

# FY2016-17 Financial Update & Proposed FY2017-18 Budgets

Presentation to the Special Administrative Board

Angie Banks, Chief Financial Officer

March 16, 2017





# FY2016-17 Financial Update

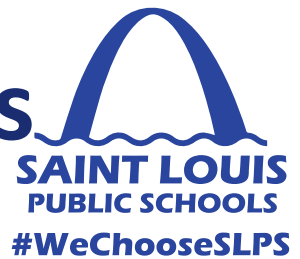
- ❑ General Operating Budget: Quarter 2
  
- ❑ All Fund Categories: Quarter 2

# Budget Objectives



- Establish Full Accreditation ✓
- Align resources to support the District's Transformation Plan Objectives
  1. Operate a system of excellent school options for all students
  2. Cultivate and sustain transformational teachers & leaders
  3. All students read their way to college & career success
  4. Partnerships support the whole child
- Build financial stability with 10% fund balance target per board policy
- Reinforce a culture of high expectations and accountability

# FY2016-17 GOB Quarterly Financials



Category	2016 Audited	2017 Amended	Q1	Q2	Q3	Q4	Total	%
Local Revenue	229,151,539	252,469,851	10,569,104	80,977,992	-	-	91,547,095	36.3%
County Revenue	3,004,227	3,359,354	38,649	9,393	-	-	48,042	1.4%
State Revenue	54,846,008	51,121,206	11,788,296	11,901,047	-	-	23,689,343	46.3%
Federal Revenue	5,768,522	4,465,327	105,253	248,056	-	-	353,309	7.9%
<b>Revenues</b>	<b>292,770,297</b>	<b>311,415,737</b>	<b>22,501,302</b>	<b>93,136,487</b>	-	-	<b>115,637,789</b>	<b>37.1%</b>
Salaries	134,337,382	144,187,655	20,041,471	41,371,055	-	-	61,412,526	42.6%
Temp/OT	12,196,332	9,094,813	1,848,720	3,280,916	-	-	5,129,636	56.4%
Benefits	67,511,012	65,762,767	7,845,064	21,556,793	-	-	29,401,857	44.7%
Purch/Prof Svcs	31,602,563	26,927,154	2,976,676	3,836,711	-	-	6,813,387	25.3%
Prop Svcs	11,859,165	22,771,334	2,883,862	3,037,510	-	-	5,921,373	26.0%
Transportation	22,219,979	23,552,534	1,211,007	4,876,008	-	-	6,087,015	25.8%
Operational	7,773,017	9,970,414	2,671,331	1,797,309	-	-	4,468,640	44.8%
Capital Outlay	5,241,424	888,637	39,694	205,017	-	-	244,710	27.5%
<b>Expenditures</b>	<b>292,740,873</b>	<b>303,155,309</b>	<b>39,517,824</b>	<b>79,961,320</b>	-	-	<b>119,479,144</b>	<b>39.4%</b>
<b>Surplus/(Deficit)</b>	<b>\$29,424</b>	<b>\$8,260,429</b>					<b>(\$3,841,355)</b>	
<b>Beginning Fund Balance</b>	<b>\$20,086,579</b>	<b>\$20,116,003</b>					<b>\$20,116,003</b>	
<b>Ending Fund Balance</b>	<b>\$20,116,003</b>	<b>\$28,376,431</b>					<b>\$16,274,647</b>	

# FY2016-17 All Funds Quarterly Financials



Fund Category	Amended	QTR1	QTR2	QTR3	QTR4	TOTAL	%
General Operating	311,415,737	22,501,302	93,136,487			115,637,789	37.1%
Deseg Expansion	6,508,585	-	-			-	0.0%
Federal	49,469,030	11,898	10,065,242			10,077,140	20.4%
Food Service	17,526,306	966,437	5,484,472			6,450,908	36.8%
Capital	(6,508,585)	-	-			-	0.0%
Debt	28,308,726	160,847	9,017,366			9,178,212	32.4%
Trust	4,045,000	96,206	223,513			319,720	7.9%
<b>Total Revenues</b>	<b>410,764,798</b>	<b>23,736,690</b>	<b>117,927,079</b>	-	-	<b>141,663,769</b>	<b>34.5%</b>
General Operating	303,155,309	39,517,824	79,961,320			119,479,144	39.4%
Deseg Expansion	6,798,585	819,491	2,121,107			2,940,598	43.3%
Federal	49,469,030	6,073,867	12,855,554			18,929,421	38.3%
Food Service	17,380,273	973,817	6,082,787			7,056,604	40.6%
Capital	-	-	-			-	
Debt	28,753,860	5,007,119	1,378			5,008,497	17.4%
Trust	4,045,000	1,183,961	1,170,653			2,354,614	58.2%
<b>Total Expenditures</b>	<b>409,602,057</b>	<b>53,576,079</b>	<b>102,192,799</b>	-	-	<b>155,768,878</b>	<b>38.0%</b>

