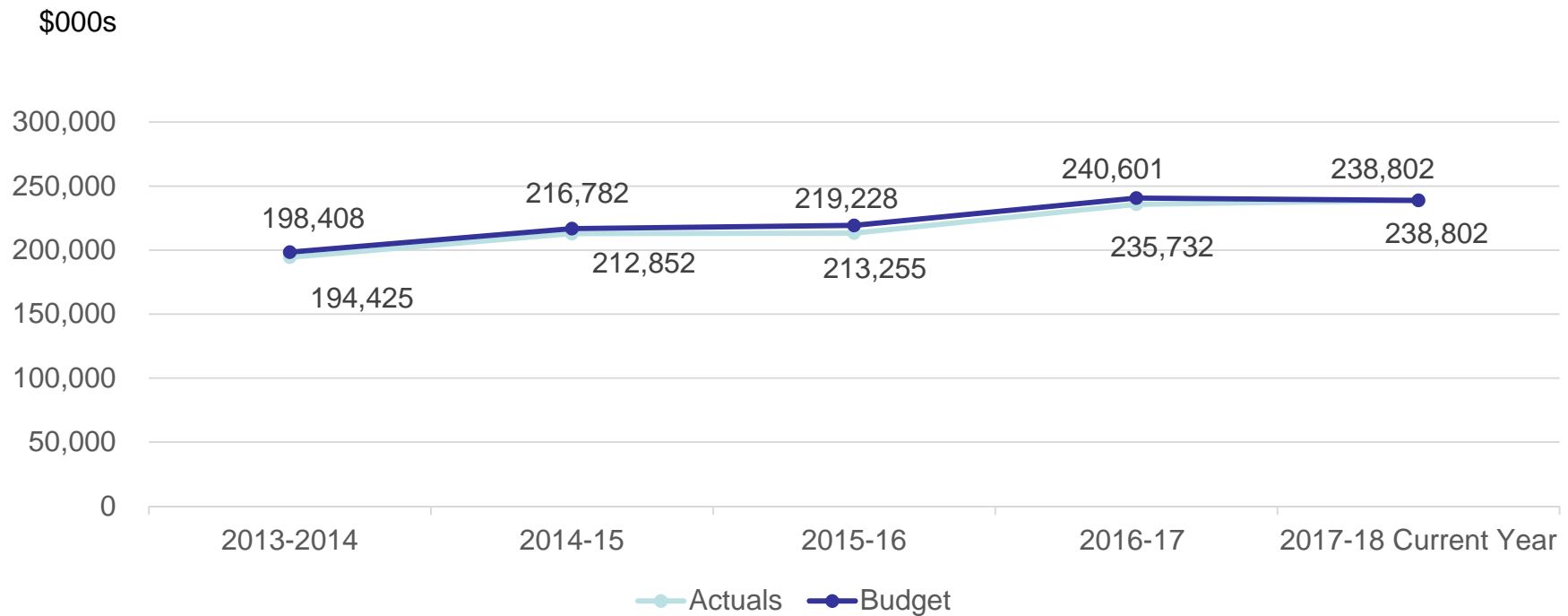
* All schools in this category have a lower HU student population (less than 20%).

Centrally Administered School Resources



- Special Education = \$63M
- Facilities and Asset Management \$47M
- Transportation = \$20M
- English as Second Language = \$13M
- Athletics, Security, Textbooks, College Readiness = \$22M

