

2016-17 BUDGET PARAMETERS

Edina Public Schools are well positioned

- Excellent strategic plan
- Strong financial management
- Problem-solving administrative team
- Continued growth in enrollment
- Proactive process involving many stakeholders
- Communication to all staff/community

Budget Focus to be used by the Board, administrators, sites, staff and community

Maximizes resources to ensure successful, innovative and personalized learning for all students, blending alignment of time, talent and funds

Finance

- The district implemented a long range financial planning model
- Fund balance to remain at 8% as per current board policy guidelines
- The 2016 Legislative session is currently pending. Results of the legislative session will be incorporated into the budget in June 2016.

Enrollment (ADM) Parameters

1. A four year averaged ratio enrollment projection calculation has been used to project future years. This method assumes slow and steady growth between 0% and .5% per year. If open enrollment is closed in certain areas of the district, this will impact projections.
2. Pupil Unit Weighting Factors – Pre-Kindergarten 1, Kindergarten Disabled 1, Grades K-6 1 and Grades 7-12 1.20.
3. Average Daily Membership (ADM) increase of 48 which is a 1/2% increase. Adjusted Pupil Units (APU) increase of 63 which is a 1/2% increase.

Revenue Budget Parameters

1. General Education Revenue (GER) amount per APU is at \$6,067 for 2016-17 which includes a 2% increase over 2015-16. The base assumption for 2017-18 and beyond is a 1% increase. A 1% increase in GER is approximately \$500,000. Most of the GER is for the general operation of the school district and is not designated by the State for a specific purpose. GER is funded by state aid.
2. Basic Skills Revenue – Basic Skills revenue includes the former compensatory, Limited English Proficiency (LEP), and LEP concentration revenues. While these revenues are combined into a single category, the funding available for Basic Skills revenue is based on existing formulas for the individual components. LEP Average Daily Membership is estimated to be 208. Compensatory revenue is based on October 1, 2015 free and reduced lunch counts and is estimated to be \$388,000.
3. Gifted and Talented revenue is \$13 per APU for 2016-17 which is estimated to be \$121,400.
4. Operating Referendum monies in the General Fund equal \$1,404 per APU.

5. Beginning in FY 2015, Location Equity Revenue (LER) is a new component of GER. For districts in the metro area, the revenue equals \$424 per APU. The LER is subtracted from the referendum allowance.
6. Equity revenue is calculated by a formula that evaluates the highest paid districts and the lowest paid districts in the state. It is estimated that the district will receive \$94 per APU for 2016-17.
7. Operating Capital revenue has a component representing the former equipment formula (\$79 per APU), a component representing the former facilities formula (\$109 times the District's maintenance cost index, age of buildings), and a learning year rate (\$31 per APU). It is estimated that the district will receive \$232 per APU for 2016-17.
8. Safe Schools revenue is \$36 per APU for 2016-17 which is estimated to be \$336,000.
9. Special Education Revenue: Beginning in 2015-16, the state is implementing new special education formulas. There will be three calculations for state special education aids using prior year data. The district will receive the lesser of these calculations:
 - a. "Old formula" calculations excluding transportation times .62
 - b. Districts nonfederal special education expenditures excluding transportation times .50
 - c. Census-based calculations times .56
10. The district is in its third year of implementing a third party billing program. The revenue from this program is estimated at \$157,000 and will pay for the costs of contracted services associated with the program and unreimbursed special education substitute costs.
11. The 2 year grant cycle for the Alternative Delivery of Specialized Services (ADSIS) program aid is for the 15-16 and 16-17 years. Budget parameters assume maintenance of the ADSIS funding and approval of another 2 year grant. If funding is not approved, appropriate adjustments will need to be implemented.
12. The 2011 legislature approved literacy incentive aid for 2012-13 and beyond. Aid will be dependent upon the previous year enrollment and reading MCA results for both third and fourth graders. Estimates for revenue are \$515,000.
13. Federal aids are estimated to correspond to federal expenditure increases.
14. Miscellaneous revenues will be approximately the same amount.
15. Gifts and donations revenue will equal gift and donation expense.
16. Interest revenue is based on current interest rates and available cash flow for investments.
17. Federal Stimulus JOBZ dollars to be committed for use in future years to balance the budget.

Expenditure Budget Parameters

1. Staffing –The 2015-16 staffing base FTE was based on January 1, 2015 estimated ADM calculations. The current estimated actual ADM for 2015-16 was less than projected for the HS and elementary. Staffing will be adjusted

- according to the Board budget plan to be approved in March 2016. The base long range plan does not include staffing for enrollment growth.
2. Salaries and fringe benefits are actual amounts for settled contracts. An inflationary increase based on regional and historical trends is planned for non-settled contracts. Total budget salaries and benefits for all General Fund staff in 2015-16 is \$83,700,000 prior to additions for enrollment growth or reductions. A 1% increase in employee compensation equals approximately \$837,000.
 3. Lane changes are estimated at \$250,000 which is based on actual lane changes from the previous year.
 4. TRA employer rate increase of .5% which started with 2011-12 is estimated at \$250,000 per year.
 5. Instructional contingency of \$100,000, strategic contingency of \$100,000 and special education contingency of \$50,000 to be used at the start of the school year to address student needs and class size concerns. Any additions funded with contingency funds will be for the 2016-17 year only.
 6. A three-year history will be used to project gas and electricity costs with consideration given to current utilities rates. Utilities costs are allocated to Food Service and Community Service programs for the calculated portion of their usage.
 7. Supply allocations – Allocations are based on projected ADM for 2016-17 with a 2% inflationary increase. These budget allocations are based upon the projected ADM data as of January 1, 2016. Sites will have carryover of their non-salary allocations as well as their staff development allocations. Sites are to work with Principals and the Special Services Director to determine appropriate budget amounts for ELL, gifted, and special education at each respective site.
 8. Equipment Allocations – Operating Capital allocations are based on projected ADM for 2016-17, building age and square footage.
 9. Currently, the district is not anticipating the need to borrow for cash flow purposes. The district will continue to monitor state budget forecasts and legislative activity for potential impact to cash flow.
 10. Purchased services, supplies, and miscellaneous expenditures will increase 3%.
 11. Federal program, alternative compensation and WMEP expenditures equal appropriate program revenue.
 12. Staff Development expenditures will equal 2% of GER.
 13. Substitute budgets and overtime budgets are based on prior year's history of costs.
 14. Annual Other Post Employment Benefit (OPEB) costs are estimated to be \$785,000 per year.
 15. Federal Stimulus JOBZ Expenditures – please see note 15 under revenue parameters.
 16. Reduction of one time expenditures added in 2015-16 with contingency funds.
 17. Reduction of one time enhancements added in 2015-16.