

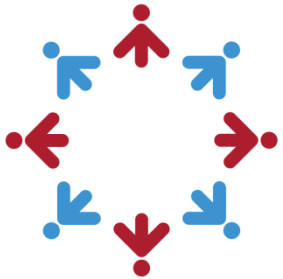
FY17 Preliminary General Fund Budget Public Input Session

Michael Baumann

Executive Director of Business Services

Jaber Alsiddiqui

Controller



Lakeville

AREA PUBLIC SCHOOLS

Community Budget Hearing: March 31, 2016

District at a Glance



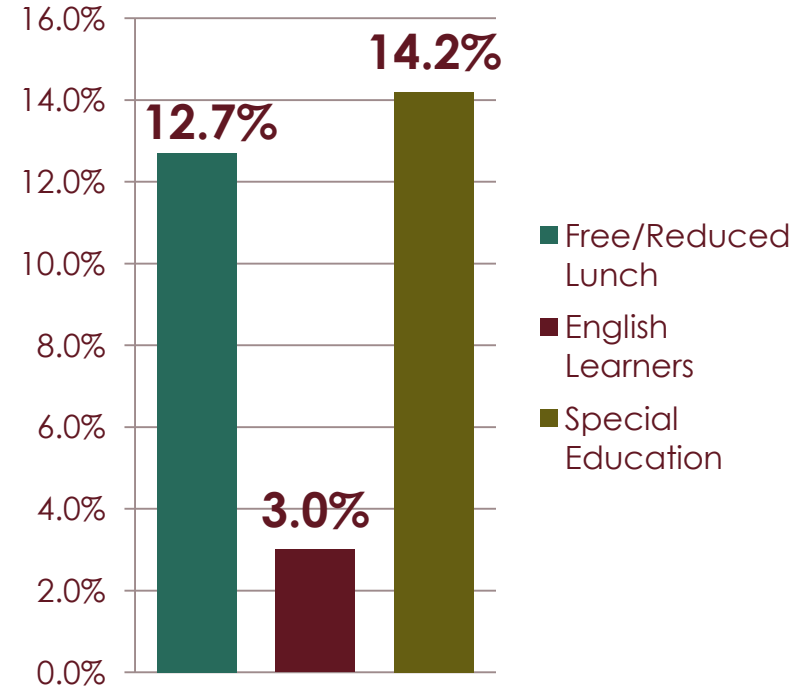
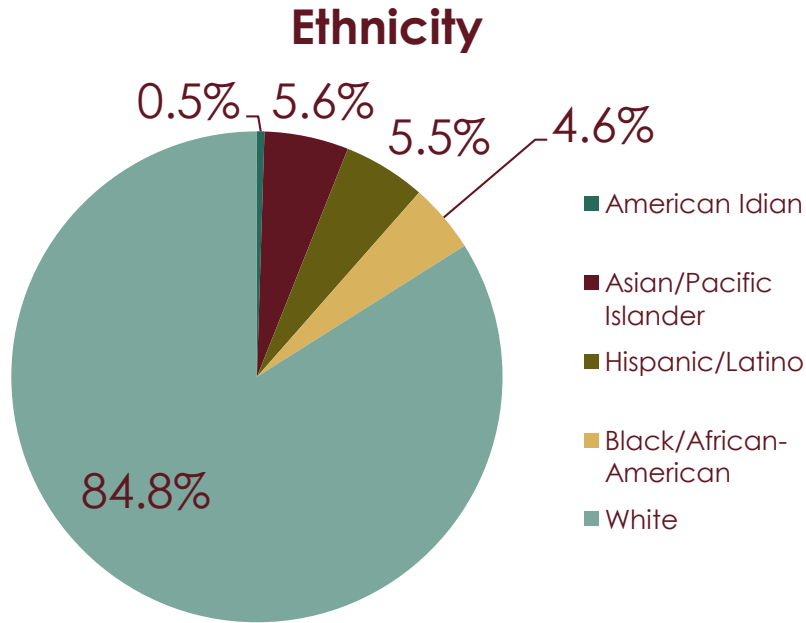
- **Profile of District**

- Incorporated in 1952, Lakeville Area Public Schools is the 11th largest district in the state of Minnesota.

