WELCOME

Community Budget Meeting
Thursday, March 3, 2016
5:30-7:00
Trustee Don Ryan, Board Budget Committee Chairperson
INCREMENTAL BUDGETING

• Use the current budget as the basis to calculate the new budget
• DETERMINE ESTIMATED REVENUES
• DETERMINE ESTIMATED EXPENDITURES
• COMPARE
• DETERMINE NECESSARY ACTION
GENERAL FUND
$69,376,743 of taxes:

- Property taxes
- Income taxes

Inflationary increase of 1.79% only applied to these components
HOW IS REVENUE ESTIMATED?

This year’s local and state allocations (no reserves) $69,376,743

Additional STATE FUNDING:
Factors:
* Enrollment
* Inflation
Applied to Parts of the Funding Formula
$563,581

New revenue amount $69,940,324

If inflation were applied for entire past revenue = $1.24M
HOW IS REVENUE ESTIMATED?

**ONE YEAR AGO**

This year’s local and state allocations w/o reserves $67,400,825

Additional STATE FUNDING:

Factors:
* Enrollment
* Inflationary Funding Formula
* Changes HB 27

$1,885,545

New amount of Revenue $69,286,370

2nd year of the biennium estimate: $900,000
HOW ARE EXPENDITURES ESTIMATED?

Preliminary Basic Assumptions

• Assume current expenditures are on-going while looking for efficiencies

• Estimate General Fund Budget Cost Increases & Earmarks:
  • Contractual obligations (example: longevity)
  • Health Insurance Premium Increases
  • Other Operational Cost of Living Increases (paper, etc.)
Compare the two (2015-2016):

This year’s local and state allocations w/o reserves
$67,400,825
+$600,000 reserves to make budget (on-going costs)

Anticipated estimated increases:
- Data for Achievement
- Operational cost Increases
- Contractual Obligations
- Health Insurance
  $1,714,705

New general fund budget amount needed estimate
$69,715,530

Estimated New State Funding
$1,885,545

Use of Reserves
$430,000

New revenue amount
$69,716,370
Historical Expenditure Estimates

Year to Year Roll Over Costs

- Longevity
- Teacher Lanes
- Health Insurance
- Other

Costs for:
- 2013-2014
- 2014-2015
- 2015-2016
Factors in Balancing the Budget

• **Potential increases to expenditures:**
  • Contractual employee longevity estimate: $740,000
    • The longevity steps on the teachers’ salary schedule represents a 1.8% increase to the total salary amount.
  • Each 1% employee base raise estimate: $400,000
  • Each 1% health insurance premium increase estimate: $87,000

• **Potential efficiencies, cuts, transfers, cost savings:**
  • More Foundation Director Salary paid by Foundation = $20,000+
  • Workers’ Compensation Insurance premium decrease = $84,000
  • Use of reserves
  • Others TBD

• **Potential increases to revenues:**
  • Operational Levy
    • Elementary: up to $1,025,645
    • High School: up to $131,278
  • Technology Levy: Elementary and/or High School
Technology Levy

- Only in May
- Elementary and/or High School
- 10 year sunset
- Parameters for use
  - Can’t be used for salaries/benefits
- Data from other districts...next time...
DETERMINE THE 2016-2017 BUDGET NEED

A.

This year’s local and state allocations w/o reserves
$69,376,743
+$430,000 reserves to make budget (on-going costs)

Anticipated estimated cost increases:
Ignore Contractual Obligations
0% Raise
0% Health Insurance

$0

New general fund budget amount needed to maintain comprehensive programming and staffing
$69,806,743

Impossible scenario... for illustration purposes only.
Compare the two (2016-2017):

A.

This year’s local and state allocations w/o reserves
$69,376,743
+$430,000 reserves to make budget (on-going costs)

Anticipated estimated increases:
Ignore Contractual Obligations
0% Raise
0% Health Insurance Increase
$0

New general fund budget amount needed estimate
$69,806,743

Estimated New State Funding
$563,581

New revenue amount
$69,940,324

$133,581 Surplus

Impossible scenario...for illustration purposes only.
DETERMINE THE 2016-2017 BUDGET NEED

B.

This year’s local and state allocations w/o reserves:

$69,376,743

+$430,000 reserves to make budget (on-going costs)

Anticipated estimated cost increases:

Contractual Obligations
1.79% Raise

5% Health Insurance

$1,891,000

New general fund budget amount needed to maintain comprehensive programming and staffing:

$71,697,743

* $740,000 longevity + $716,000 1.79% raise + $435,000 health insurance = $1,891,000
Compare the two (2016-2017):

This year’s local and state allocations w/o reserves
$69,376,743
+$430,000 reserves to make budget (on-going costs)

Anticipated estimated increases:
- Contractual Obligations: 1.79% Raise
- 5% Health Insurance Increase
  $1,891,000

New general fund budget amount needed estimate
$71,697,743

Estimated New State Funding
$563,581

New revenue amount
$69,940,324

Shortfall
$1,757,419

Options
a. Levy: $1,156,923
   If passes...$600,496 remaining...cuts &/or reserves
b. $1,757,419 in cuts/transfers/efficiencies
c. $1,757,419 in reserves
d. Combination of any of the above
DETERMINE THE 2016-2017 BUDGET NEED

C.