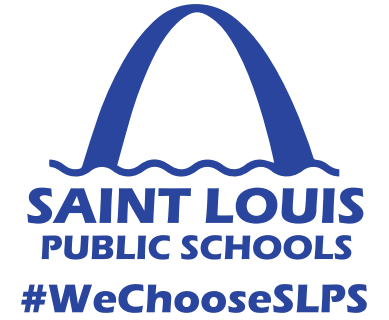
# Financial Considerations

- Increasing Regulation & Compliance
  - ACA, FLSA, ESSA
- State Revenue Reductions
- Changing Political Environment

## Risks

- New School Improvement Grant
- Full Accreditation
- Gateway STEM Football Field

## Opportunities



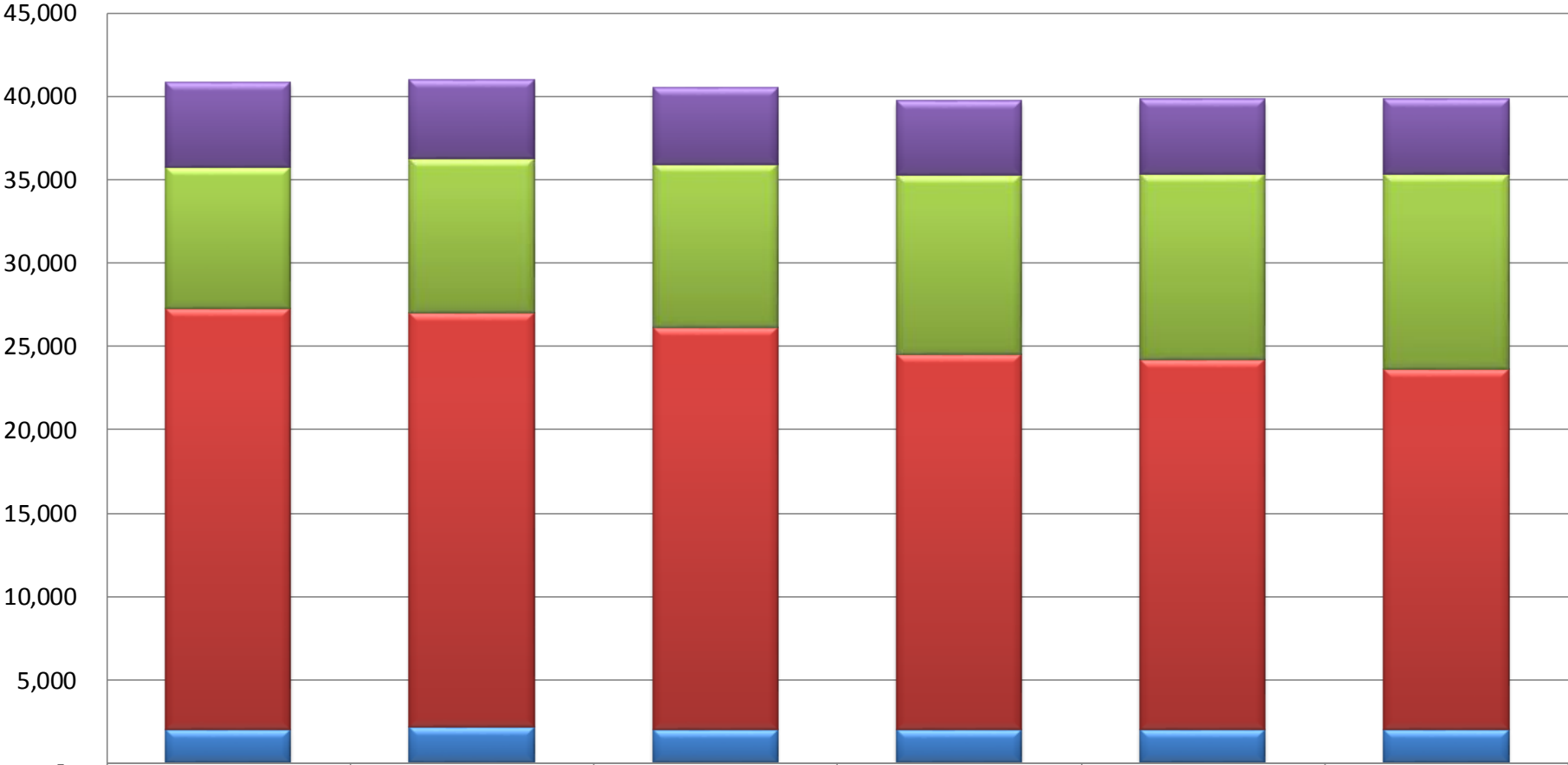
# **FY2017-18 Proposed Budgets**

# GOB Revenue Assumptions

- State Revenues - Down
