

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

**FROM: DR. DIANE MOORE**

**DATE: JUNE 16, 2015**

**RE: 2015/2016 PROPOSED BUDGET MESSAGE**

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Enclosed please find the **third and final draft** of the 2015/2016 budget. You will notice the ending balance reflects a deficit of (\$353,301). This deficit was significantly reduced from the previous draft budget. After multiple meetings to discuss planned budget reductions, the district made reductions of \$1,634,395. A summary of these reductions is included in the attached presentation. The revised deficit anticipates collecting 1% more in property tax revenue, \$2.9 million in Prop C sales tax revenue and a 95% funding distribution in state aid.

Along with the planned budget reductions, modifications to revenues and expenses were made in this draft based upon actual revenues and expenses made in the 2014-2015 budget.

Please note the following assumptions:

**Revenues:**

- As indicated above, a 1.00% revenue growth is projected for property taxes with a 97% collection rate;
- The district conservatively projected \$2.9 million in Prop C sales tax receipts;
- Transfer Student Tuition will remain at an estimated \$7,250 per student and our number of VICC students will decline;
- State foundation formula reflects a 95% funding rate. DESE began the 2014-15 school year at a 93% funding rate and then increased funding to 96% during the spring of 2015;

Total Operating Revenues are anticipated to be \$55,927,030. This is a decline of (1.66%) compared to the current 2014-2015 school year operating revenue.

## **Expenditures:**

- The district developed a list of planned expenditure reductions totaling \$1,634,395. A summary of these reductions are included in the 2015-2016 budget presentation attached;
- The budget reflects an overall salary and benefits increase of 1% for each employee category except certified staff already on step 14 or on a longevity step and administrators. These specific employees will receive no salary increase. The district anticipates hiring up to 2 additional teachers due to possible enrollment increases;
- Health insurance rate increase is estimated to be 6%. All employees receiving health insurance benefits will be responsible for paying 10% of the premium. We will continue with the CSD Trust self-funded health insurance program and the district will create an insurance committee to review health insurance options during the 2015-2016 school year;
- A 5% increase is projected for utility costs;
- Line item 45 – new employee hiring was increased by \$25,000 to conduct a new Superintendent search;
- This draft budget anticipates a 5% increase in property insurance rates;
- Line items 101 and 102 – Debt Service principal and interest show a substantial increase to reflect the cross-over refunding of the 2006 bonds. When the district refunded these bonds an escrow account was established to hold the funds necessary to make the March, 2016 pay-off.

Total Operating Expenditures are anticipated to be \$56,280,331. This is an overall decrease of \$269,762 compared to the 2014-2015 operating expenditures. This budget reflects an ending deficit of (\$353,301). Our goal for the 2015-2016 school year will be to have a balanced budget or small surplus by the end of the school year.

If you have any questions, please do not hesitate to contact me.



# Webster Groves School District

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## 2015-2016 Budget Overview