- **Enrollment**

- 10,868 students K-12 (enrollment as of October 1st)

Student Demographics



Facilities Space



Building Type	Qty	Area (SF)
Elementary Schools	8	585,300
Middle Schools	3	483,800
High Schools	2	749,800
Alternative Programs (ALC)	1	14,500
Support Service Facilities	2	16,000
Community Education (CLEC)	1	79,000
Totals	17	1,928,400

Employee Groups



- Education Minnesota Lakeville – Teachers
- Small Wonders Instructors – Community Education
- Kid Zone/Wonder Zone Instructors – Community Education
- Lakeville Educational Assistants Federation (LEAF)
- Custodial/Maintenance Service Employees International Union, Local 284
- Student Nutrition Employees
- Non-Affiliates
- Principals and Deans
- Executive Cabinet
- Superintendent

Elementary Class Size (Guidelines)



Description	Guidelines	SY15-16 Average
Kindergarten	24	23.07
Grade 1	24	21.19
Grade 2	28	24.69
Grade 3	30	26.25
Grade 4	32	27.13
Grade 5	32	28.04

High School Class Size (Guidelines)



Description	Region Average	SY15-16 Average
English/Language	27.12	30.87
Math	36.95	31.24
Science	27.65	33.12
Social Studies	28.78	32.98

Successful '15 Operating Levy funds available in FY17 to address High School Class Size.

Operating Levy



- Passed in Nov 2015 by 58.6 percent of the vote
- Funds available in FY17

Area of Promise	Projected Funds/Year	Project Description
Secondary Class Size and Career/Trade Path	\$600k	6 FTE Secondary Teachers and 1 FTE MNCAPS Teacher
Elementary Art	\$400k	Restore 1 hour Art Specialist Class each week for Grades 1-5
5 th Grade Band	\$200k	Restore Before/After School Band opportunity for 5 th Grade

Capital Levy



- Passed in Nov 2015 by 54.4 percent of the vote
- Funds available in FY17

Area of Promise	Projected Funds/Year	Project Description
Safety and Security	\$100k/year	Visitor Management, Internal Security, Support and Maintenance
STEM Resources	\$350k/year	Engaging resources, STEM Access for All, Future Ready Skills
Digital Tools for Learning	\$1.5m/year	Equitable Access, Balance Enhanced Learning, and Future Readiness



FY17 General Fund Budget Projection

Budget Time Line



MONTH	MAJOR TASKS	SUB-TASKS	DATE
OCTOBER	Review OCT 1 enrollment count	Convene Enrollment Work Group with the following staff: Michael Baumann, Jaber Alsiddiqui, Tony Massaros, Mary Knutson, and Douglas Ninow	10/08/2015
	Prepare FY16 year end fund balance	Present Quarterly report to BOE	10/20/2015
NOVEMBER	Develop initial FY17 budget assumptions		11/02/2015
	Develop budget worksheet for the administrators	Business Services provide budget worksheet to the Cabinet members	11/09/2015
	FY17 Budget planning session	Review priorities and assumptions	11/17/2015
	Complete enrollment projections by grade by school	Enrollment Work Group session to review details	11/20/2015
	Present projection to Principals		11/24/2015
DECEMBER	Levy certification	BOE Certifies final Pay15 levy	12/08/2015
	Staffing Assessment	HR validates staffing assumptions	12/07/2015
	FY17 Budget planning session #2	Review priorities and assumptions	12/15/2015
	Disseminate enrollment information (standard enrollment report to designated leaders)	Present enrollment to the principals	12/22/2015
JANUARY	Present 2 nd Quarterly report to BOE		01/19/2016
	Present Budget assumptions, timeline, and initial projection to BOE		01/19/2016
	Refine initial budget based on BOE guidance and funding priorities		Ongoing
FEBRUARY	Present to Finance Advisory Council for feedback		02/09/2016
	Develop preliminary staffing allocation to schools	Present staffing to Principals	02/24/2016
	Distribute budget to schools and programs	My Budget File worksheet available to the Principals	02/24/2016
MARCH	Continue to refine schools' staffing allocation	Business Office and Human Resources Work with Principals to finalize staffing	Ongoing
	Present FY17 budget development update to the BOE		03/15/2016
	Host Community Hearings to review budget		3/31/2016
APRIL	Schools and programs submit their budgets	Use of My Budget File program	04/25/2016
MAY	Present propose work session budget to Board of Education	Prepare budget book for all funds	05/17/2016
	Present propose budget to Board of Education	Prepare budget book for all funds	05/24/2016
JUNE	Adopt Budget		06/28/2016

FY17 Budget Planning Assumptions



- Revenue is based on current laws.
- Includes funding for operating and capital referendum approved by voters.
- Q-Comp is projected for state aid only.
- Salary items are based on current contracts, steps, and COLA adjustments.
- Health insurance cost to the district is projected to increase at 4%.
- Retiree health insurance cost is projected to increase by 8%.
- Other line items are rolled over from the Adopted FY16 Budget, with a few adjustments based on trend analysis.
- Assumes a 2% increase in transportation cost.

