



South Portland Schools

Superintendent's Proposed

FY 18 Budget

City Council Presentation: 4/5/17



Enriching Lives Through Quality Learning for All



Budget Considerations



- *Set conditions for students to meet or exceed rigorous content standards*
- *Support professional learning to engage and challenge learners*
- *Increase investment in technology to support learning*
- *Plan with preliminary State subsidy of \$5,972,690, while considering options if revenue amount from state changes with enacted state budget*
- *Contracted salary and benefit increases of approximately \$1,000,000 from FY 17 to FY 18 (assumption of 3.5% increase in health insurance rates)*
- *Working within City Council guidance of 3-3.5% impact on tax rate*

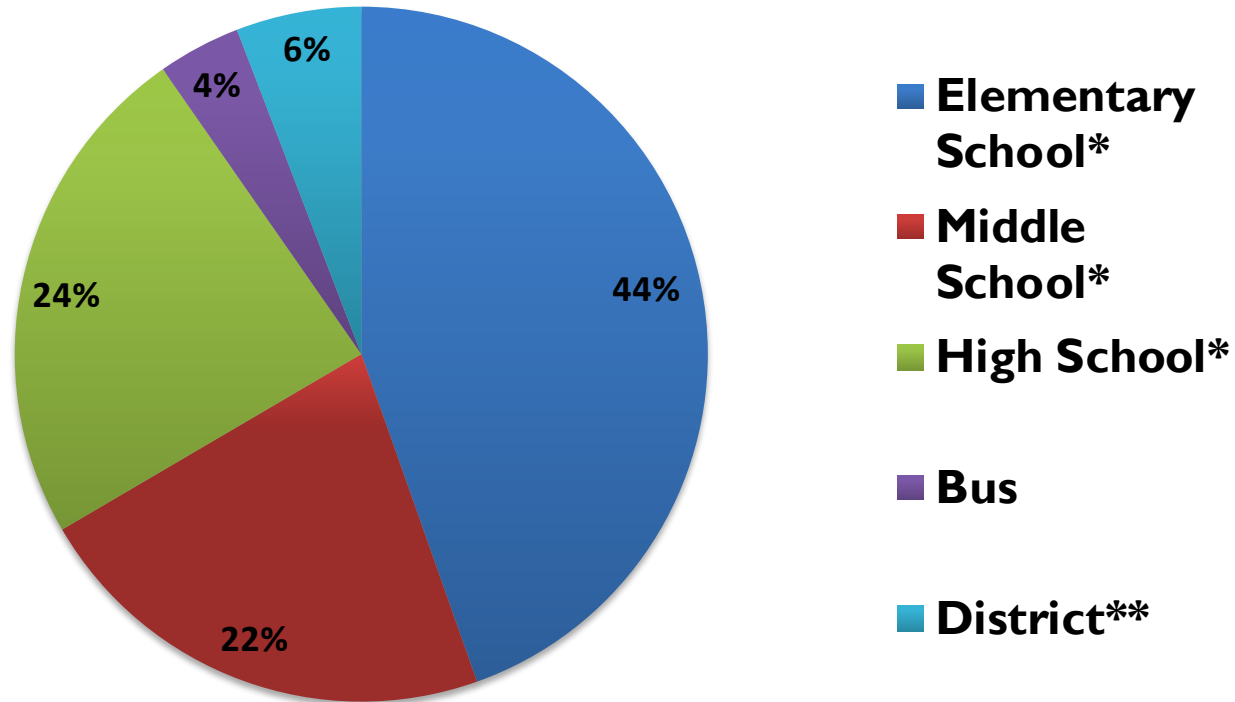
South Portland Schools Enrollment

| | 2016-17 Enrollment | 2017-18 Enrollment |
|--------------------------------------|-----------------------|-----------------------|
| Elementary School, Grades K-5 | | |
| Brown School | 273 | 275 |
| Dyer School | 241 | 243 |
| Kaler School | 232 | 238 |
| Skillin School | 385 | 394 |
| Small School | 307 | 305 |
| | 1438 | 1455 |
| Middle School, Grades 6-8 | | |
| Mahoney Middle School | 309 | 307 |
| Memorial Middle School | 400 | 391 |
| | 709 | 698 |
| High School, Grades 9-12 | | |
| South Portland High School | 884 | 930 |
| TOTAL | 3031 | 3083 |



South Portland Faculty and Staff

Full Time Equivalent (FTE)



| Elementary School* | Middle School* | High School* | Bus | District** | Total |
|--------------------|----------------|--------------|-------|------------|--------|
| 260.51 | 128.32 | 138.82 | 22.50 | 34.05 | 584.20 |

* Includes Teachers, Ed Techs, Clerks, Custodians, Food Service, Administrators (does not include coaches)