**The Webster Groves School District community is committed to academic and personal success for every student.**

# Agenda



## Revenues

- Local
- County
- State
- Federal



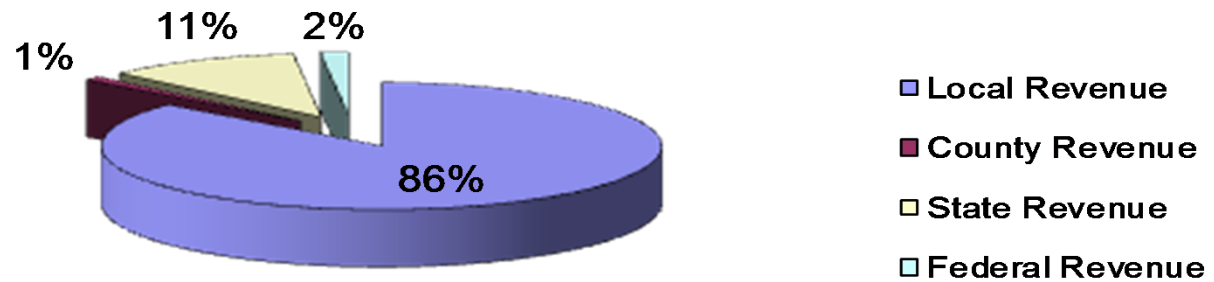
## Expenditures

- Incidental Fund
- Teachers Fund
- Capital Projects Fund



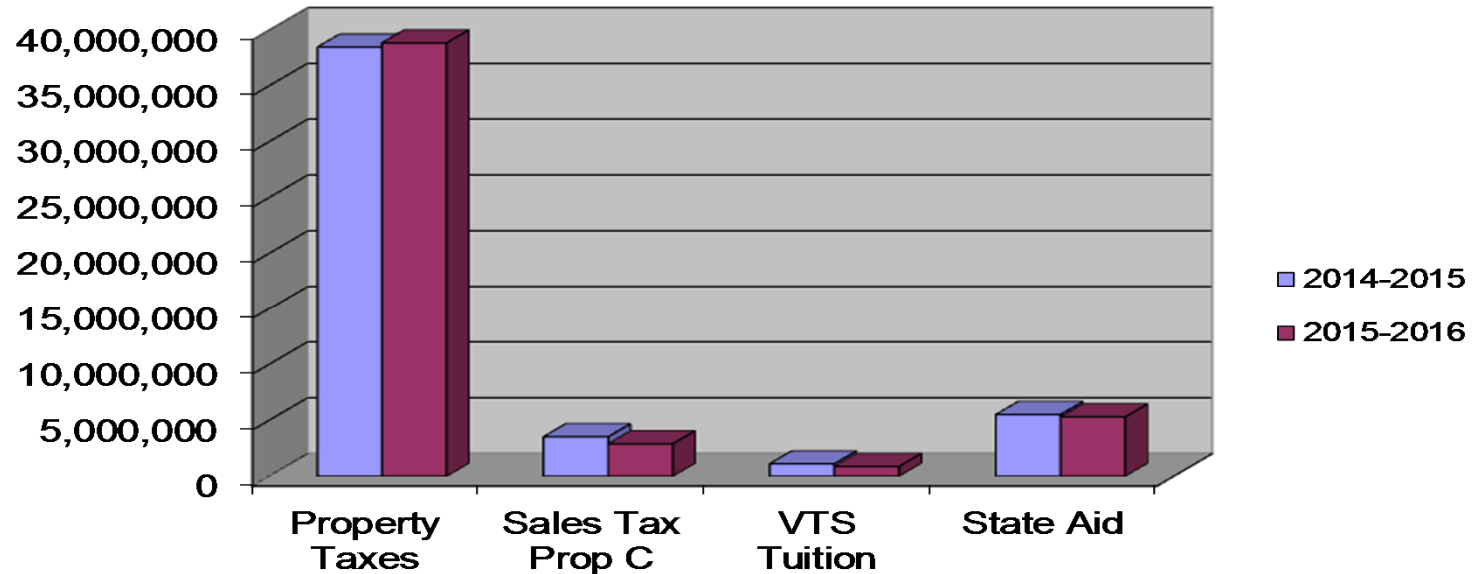
**The 2015-2016 Budget anticipates receipts totaling \$60,332,058 and expenditures of \$74,843,629**

# Operating Revenue By Source



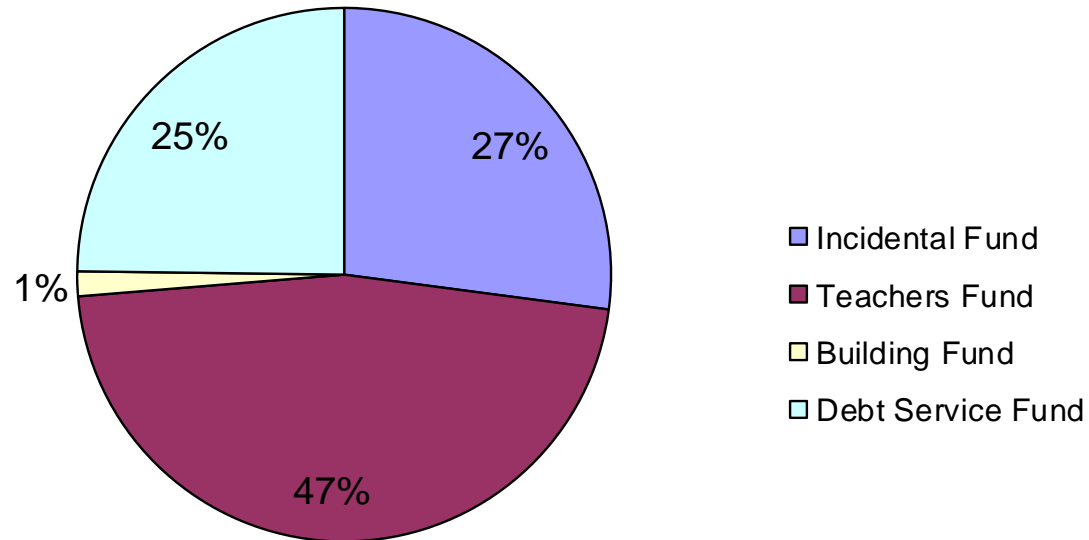
Local Revenue	\$48,214,030
County Revenue	\$ 550,000
State Revenue	\$ 6,263,000
Federal Revenue	\$ 900,000

