

# 2017-18 Budget Development

## December Operations Work Group

December 12, 2016

# Budget Goals

**Close alignment to the strategic framework goals:** Consistent with our vision to make every school a thriving school that prepares every student to graduate ready for college, career and community, these budget resources support the district's goals and priorities as defined in our Strategic Framework

**Demonstrate equitable use of resources to support schools with highest needs:** More in-depth reporting on how and where resources are allocated will improve awareness and help inform the process to more equitably distribute resources towards schools with the greatest need

**Improve transparency in budget development** by focusing on the staffing process and more detailed cost per pupil reporting: Presenting the budget document in a more accessible and reader-friendly format will improve accountability and better demonstrate how resources are used to support instruction

**Begin budget development earlier** to allow more time for strategic, pre-decisional input by Board and community

# Guiding Principles

- Allocate resources for greatest impact on students, raising achievement and narrowing gaps
- Leverage priority actions to accelerate gap narrowing progress
- Maintain a multi-year perspective to propel momentum and effective support to schools
- Support opportunities to innovate for organizational learning

# Budget Development Cycle

The budget development process follows a sequence which:

- Begins by establishing budget goals and guiding principles
- Creates a revenue forecast based on current law and projected enrollment
- Funds strategic priority actions
- Develops a positive compensation strategy, including salaries/wages and benefits
- Provides for expected increases, such as utilities and transportation costs
- Identifies budget balancing reductions at the central office level to reduce impact on schools
- Creates a district wide staffing plan





