

# Christina School District

## Preliminary FY07 Budget Options

### Meeting of Board of Education

July 11, 2006

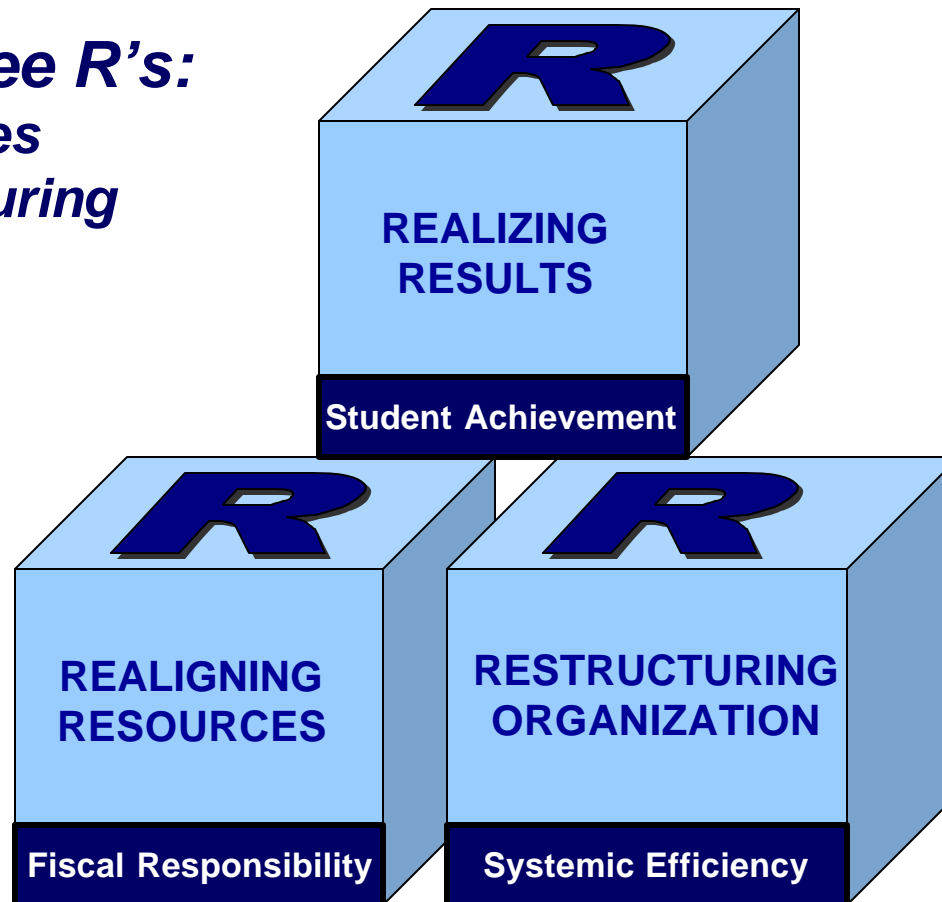
## Overview

- I. **Building a Better Christina**
- II. **FY07 Preliminary Budget Assumptions**
- III. **FY07 Preliminary Budget**
- IV. **FY07 Savings Bridge vs. Projected Deficit**
- V. **Options to Balance FY07 Preliminary Budget**
- VI. **Next Steps**

Building a Better Christina: Cultivating Students of Distinction

## *The Three R's:*

- *Resources*
- *Restructuring*
- *Results*



- *Data-driven Decision-making*
- *Educational & Systemic Reforms*

## Building a Better Christina: Five Essentials for Success

- **Resource Alignment**
- **Program Evaluation**
- **Professional Development**
- **Student Achievement**
- **Family & Community Engagement**

## Building a Better Christina: Essential One

### ESSENTIAL ONE: Resource Alignment

- **Operating Budget that adheres to policies and procedures established by State:**
  - **Operate within state units & restricted funding**
  - **State units require matching of \$58M in local funds**
- **Strategic Plan that integrates resources to data-based funding priorities**
- **Board Management Oversight Policy**
- **Constituent-Based Financial Review Committee**

**Focus on Resource Alignment to Balance FY07 Budget  
-- Subsequent Board Meetings will Focus on Essentials Two through Five**