Quality Compensation (Q-Comp)



- Quality Compensation – Alternative Teacher Professional Pay System is a voluntary program that allows local districts and exclusive representatives of the teachers to design and collectively bargain a plan that meets the five components of the law.
- Lakeville Area Public Schools was approved to receive \$260 per student (\$169 per student in state aid and \$91 per student in board-approved levy) for the program.
- The Board of Education chose not to levy the \$91 per pupil, or \$1,012,734

Key Budget Inclusions (FY17)

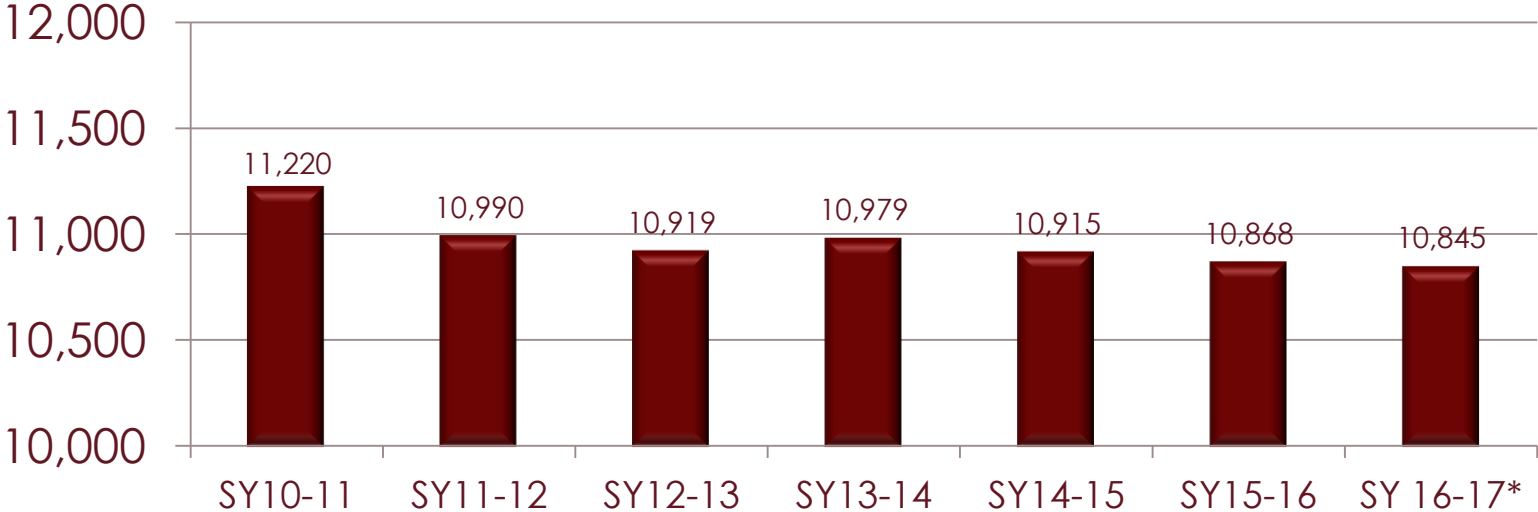


- Sustains existing programs and operations at FY16 established expectations.
- Continues to support elementary level class size guidelines.
- Implement the new Long Term Facility Maintenance (LTFM) Plan.
- Implement first year of Q Comp Plan (state aid only).
- One time only capital support for Impact Academy at OLE.
- Funds start-up of Minnesota Center for Advanced Professional Studies (MNCAPS).
- Provide 8 part time support staff to Elementary Schools.
- Support District Communication plan.
- Provide additional Post Secondary Education Option (PSEO) offerings.
- Adjust transportation fees (Reduce family max from 3 to 2).

