

**MEMO TO: BOARD MEMBERS  
DR. SARAH RISS**

**FROM: DR. DIANE MOORE**

**DATE: APRIL 25, 2016**

**RE: 2016/2017 PROPOSED BUDGET MESSAGE**

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Enclosed please find the **second draft** of the 2016/2017 budget. This draft budget maintains the budget reductions implemented for the 2015-2016 school year. There are a few revenue and expenditure changes from the first draft provided in March. These modifications are outlined below:

**Revenues:**

- **Line item 4** - Increase Prop. C sales tax collections by \$300,000 based upon anticipated 2015-16 receipts. YTD = \$3,104,116;
- **Line item 14** – State Assessed Utilities increased to reflect average of past two years (YTD 15-16 = \$608,611);

Total Operating Revenues are anticipated to be \$57,015,436. This is an increase of \$474,108 compared to the current board approved 2015-2016 operating revenue.

**Expenditures:**

- **Line item 36** – Reflects the reduction of the HR contract with BAFC. The new Assistant Superintendent for Human Resources salary was added to line item 92;
- **Line item 47** – Reflects the negotiated decrease in payroll services contract;
- **Line item 51** – 2% increase based upon 15/16 YTD of \$1,279,360;
- **Line item 67** – Custodial supplies increased to reflect 15/16 YTD of \$172,142;
- **Line item 89a** – Tuition to other districts \$60,000 increase based upon 15/16 YTD activity \$1,260,000;
- **Line item 92** – reflects increase of Assistant Superintendent for HR and savings within Superintendent salary;

Total operating expenditures are anticipated to be \$57,695,247. This is an overall increase of 2.8% compared to the current board approved 2015-2016 operating expenditures. This budget draft reflects an ending deficit of (\$679,810).

The Business Office will continue to refine the budget projections before the Board is asked to adopt the new budget on June 27, 2016. If you have any questions, please do not hesitate to contact me.

**BUDGET HISTORY 2010-11 - 2015-16  
PROPOSED 2016-2017  
DRAFT BUDGET**

Line#	Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Current	2016-2017 Proposed	Comments
<b>LOCAL RECEIPTS</b>									
1	current property tax	36,184,184	36,958,293	37,331,775	37,541,810	37,864,619	37,945,487	38,135,214	1 Assumes 0.5% growth
2	delinquent property tax	976,460	962,273	879,634	1,036,397	602,744	428,139	450,000	
3	financial institution tax	6,155	113,485	23,200	70,694	12,136	33,472	15,000	
4	sales tax (prop C)	2,827,271	3,085,882	3,144,814	3,369,362	3,572,411	3,300,000	3,600,000	4. based upon current 15/16 collections
5	sales tax for rollback								
6	tuition	764,794	618,022	703,515	750,933	678,811	650,000	650,000	6 Includes FDK, nonresident tuition
7	earnings on investments	17,316	32,244	12,553	8,520	11,336	12,500	12,000	
8	community education	121,819	62,531	106,449	66,969	50,900	60,000	70,000	
9	student activities	1,777,164	1,788,601	1,645,502	1,577,438	1,748,300	1,600,000	1,700,000	9 self-support except \$130,000 athletics
10	food service	667,352	752,711	721,273	740,082	818,161	750,000	750,000	
11	other local	1,229,926	1,321,561	1,285,623	1,325,483	1,412,118	207,000	200,000	11 Gate receipts & athletic fees, bus passes, facilities rental
11a	Transfer Student tuition	1,675,689	1,158,608	1,114,894	1,117,554	1,112,102	845,042	775,000	11a \$7,000 cap per student and reduction of students
11b	Preshool Tuition						1,142,000	1,142,000	
12	adventure club	800,023	930,575	1,035,809	975,463	1,157,311	1,100,000	1,100,000	
	audit adjustment	-							
	Bond Premium	1,078,423	644,878	0	0	0			
	<b>sub-total local</b>	<b>48,126,575</b>	<b>48,429,664</b>	<b>48,005,041</b>	<b>48,580,705</b>	<b>49,040,950</b>	<b>48,073,640</b>	<b>48,599,214</b>	
		-							
		-							
<b>COUNTY RECEIPTS</b>									
		-							
		-							
13	finances and forfeitures	51,953	55,423	53,481	86,271	48,171	44,112	40,000	
14	state assessed utilities	348,507	599,065	513,604	563,175	597,600	500,000	600,000	14. 2015-16 operating YTD = \$608,611
15	stock insurance tax	-							
	audit adjustment								
	<b>sub-total county</b>	<b>400,460</b>	<b>654,488</b>	<b>567,085</b>	<b>649,446</b>	<b>645,771</b>	<b>544,112</b>	<b>640,000</b>	

