



Lake
Orion
Community
Schools

FY2017 ADOPTED BUDGET OVERVIEW

June 22, 2016

EDUCATING OUR STUDENTS FOR THE CHALLENGES OF TOMORROW



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 programming 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



General Fund FY2017 Proposed Budget Overview

Total Budgeted Revenue	\$ 79,739,204
Total Budgeted Expenditures	<u>79,583,268</u>
Net Operating Surplus(Deficit)	\$ 155,936

Budgeted Fund Balance, June 30, 2017	\$ 5,858,602
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Fund Balance as a % of Expenditures	7.4%
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Fund Balance as a % of Expenditures net of Sec. 147c	7.8%
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Note: Revenue & expenditure budgets include \$4.6 million in sec. 147c "pass through" funding.



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Questions?

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