  - Senate Bill 19 (Corporate Tax), Senate Bill 509 Tax Triggers, Enrollment (-2%)
    - Basic Formula
    - Transportation
- Local Revenue - Flat
  - Assessed valuations/property taxes
  - Sales taxes flat overall (deseg + PropC)
  - No building sales
- Federal Revenue - Flat
  - Minimal changes (*Medicaid, E-Rate, Military reimbursements*)



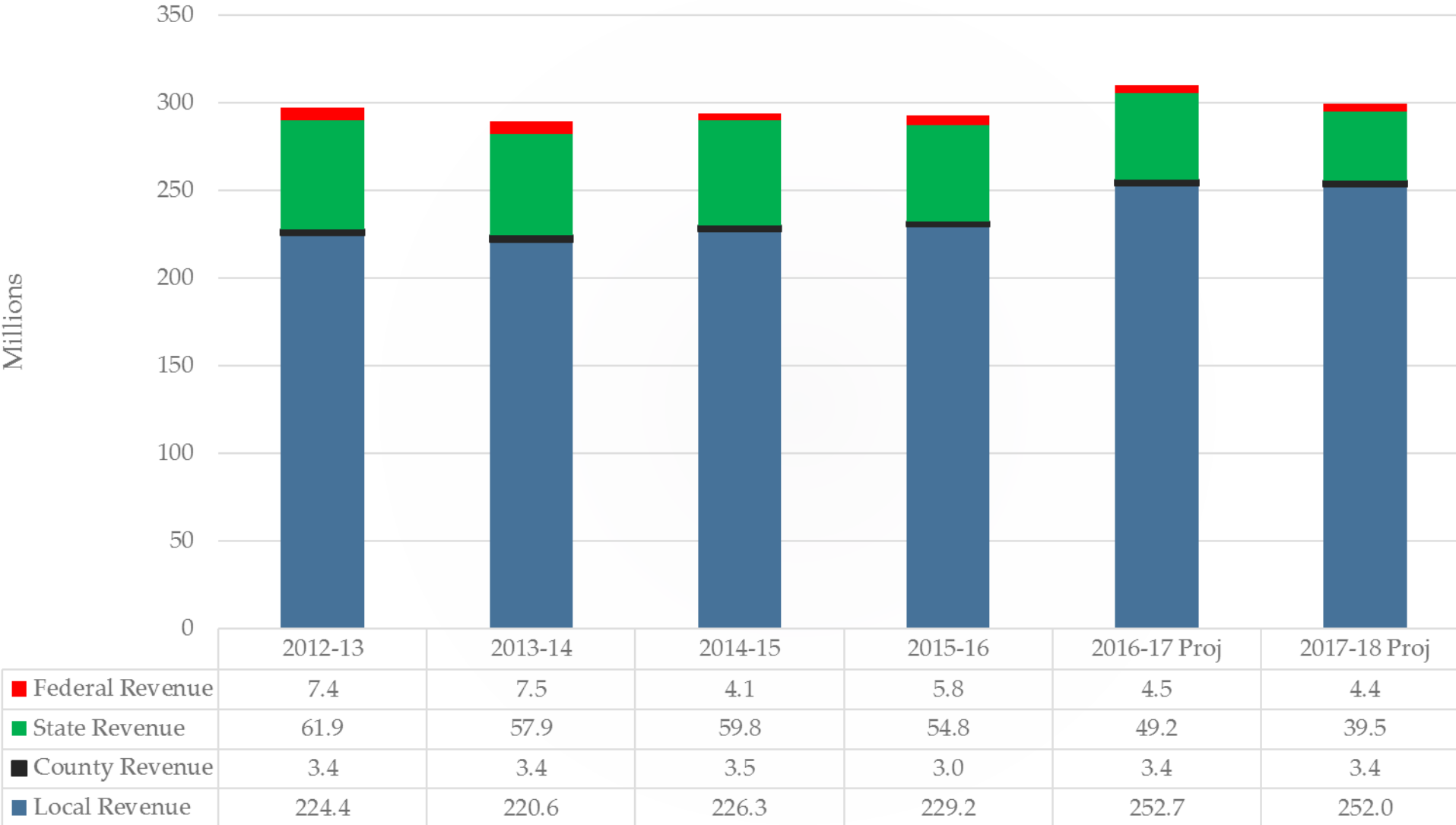
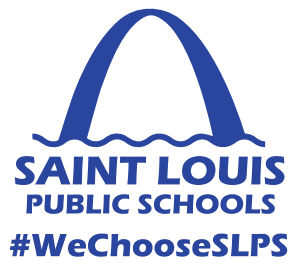
# Student Enrollment