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PROPOSED 2016-2017  
DRAFT BUDGET**

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<b>STATE RECEIPTS</b>									
16	state foundation formula	3,788,927	4,544,571	5,096,108	5,151,397	5,857,512	5,687,626	5,688,222	16 Anticipates funding at current level
17	cigarette tax (fair share)								
18	transportation	6,986	8,445	5,936	7,041	4,545	3,900	5,000	
19	exceptional pupils (reading)	-							
20	gifted education	-							
21	nonMO ins co tax (textbook)	-							
22	transfer students	-							
23	food service	5,827	6,160	8,194	7,854	8,673	8,000	8,000	
24	other state	529,709	726,802	898,926	974,259	985,700	1,010,000	1,000,000	24 Residential Care Placement funding and MPP Grant
	Other								
	<b>sub-total state</b>	<b>4,331,449</b>	<b>5,285,978</b>	<b>6,009,164</b>	<b>6,140,551</b>	<b>6,856,430</b>	<b>6,709,526</b>	<b>6,701,222</b>	
<b>FEDERAL RECEIPTS</b>									
25	food service	364,117	392,765	385,105	443,274	422,578	425,000	425,000	
26	title 1	480,795	516,307	468,593	313,085	375,480	538,900	400,000	
27	title VI	-							27 Title VI no longer exist
28	other federal	673,258	269,478	217,142	160,382	143,572	250,150	250,000	
29	even start								
	other					0			
	<b>sub-total federal</b>	<b>1,518,170</b>	<b>1,178,550</b>	<b>1,070,840</b>	<b>916,741</b>	<b>941,630</b>	<b>1,214,050</b>	<b>1,075,000</b>	
	<b>OPERATING REVENUE</b>	<b>54,376,654</b>	<b>55,548,680</b>	<b>55,652,130</b>	<b>56,287,443</b>	<b>57,484,780</b>	<b>56,541,328</b>	<b>57,015,436</b>	