## Budget Assumptions

- **Salary Freeze by Administrators, Professional Staff & Specialists Only**
- **Total Position Reductions of 12.0% vs. FY06**
- **Travel / Service Contracts / Material & Supplies Reductions of 13.8% vs. FY06**
- **Other Payroll Spending Reductions of 23.0% vs. FY06**
- **Compliant with Contractual Labor Commitments: Union & Administrator Contracts**
- **Additional Expense of \$1M for Charter Schools (Increases Projected FY07 Deficit from \$27M to \$28M)**
- **\$12.1M State Loan Expenditures through 6/30/06 – Open Items Still Pending Audit Resolution**

**FY07 Preliminary Budget To Be Finalized Dec 2006 / Jan 2007  
– Expect Additional Changes**

## Budget Assumptions

### Headcount (H/C) Summary

OPERATING WITHIN STATE UNITS & RESTRICTED FUNDING						
POSITIONS	June FY06 H/C	FY06 Retires/Terms (H/C)	FY06 Completed RIFs (H/C)	FY06 Reductions - Contract Employees	FY07 Proposed RIFs (H/C)	Total FY07 H/C Reductions To Date
ADMINISTRATORS (CO/ P/AP)	118	7	0	0	0	7
PROFESSIONAL STAFF	36	0	16	0	8	24
SPECIALISTS	26	0	12	0	0	12
PARAPROFESSIONALS	378	0	0	65	58	123
CUSTODIANS	190	3	0	0	0	3
TEACHERS	1742	35	72	56	0	163
SECRETARIES	127	1	27	0	0	28
FOOD SERVICE	180	8	0	0	0	8
TRANSPORTATION	326	6	0	0	0	6
<b>Total</b>	<b>3123</b>	<b>60</b>	<b>127</b>	<b>121</b>	<b>66</b>	<b>374</b>

## Budget Assumptions

### Non-Personnel Spending Reductions/Eliminations vs. FY06:

	<u>\$M</u>	<u>Major Items</u>
Textbooks	1.110	SB 392 Will Provide \$90K for Library Books & \$600K for Textbooks
Computers/Technology Programs	1.106	Computers & Technology Contracts Eliminations in Unrestricted Only
Kelly Services	0.520	40% Reduction in Substitutes
Programs	0.439	50% Reduction in HOSTS & Fast ForWord; Strategic Listening
Supplies	0.390	50% Reduction in Supplies
Community Training & Assistance	0.357	Non-recurring One-Time Consulting Services
Intervention Services	0.295	Delaware Guidance and Youth & Family Services Reductions in Unrestricted
Copiers	0.288	30% Reduction in Leases
Desks & Chairs	0.170	Elimination of New Furniture
Travel	0.100	Reductions in Conference Spending
Educational Services	0.098	Elimination of Consulting
Uniforms	0.049	Elimination of Custodial Uniforms
All Other	1.755	
TOTAL	6.676	

## Budget Assumptions

### Other Payroll Reductions (\$M):

	<u>Total FY06</u>	<u>FY07</u> <u>Savings</u>	<u>% Savings</u>	<u>FY07 Budget</u>
Reported Time	4.4	0.9	20%	3.5
Overtime	1.3	0.6	50%	0.6
Other Pay	9.6	1.9	20%	7.7
<b>TOTAL</b>		<b>3.4</b>		

## FY07 Preliminary Budget

	<u>Schedule</u>	<u>Federal Restricted</u>	<u>State Restricted</u>	<u>Local Restricted</u>	<u>State &amp; Local Unrestricted</u>	<u>Total</u>
Revenue	(A)	\$ 13.9	\$ 138.0	\$ 26.8	\$ 69.9	\$ 248.7
Tuition Received		-	-	6.0	-	6.0
Payments to Choice/Charter Schools		-	-	-	(7.6)	(7.6)
Net Revenue		13.9	138.0	32.8	62.3	247.1
Payroll Related Expenses	(B)	(8.2)	(123.0)	(23.4)	(48.9)	(203.5)
Non-Payroll Expenses	(B)	(5.7)	(15.0)	(9.4)	(11.9)	(42.0)
Total		(13.9)	(138.0)	(32.8)	(60.8)	(245.5)
<b>Balance Before Obligations</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1.6</b>	<b>\$ 1.6</b>