 MADISON METROPOLITAN  
SCHOOL DISTRICT

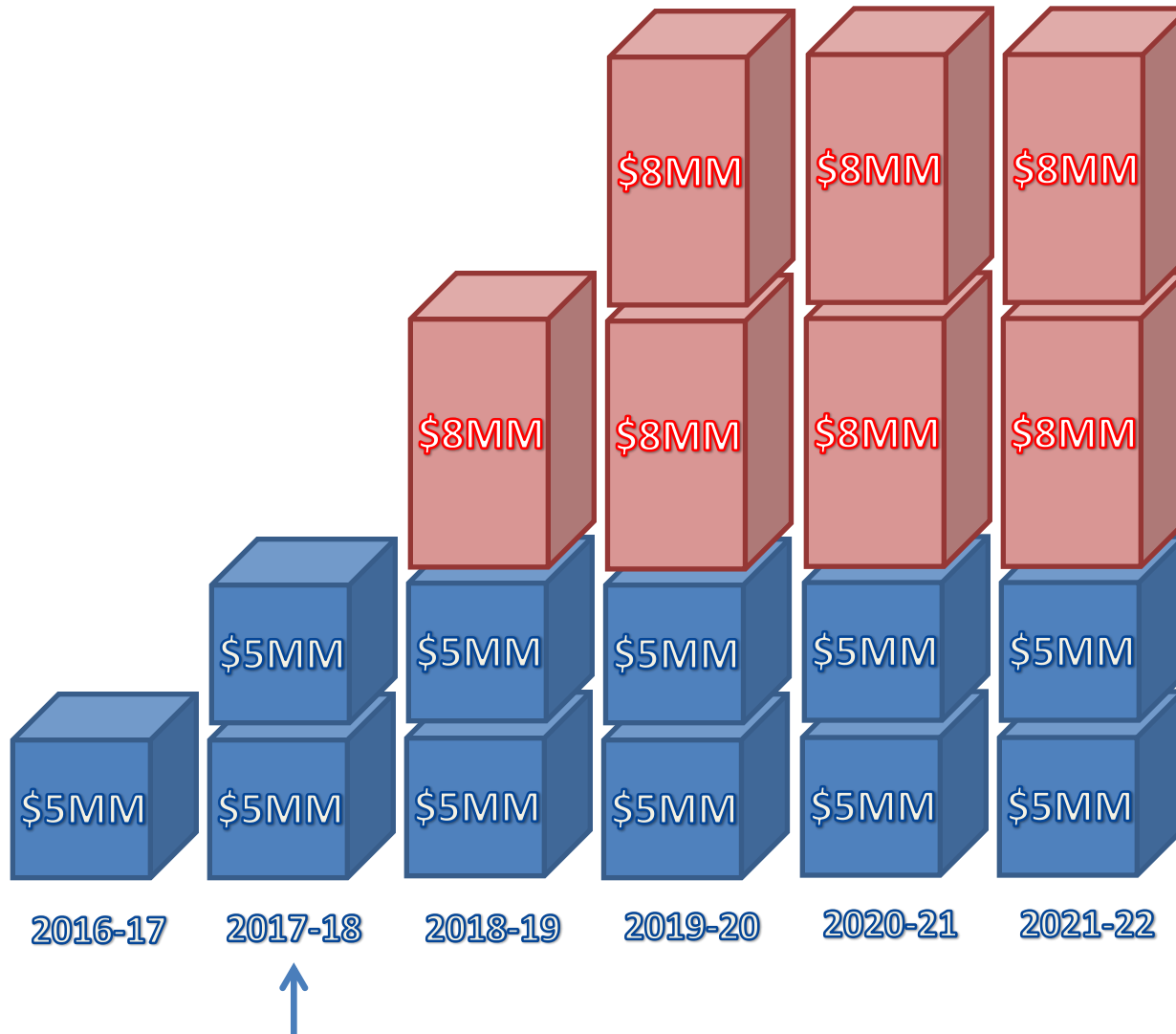
OPERATIONAL  
REFERENDUM

 74% YES

Thank you to everyone who voted in support of our  
**referendum**

It passed with a 74% majority vote

# Illustration of How Additional Revenue Limit Authority Works



# 2017-18 Revenue Factors

- \$10MM Additional Revenue Authority from the November 2016 Referendum
- TID # 25 Promissory Note provides approximately \$2 MM per Year (\$9.27MM total)
- 2017-19 state budget impact on K-12 is unknown:
  - Estimated Categorical Aid Increase of \$75/pupil
  - Enrollment estimate (early) is +75 FTE....
  - Enrollment 3-Year Rolling Average is flat
  - Will there be an Increase in Revenue Limit per Pupil?