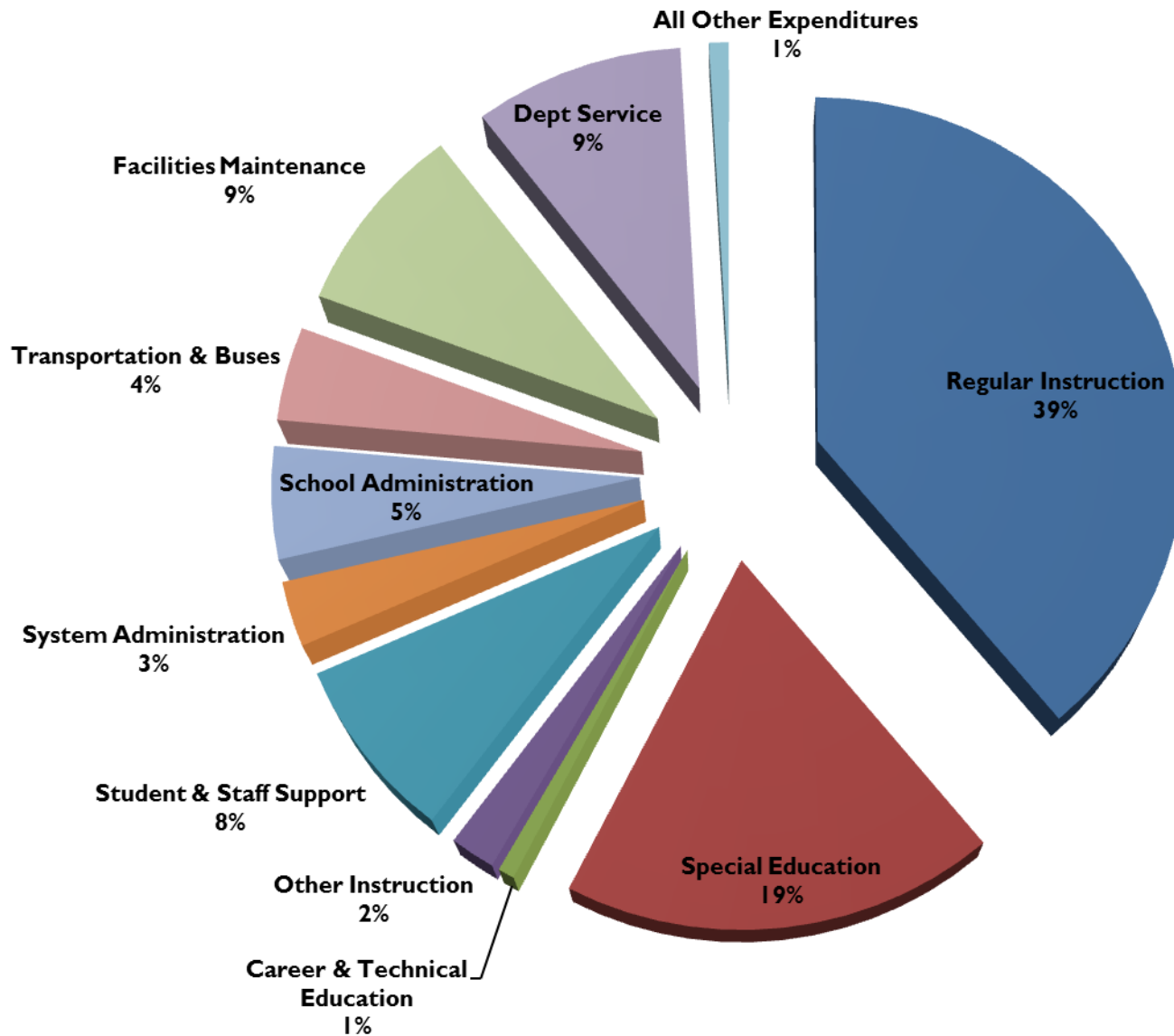
** Includes Central Office, Technology, Facilities Maintenance and Repair staff

