



Waterford Board of Education

May 17, 2018

Original Budget 2018-19

Preliminary Discussion

Presented by:

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2018-19 Original Budget

Revenue	350 Students/ 14 Teachers				400 Students/ 16 Teachers			
	Opt #1	Opt #2	Opt #3	Opt #4	Opt #5	Opt #6	Opt #7	Opt #8
Enrollment (Decrease of 350 to 400 fte)	\$ (2,604,060)	\$ (2,604,060)	\$ (2,604,060)	\$ (2,604,060)	\$ (2,987,010)	\$ (2,987,010)	\$ (2,987,010)	\$ (2,987,010)
Foundation Allowance (Increase of \$228)	1,979,040	1,979,040	1,979,040	1,979,040	1,979,040	1,979,040	1,979,040	1,979,040
18-19 Additional PA18	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Net Revenues	\$ (505,020)	\$ (505,020)	\$ (505,020)	\$ (505,020)	\$ (887,970)	\$ (887,970)	\$ (887,970)	\$ (887,970)
<u>Expenditures</u>								
Additions:								
Healthcare Hard Cap	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000
Less:								
Teacher Adj (14 to 16 fte) Based on Enrollment	-	-	(1,015,000)	(1,015,000)	-	-	(1,160,000)	(1,160,000)
Normal Retirements	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Employee Turnover Savings	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Healthcare Participation Decline	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Net Expenditures	\$ (425,000)	\$ (425,000)	\$ (1,440,000)	\$ (1,440,000)	\$ (425,000)	\$ (425,000)	\$ (1,585,000)	\$ (1,585,000)
Net Surplus/(Deficit)	\$ (80,020)	\$ (80,020)	\$ 934,980	\$ 934,980	\$ (462,970)	\$ (462,970)	\$ 697,030	\$ 697,030
<u>Fund Balance</u>								
18/19 Original Budget Beginning Fund Balance	5,112,808	5,112,808	5,112,808	5,112,808	5,112,808	5,112,808	5,112,808	5,112,808
18/19 Original Budget Ending Fund Balance	<u>\$ 5,032,788</u>	<u>\$ 5,032,788</u>	<u>\$ 6,047,788</u>	<u>\$ 6,047,788</u>	<u>\$ 4,649,838</u>	<u>\$ 4,649,838</u>	<u>\$ 5,809,838</u>	<u>\$ 5,809,838</u>
<u>Revenue Option:</u>								
School of Choice - 100 Students	-	788,700	-	788,700	-	788,700	-	788,700
Teachers (4FTE) for Schools of Choice	-	(260,000)	-	(260,000)	-	(260,000)	-	(260,000)
Net Fund Balance	<u>\$ 5,032,788</u>	<u>\$ 5,561,488</u>	<u>\$ 6,047,788</u>	<u>\$ 6,576,488</u>	<u>\$ 4,649,838</u>	<u>\$ 5,178,538</u>	<u>\$ 5,809,838</u>	<u>\$ 6,338,538</u>
Net Increase/Decrease in Fund Balance	\$ (80,020)	\$ 448,680	\$ 934,980	\$ 1,463,680	\$ (462,970)	\$ 65,730	\$ 697,030	\$ 1,225,730



2018-19 Original Budget

Items to Discuss:

- Enrollment
- Teacher FTE adjustments
- Schools of Choice
- Fund Balance / Structural Surplus for negotiations, adding to fund balance, etc.....

2018-19 Original Budget

	<u>Amount</u>
<u>Enrollment</u>	
Enrollment Decrease of 350 FTE	\$ (2,604,060)
OR	
Enrollment Decrease of 400 FTE	\$ (2,987,010)

2018-19 Original Budget

<u>Teacher Adjustments Based on Enrollment</u>	<u>Amount</u>
Teachers: 0 FTE	\$ -
OR	
Teachers: 14 FTE at 350 Student Decrease	\$ (1,015,000)
OR	
Teachers: 16 FTE at 400 Student Decrease	\$ (1,160,000)

2018-19 Original Budget

Schools of Choice

Schools of Choice (100 FTE)

Teacher Adjustment - Schools of Choice (4 FTE)

Net Revenue

Amount

\$ 788,700

(260,000)

\$ 528,700

2018-19 Original Budget

<u>Other Items Not Part of Budget Discussion</u>	<u>Amount</u>
Revenue	
Foundation Allowance Increase of \$228	\$ 1,979,040
Additional PA18 Funds	120,000
Expenditure	
Normal Retirements	300,000
18-19 Employee Turnover Savings	200,000
Healthcare Participation Decline	100,000
Healthcare Hardcap Increase	(175,000)
Net Fund Balance Impact	<u>\$ 2,524,040</u>

2018-19 Original Budget

Enrollment Decrease of 350 fte

	<u>Amount</u>
<u>2018-19 Projected Beginning Fund Balance</u>	\$ 5,112,808
<u>2018-19 Projected Ending Fund Balance</u>	
Do Nothing	\$ 5,032,788
OR	
Adjust Teachers by 14 FTE	\$ 6,047,788
OR	
Adjust Teachers by 10 FTE & Add 100 SOC Students	\$ 6,576,488

2018-19 Original Budget

Enrollment Decrease of 400 fte

	<u>Amount</u>
<u>2018-19 Projected Beginning Fund Balance</u>	\$ 5,112,808
<u>2018-19 Projected Ending Fund Balance</u>	
Do Nothing	\$ 4,649,838
OR	
Adjust Teachers by 16 FTE	\$ 5,809,838
OR	
Adjust Teachers by 12 FTE & Add 100 SOC Students	\$ 6,338,538

2018-19 Original Budget

Fund Balance:

- The 2018-19 Original Budget exceeds Treasury rules (unrestricted General Fund revenues) of a 5% Fund Balance regardless of options presented
- The goal with the options presented is to maintain at least a Fund Balance of 5% of General Fund expenditures (i.e. \$5,112,808)

2018-19 Original Budget

Fund Balance History:

2012-13	\$ 5,026,943
2013-14	\$ 1,161,252
2014-15	\$ 2,001,188
2015-16	\$ 3,277,688
2016-17	\$ 4,993,892
2017-18 (Projected)	\$ 5,112,808

2018-19 Original Budget

Budget Recommendation:

- Enrollment decline of 350 fte
- Teacher reductions of 14 fte
- Schools of Choice 100 fte (requires 4 teacher fte adjustment)
- Equates to a \$6,576,488 Fund Balance
- Use surplus funds (amounts above beginning Fund Balance) for contract negotiations, increase in Fund Balance, etc.

2018-19 Original Budget

Options for Board of Education Discussion:

- Enrollment decrease (350fte vs. 400fte)
- Teacher reductions
- Schools of choice
- Administrative cuts/wage reduction
- Use of Fund balance