# Operating Revenue Comparison



	<u>2014-2015</u>	<u>2015-2016</u>
<b>Property Taxes</b>	\$38,467,363	\$38,848,655
<b>Sales Tax Prop C</b>	\$3,532,000	\$2,900,000
<b>VTS Tuition</b>	\$1,112,102	\$ 876,375
<b>State Aid</b>	\$5,512,496	\$5,300,000

# Expenditure By Fund



<b>Incidental Fund</b>	<b>\$20,270,411</b>
<b>Teachers Fund</b>	<b>\$34,889,671</b>
<b>Building Fund</b>	<b>\$ 1,120,250</b>
<b>Debt Service Fund</b>	<b>\$18,563,298</b>



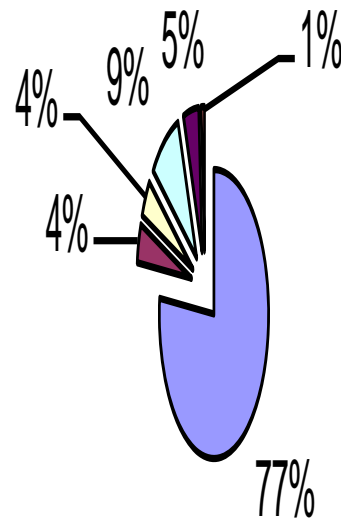
# 2015-2016 Operating Expenditure Reductions

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Description	Savings
Non-Staff Reductions	\$760,676
Non-Certified Staff	\$450,566
Certified Staff	\$539,153
Total Reductions	\$1,750,395
Reserve funds for 2 teachers based upon enrollment needs.	( \$116,000)
Total Final Reductions	\$1,634,395