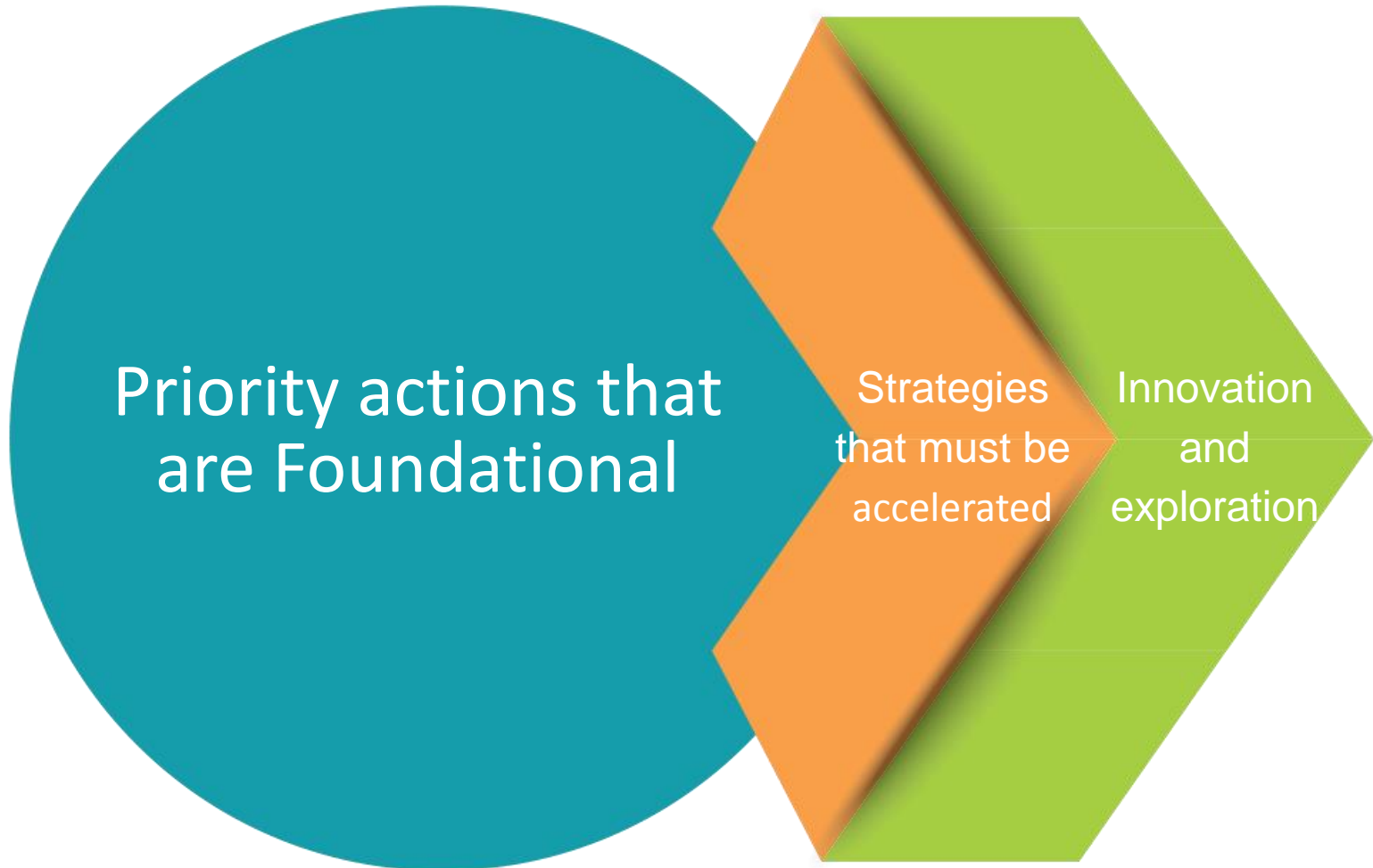
# Enrollment Projection for Revenue Limit Formula 2017-18

	<u>Actual '15-'16</u>	<u>Budget '16-'17</u>	<u>Projected '17-'18</u>
<b>Third Friday Count (Resident FTE)</b>			
Prior Year 2 September FTE	27,173	27,303	27,306
Prior Year 1 September FTE	27,303	27,306	27,219
Current Year September FTE	27,306	27,219	27,294
Summer School (Converted FTE)	626	576	580
<b>Three Year Rolling Average for Revenue Limit</b>	<u>27,511</u>	<u>27,522</u>	<u>27,510</u>

*The revenue limit formula uses a resident enrollment count adjusted for FTE. This count differs from the classroom head count reported by RAD.*