Enrollment History

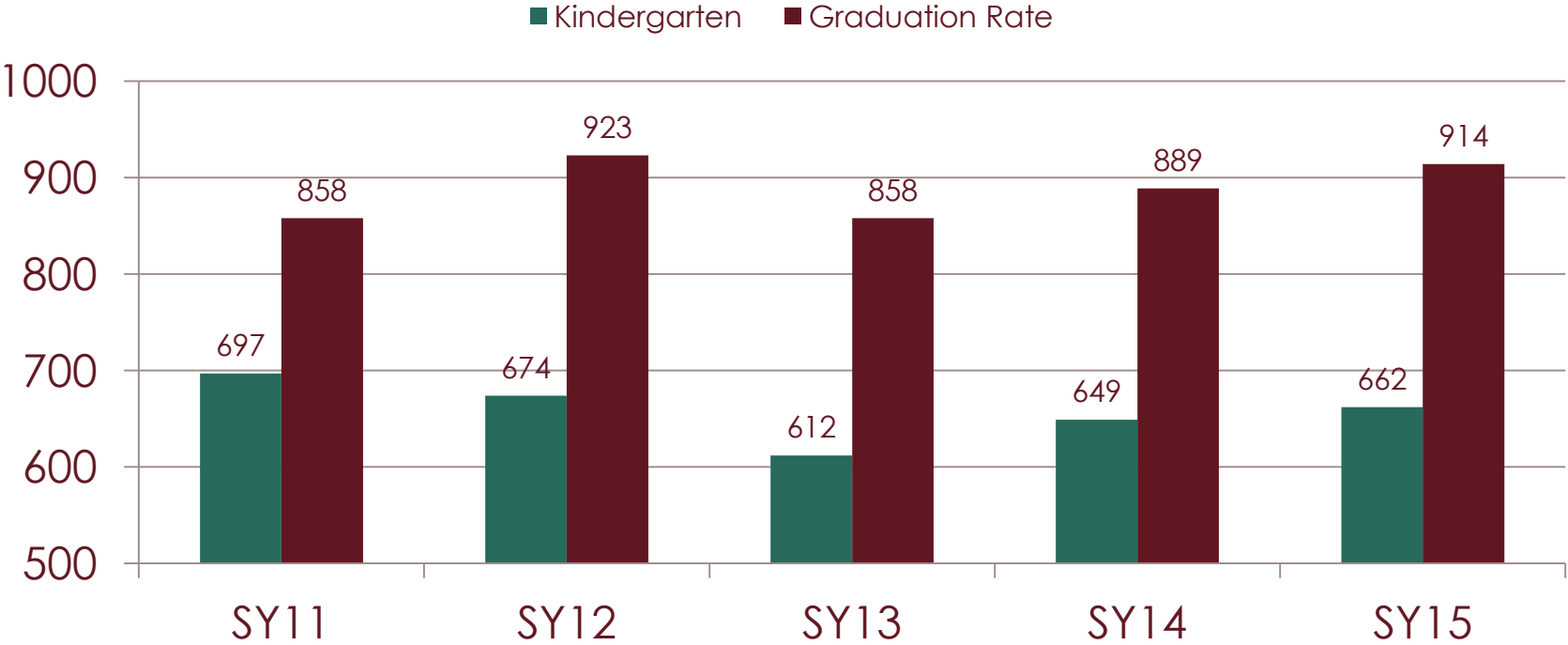


ENROLLMENT



* Projected enrollment

Kindergarten Enrollment vs Graduation Rate



SY16 Kindergarten enrollment increased to 672

FY17 General Fund (GF) Budget



Fund	Projected FY16	Preliminary FY17	Difference
Beginning Fund Balance	\$16,230,243	\$13,885,199	(\$2,345,044)
Total Revenue	115,456,291	123,298,245	\$7,841,954
Total Expenditure	117,801,335	128,746,186	\$10,944,851
Ending Fund Balance	\$13,885,199	\$8,437,258	(\$5,447,941)
Unassigned as % of GF	10.1%	5.4%	

BOE fund balance policy is 4-8% of GF expenditure.