<b><u>Obligations</u></b>						
State Loan Repayment		\$ -	\$ -	\$ -	\$ (2.4)	\$ (2.4)
Reserve		-	-	-	(2.0)	(2.0)
Contingency		-	-	-	(2.0)	(2.0)
<b>Net Deficit After Obligations</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4.8)</b>	<b>\$ (4.8)</b>

## FY07 Preliminary Budget

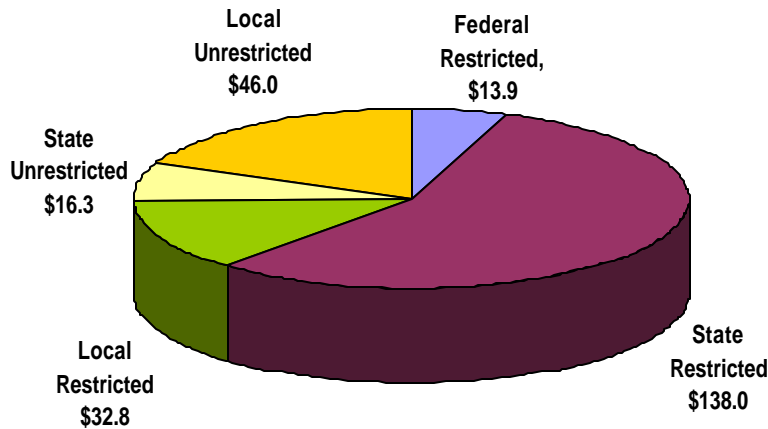
<b>Schedule A - Revenue</b>	<b>Federal Restricted</b>	<b>State Restricted</b>	<b>Local Restricted</b>	<b>State &amp; Local Unrestricted</b>	<b>Total</b>
<b>Federal</b>					
Title I - Basic Grant	\$ 5.0	\$ -	\$ -	\$ -	\$ 5.0
Inclusion - TAM	3.9	-	-	-	3.9
Title II - Part A (Teacher & Principal Training)	2.3	-	-	-	2.3
Other Federal	2.8	-	-	-	2.8
	<u>13.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13.9</u>
<b>State</b>					
State Earned Units (Salaries/OEC/Benefits)	-	107.6	-	0.7	108.3
District Operated & Contractor Transportation	-	14.3	-	-	14.3
Energy & Relief Fund	-	3.7	-	-	3.7
Division III - Equalization	-	-	-	7.4	7.4
Tax Relief	-	-	-	4.0	4.0
Division II - All Other Costs	-	-	-	3.4	3.4
Excellence Allotment	-	-	-	0.8	0.8
Other State	-	12.4	-	-	12.4
	<u>-</u>	<u>138.0</u>	<u>-</u>	<u>16.3</u>	<u>154.3</u>
<b>Local</b>					
General Operating	-	-	-	52.7	52.7
Tuition	-	-	17.0	-	17.0
Referendum Programs	-	-	5.2	-	5.2
Other	-	-	4.6	1.0	5.6
	<u>-</u>	<u>-</u>	<u>26.8</u>	<u>53.6</u>	<u>80.5</u>
<b>Total Revenue</b>	<b>\$ 13.9</b>	<b>\$ 138.0</b>	<b>\$ 26.8</b>	<b>\$ 69.9</b>	<b>\$ 248.7</b>
<b>Tuition Received</b>	<b>-</b>	<b>-</b>	<b>6.0</b>	<b>-</b>	<b>6.0</b>
<b>Payments to Choice/Charter Schools</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.6)</b>	<b>(7.6)</b>
<b>Net Revenue</b>	<b>\$ 13.9</b>	<b>\$ 138.0</b>	<b>\$ 32.8</b>	<b>\$ 62.3</b>	<b>\$ 247.1</b>