# Operating Expenditure Breakdown

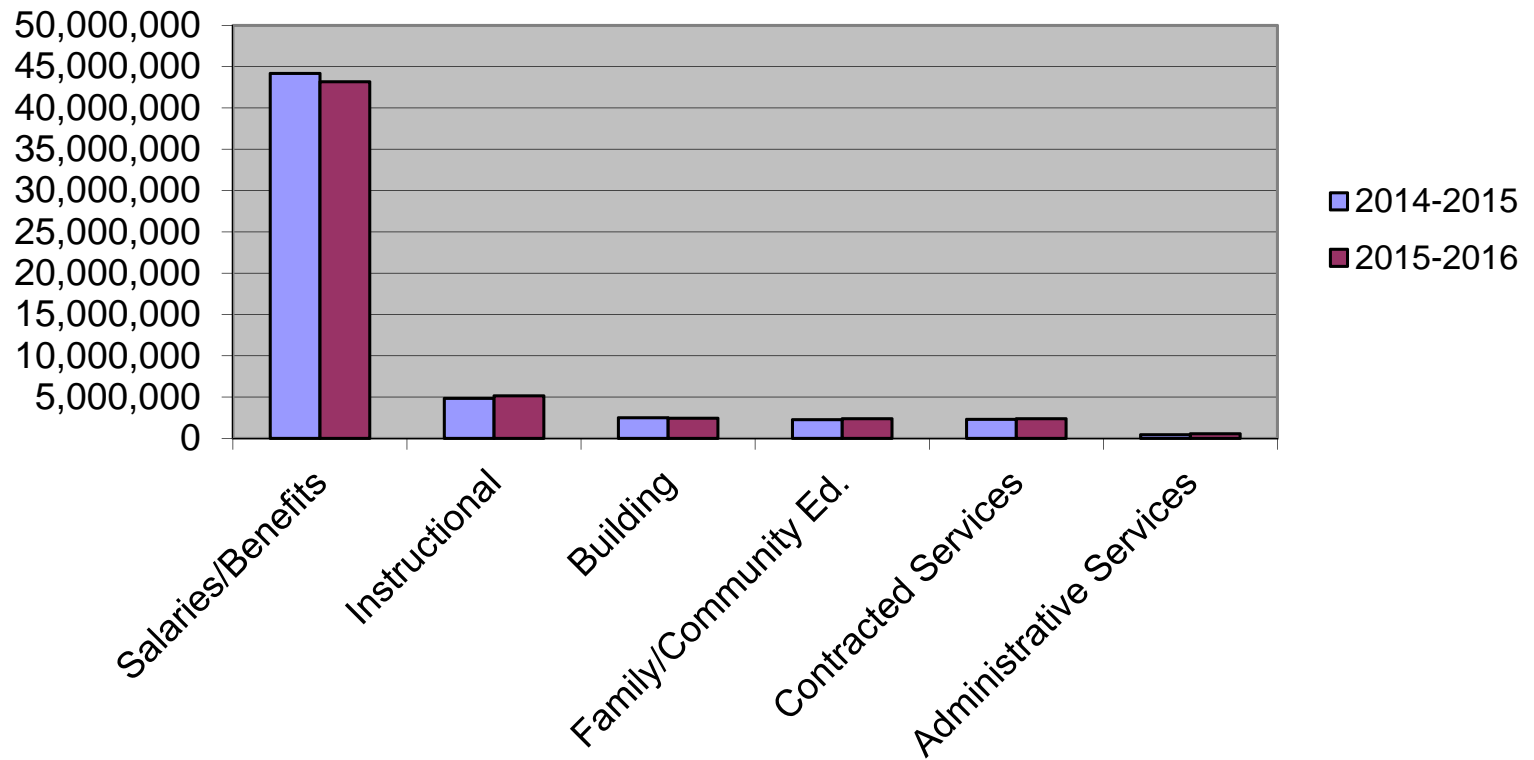


- Salaries/Benefits
- Building Costs
- Contracted Services
- Instructional Costs
- Family/Community Ed.
- Administrative Services

Salaries/Benefits	\$43,182,853
Building Costs	\$ 2,435,022
Contracted Services	\$ 2,385,543

Instructional Costs	\$ 5,146,205
Family/Community Ed.	\$ 2,575,000
Administrative Services	\$ 555,708