SOUTH PORTLAND SCHOOL DEPARTMENT

PART I - BUDGET - LOCALLY SUPPORTED PROGRAMS

| | FY17 | FY 18 | % |
|------------------------------------|----------------------------|----------------------------|----------------------|
| | <u>Budget</u> | <u>Budget</u> | <u>Change</u> |
| REGULAR INSTRUCTION | 18,397,844 | 19,024,614 | 3.4% |
| SPECIAL EDUCATION | 8,892,384 | 9,104,987 | 2.4% |
| CAREER & TECHNICAL ED | 290,559 | 347,500 | 19.6% |
| OTHER INSTRUCTION | 913,774 | 956,827 | 4.7% |
| STUDENT & STAFF SUPPORT | 3,842,182 | 3,978,832 | 3.6% |
| SYSTEM ADMINISTRATION | 1,398,085 | 1,443,978 | 3.3% |
| SCHOOL ADMINISTRATION | 2,410,127 | 2,494,608 | 3.5% |
| TRANSPORTATION & BUSES | 1,947,029 | 2,006,089 | 3.0% |
| FACILITIES MAINTENANCE | 4,247,233 | 4,324,813 | 1.8% |
| DEBT SERVICE | 4,881,765 | 4,660,304 | -4.5% |
| ALL OTHER EXPENDITURES | 438,312 | 438,520 | 0.0% |
| SUBTOTAL | <u>47,659,294</u> | <u>48,781,072</u> | |
| ADULT EDUCATION | 20,000 | 25,000 | 25.0% |
| TOTAL | <u>\$47,679,294</u> | <u>\$48,806,072</u> | 2.4% |

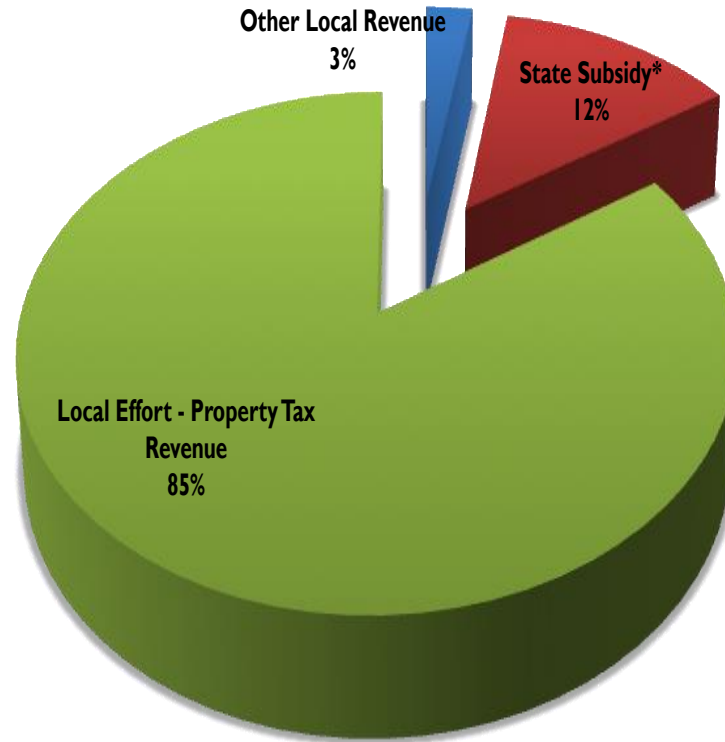
FY 18 Expenses - The "I" State Categories



South Portland Schools - revenue comparisons - Part I Budget

| DESCRIPTION | FY 15 BUDGET REVENUES | FY 16 BUDGET REVENUES | FY 17 BUDGET REVENUES | FY 18 BUDGETED REVENUES |
|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|------------------------------------|
| Beginning Balance | \$ 677,117 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Tuition-State Agency Clients | \$ 25,000 | \$ 25,000 | \$ 35,000 | \$ 45,000 |
| Student Admissions | \$ 25,000 | \$ 35,000 | \$ 41,000 | \$ 43,000 |
| Athletic Sponsorships | | | \$ 30,000 | \$ 30,000 |
| Other Revenue | \$ 19,800 | \$ 19,800 | \$ 19,800 | \$ 19,800 |
| | | | | <i>(Prelim ED 279, 2/17/17)</i> |
| State Subsidy (GPA) | \$ 5,275,585 | \$ 5,662,701 | \$ 6,278,169 | \$ 5,972,690 |
| Mainecare | \$ 50,000 | \$ 100,000 | \$ 100,000 | \$ 50,000 |
| Portland Trnspt. Agreement | \$ 78,666 | \$ 117,713 | \$ 126,000 | \$ 126,000 |
| Transfer in frm Brick Hill TIF | \$ 162,748 | \$ 197,384 | \$ 201,849 | \$ 197,353 |
| Transfer in SRO/ Bus/Tech Reserves | \$ 95,863 | \$ 198,015 | \$ 196,457 | \$ 272,260 |
| SUB TOTAL REVENUE | \$ 6,409,779 | \$ 6,855,613 | \$ 7,528,275 | \$ 7,256,103 |
| LOCAL EFFORT - OPERATING | \$ 38,395,017 | \$ 39,238,191 | \$ 40,310,274 | \$ 41,549,969 |
| TOTAL REVENUE | \$44,804,796 | \$46,093,804 | \$ 47,832,060 | \$ 48,806,072 |

South Portland Schools Revenue - FY 18



*For FY 18 SPSD is projected to be a 16.66% receiver (down from 17.59% in FY 17) based on allowable costs through Essential Programs and Services (EPS).

