

2016-17 Adopted Budget

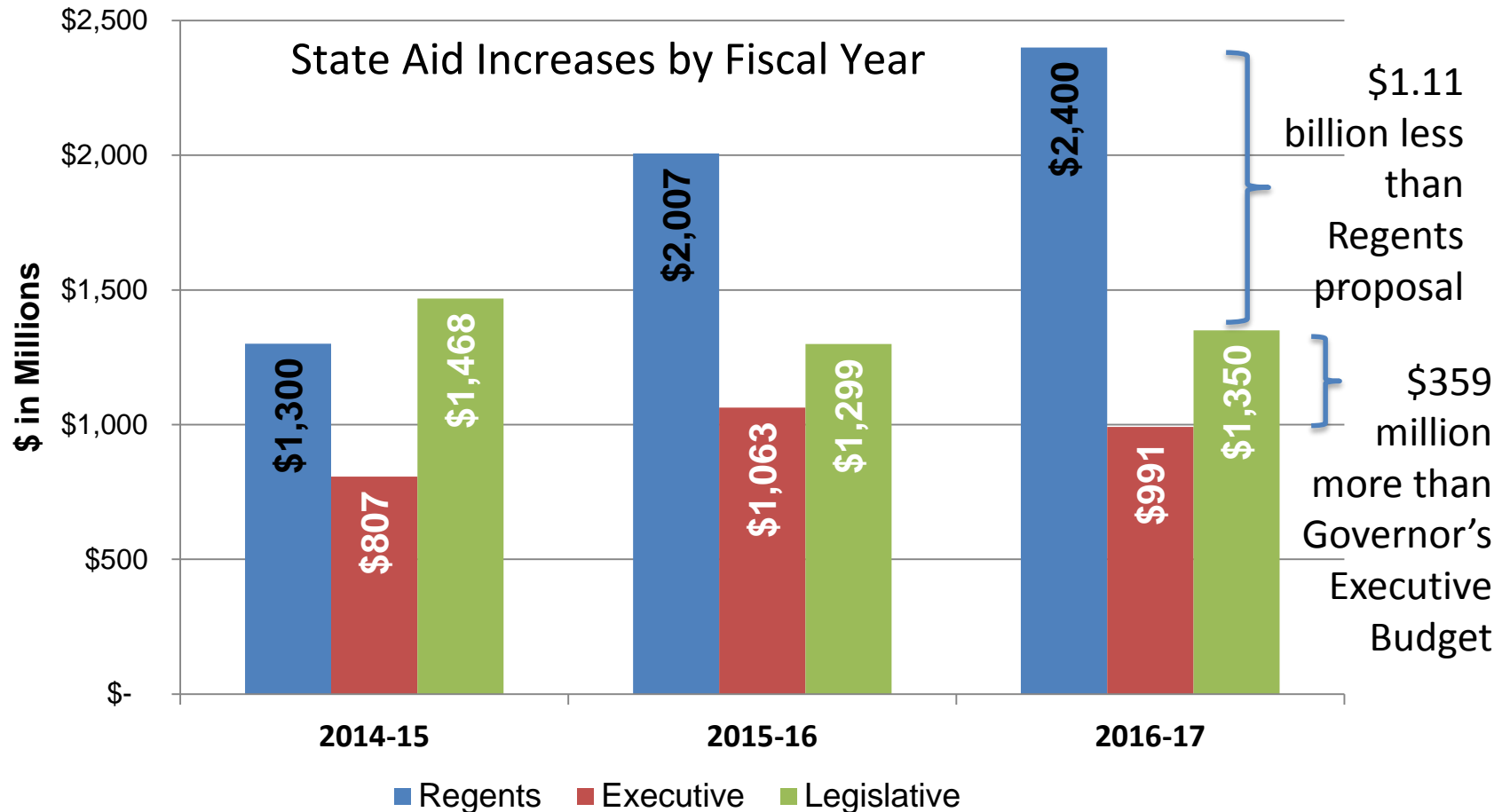
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April 20, 2016