## FY07 Preliminary Budget

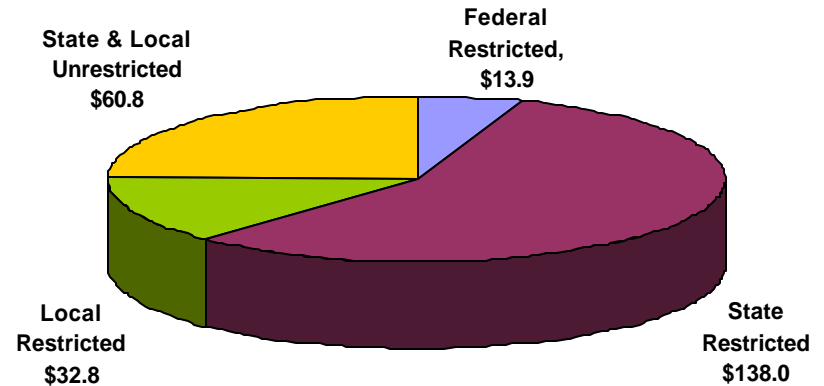
<u>Schedule B - Expenses</u>	<u>Federal</u>	<u>State Restricted</u>	<u>Local Restricted</u>	<u>State &amp; Local Unrestricted</u>	<u>Total</u>
<b><u>Payroll</u></b>					
Salaries (Regular)	\$ 5.1	\$ 78.9	\$ 15.4	\$ 28.8	\$ 128.2
OEC	1.3	20.8	4.0	7.5	33.6
Benefits	1.3	17.9	3.6	2.8	25.6
Subtotal	<u>7.8</u>	<u>117.7</u>	<u>23.0</u>	<u>39.0</u>	<u>187.5</u>
Reported Time	0.3	1.5	0.2	1.6	3.5
Overtime	0.0	0.0	0.1	0.5	0.6
Other Pay	0.1	3.8	0.2	3.5	7.7
Remaining Pay to Departing Employees	-	-	-	4.2	4.2
Total Payroll & Related	<u>8.2</u>	<u>123.0</u>	<u>23.4</u>	<u>48.9</u>	<u>203.5</u>
<b><u>Non-Payroll</u></b>					
Services to Clients/Agencies	-	0.3	1.1	1.9	3.3
Contracted Services	4.2	9.6	6.8	7.6	28.1
Supplies and Materials	0.6	4.4	1.1	2.1	8.2
Other	0.9	0.7	0.5	0.4	2.4
Total	<u>5.7</u>	<u>15.0</u>	<u>9.4</u>	<u>11.9</u>	<u>42.0</u>
<b>Total Expenses</b>	<b>\$ 13.9</b>	<b>\$ 138.0</b>	<b>\$ 32.8</b>	<b>\$ 60.8</b>	<b>\$ 245.5</b>

