

Budget Hearing

September 2016

FCHS Financial History FY08 to FY17

Fund Reduction Breakdown:

- Cumulative State Funding reduced by over \$8 million since FY08
- Cumulative Overall Funding reduced by over \$6 million since FY08
- Overall Fund balances reduced by over \$2.5 million since FY08
- Cumulative Local Funding increase \approx \$500,000 since FY08 (\$50,000/yr)

Cost Cutting (since FY08)

- Largest cost to district is Salaries and Benefits (\approx \$450,000)
 - Reduced one janitorial position (\approx \$50,000)
 - Reduced one secretarial position (\approx \$40,000)
 - Eliminated Library position (\approx \$25,000)
 - Reduced Lunch Aide (\approx \$10,000)
 - Seven teaching positions reduced since FY08 (\approx \$350,000)
- Average Salary & Benefits increase \approx 1.7% since FY08
 - Low % increase due to:
 - Reduction in employees
 - Salaries being charged to Tort fund

Student Impact of Reducing Teachers

- State reported Class size \approx 21/class since FY08
- Actual Core Class sizes have fluctuated little since FY08
 - English - 25 to 28 students/class
 - Social Studies - 22 to 25 students/class
 - Mathematics - 24 to 27 students/class
 - Science - 18 to 21 students/class

The FCHS Administration has done a very nice job in managing the workforce so it has the least amount of impact on student learning.

FY17 Budget Summary

- **Funding Outlook**

- FY17 Increase in Local/State/Federal Funding of \approx \$450,000 (10.7% increase)
 - FY15 decrease in Local/State/Federal Funding of 8.09% (\$487,000)
 - FY16 decrease in Local/State/Federal Funding of 23.79% (\$1,318,000)
- Tort Fund (80) increased
 - FY15 \approx \$500,000
 - FY16 \approx \$500,000
 - Proposed FY17 expenditures of \approx \$500,000
 - Salaries and expenses which reduce liability to district are charged to Tort according to the district's Risk Management Plan.
 - All Fund Levy's will be reevaluated during the Tax Levy later this fall.

- **Salary and Benefits**

- FY16 Salary & Benefits decreased by 14.7% (\approx \$737,000)
 - Hard Freeze - almost all employees forgo raises.
- FY17 Salary & Benefits increase projected at 2.93% (\approx \$125,000)
 - Soft Freeze - Teachers only received step increases
 - Those without steps received \$250
 - Non-certified staff received 2% increases
- Projected FY18 Salary & Benefits increase \approx 3.0% (\approx \$132,000)
 - Soft Freeze - Teachers only received step increases
 - Those without steps receive \$500
 - Last year of Collective Bargaining Agreement
 - Non-certified staff increase TBD

- **Transfer to Education Fund (10) (\$509,000)**

- \$180,000 from Building & Grounds Fund (20)
- \$200,000 from Transportation Fund (20)
- \$129,000 from Working Cash Fund (70)

Future Cost Cutting Measures

Teaching positions

- One half teaching positions reduced for this year (\$40,000 savings)
- One teacher retiring at end of this year (\$40,000 to \$50,000 savings)
- One teacher retiring at end of next year(\$40,000 to \$50,000 savings)

- If one teacher were eliminated from each core area, the average class sizes would look like: (assuming same # of students in FY18)
 - English - 35/class
 - Social Studies - 33/class
 - Mathematics - 30/class
 - Science - 25/classNext years incoming freshman class looks to be smaller than this year, so enrollment is not expected to increase significantly.

Reduction in supplies budget

- Reduced several supply lines (\$10,000 to \$15,000)
 - Athletics reduced by \$10,000
- Goal to keep all line items under budget
- I will be reviewing all aspects of the workforce at FCHS to determine if there are ways to save money

Revenue Increases

Athletic Department

- Increase in Athletic Fees
- Admission charged at all sporting events
- Various new fundraisers
- Goal is to make Athletics self-sustaining

Other

- Everything depends on the State
- Commission looking at School Funding (report due in January or February)
- Bond sale?

Expenses not budgeted for:

- Boiler replacement (+/- \$500,000)
- Parking Lot (+/- \$50,000)

Question & Answer:

- Have we historically stuck to our budget?
 - From FY12-FY15, FCHS has averaged \approx \$397,000 under budget

- Why were there overages in the budget?
 - The attached sheet breaks down the line items that were 125% + over budget. There is an explanation for each line item.
 - As you will see, several of the overages were budgeting or coding errors. These have been corrected for FY17.
 - Other overages explanations are included on the attached sheet.

- How do we look in the income column?
 - If the State passes a budget similar to this past budget, that would be a positive for FCHS.
 - There are always concerns on the State making all the payments they have promised.
 - FCHS needs to increase revenue funds \approx \$650,000 by end of FY18 to keep school funds in the positive.

- How closely will we have to scrutinize spending.
 - Very closely. Diane and I have reviewed the budgeted numbers and feel comfortable that we can stick to the budget.

- Do we have a list of priorities?
 - In order to make up a \$650,000 shortfall through personnel, we would have to cut seven to ten teachers. This would decimate our curriculum and have a devastating affect on student learning.
 - Looking at other expenses, there isn't any glaring area where this amount could be cut from the budget.
 - If a list of priorities were requested, then the first place districts look to cut is programs. This would either be extra-curricular or elective programs.
 - BOE members should refer to the information provided above regarding eliminating teachers in Core areas.

FY16 Budget Overages

Acct #	Account	FY16 Budget #	Actual \$ Spent	% Overage	Explanation
10.1130.400	general office supply	\$18,077	\$18,739	124.9%	no large purchases made, just general office supplies purchased. \$6000.00 was for the purchase of stamps (\$500.00 a month)
10.1130.408	supplies physical ED	\$5,371	\$5,694	189.8%	No large purchases. It appears that skating was not consider a supply item and was not budgeted as such.
10.1250.332	Employer Paid THIS	\$500	\$643	128.6%	Budgeted incorrectly. Title 1 Grant line item. This is tied to the amount of salary that is paid out of the grant.
10.1400.402	Supplies Auto Mechanics	\$1,300	\$1,781	137.0%	This increased expense was do to the Ford Explorer that was donated, repaired and sold.
10.1400.404	Supply Home Economics	\$2,700	\$3,352	124.1%	A \$500.00 dollar CTE Grant expense was coded to this line item. With that said budgeted amount was: \$2700.00. Actually spent amount:\$2851.78. Remaining overages contributed to increase in foot costs.
10.1400.411	Supplies Agriculture	\$250	\$2,051	820.5%	Budgeting error. Budget should have been \$2500. All expenses covered by Ag Grant.
10.1500.112	Ex-Curricular Stipend	\$43,500	\$52,962	121.8%	Coding Error
10.1500.118	Salaries-Aux SVCS/Deten	\$200	\$1,512	756.1%	Budgeting Error
10.1510.320	Repairs & Maintenance (Band)	\$250	\$942	376.6%	Budgeting Error
10.2310.400	Board supplies	\$2,115	\$1,250	169.2%	Retirement plaques ordered for teachers/employees retiring over last 4 years.
40.2550.318	Transportation Secretary	\$22,500	\$35,350	157.1%	District 70 Employee. Negotiated salary during FY16.
40.2550.325	Facility Rent	\$8,900	\$11,818	132.8%	Bus garage parking lot. Incorrect budget amount due to chip and oil of 16 during FY16
80.2310.319	Miscellaneous Services	\$3,792	\$10,918	287.9%	Budget did not include 3 Year Treasurer's Bond repayment.

Budgeting and coding errors have been corrected and adjusted for FY17 Budget.