This year’s local and state allocations w/o reserves: $69,376,743 + $430,000 reserves to make budget (on-going costs)

Anticipated estimated cost increases:
- Contractual Obligations: $740,000

New general fund budget amount needed to maintain comprehensive programming and staffing: $70,546,743

*$740,000 longevity only
Compare the two (2016-2017):

C.  

This year’s local and state allocations w/o reserves $69,376,743 +$430,000 reserves to make budget (on-going costs)

Anticipated estimated increases:
- Contractual Obligations $740,000

New general fund budget amount needed estimate $70,546,743

Estimated New State Funding $563,581

New revenue amount $69,940,324

$606,419 Shortfall

Options
a. Levy
b. Cuts/transfers/efficiencies
c. Reserves
d. Combination any of the above
DETERMINE THE 2016-2017 BUDGET NEED

This year’s local and state allocations w/o reserves
$69,376,743
+$430,000 reserves to make budget (on-going costs)

Anticipated estimated cost increases:
Contractual Obligations
0% Raise
5% Health Insurance
$1,175,000

New general fund budget amount needed to maintain comprehensive programming and staffing
$70,981,743

*$740,000 longevity + $435,000 health insurance = $1,175,000
Compare the two (2016-2017):

D. 

**This year’s local and state allocations w/o reserves**

- $69,376,743
- +$430,000 reserves to make budget (on-going costs)

**Anticipated estimated increases:**

- Contractual Obligations
  - 0% Raise
- 5% Health Insurance Increase
  - $1,175,000

**New general fund budget amount needed estimate**

- $70,981,743

**Estimated New State Funding**

- $563,581

**New revenue amount**

- $69,940,324

**Shortfall**

- $1,041,419

Options

a. Levy
b. Cuts/transfers/efficiencies
c. Reserves
d. Combination any of the above
Great Falls Public Schools
ENDING FUND BALANCES – June 30, 2015

Each fiscal year, the district is required to complete a financial breakdown of ending fund balances in all funds. In 2011, the Governmental Accounting Standards Board (GASB 54) required that ending fund balances must be categorized into more specific, easier to understand fund balances rather than just being classified as an ending fund balance amount. It also delineates the extent to which a government is bound to observe constraints imposed upon the use of the resources. Below is a category description and listing of fund balances as of June 30, 2015.

Non-spendable - $1,748,556
Resources not in a spendable form or are legally required to be maintained intact.
- Prepaid Insurance: $595,590
- Warehouse Inventory: $325,642
- Tech Warehouse: $50,423
- Endowment: $471,249
- School Food Inventory: $258,433
- Prepaid Dues & Fees: $47,219

Restricted - $20,261,988
Constraint EXTERNALLY imposed by third party (grantor, contributor, etc.) State Constitution or by enabling legislation. Legally enforceable by external parties.
- Impact Aid: $9,509,722
- Retirement: $1,561,994
- Transportation: $1,497,424
- Student Activities: $1,347,773
- Technology Fund: $1,209,685
- School Food Service: $1,122,052
- Building Fund: $1,058,778
- Compensated Absence: $873,735
- Traffic Education: $536,723
- Inter-local Agreement: $413,747
- Building Reserve: $373,323
- Adult Education: $371,093
- Private Purpose Trust: $65,967
- Rental Fund: $13,084
- Debt Service: $1,109

Committed - $6,732,871
Constraint INTERNALLY imposed by local government’s highest level of authority (Council, Board, etc.) of formal action using the highest level of decision making authority.
- General Fund – reserves: $6,732,871

Assigned - $8,400,091
Constraint is an INTERNAL expression of intent by governing body or authorized official.
- Rate Stabilization Reserve: $3,204,545
- Medicaid: $1,584,270
- Internal Local: $914,471
- Indirect Costs: $806,477
- OTO Deferred Maintenance: $508,248
- Skyline Ride: $430,693
- Athletics Revenue Enhancement: $405,268

Unassigned - $0
No constraints.
- General Fund – cash re-appropriated: $0

The ending fund balance information is a combination of both the audited financial statements and Trustees Financial Summary (TFS). The TFS is the final closeout of a fiscal year. During the audit process, combinations of funds are reported together which may lead to a small discrepancies between the two reports. (The county superintendents annual report of balances listed in the newspaper may not reflect audit adjustments depending on the nature of the adjustment.) 1/20/16
## Impact Aid