Great
Expectations



State Aid for Education



2016-17 Education Funding

Total Public Education

\$ 16.5 b Foundation Aid

- Increase of \$626 million
- NEW Community Schools Aid *Set-aside*

\$434 m Gap Elimination Adjustment Restoration

\$ 75 m Persistently Failing Schools Transformation Grants

\$ 22 m Pre-K Program for Three Year Olds

\$ 4 m Early College High School and CTE Programs

\$ 18 m My Brother's Keeper

SCSD Legislative State Aid

	<u>Increase</u>
Foundation Aid	\$ 10.9 m
Community Schools	<u>\$ 10.2 m</u>
Total	\$ 21.1 m

- *State Aid increase originally requested from the Legislature was \$34.3 million, \$13.2 million more than the \$21.1 million increase that we received.*
- *Changes to the Transportation Aid formula to fund a decreased student walk zone were not included in the state budget.*



SCSD Legislative State Aid

Source \$ in Millions	2015-16 Budget	2016-17 Budget	Variance + / -
Foundation Aid	\$ 238.1	\$ 249.0	\$ + 10.9
Community Schools Aid	0.0	10.2	+ 10.2
Legislative Member Item*	0.0	0.3	+ 0.3
Other Aids & Adjustments	56.9	62.0	+ 5.1
Total	\$ 295.0	\$ 321.5	\$ 26.5

*Estimated



Revenue Assumptions

Changes from Current Year Budget

State Aid

- State Aid increase of \$26.5 million based on Legislative State Aid
- No change in Chapter 1 Accrual of \$31.7 million

Other Revenues

- Fund Balance: \$11 million (decrease of \$14 million from 2015-16 Budget)
- Property Taxes / STAR: Increase of \$695,174 per City Assessors Office
- Sales Tax: No change
- Inter-fund Revenue: Increase of \$2.25 million
- Federal Revenue:
 - Medicare Part D Subsidy: Decrease of \$1 million
 - E-rate: Decrease of \$150,000

