FY2017 ADOPTED
BUDGET OVERVIEW

June 22, 2016
Budget Review – FY2017

Original Projection of the Operating Deficit

- FY2016 Am1 Operating Deficit $(1,930,319)
- Revenue Loss - Student Decline (1,004,125)
- Expected Expenditure Increases (1,000,000)
- Projected FY2017 Operating Deficit $(3,934,444)
Board of Education Action Plan

• Consideration & Action of Long Range Planning Committee Recommendations:
  • Transportation RFP
  • Food Service RFP
  • Asset/Facility analysis and evaluation

• Phase I action plan – implementation for FY2017
• Phase II action plan – implementation for FY2018
Phase I Board Approved Adjustments

- Schools of Choice and Shared Time Services revenue enhancements
- Campus monitor functions outsourced
- Transportation departmental reorganization and reductions
- Athletic programing restructuring and reductions
- Technology departmental functions outsourced and reorganized
- Middle School partial program model and staff restructuring
- Additional district wide personnel and compensation reductions
Major Revenue Assumptions

- Phase 1 – revenue changes included
- Student enrollment budget:
  - FY2017 budgeted net enrollment count of 7,530 FTEs
  - Net decline of 55 FTE from last year (7,585 vs 7,530)
    - Calculation included resident pupil decline at -125 FTE.
    - SOC new students increase of 75, run off of 25, net of +50 FTE
- District net increase in per pupil FA funding of $60
- Section 147c “pass through” categorical continues at $4.6m
- ISD PA18 funding held flat to FY2016 levels
- Federal grant funding held flat to FY2016 levels
- Other source funding declines to $315,000
Major Expenditure Assumptions

• Phase 1 adjustments included
  • Campus monitor functions outsourced
  • Transportation departmental reorganization and reductions
  • Athletic programing restructuring and reductions
  • Technology departmental functions outsourced and reorganized
  • Middle School partial program model and staff restructuring
  • Additional district wide personnel and compensation reductions

• Affordable Healthcare Act changes included
• MPSER retirement weighted average rate - 26.00%
• Removal of several FY16 “one-time” expenditures
  • P&C Insurance, ERI funding, etc.
Year to Year Additional Adjustment Examples

• Foundation Allowance increase of $60
• Reductions in property & casualty liability insurance
• Reductions in early retirement incentive costs associated with the program the district offered in fiscal year 2013-14.
• Reduction in dental insurance costs as a result of the district moving to a self-insured funding program model.
• Other year to year adjustments made in multiple operating budgets as is done every year.
We are pleased to present a balanced General Fund Budget for FY2017

<table>
<thead>
<tr>
<th>General Fund FY2017 Proposed Budget Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budgeted Revenue</td>
</tr>
<tr>
<td>Total Budgeted Expenditures</td>
</tr>
<tr>
<td>Net Operating Surplus(Deficit)</td>
</tr>
<tr>
<td>Budgeted Fund Balance, June 30, 2017</td>
</tr>
<tr>
<td>Fund Balance as a % of Expenditures</td>
</tr>
<tr>
<td>Fund Balance as a % of Expenditures net of Sec. 147c</td>
</tr>
</tbody>
</table>

Note: Revenue & expenditure budgets include $4.6 million in sec. 147c "pass through" funding.