FY17 Changes in Revenue (Rounded to \$1M)



Description	Changes
General Ed Revenue	\$.4
New Operating and Capital Referendum	3.1
Long Term Facility Maintenance	1.3
Q-Comp	1.9
Special Education	1.0
Others	.1
Total Revenue Change	\$7.8

FY17 Changes in Expenditure (Rounded to \$1M)



Description	Changes
Salaries and Benefits	\$4.3
New Operating and Capital Referendum	3.1
Q-Comp	1.9
Long Term Facility Maintenance	.9
Other Changes	.5
MNCAPS	.2
Total Expenditure Change	\$10.9

Other Potential Budget Impact



- Potential increase rate in TRA (approximately \$500k).
- Potential reduction in Special Education cross-subsidy; an increase to revenue in the General Fund.
- ALC – Community Education Capital funding (setting conditions for FY18 projects). Estimates are in progress.
- Reduction in State budget surplus from \$1.2b to \$900m.
- Plan phase 2 of Q-Comp in FY18. BOE reduced levy by \$1.0M in FY17.

Next Steps



- Finance Advisory Council Presentation April 12, 2016.
- All Budget and Funds at Board of Education Work Session Meeting on May 17, 2016.
- Adopt Budget at June 28, 2016 Board of Education Meeting.