### Revenues

<table>
<thead>
<tr>
<th></th>
<th>10-11</th>
<th>11-12</th>
<th>12-13</th>
<th>13-14</th>
<th>14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Elem Payments</strong></td>
<td>$892,449</td>
<td>$616,050</td>
<td>$627,758</td>
<td>$489,755</td>
<td>$618,763</td>
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<tr>
<td><strong>Interest</strong></td>
<td>$100,134</td>
<td>$71,029</td>
<td>$52,561</td>
<td>$17,583</td>
<td>$41,428</td>
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<tr>
<td><strong>Total</strong></td>
<td>$992,583</td>
<td>$687,079</td>
<td>$680,320</td>
<td>$507,338</td>
<td>$660,191</td>
</tr>
</tbody>
</table>

| **HS Payments** | $114,773 | $76,605 | $70,619 | - | $66,100 |
| **Interest** | $14,088 | $10,003 | $7,303 | $3,866 | $4,339 |
| **Total** | $128,861 | $86,608 | $77,922 | $3,866 | $70,439 |

**Combined** | $1,121,444 | $773,687 | $758,241 | $511,204 | $730,630 |

### 2015-2016 Expenditures

- **Total Budget:** $1,419,687.00
- **SPED, 292,420, 21%**
- **Loy, 197,035, 14%**
- **Utilities, 777,733, 55%**
- **Tech, 116,910, 8%**
- **Maintenance, 35,549, 2%**

*Only High School budgeted item is utilities, $261,370.*

### Anticipated reserve balance

June 30 = $8.8M
### Federal Funds

**Trends:**
- We should anticipate a decrease of $40,000 to $50,000 in state special education funding. This funding is linked to total enrollment, less students mean less special education funding.
- Ending Supplemental Educational Services will stabilize Title Budgets with the movement of two staff people from IIA to Schoolwide.
- Set aside for SES will help to maintain current staffing.
- IDEA remains stable through the expenditure of current year Medicaid funds.
- The termination of the Striving Readers grant represents a significant loss in technology funds. Over the last five years five school have spent over $2.5 million for computers and related technology. Based the termination of this grant current technology integration cannot be maintained.
- Career and College Readiness funding appears to be increasing.
- Planning for how to fund the expanded preschool program, based on the Preschool Development Grant must begin in 2016-2017.