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<b>DEBT SERVICE RECEIPTS</b>									
30	Stock Insurance	-							
31	property taxes	3,956,049	3,964,242	3,994,004	3,971,527	3,994,049	4,153,168	4,173,934	<b>31 Assumes a 0.5% increase</b>
32	delinquent taxes	111,895	105,277	103,370	117,815	63,841	46,860	47,000	
33	financial institution tax	378	12,454	2,487	7,628	0	302	0	
34	interest earned	17,426	93,633	10,323	903	58,980	1,000	1,000	
28b	other federal	-	294,678	589,354	561,530	0	294,678	589,355	
35	state assessed utilities	62,539	108,283	91,298	99,628	100,882	85,000	100,000	
	<b>sub-total debt service</b>	<b>4,148,287</b>	<b>4,578,567</b>	<b>4,790,836</b>	<b>4,759,031</b>	<b>4,217,752</b>	<b>4,581,008</b>	<b>4,911,289</b>	
	<b>total revenue</b>	<b>58,524,941</b>	<b>60,127,247</b>	<b>60,442,966</b>	<b>61,046,474</b>	<b>61,702,532</b>	<b>61,122,336</b>	<b>61,926,725</b>	
<b>INCIDENTAL FUND EXPENSES</b>									
36	support staff (auxiliary)	1,653,959	1,793,463	1,847,986	1,920,530	2,171,756	1,893,837	<b>1,831,714</b>	<b>36 Staff increase 2% - deduct HR contract</b>
37	teacher aides	1,255,278	1,364,872	1,369,828	1,396,905	1,411,426	1,221,723	1,246,157	<b>37 Staff increase 2%</b>
38	library aides								
39	secretarial staff	1,009,247	1,009,881	1,017,486	1,055,878	1,077,511	1,085,892	1,107,610	<b>39 Staff increase 2%</b>
40	custodial staff	1,507,511	1,535,975	1,560,210	1,624,196	1,658,544	1,647,963	1,691,122	<b>40 Staff increase 2% + overtime</b>
41	federal programs	466,481	396,933	281,690	246,378	280,659	430,961	439,580	<b>41 Staff increase 2%</b>
42	retirement benefits	898,874	1,093,025	1,169,612	1,053,107	1,087,710	1,258,478	1,283,648	<b>42 Staff increase 2%</b>
43	health insurance	841,574	918,632	774,109	789,370	1,044,270	1,046,496	1,249,714	<b>43 8.5% increase + Employee Premium Share (\$88,819.68)</b>
44	unemployment benefits	26,324	13,150	40,000	14,186	20,196	25,000	25,000	
45	new employee hiring	10,031	17,384	13,404	8,108	5,829	25,000	25,000	
46	audit by CPA firm	22,613	22,500	18,138	13,000	13,000	25,000	15,000	
47	payroll services	76,148	82,630	81,353	114,006	117,327	119,675	<b>92,838</b>	<b>47 ADP reduction in contract cost</b>
48	legal counsel	76,548	104,215	72,470	42,665	83,688	60,000	60,000	

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49	medical	3,582	8,455	3,235	4,631	10,103	7,500	7,500	
50	elections	11,779	0	11,017	15,076	19,623	15,000	15,000	
51	gas/electric/water	936,720	943,719	1,109,668	1,115,827	1,285,057	1,232,772	<b>1,300,947</b>	<b>2% increase 15/16 actual 1,279,360</b>
52	curriculum/staff developmnt	147,470	172,057	168,940	199,226	225,845	157,950	157,950	52 10% withholding
53	tuition for staff	27,778	46,814	54,890	52,352	59,100	0	60,000	<b>Reinstate tuition reimbursement</b>
54	commencement/accredit	(201)	3,795	5,716	7,611	7,065	15,000	15,000	
55	contract transportation	275,704	267,059	208,701	242,002	264,816	271,436	278,222	55 2.5% increase
56	A+ schools grant	-	0	0	0	0	0	0	Eliminate A+ Schools Funding
57	district travel	25,259	25,190	18,275	37,689	25,678	16,875	16,875	57 reimburse at .40 per mile Eliminate travel
58	pro conf., memshps, subsc	33,346	41,065	46,527	47,117	45,518	41,375	41,375	Eliminate 50% Admin. P.D.
59	insurance	470,329	511,722	560,307	596,101	706,801	737,500	774,375	59 Assumes a 5% increase
60	telephone and postage	212,491	201,170	246,976	178,969	228,851	250,000	250,000	
61	printing	25,982	29,159	21,007	29,367	14,365	25,000	25,000	
	postage (moved to line 60)								
62	safety and security	58,982	59,821	60,106	109,246	80,916	80,000	80,000	
63	instructional supplies	851,242	847,423	794,568	1,015,559	828,273	434,084	434,084	63 Reduce Bldg Budgets an additional 5%
64	sixth grade camp	23,533	21,413	19,905	257	19,612	22,000	22,000	
65	guidance/testing supplies	44,339	41,710	37,859	26,658	39,685	49,410	49,410	65 5% withholding
66	administrative supplies	140,343	125,788	183,306	150,419	63,555	106,000	81,000	66 5% withholding
67	custodial supplies	169,676	194,952	235,172	162,783	164,762	160,000	<b>175,000</b>	<b>Increased based upon current YTD expenditures</b>
68	music supplies	16,397	14,946	13,638	16,174	20,287	23,750	23,750	68 5% withholding
69	student activities	1,302,290	1,900,364	1,786,635	1,537,715	1,666,371	1,650,000	1,700,000	
70	tech development fund	492,388	537,639	506,016	273,301	276,719	275,000	275,000	
71	textbooks	171,057	176,940	179,099	137,473	159,160	185,000	185,000	
72	coop schl dist. av materials	47,506	47,334	45,489	44,165	39,526	55,000	55,000	
73	library materials	57,192	56,675	52,149	52,742	63,386	67,275	67,275	
74	computer equipment/repair/dup	163,912	156,840	109,831	168,835	229,370	152,736	152,736	5% withholding
75	food service	1,011,144	1,052,339	1,080,274	851,473	1,123,235	1,156,932	1,180,071	<b>75 2% increase</b>
76	public relations	126,735	132,694	135,130	128,958	129,780	134,708	137,402	5% withholding - 2% increase
77	community education	68,753	58,064	51,223	47,901	49,249	60,000	60,000	