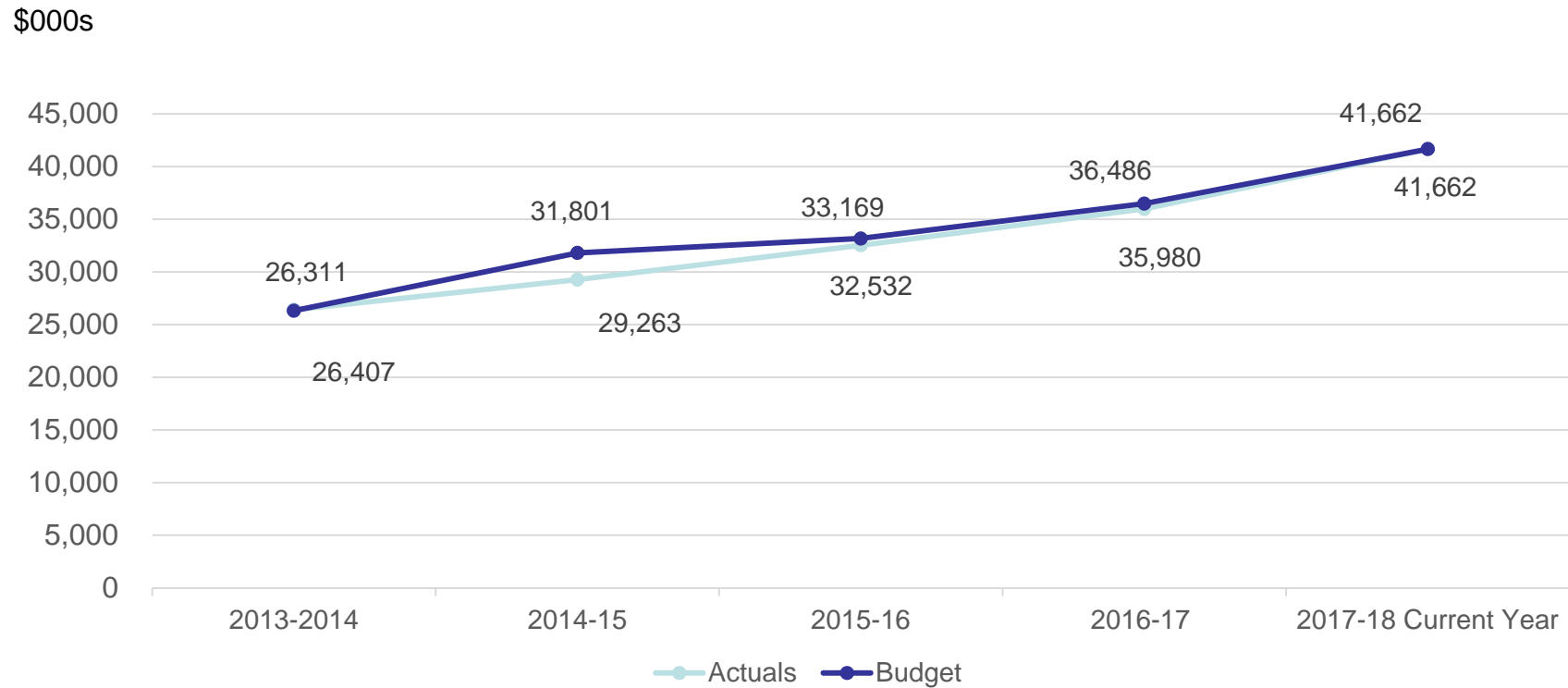
5 Year Trend – Centrally Administered School Resources



| Actual to Budget Variance | | | | |
|---------------------------|-----------|-----------|-----------|----------------------|
| 2013-2014 | 2014-15 | 2015-16 | 2016-17 | 2017-18 Current Year |
| (\$3,983) | (\$3,930) | (\$5,973) | (\$4,870) | NA |
| -2.0% | -1.8% | -2.7% | -2.0% | NA |

Negative #s = less than budget was spent

5 Year Trend – Central Office



| Actual to Budget Variance | | | | |
|---------------------------|-----------|---------|---------|----------------------|
| 2013-2014 | 2014-15 | 2015-16 | 2016-17 | 2017-18 Current Year |
| \$97 | (\$2,537) | (\$637) | (\$506) | NA |
| 0.4% | -8.0% | -1.9% | -1.4% | NA |

Negative #s = less than budget was spent

Central Office



- Budget process and Guadalupe's direction
- Contracted services
- Total Roll up
 - Variance to target
 - Progress closing gap
 - Reductions and Adds

Additional Needs



USD in Millions

| | | |
|---------------------------------|-----------|------------|
| Class Size Overage | \$ | 2.9 |
| Multi-Tiered Systems of Support | | 2.0 |
| Two Additional School Days | | 1.0 |
| Middle School Transition | | 1.9 |
| Bus Contract Expiration | | 1.2 |
| City Ends Bus Ticket Subsidy | | 0.7 |
| State Outdoor School Funding | | (1.0) |
| Grant Shortfalls | | TBD |
| Total Additional | \$ | 8.7 |

Next Steps



- Week of March 26 and April 2 – Central Office Budget
- March 29 – Community Budget Committee Meeting
- April 3 – BOE Work Session
- April 10 – Budget Update BOE Meeting
- April 17 – Finance, Audit, and Operations Deep Dive