Use of Fund Balance – Five Year Snapshot

| | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|---|-------------|-------------|-------------|-------------|-----------|
| | ACTUAL | ACTUAL | BUDGETED | PROPOSED | PROJECTED |
| STARTING UNDESIGNATED SURPLUS | | | | Projected | Projected |
| | \$1,791,136 | \$1,522,796 | \$1,462,848 | \$1,462,848 | \$962,848 |
| USE OF FUND BALANCE | Budgeted | Budgeted | Budgeted | Budgeted | Projected |
| | \$677,117 | \$500,000 | \$500,000 | \$500,000 | \$250,000 |
| | Actual | Actual | Projected | | |
| | \$268,340 | \$64,152 | \$0 | | |
| TRANSFERS TO RESERVE FUNDS (SPED, Buses, Maintenance, Technology) | | Technology | | | |
| | | \$200,000 | | | |
| | | Buses | | | |
| | \$0 | \$200,000 | \$0 | \$0 | \$0 |
| CHANGES IN BUDGETED GPA | \$0 | \$404,204 | \$0 | \$0 | \$0 |
| ENDING UNDESIGNATED SURPLUS | | | Projected | Projected | Projected |
| | \$1,522,796 | \$1,462,848 | \$1,462,848 | \$962,848 | \$712,848 |

Proposed Use of Reserve & Capital Improvement Project (CIP) Funds

| Reserve Funds: | Amount | Notes* |
|---------------------------|------------------|--|
| School Consolidation | \$234,898 | MS* project expenses, anticipate reimbursement if project continues |
| School Technology Upgrade | \$278,163 | HS* student iPads, gr 4&5 chromebooks, ES* teacher laptops, Interactive White boards |
| School Bus | \$160,000 | One type D transit bus, two 7 passenger vans |
| School Facility (0456) | \$63,676 | HS projects: athletics/facilities storage, air intake hoods in cafeteria wing, renovate auditorium bathrooms |
| Total | \$736,737 | |
| CIP Funds: | | |
| FY02 Proj (Fund 0301) | \$107,664 | ES fire boxes, security cameras, Dyer playground drainage |
| FY03 Proj (Fund 0400) | \$48,450 | Various projects/repairs for facilities and transportation |
| FY04 Proj (Fund 0401) | \$14,500 | Direct digital controls for transportation HVAC system |
| FY01 Proj (Fund 0402) | \$34,366 | Includes various Skillin projects |
| FY10 Proj (Fund 0405) | \$75,300 | Mahoney heating control zoning, various MS projects |
| Total | \$280,280 | |

*ES=Elementary School, MS=Middle School, HS=High School

South Portland Schools - Tax Calculation Summary*

| | FY 17 | FY 18 |
|---|-----------------|-----------------|
| Total Operating/Debt Service Expense | \$47,679,294 | \$48,806,072 |
| Total School Funds Available (revenue & use of starting fund balance) | \$7,528,275 | \$7,256,103 |
| Total Amount to be Raised by Taxes | \$40,151,019 | \$41,549,969 |
| | est. | est. |
| Assessed Valuation | \$3,407,500,000 | \$3,407,500,000 |
| Total Mil Rate | \$11.78 | \$12.19 |
| Total Tax Increase in Dollars | \$892,828 | \$1,398,950 |
| Tax Increase as Percentage | 2.27% | 3.48% |
| Change in Mil Rate from Prior Year | \$0.31 | \$0.41 |

*See 2017-2018 Superintendent's Budget, Part I for five year analysis

Summary of Tax Impact

- ***Projected operating expenditure increase: 2.4%***
- ***Decrease in Non-Tax revenue: 3.6%***
- ***Total amount to be raised by taxes: \$41,549,969***
- ***Total proposed tax increase at this time: 3.48%***
- ***State subsidy only preliminary and may change depending upon state budget***

What if GPA increases?

Options to consider during budget deliberations...

- *Lower transfer from reserves (technology & buses)*
- *Reduce amount of fund balance used as revenue*
- *Provide property tax relief – reduce impact to below 3%*
- *Shift needed Special Education positions to local budget*
- *Reduce reliance on Title I to fund supports at Kaler*
- *Consider unfilled requests (pp. 100-101, Superintendent's FY 18 Budget)*

When will we know?

- *Final amount of state subsidy will be uncertain until state budget is enacted*
- *Final enactment will likely occur after local budget referendum*
- *New statute (L.D. 1475) allows warrant article at referendum to request flexibility in the event state subsidy increases after budget is passed by voters*
- ***Now is time to advocate for fair state funding for education***
- *During budget process administration will develop a plan for School Board consideration and action should state subsidy increase*