# Operating Expenditure Comparison



# Expenditure By Category

## SALARIES AND BENEFITS

Line Items: 36,37,39,40,41,42,43,44,49,80,89,90,91,92,93,94

## INSTRUCTIONAL COSTS

Line Items: 52,53,54,56,57,58,63,64,65,68,69,70,71,72,73,74,95,98

## BUILDING COSTS

Line Items: 51,62,67,85,86,87,88,96,97,100

## FAMILY AND COMMUNITY EDUCATION

Line Items: 77,78,81,82,84

## CONTRACTED SERVICES

Line Items: 46,47,48,55,59,75,79

## ADMINISTRATIVE SERVICES

Line Items: 45,50,60,61,66,76



**BUDGET HISTORY 2009-10 - 2014-15  
PROPOSED 2015-2016  
DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Current	2015-2016 Proposed	Comments
<b>LOCAL RECEIPTS</b>									
1	current property tax	31,324,816	36,184,184	36,958,293	37,331,775	37,541,810	37,770,946	<b>38,148,655</b>	1 Assumes 1% growth assumes 97% collection rate
2	delinquent property tax	908,656	976,460	962,273	879,634	1,036,397	696,417	700,000	
3	financial institution tax	6,908	6,155	113,485	23,200	70,694	12,235	15,000	
4	sales tax (prop C)	2,710,648	2,827,271	3,085,882	3,144,814	3,369,362	<b>3,532,000</b>	<b>2,900,000</b>	Assumes budget increase of \$100,000
5	sales tax for rollback								
6	tuition	611,244	764,794	618,022	703,515	750,933	678,811	650,000	6 Includes FDK, nonresident tuition
7	earnings on investments	25,500	17,316	32,244	12,553	8,520	10,000	7,000	
8	community education	105,095	121,819	62,531	106,449	66,969	50,900	60,000	
9	student activities	1,688,527	1,777,164	1,788,601	1,645,502	1,577,438	1,591,270	1,600,000	9 selfsupport except 130,000 athletics
10	food service	688,637	667,352	752,711	721,273	740,082	788,032	750,000	
11	other local	1,436,004	1,229,926	1,321,561	1,199,625	1,316,839	1,453,823	207,000	11 Gate receipts & athletic fees, bus passes, facilities rental
11a	Transfer Student tuition	1,564,040	1,675,689	1,158,608	1,114,894	1,117,554	1,112,102	876,375	11a \$7,250 per student and 5% reduction of students
11b	Preshool Tuition							1,200,000	
12	adventure club	820,033	800,023	930,575	1,035,809	975,463	1,105,605	1,100,000	
	audit adjustment								
	<b>sub-total local</b>	<b>41,890,108</b>	<b>47,048,152</b>	<b>47,784,786</b>	<b>47,919,043</b>	<b>48,572,061</b>	<b>48,802,141</b>	<b>48,214,030</b>	
<b>COUNTY RECEIPTS</b>									
13	finances and forfeitures	50,299	51,953	55,423	53,481	86,271	48,171	50,000	
14	state assessed utilities	422,870	348,507	599,065	513,604	563,175	565,755	500,000	
15	stock insurance tax	0	0						
	audit adjustment								
	<b>sub-total county</b>	<b>473,169</b>	<b>400,460</b>	<b>654,488</b>	<b>567,085</b>	<b>649,446</b>	<b>613,926</b>	<b>550,000</b>	

**BUDGET HISTORY 2009-10 - 2014-15  
PROPOSED 2015-2016  
DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Current	2015-16 Proposed	Comments
<b>STATE RECEIPTS</b>									
16	state foundation formula	3,456,952	3,788,927	4,544,571	5,096,108	5,151,397	5,512,496	<b>5,300,000</b>	Anticipates funding at 95%
17	cigarette tax (fair share)	0							
18	transportation	15,150	6,986	8,445	5,936	7,041	4,372	5,000	
19	exceptional pupils (reading)	0	0						
20	gifted education	0	0						
21	nonMO ins co tax (textbook)	0	0						
22	transfer students	0	0						
23	food service	4,631	5,827	6,160	8,194	7,854	8,764	8,000	
24	other state	869,074	702,626	810,145	898,926	974,259	988,784	950,000	24 Residentail Care Placement reduced funding and MPP Grant
	DNR Energy Loan/MoHEFA								
	<b>sub-total state</b>	<b>4,345,807</b>	<b>4,504,366</b>	<b>5,369,321</b>	<b>6,009,164</b>	<b>6,140,551</b>	<b>6,514,416</b>	<b>6,263,000</b>	
<b>FEDERAL RECEIPTS</b>									
25	food service	364,340	364,117	392,765	385,105	443,274	433,121	425,000	
26	title 1	542,501	480,795	516,307	468,593	313,085	382,889	350,000	
27	title VI	0	0						27 Title VI no longer exist
28	other federal	193,226	500,340	480,812	217,142	160,384	123,572	125,000	
29	even start								
	<b>sub-total federal</b>	<b>1,100,067</b>	<b>1,345,252</b>	<b>1,389,884</b>	<b>1,070,840</b>	<b>916,743</b>	<b>939,582</b>	<b>900,000</b>	
	<b>OPERATING REVENUE</b>	<b>47,809,151</b>	<b>53,298,230</b>	<b>55,198,479</b>	<b>55,566,132</b>	<b>56,278,801</b>	<b>56,870,065</b>	<b>55,927,030</b>	