**BUDGET HISTORY 2010-11 - 2015-16  
PROPOSED 2016-2017  
DRAFT BUDGET**

Line#	Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Current	2016-2017 Proposed	Comments
78	parents as teachers (caper)	108,457	124,978	123,024	120,981	111,896	115,000	117,300	78 State budget reductions to PAT - 2% salary increase
79	interest	28,284	10,731	5,118	3,000	10,025	15,000	15,000	
80	maintenance salaries	955,158	952,343	1,014,278	1,024,947	1,014,938	937,095	955,837	<b>80 2% salary increase</b>
81	adventure club	842,039	921,878	947,042	923,871	929,313	1,100,000	1,100,000	
82	head start/EEG grant	81,978	93,455	91,732	59,868	75,199	75,000	75,000	
83	children defense fund								
84	preschool program	956,994	1,011,756	1,091,796	1,126,655	1,149,113	1,134,283	1,200,000	
85	main sup hvac, elec, plb	203,896	227,241	212,645	220,780	293,224	166,250	166,250	5% withholding
86	bdg upkeep	247,706	140,519	169,350	247,037	242,667	246,500	246,500	
87	care of grounds	147,001	149,308	167,750	202,173	159,221	200,000	260,000	<b>87 Increased to cover overlay of track surface at Moss Field</b>
88	care of vehicles	45,591	46,965	39,661	48,215	28,632	30,000	30,000	
	transfer from other funds	(640,887)			1,740,052				
	<b>sub-total incidental</b>	<b>17,736,533</b>	<b>19,706,981</b>	<b>19,854,341</b>	<b>21,245,535</b>	<b>20,832,852</b>	<b>20,241,456</b>	<b>20,853,241</b>	
<b>TEACHERS FUND EXPENSES</b>									
89	teacher salaries	20,040,278	20,699,296	21,491,742	23,362,486	21,932,098	21,769,887	22,347,052	<b>90 Incr. 5.5 FTE, savings for retirement incentive, 2% salary incr.</b>
89a	Tuition to other districts					590,447	1,200,000	<b>1,260,000</b>	<b>89a Excess Cost to Epworth/Edgewood</b>
90	teacher sal.-spec. prog.	1,781,529	1,675,373	1,813,126	1,756,159	1,829,012	1,819,257	1,855,642	<b>90 2% salary increase</b>
91	substitute teachers	405,438	371,428	404,550	412,107	453,790	450,000	450,000	91 sub pay = \$100.00 a day
	subs for sch bus & prof leave								
92	administrator salaries	2,151,474	2,217,017	2,460,195	2,565,077	2,673,962	2,445,947	<b>2,570,258</b>	<b>92 1% salary increase includes H.R. Asst. Supt. Salary</b>
93	health insurance	2,386,315	2,091,691	2,214,218	2,225,874	2,311,818	2,279,928	2,312,730	<b>93 8.5% increase - Employee Premium Share (\$164,305.68)</b>
93a	retirement benefits	3,763,667	3,933,667	4,131,893	4,338,296	4,387,638	4,360,294	4,447,500	<b>93a 2% increase</b>
94	federal programs	393,197	305,329	382,903	235,658	265,638	371,150	378,573	<b>94 2% increase</b>
	transfer from other funds		(617,853)	(622,342)	(1,984,239)				
	<b>sub-total teachers</b>	<b>30,921,897</b>	<b>30,675,948</b>	<b>32,276,285</b>	<b>32,911,418</b>	<b>34,444,403</b>	<b>34,696,463</b>	<b>35,621,755</b>	