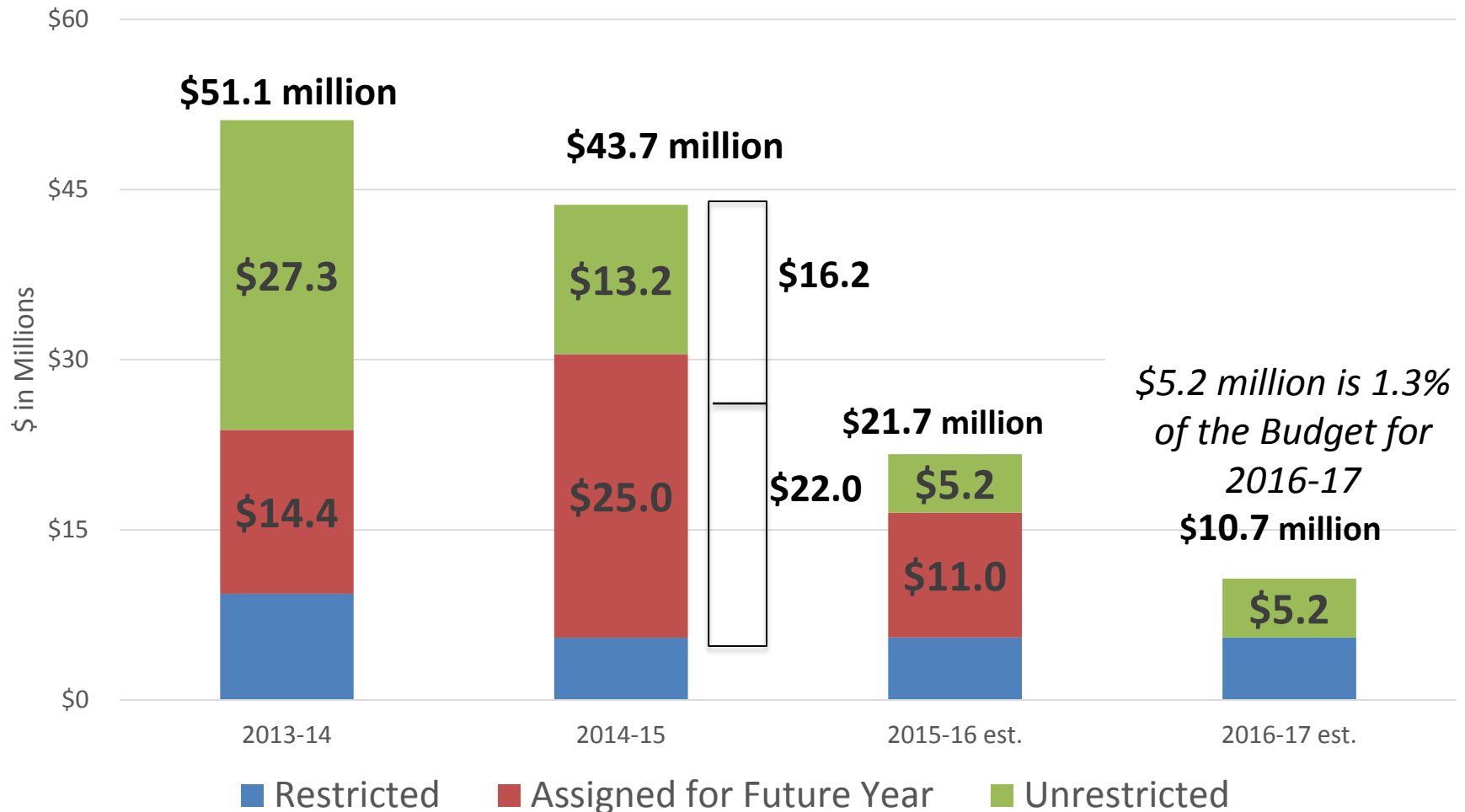
2016-17 Revenue Projection

Source \$ in Millions	2015-16 Budget	2016-17 Projection	Variance + / -
State Aid	\$ 295.0	\$ 321.5	\$ +26.5
Property Tax	64.4	65.1	+0.7
Federal (Medicare, E-rate, Medicaid)	3.3	2.2	-1.1
All Other	\$5.0	\$7.3	+2.3
Subtotal	\$ 367.7	\$ 396.1	\$ 28.4
Fund Balance	25.0	11.0	-14.0
Total	\$ 392.7	\$ 407.1	\$ 14.4

Net increase of 3.7%



Fund Balance Projection



Expense Assumptions

Staffing Assumptions

- ✓ **Position** updates based on enrollment projections, programmatic needs, mid-year position changes and grant funding
- ✓ **Salaries** include wage increase rates for settled contracts and estimated wage increases for contracts in negotiation
- ✓ **Pension** rate for Teachers (TRS) 11.72% is down from 13.3% last year
- ✓ **Pension** rate for Staff (ERS) down slightly
- ✓ **Medical** cost estimates based on higher prescription drug co-pays, new HDHP for most new hires and Medicare Advantage / Employer Group Waiver Plan (MA/EGWP) for most retirees eligible for Medicare
- ✓ **Dental** increases 2%
- ✓ **Vision** remains flat
- ✓ **Workers' Compensation** 2.76% of salaries

Expense Assumptions

Non Staff Expense Assumptions

- ✓ **Transportation** includes recent changes to high school mileage (one-time increase) and 2% CPI increase
- ✓ **Supplies** includes additional \$750,000 allocation to schools
- ✓ **Equipment** includes replacement vehicles for Security, Facilities, and Office of Shared Accountability
- ✓ **Utilities** expense reflects favorable natural gas rates based on energy consultants projections
- ✓ **Charter School** expense increase of \$785,000 for increased rates and expansion at Syracuse Academy of Science and possible new charter school
- ✓ **Revenue Anticipation Note (RAN)** borrowing of \$30 m at 0.75% for 9 months