**BUDGET HISTORY 2009-10 - 2014-15  
PROPOSED 2015-2016  
DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Current	2014-2015 Proposed	2015-2016 Proposed	Comments
<b>DEBT SERVICE RECEIPTS</b>									
30	Stock Insurance	0	0						
31	property taxes	4,031,255	3,956,049	3,964,242	3,994,004	3,971,527	3,984,168	3,950,000	
32	delinquent taxes	119,042	111,895	105,277	103,370	117,815	73,722	75,000	
33	financial institution tax	892	378	12,454	2,487	7,628	-	100	
34	interest earned	40,015	17,426	93,633	10,323	903	243	250	
28b	other federal		369,984	294,678	294,678	538,081	294,678	294,678	
35	state assessed utilities	79,186	62,539	108,283	91,298	99,628	95,508	85,000	
	<b>sub-total debt service</b>	<b>4,270,389</b>	<b>4,518,271</b>	<b>4,578,567</b>	<b>4,496,160</b>	<b>4,735,582</b>	<b>4,448,319</b>	<b>4,405,028</b>	
	<b>total revenue</b>	<b>52,079,540</b>	<b>57,816,501</b>	<b>59,777,046</b>	<b>60,062,292</b>	<b>61,014,383</b>	<b>61,318,384</b>	<b>60,332,058</b>	
<b>INCIDENTAL FUND EXPENSES</b>									
36	support staff (auxiliary)	1,621,884	1,653,959	1,793,463	1,847,986	1,920,530	2,045,792	1,981,097	Staff increase 1% Reduce Tech Coord. (85,153)
37	teacher aides	1,269,376	1,255,278	1,364,872	1,369,828	1,396,905	1,402,736	<b>1,221,723</b>	Reduce Aide staffing (\$196,059)
38	library aides	0							
39	secretarial staff	1,038,238	1,009,247	1,009,881	1,017,486	1,055,878	1,077,124	<b>1,066,869</b>	39 Eliminate C.O. staffing (\$21,026)
40	custodial staff	1,499,463	1,507,511	1,535,975	1,560,210	1,624,196	1,683,228	<b>1,647,963</b>	40 1% increase Eliminate 1.5 FTE (\$52,097)
41	federal programs	603,546	466,481	329,258	281,690	246,378	322,734	325,961	41 1% increase
42	retirement benefits	991,640	1,038,601	1,093,025	1,114,707	1,053,107	1,246,018	1,258,478	42 1% increase
43	health insurance	755,953	841,574	874,860	774,109	779,051	1,076,617	1,046,496	43 6% increase Employee Premium Share (\$94,718)
44	unemployment benefits	11,130	26,324	13,150	40,000	14,186	20,196	25,000	
45	new employee hiring	9,526	10,031	17,384	13,404	8,108	5,829	50,000	\$25,000 for Supt. search
46	audit by CPA firm	10,000	22,613	22,500	18,138	13,000	13,000	25,000	
47	payroll services	94,263	76,148	82,630	81,353	114,006	117,326	119,675	47 2% increase
48	legal counsel	65,556	76,548	104,215	72,470	42,665	83,688	60,000	

**BUDGET HISTORY 2009-10 - 2014-15**  
**PROPOSED 2015-2016**  
**DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Current	2015-2016 Proposed	Comments
49	medical	9,366	3,582	8,455	3,235	4,631	10,103	7,500	
50	elections	10,967	11,779	0	11,017	15,076	19,628	15,000	
51	gas/electric/water	917,615	936,720	943,719	1,109,668	1,115,827	1,220,818	1,232,772	5% increase
52	curriculum/staff developmnt	188,981	147,470	172,057	168,940	199,226	150,170	157,950	52 10% withholding
53	tuition for staff	36,363	27,778	46,814	54,890	52,352	60,000	0	Eliminate tuition reimbursement
54	commencement/accredit	8,346	-201	3,795	5,716	7,611	6,606	15,000	
55	contract transportation	215,520	275,704	267,059	208,701	242,002	264,816	271,436	55 2.5% increase
56	A+ schools grant	0	0	0	-	-	-	0	Eliminate A+ Schools Funding
57	district travel	31,639	25,259	25,190	18,275	37,689	25,567	16,875	57 reimburse at .40 per mile Eliminate travel
58	pro conf., memshps, subsc	38,734	33,346	41,065	46,527	47,117	45,518	41,375	Eliminate 50% Admin. P.D.
59	insurance	581,052	470,329	511,722	560,307	596,101	706,801	737,500	59 Assumes a 5% increase
60	telephone and postage	278,239	212,491	201,170	246,976	178,969	228,851	250,000	
61	printing	24,893	25,982	29,159	21,007	29,367	14,365	25,000	
	postage (moved to line 60)	0							
62	safety and security	89,815	58,982	59,821	60,106	109,246	72,768	80,000	
63	instructional supplies	857,711	851,242	847,423	794,568	1,015,559	987,497	434,084	63 Reduce Bldg Budgets an additional 5%
64	sixth grade camp	21,314	23,533	21,413	19,905	257	19,612	22,000	
65	guidance/testing supplies	44,179	44,339	41,710	37,859	26,658	39,685	49,410	65 5% withholding
66	administrative supplies	225,240	140,343	125,788	183,306	150,419	40,768	81,000	66 5% withholding
67	custodial supplies	204,813	169,676	194,952	235,172	162,783	163,490	160,000	
68	music supplies	18,332	16,397	14,946	13,638	16,174	20,287	23,750	68 5% withholding
69	student activities	1,601,226	1,302,290	1,900,364	1,786,635	1,537,715	1,726,371	1,650,000	
70	tech development fund	178,255	492,388	537,639	506,016	273,301	260,405	275,000	
71	textbooks	233,838	171,057	176,940	179,099	137,473	210,807	185,000	
72	coop schl dist. av materials	51,844	47,506	47,334	45,489	44,165	39,526	55,000	
73	library materials	67,668	57,192	56,675	52,149	52,742	63,386	67,275	
74	computer equipment/repair/dup	128,820	163,912	156,840	109,831	168,835	232,200	152,736	5% withholding
75	food service	1,024,659	1,011,144	1,052,339	1,080,274	851,473	1,123,235	1,156,932	75 3% increase
76	public relations	138,108	126,735	132,694	135,130	128,958	129,780	134,708	5% withholding
77	community education	66,351	68,753	58,064	51,223	47,901	46,280	60,000	

