

**MEMO TO: BOARD MEMBERS
DR. SARAH RISS**

FROM: DR. DIANE MOORE

DATE: MARCH 7, 2016

RE: 2016/2017 PROPOSED BUDGET MESSAGE

Enclosed please find the **first draft** of the 2016/2017 budget. Please note the online budget notebook will be reviewed as a part of the budget presentation during the board meeting. The draft budget maintains the budget reductions implemented for the 2015-2016 school year. Additional revenue and expenditure assumptions are as follows:

Revenues:

- A 0.50% revenue growth is projected for property taxes with a 97% collection rate. The 2016-17 school year is a non-reassessment year;
- Assumes delinquent property taxes will be similar to 2015-2016 budget;
- Anticipates Prop. C sales tax collections higher than 2015-16 budget. This may be modified as we monitor current receipts;
- FDK tuition remains at \$2,000 with scholarships available for families with household incomes 40% above reduced lunch criteria or below;
- Transfer Student Tuition will decrease to an estimated \$7,000 per student and our number of VICC students will decline;
- State foundation formula reflects the same funding as 2015-2016 budget;
- Federal revenue reflects no increase in funding.

Total Operating Revenues are anticipated to be \$56,853,340. This is a slight increase of \$312,012 compared to the current projected 2015-2016 school year operating revenue.

Expenditures:

- The budget reflects an overall salary increase of 2% for support staff. Teaching staff would move up one step on the salary

schedule and receive a 1% salary increase. Administrator salaries would increase by 1%;

- An increase of 8.5% for health insurance premiums and assumes employees would continue to pay approximately 10.5% of the premium for the base \$2,000 HRA;
- Tuition reimbursement would be reinstated at \$60,000;
- A 2% increase is projected for utility costs;
- A 5% increase in property insurance rates;
- Food service costs are projected to increase by 2%;
- Care of grounds line is increased by \$60,000 to cover the cost of resurfacing the track;
- Building Improvement line is increased by \$100,000 to cover the cost of repairing the foundation at Central Office;

Total operating expenditures are anticipated to be \$57,594,549. This is an overall increase of 2.67% compared to the projected 2015-2016 operating expenditures. This budget draft reflects an ending deficit of (\$741,208).

The Business Office will continue to refine the budget projections before the Board is asked to adopt the new budget on June 27, 2016. If you have any questions, please do not hesitate to contact me.