# Sustained Focus on Strategic Priority Actions

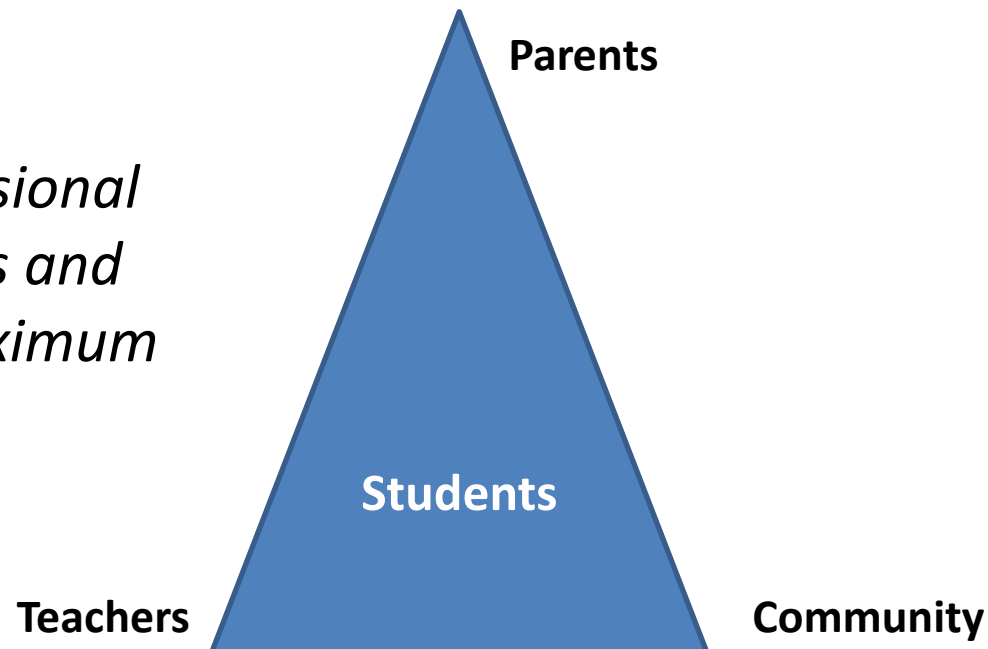


# Strategic Priority Actions

## Accelerated Areas of Focus

- All 9<sup>th</sup> graders will be on-track to graduate college, career and community ready
- All 3<sup>rd</sup> graders will be proficient readers

*Strategically aligns professional learning, human resources and family/community for maximum engagement and impact*



# Strategic Priority Actions Discussion

- Are these the right accelerated priorities?
- Is there anything missing?

# Compensation Strategies

- Prior Years Strategy
  - Funded step advancement, lane movement, & base wage increase (varies), offset by multiple reductions in personnel / non-personnel areas
- For 2017-18
  - With referendum resources, provide for step advancement, lane movement, and base wage increase (TBD), without multiple offsetting reductions
  - Additionally, looking for a win-win on health insurance design which could provide additional employee compensation

# Compensation Strategies (Cont.)

## Current Year Data - Three HMO Model

- Prior Year's Health Insurance Strategy
  - Cost containment through negotiation, plan design changes, and employee premium contribution
- For 2017-18 Health Insurance Strategy
  - Continue recent cost containment strategies, or...
  - Look for a win-win on health insurance design which could provide additional employee compensation

Active Enrollees Only	GHC	Dean	Unity	Total
Single	\$ 6,073.32	\$ 7,757.64	\$ 8,148.72	
Family	\$ 16,215.96	\$ 20,402.64	\$ 21,431.16	
Blended	<b>\$ 13,649.06</b>	<b>\$ 16,823.87</b>	<b>\$ 18,066.64</b>	
Pct Single	25.31%	28.30%	25.33%	25.95%
Pct Family	74.69%	71.70%	74.67%	74.05%
Total Enrolled	<b>1,948</b>	<b>795</b>	<b>983</b>	<b>3,726</b>
Actual Plan Enrollment	\$ 26,588,369	\$ 13,374,974	\$ 17,759,503	\$ 57,722,845
Maximum Exposure	\$ -	\$ -	\$ 67,316,284	\$ 67,316,284
Minimum Exposure	\$ 50,856,397	\$ -	\$ -	\$ 50,856,397

\*Excludes PPO, POS Plans

# 2017-18 Budget Development Status as of December 2016

Goals & Guiding Principles	Complete
Revenue Forecast	Referendum and TID Funds Help, State ?
Strategic Priority Actions	In Development
Salary & Wage Plan	Assume Step, Lane, % Base Wage
Employee Benefits Plan	Exploring Benefits Design
Required Allowances	Complete
Staffing Plan	Assume Current Levels (TBD-January)

# Next Month - Staffing Plan

- Referendum impact helps to prevent staff reductions, does not necessarily fund additional FTE
- School staffing levels have been reduced by 130 FTE in past two years, although student/teacher ratios remain favorable overall in MMSD
- Operating premise in early budget work is to hold school staffing plan at or very near current levels
- Web-based redesign of staffing workbook will create a better and more efficient tool for allocating staff (cross-functional work team includes: T&L Team, Chiefs, HR, Budget Team)