**BUDGET HISTORY 2009-10 - 2014-15  
PROPOSED 2015-2016  
DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Current	2014-2015 Proposed	2015-2016 Proposed	Comments
78	parents as teachers (caper)	273,529	108,457	124,978	123,024	120,981	109,629	115,000	78 State budget reductions to PAT
79	interest	6,709	28,284	10,731	5,118	3,000	10,025	15,000	
80	maintenance salaries	951,281	955,158	952,343	1,014,278	1,024,947	998,480	937,095	80 1% increase Eliminate Facility Management Position
81	adventure club	838,626	842,039	921,878	947,042	923,871	848,397	1,100,000	
82	head start/EEG grant	77,548	81,978	93,455	91,732	59,868	75,199	75,000	
83	children defense fund	0							
84	preschool program	925,327	956,994	1,011,756	1,091,796	1,126,655	1,192,791	1,200,000	
85	main sup hvac, elec, plb	134,882	203,896	227,241	212,645	220,780	294,031	166,250	5% withholding
86	bldg upkeep	264,283	247,706	140,519	169,350	247,037	238,802	246,500	
87	care of grounds	188,591	147,001	149,308	167,750	202,173	160,834	200,000	
88	care of vehicles	31,252	45,591	46,965	39,661	48,215	28,632	30,000	
	Audit Adjustment								
	<b>sub-total incidental</b>	<b>18,956,492</b>	<b>18,517,147</b>	<b>19,595,534</b>	<b>19,799,436</b>	<b>19,495,164</b>	<b>20,980,448</b>	<b>20,270,411</b>	
<b>TEACHERS FUND EXPENSES</b>									
89	teacher salaries	19,460,457	20,040,278	20,699,296	21,491,742	23,362,486	22,480,643	21,943,264	90 Eliminate 7.4 FTE (teachers, Coordinator FTE)
89a	Tuition to other districts							1,200,000	89a Separate tuition to other districts from teacher salaries
90	teacher sal.-spec. prog.	1,825,761	1,781,529	1,675,373	1,813,126	1,756,159	1,788,012	1,771,757	90 Reduce extra work days, Reduce 5% Supplemental Salaries
91	substitute teachers	397,088	405,438	371,428	404,550	412,107	447,658	450,000	91 sub pay = \$100.00 a day
	subs for sch bus & prof leave	0							
92	administrator salaries	2,152,507	2,151,474	2,217,017	2,460,195	2,565,077	2,661,114	2,587,319	92 0% increase Reduce .5 Admin. Position
93	health insurance	1,929,467	2,138,625	2,091,691	2,113,813	2,225,874	2,359,375	2,279,928	93 6% increase - Employee Premium Share (\$221,009)
93a	retirement benefits	3,583,719	3,763,667	3,933,667	4,131,893	4,338,296	4,292,878	4,360,294	93a 1.5% increase
94	federal programs	393,977	393,197	305,329	382,903	235,658	270,099	297,109	94 1.1% increase
	<b>sub-total teachers</b>	<b>29,742,976</b>	<b>30,674,207</b>	<b>31,293,801</b>	<b>32,798,222</b>	<b>34,895,657</b>	<b>34,299,779</b>	<b>34,889,671</b>	