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PROPOSED 2016-2017  
DRAFT BUDGET**

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<b>BUILDING FUND</b>									
95	instructional/office equip.	318,549	300,358	456,386	531,508	913,648	740,000	740,000	95 includes \$216,000 tech replacement plan
96	building improvement	215,808	341,148	328,738	355,819	400,795	270,000	370,000	96 10% withholding - increased to cover foundation work C.O.
97	maintenance equipment	25,515	30,982	29,888	71,928	51,377	49,500	49,500	97 10% withholding
98	furniture	18,740	45,228	30,361	20,742	25,725	60,750	60,750	98 10% withholding
100	energy lease expenses	6,941	80,108	435					
	market value (bond issue)	407,914							
	transfer from other funds	640,887	617,853	622,342	244,187				
	<b>sub-total building</b>	<b>1,634,354</b>	<b>1,415,677</b>	<b>1,468,150</b>	<b>1,224,184</b>	<b>1,391,544</b>	<b>1,120,250</b>	<b>1,220,250</b>	
	<b>OPERATING EXPENSE</b>	<b>50,292,784</b>	<b>51,798,606</b>	<b>53,598,776</b>	<b>55,381,137</b>	<b>56,668,799</b>	<b>56,058,169</b>	<b>57,695,247</b>	
<b>DEBT SERVICE EXPENSES</b>									
101	principal	2,160,000	2,225,000	2,280,000	2,585,000	2,635,720	23,185,000	2,660,000	
102	interest and fees	2,459,838	2,915,953	3,089,341	3,239,684	3,468,159	3,256,898	2,193,280	
	Refund Payment Adjustment								
	<b>sub-total debt service</b>	<b>4,619,838</b>	<b>5,140,953</b>	<b>5,369,341</b>	<b>5,824,684</b>	<b>6,103,879</b>	<b>26,441,898</b>	<b>4,853,280</b>	
103	Total Expenses	54,912,622	56,939,559	58,968,117	61,205,821	62,772,679	82,500,067	62,548,527	
104	Total Revenue	58,524,941	60,127,247	60,442,966	61,046,474	61,702,532	61,122,336	61,926,725	
<b>SUMMARY</b>									
105	Operating Revenue	54,376,654	55,548,680	55,652,130	56,287,443	57,484,780	56,541,328	57,015,436	
106	Operating Expenses	50,292,784	51,798,606	53,598,776	55,381,137	56,668,799	56,058,169	57,695,247	
107	Surplus (Deficit)	4,083,870	3,750,074	2,053,354	906,306	815,980	483,159	(679,810)	
	<b>108 Balance June 30</b>	<b>10,116,166</b>	<b>13,671,258</b>	<b>15,870,305</b>	<b>16,484,161</b>	<b>17,156,345</b>	<b>17,639,504</b>	<b>16,959,693</b>	
	<b>99 bond issue expenditures</b>	2,949,183	19,809,710	5,901,107	3,638,775	1,052,257			99 expenditures tracked separate from operating budget
	<b>Grand Total Audited Expenses</b>	<b>57,861,805</b>	<b>76,749,269</b>	<b>64,869,224</b>	<b>64,844,596</b>	<b>63,824,936</b>			



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**BUDGET HISTORY 2010-11 - 2015-16  
PROPOSED 2016-2017  
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**BUDGET HISTORY 2010-11 - 2015-16  
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**BUDGET HISTORY 2010-11 - 2015-16  
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**BUDGET HISTORY 2010-11 - 2015-16  
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