
Budget Process and Update

Board Work Session
November 22, 2016

Agenda

- Opening Thoughts
- Recommendations – Fund Balance and Indirect Policy
- Update on Projections
- Timeline Update
- Communication and Engagement Plan
- Next Steps

Fund Balance/Economic Stabilization Fund Recommendation

Economic Stabilization Reserve

Percent	Balance	Available to Use	Total Available
3.25%	\$23,300,000	-	\$23,300,000
3.00%	\$21,507,692	\$1,792,308	\$23,300,000
2.75%	\$19,715,385	\$3,584,615	\$23,300,000
2.50%	\$17,923,077	\$5,376,923	\$23,300,000
2.00%	\$14,338,462	\$8,961,538	\$23,300,000
1.65%	\$11,800,000	\$11,500,000	\$23,300,000
1.50%	\$10,753,846	\$12,546,154	\$23,300,000
1.00%	\$7,169,231	\$16,130,769	\$23,300,000

Indirect Policy Recommendation

Indirect Policy Recommendation Phased in, exclude PTSA

RECOMMENDATION	No indirects currently taken (80% take up rate)		Restricted rate currently taken (80% take up rate)		Total
	Percent	Estimated Amount	Percent	Estimated Amount	
FY2017-18	3.99%*	\$ 199,941	10.00%	\$ 843,559	\$ 1,043,501
FY2018-19	8.00%	\$ 400,885	15.29%*	\$ 1,586,060	\$ 1,986,945
*To be adjusted to actual rates, as calculated for 2017-18.					

Update on Projections and Timeline

Update on Projected Deficit

		Nov 16	Nov 22	Change	Reason
	Total projected deficit	(\$71,000,000)	(\$74,200,000)	(\$3,200,000)	Updated Budget assumptions; Nov. 16 boundary change decisions and option school

Update on Projected Deficit cont.

Change board policy 6022 and use 50% of economic reserve fund	\$11,500,000	\$11,500,000	\$0	Recommend lowering amount from 3.25% to 1.65%
Implement indirect policy on all grants and Capital	\$1,000,000	\$1,000,000	\$0	Recommend implementing policy

Update on Projected Deficit cont.

Utilize all unrestricted fund balance amounts	\$10,000,000	\$5,000,000	(\$5,000,000)	Year End amounts less than anticipated
2015-16 Year End savings	\$4,000,000	\$3,365,634	(\$634,366)	Year End savings less than anticipated
Potential 2016-17 salary savings	\$7,000,000	\$7,000,000	\$0	
Shift bond interest back to Capital	\$900,000	\$1,801,375	\$901,375	Move both 2016-17 and 2017-18 interest

Summary of Update on Projected Deficit

		Nov 16	Nov 22	Change	Reason
	Total projected deficit	(\$71,000,000)	(\$74,200,000)	(\$3,200,000)	Updated Budget assumptions; Nov. 16 boundary change decisions and option school
1	Levy amount is not reduced (levy cliff goes away, levy authority stays at current level)	\$0	\$0	\$0	
2	Utilize all unrestricted fund balance amounts	\$10,000,000	\$5,000,000	(\$5,000,000)	Year End amounts less than anticipated
3	Change board policy 6022 and use 50% of economic reserve fund	\$11,500,000	\$11,500,000	\$0	Recommend lowering amount from 3.25% to 1.65%
4	2015-16 Year End savings	\$4,000,000	\$3,365,634	(\$634,366)	Year End savings less than anticipated
5	Potential 2016-17 salary savings	\$7,000,000	\$7,000,000	\$0	
6	Shift bond interest back to Capital	\$900,000	\$1,801,375	\$901,375	Move both 2016-17 and 2017-18 interest
7	Implement indirect policy on all grants and Capital	\$1,000,000	\$1,000,000	\$0	Recommend implementing policy
		\$34,400,000	\$29,667,009	Total	
		(\$36,600,000)	(\$44,532,991)	Remainder to solve	

Update on Timeline

- Propose moving final worst case scenario decisions to January 11th.
- Start of School timeline WILL be impacted (see attached Start of School chart for the timeline before implementing the proposed delay).

Communication and Engagement Plan

Communication and Engagement Plan

- Review of draft Communication Plan (see attached)

- Review of outreach today

Next Steps

Next Steps

- December 3 – Board Retreat
 - Recommendation from Executive Leadership on target for Central Administration reductions
 - Recommendations from Executive Leadership on non-WSS remaining areas/amounts
 - WSS Committee update