	2012-13	2013-14	2014-15	2015-16	2016-17 Proj	2017-18 Proj
VICC	5,130	4,770	4,606	4,443	4,471	4,480
Charters	8,482	9,228	9,761	10,758	11,148	11,705
SLPS K12	25,200	24,869	24,154	22,506	22,168	21,589
SLPS PreK	2,027	2,148	1,980	1,990	2,020	2,020

# GOB Revenue (\$M)

## FY2012-13 thru FY2017-18 Projected



# Budget Challenges

- Decreasing State of MO general revenues
- Expanding Charter schools
- Increasing operating costs
  - Pension and medical
  - Transportation
  - Utilities
  - Capital expenditures
- Providing competitive salaries

# Response to Challenges

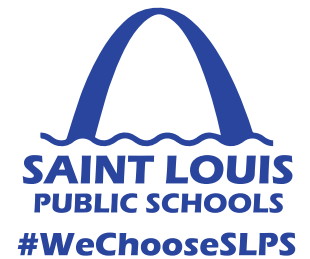
- Passed \$0.75 operating tax levy increase on April 5, 2016
- Marketing campaign to impact enrollment
- Issuance of RFPs/IFBs for competitive pricing
- Emphasis on internal controls and staff accountability
- Moderate salary increases

# Preliminary FY2017-18 General Operating Budget (\$M)



	FY 2016-17 Projected	FY 2017-18 Preliminary	FY 2018-19 Preliminary	FY 2019-20 Preliminary
<b>Starting Fund Balance</b>	\$20.1	\$45.4	\$51.2	\$36.8
<b>Revenues</b>	\$309.7	\$299.2	\$282.6	\$276.8
Payroll Expenditures	\$208.6	\$214.1	\$218.4	\$223.0
Non-Payroll Expenditures	\$75.8	\$79.4	\$78.5	\$79.3
<b>Expenditures</b>	\$284.4	\$293.4	\$297.0	\$302.3
Annual Surplus/(Deficit)	\$25.3	\$5.8	(\$14.4)	(\$25.6)
<b>Ending Fund Balance</b>	\$45.4	\$51.2	\$36.8	\$11.2

# FY2017-18 Proposed District Budget



	FY2017	FY2018	
Fund Category	Projection	Proposed	Variance
<b>Revenues</b>			
General Operating	309,703,151	299,222,338	(10,480,813)
Deseg Expansion	6,508,585	3,234,878	(3,273,707)
Federal	45,152,109	45,174,425	22,315
Food Service	16,841,207	16,317,085	(524,122)
Capital	(6,508,585)	(3,234,878)	3,273,707
Debt	26,560,759	26,509,969	(50,790)
Trust	4,648,628	3,024,147	(1,624,481)
<b>Total Revenues</b>	<b>402,905,855</b>	<b>390,247,963</b>	<b>(12,657,891)</b>
<b>Expenditures</b>			
General Operating	284,412,973	293,446,175	9,033,202
Deseg Expansion	6,151,837	3,720,054	(2,431,783)
Federal	41,152,109	45,174,425	4,022,315
Food Service	16,841,207	16,317,085	(524,122)
Capital	-	-	-
Debt	29,080,007	29,629,423	549,416
Trust	3,462,529	3,024,147	(438,382)
<b>Total Expenditures</b>	<b>381,100,663</b>	<b>391,311,308</b>	<b>10,210,645</b>

# Next Steps

- Public Forum  
**April 5, 2017**  
**Central Office – Room 108**  
**6 p.m.**
- Plan Update and Approval  
**SAB Meeting – April 13, 2017**
- SAB Detailed Budget Submission  
**SAB Meeting – June 8, 2017**

# Questions?