## FY07 Preliminary Budget: Revenue & Expense

**Revenue by Fund (All Schools)**  
(\$ in Millions)

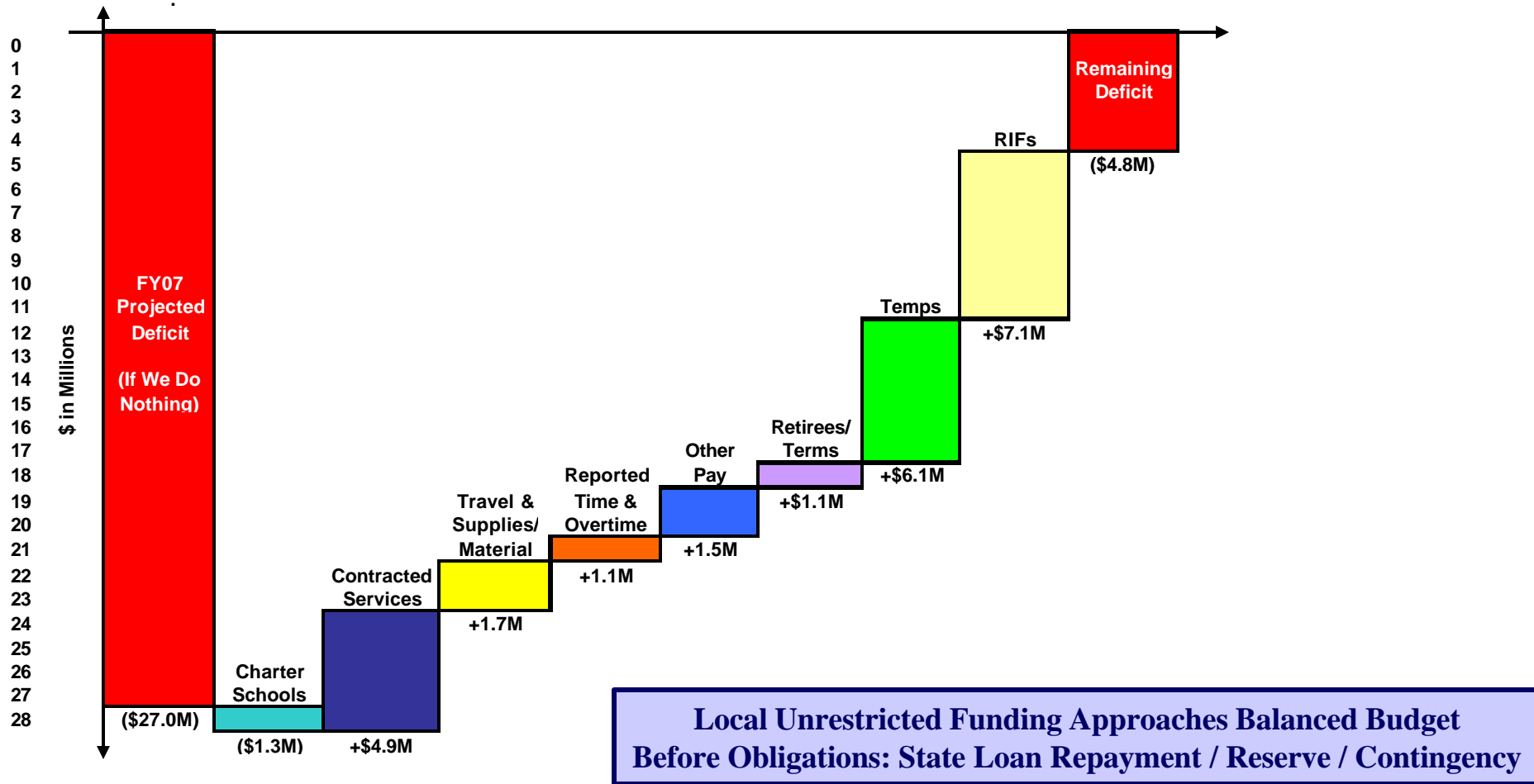


**Expenses by Fund (All Schools)**  
(\$ in Millions)



**Balanced FY07 Preliminary Budget before Obligations --  
Living within State Units & Restricted Funding**

## FY07 Savings Bridge vs. Projected Deficit (If We Do Nothing)



## Options to Balance FY07 Preliminary Budget

	Higher Fiscal Soundness	Medium Fiscal Soundness/Risk	Higher Fiscal Risk
<b>Balance Before Obligations</b>	1.6	1.6	1.6
<b>Obligations</b>			
Loan Repayment of \$12M	(2.4)	(1.2)	(1.2)
Reserves	(2.0)	(0.5)	0.0
Contingency	(2.0)	(1.0)	0.0
<b>Obligations Subtotal</b>	(6.4)	(2.7)	(1.2)
<b>Net Deficit After Obligations</b>	<b>(4.8)</b>	<b>(1.1)</b>	<b>0.4</b>
<b>Cost-Reduction Opportunity:</b>			
Manage Reported Time (Substitutes) & Other Pay More Aggressively	0.5	1.1	1.5
<b>Remaining Deficit</b>	<b>(4.3)</b>	<b>0.0</b>	<b>1.9</b>
<b>Cost-Reduction Opportunity for FY07:</b>			
Projected RIF of 65 Teaching Positions & Administrative Positions in May 2007 (Effective 9/15/07 & 6/30/07 Respectively)	6.6	6.6	6.6
8			
<b>Remaining Deficit--Deferred Impact in FY08</b>	<b>2.3</b>	<b>6.6</b>	<b>8.5</b>

## Next Steps

- **Board Review of FY07 Preliminary Budget**
- **Board Decision on FY07 Preliminary Budget**