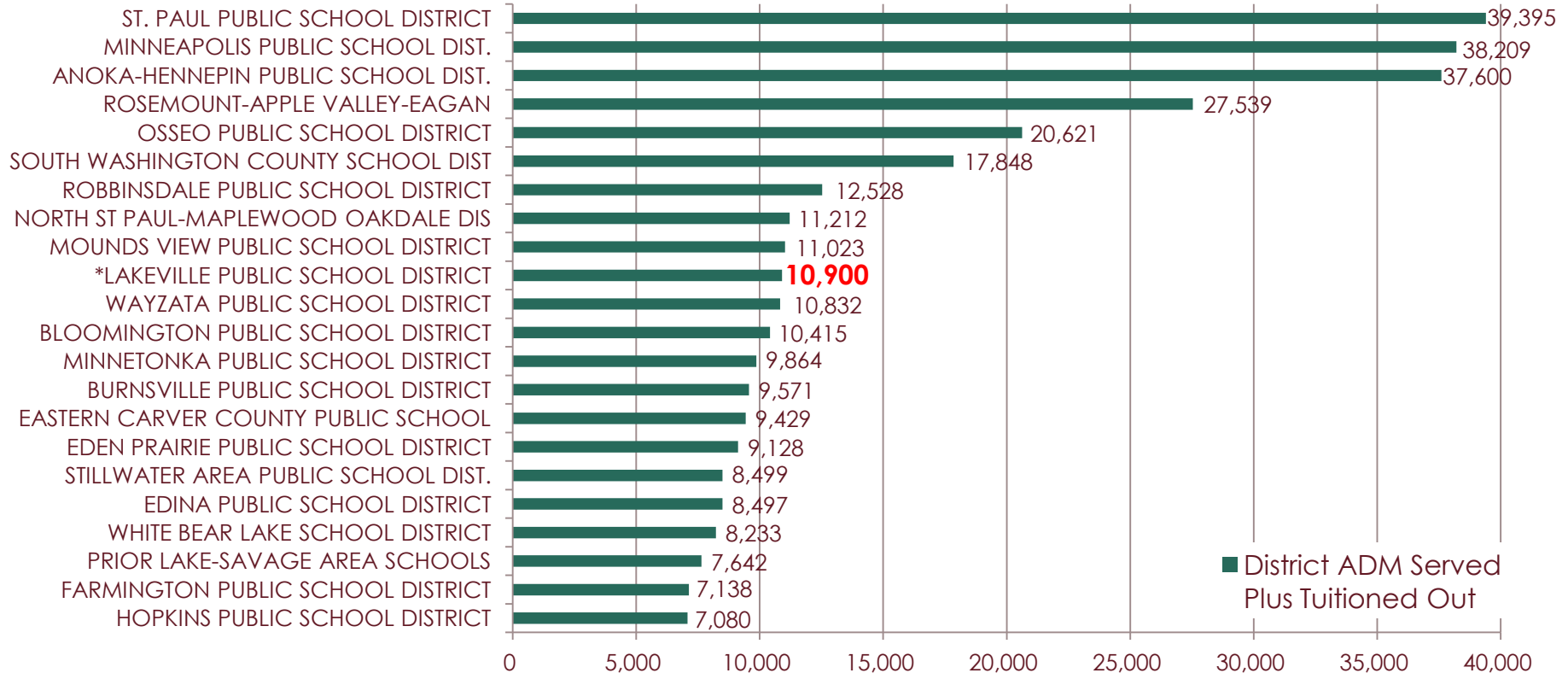


FY15 General Fund Profile Reports

FY15 District ADM Served Plus Tuitioned Out



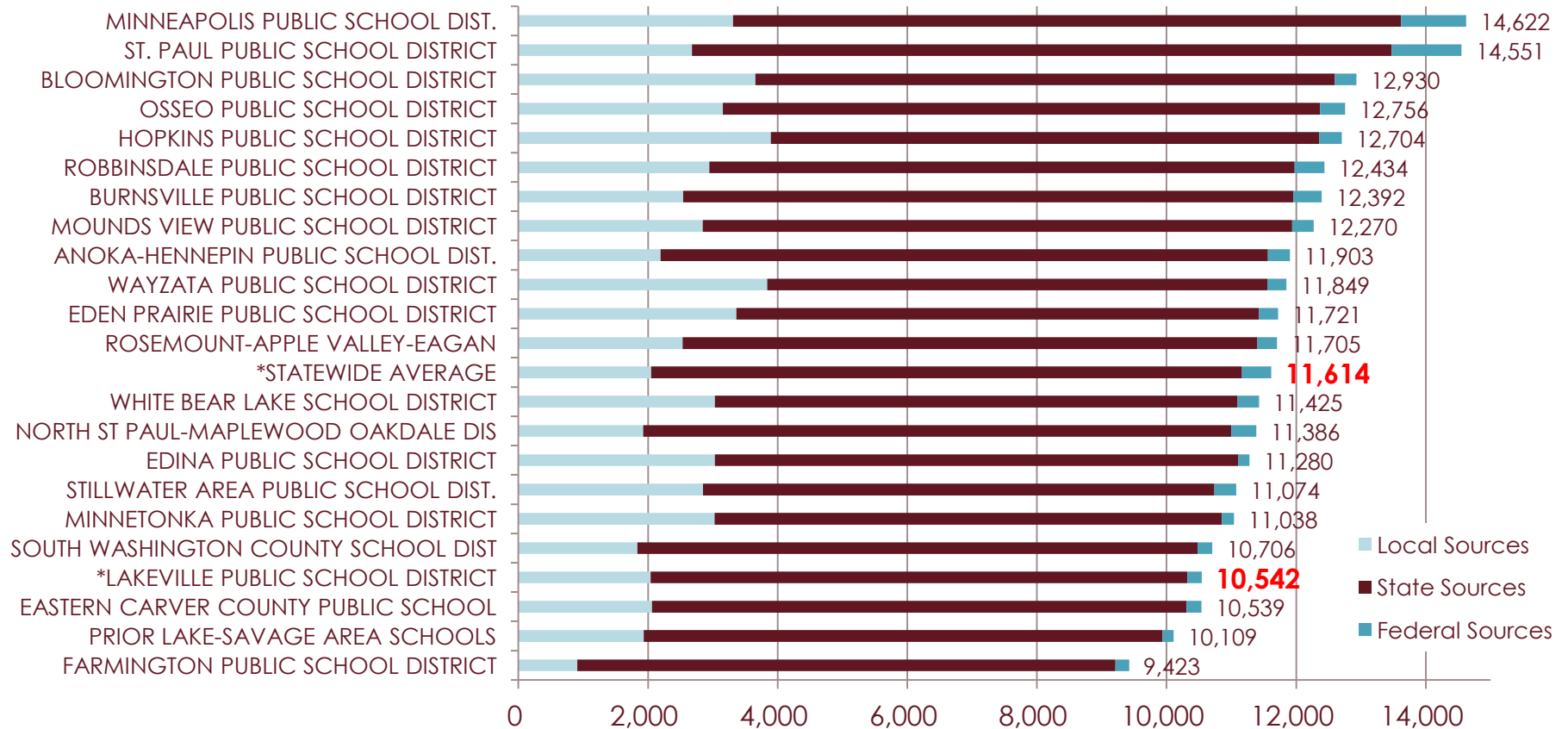
MDE: Enrollment FY: 2015



FY15 Total General Fund Revenue



MDE: Revenue Per ADM Served Plus Tuitioned Out FY: 2015



FY15 Total General Fund Expenditures



MDE: Expenditures Per ADM Served Plus Tuitioned Out FY: 2015





Questions/Comments