**BUDGET HISTORY 2009-10 - 2014-15  
PROPOSED 2015-2016  
DRAFT BUDGET**

Line#	Description	2009-10 Actual	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Actual	2014-2015 Current	2015-2016 Proposed	Comments
<b>BUILDING FUND</b>									
95	instructional/office equip.	378,335	318,549	300,358	456,386	531,508	925,965	740,000	95 includes \$216,000 tech replacement plan
96	building improvement	71,379	202,128	297,376	328,738	355,819	266,799	270,000	96 10% withholding
97	maintenance equipment	22,241	25,515	30,982	29,888	71,928	51,777	49,500	10% withholding
98	furniture	69,535	18,740	45,228	30,361	20,742	25,325	60,750	98 10% withholding
99	bond issue expenditures								99 expenditures not included in this budget
100	energy lease expenses	554,866	6,941	80,108	435	-			100 refinanced energy lease
	Audit Adjustment								
	<b>sub-total building</b>	<b>1,096,356</b>	<b>571,873</b>	<b>754,052</b>	<b>845,808</b>	<b>979,997</b>	<b>1,269,866</b>	<b>1,120,250</b>	
	<b>OPERATING EXPENSE</b>	<b>49,795,824</b>	<b>49,763,227</b>	<b>51,643,387</b>	<b>53,443,466</b>	<b>55,370,818</b>	<b>56,550,093</b>	<b>56,280,331</b>	
<b>DEBT SERVICE EXPENSES</b>									
101	principal	2,735,000	2,160,000	2,225,000	2,280,000	2,585,000	2,460,000	15,570,000	cross-over refunding of 2006 bonds - funds held in escrow
102	interest and fees	1,610,470	2,459,838	2,915,953	3,177,424	3,280,191	3,135,361	2,993,298	
	Refund Payment Adjustment								
	<b>sub-total debt service</b>	<b>4,345,470</b>	<b>4,619,838</b>	<b>5,140,953</b>	<b>5,457,424</b>	<b>5,865,191</b>	<b>5,595,361</b>	<b>18,563,298</b>	
103	Total Expenses	54,141,295	54,383,065	56,784,340	58,900,890	61,236,009	62,145,454	74,843,629	
104	Total Revenue	52,079,540	57,816,501	59,777,046	60,062,292	61,014,383	61,318,384	60,332,058	
<b>SUMMARY</b>									
105	Operating Revenue	47,809,151	53,298,230	55,198,479	55,566,132	56,278,801	56,870,065	55,927,030	
106	Operating Expenses	49,795,824	49,763,227	51,643,387	53,443,466	55,370,818	56,550,093	56,280,331	
107	Surplus (Deficit)	(1,986,674)	3,535,003	3,555,092	2,122,666	907,983	319,972	(353,301)	
<b>108</b>	<b>Balance June 30</b>	<b>6,581,163</b>	<b>10,116,166</b>	<b>13,671,258</b>	<b>15,793,924</b>	<b>16,701,907</b>	<b>17,021,880</b>	<b>16,668,579</b>	

## **MOTIONS FOR 2014-2015 BUDGET**

I make a motion to amend the budgeted revenue and expenditures for the general, teachers, capital projects and debt service funds to be equal to actual revenues and expenditures for the year ended June 30, 2015.

I make a motion for the budget to be amended to actual for potential audit adjusting journal entries.

I make a motion to transfer from the incidental fund the amount necessary to zero out the teachers fund.

I make a motion to transfer from the incidental fund the amount necessary to zero out the capital project fund.

I make a motion to amend the 2014-2015 budget as presented.

## **MOTION FOR THE 2015-2016 PROPOSED BUDGET**

I make a motion to approve the 2015-2016 budget.