Receivership Mandatory Investments

- Moving toward school choice model as a key school turnaround strategy
 - Created 2 new Planning Principal positions to support new school development
- Contractual support for Receivership schools that included services in their Community Engagement Team (CET) recommendations
 - Blended Personalized Learning (Ed Elements)
 - Instructional Technical Assistance and Coaching (Insight Education)
 - Opportunity Culture (Education First, Public Impact)
 - Community Liaison and Attendance support
 - Data Driven Instruction (Achievement Network)
 - Extended Learning Time and Enrichment Partners
 - Restorative Practices (Center for Transformative Teaching)

Final Budget Changes

\$ in Millions

Budget GAP After Legislative State Aid	\$ 13.3
Expense Changes to Balance	
Personnel Expenses	- 5.7
Contracts	- 3.9
Supplies & Equipment	- 0.8
Debt & Other	- 0.5
Updated Budget GAP	\$ 2.4
Increased use of Fund Balance	1.0
Other revenue adjustments	1.4

Changes From Proposed Budget to Final Budget

Teaching & Learning

- ✓ Add English as a New Language required positions – 1 Screener, 5 Teachers and 2 Case Workers
- ✓ Reduce 3 Administrator positions since proposed budget - 2 Planning Principals, 1 VP on Special Assignment
- ✓ Implement new Instructional Coach model ensuring 1 Coach at each building
- ✓ Targeted reductions to contract services

Talent Management

- ✓ Targeted reductions to contract services
- ✓ Reduce estimated CPI increase for Insurance Policies to 1%
- ✓ Reduce 1 Administrator position
- ✓ Implement Health Insurance savings



Changes From Proposed Budget to Final Budget

Finance

- ✓ Refine anticipated increases in Tax Certioraris and Judgements & Claims
- ✓ Reduce Inter-fund expense and RAN interest
- ✓ Reduce 1 Administrator position

Shared Accountability

- ✓ Shift Data Warehouse project to other funding sources
- ✓ Postpone replacement of school public address systems
- ✓ Reduce 1 Administrator position
- ✓ Create 2 clerical positions

Operations and Communications

- ✓ Reduce allocations for new vehicles and utilities
- ✓ Reduce capital materials for repair projects
- ✓ Targeted contract services reductions



2016-17 Budget Challenges:

Do Better With Less

- Extended Learning Time requirements in 13 schools despite declining sources of grant funding to support
- One-time non-recurring sources of funding are gone
- Increased debt payments
- Settled contract with retro wage increases partially offset by going-forward health insurance cost reduction measures
- Less Fund Balance available



2016-17 Staffing Changes (all funds)

Staffing Category	FTE Additions (Reductions)	Total FTE
Instruction	12.2	1,708.44
Instructional Support	(17.0)	289.4
Administration	3.0	169.0
Teaching Assistants	2.0	564.0
Operations – IT, Security, Health, Facilities	5.0	639.54
Management / Office and Clerical	1.5	292.5
Total	6.7	3,662.88

NOTE: No layoffs are anticipated as a result of FTE reductions in the final budget.



2016-17 Expense

Expense Category \$ in Millions	2015-16 Adopted Budget	2016-17 Adopted Budget	Variance + / -
Personnel Costs	\$ 277.1	\$284.7	\$ + 7.6
Contracts	84.1	87.9	+ 3.8
Supplies & Equipment	11.0	10.5	- 0.5
Debt & Other	20.5	24.0	+ 3.5
Total	\$ 392.7	\$ 407.1	\$ 14.4



#MAKINGGREATHAPPEN