### Grant Totals

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formula Grants</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>IDEA Federal</td>
<td>$2,470,221</td>
<td>$2,438,956</td>
<td>$2,324,289</td>
<td>$2,320,754.00</td>
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<tr>
<td>IDEA Elem. State</td>
<td>$1,462,242</td>
<td>$1,592,502</td>
<td>$1,678,469</td>
<td>$1,728,272.00</td>
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<td>IDEA Sec. State</td>
<td>$623,530</td>
<td>$612,070</td>
<td>$645,820</td>
<td>$634,285.00</td>
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<td>IDEA Preschool</td>
<td>$79,340</td>
<td>$74,840</td>
<td>$75,106</td>
<td>$75,116.00</td>
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<td><strong>IDEA Totals</strong></td>
<td>$4,635,333</td>
<td>$4,718,368</td>
<td>$4,723,684</td>
<td>$4,758,427.00</td>
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<tr>
<td>Title 1 A</td>
<td>$530,247</td>
<td>$880,360</td>
<td>$774,244</td>
<td>$788,758.00</td>
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<td>Title 1 School wide</td>
<td>$3,177,276</td>
<td>$2,548,714</td>
<td>$2,386,267</td>
<td>$2,328,880.58</td>
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<td>Title 1 A (all pass through)</td>
<td>$46,813</td>
<td>$41,090</td>
<td>$34,417</td>
<td>$24,013.00</td>
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<td><strong>Title 1 Totals</strong></td>
<td>$3,754,336</td>
<td>$3,470,164</td>
<td>$3,160,511</td>
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<td>Title 1 D ($55,200 pass through)</td>
<td>$80,825</td>
<td>$52,154</td>
<td>$93,461</td>
<td>$94,300.00</td>
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<tr>
<td>Title II</td>
<td>$996,728</td>
<td>$833,003</td>
<td>$763,036</td>
<td>$748,425.00</td>
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<td>Title III</td>
<td>$93,766</td>
<td>$123,213</td>
<td>$146,867</td>
<td>$138,747.00</td>
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<td>Title X</td>
<td>$33,391</td>
<td>$21,295</td>
<td>$9,707</td>
<td>$16,273.00</td>
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<td>Federal ABLE</td>
<td>$80,505</td>
<td>$85,612</td>
<td>$95,469</td>
<td>$118,599.00</td>
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<td>State ABLE</td>
<td>$43,071</td>
<td>$48,874</td>
<td>$57,276</td>
<td>$69,235.00</td>
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<tr>
<td>EL Civics</td>
<td>$17,921</td>
<td>$18,730</td>
<td>$19,565</td>
<td>$19,144.00</td>
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<tr>
<td>Perkins</td>
<td>$196,897</td>
<td>$194,362</td>
<td>$209,736</td>
<td>$202,636.00</td>
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<td>Gifted and Talented</td>
<td>$11,607</td>
<td>$14,667</td>
<td>$10,566</td>
<td>$25,835.00</td>
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<tr>
<td>Academic Achievement</td>
<td>$10,524</td>
<td>$10,524</td>
<td>$10,524</td>
<td>$-</td>
</tr>
<tr>
<td>Graduation Matters MT</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Jobs for Montana Grads</td>
<td>$3,000</td>
<td>$1,500</td>
<td>$3,000</td>
<td>$93,000.00</td>
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<td>Indian Ed Grant</td>
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<td>$277,408</td>
<td>$271,431</td>
<td>$295,190.00</td>
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<td><strong>Formula Grant Totals</strong></td>
<td>$10,241,618</td>
<td>$9,874,874</td>
<td>$9,574,833</td>
<td>$9,721,463</td>
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<tr>
<td><strong>Competitive grants</strong></td>
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<tr>
<td>MIECHV</td>
<td>$115,000</td>
<td>$105,832</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Asthma Grant</td>
<td>$-</td>
<td>$1,500</td>
<td>$-</td>
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<tr>
<td>Parenting Partners</td>
<td>$1,050</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Striving Readers</td>
<td>$1,585,364</td>
<td>$1,693,406</td>
<td>$1,364,741</td>
<td>$1,060,495.00</td>
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<tr>
<td>Childhood Obesity</td>
<td>$38,067</td>
<td>$23,380</td>
<td>$18,446</td>
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<tr>
<td>TROOPS</td>
<td>$366,553</td>
<td>$244,821</td>
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<td>$-</td>
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<td>Teaching American History</td>
<td>$358,176</td>
<td>$334,700</td>
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<td>$-</td>
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<td>Perkins Special Populations</td>
<td>$-</td>
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<td>$30,000</td>
<td>$-</td>
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<tr>
<td>Perkins Pathways Grant</td>
<td>$-</td>
<td>$-</td>
<td>$12,000</td>
<td>$-</td>
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<tr>
<td>MT Preschool Dev. Grant</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$600,000.00</td>
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<td><strong>Competitive Grant Totals</strong></td>
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<td>$2,403,630</td>
<td>$1,425,187</td>
<td>$1,660,495</td>
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<td>Impact Aid</td>
<td>$758,241</td>
<td>$511,204</td>
<td>$730,630</td>
<td>$700,000.00</td>
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<tr>
<td><strong>Grant Totals (excluding Impact Aid)</strong></td>
<td>$13,464,069</td>
<td>$12,789,708</td>
<td>$11,730,650</td>
<td>$12,081,958</td>
</tr>
</tbody>
</table>
Student Achievement
Goal: Increase student achievement for all students while closing the achievement gap.
All students graduate and are college and/or career ready
Every school must improve teaching and learning
Every student will make at least one year of academic growth in each school year

Healthy, Safe and Secure Schools
Goal: The District will provide all students a healthy, safe, and secure school environment in which to learn
Protect the health, safety and welfare of all students within the District
Have plans and supporting resources available to carry out this responsibility

Stewardship and Accountability
Goal: Provide prudent stewardship and accountability of public resources to best support educational opportunity and student success.
Resources to provide educational opportunity through an instructional core and comprehensive programming
Maximize operational efficiency and public accountability within a sustainable budget
Recognize a need for a 21st Century learning environment, changing student population with more diverse needs
Recognize that there are uncertain revenue streams and escalating costs
GFPS has been a stable and well-managed community institution since 1888.
No long-term taxpayer debt

South Campus... 1998-2007
DETERMINE NECESSARY ACTION FOR A BALANCED BUDGET

With the understanding that the Board has been elected to make final budget-related decisions, they want to know what do you think?
Community Input

- CPS System
- Thank you Assistant Superintendent Ruth Uecker
- Clickers
Community Input

- **General Information:**
  - Are you a community member or district employee?
  - Indicate your age range.
  - Indicate your gender.
  - How many meetings have you attended?

- **Potential increases to revenue:**
  - Do you believe GFPS should seek an Operational Levy in order to increase general fund revenues?
  - If GFPS were to seek an Operational Levy, would you support it?
  - Do you believe GFPS should seek a Technology Levy?
  - If GFPS were to seek a Technology Levy, would you support it?

- **Potential efficiencies, cuts, transfers, cost savings:**
  - Do you believe GFPS should use reserves to meet SOME, NONE or ALL of the anticipated deficits?
Expenditures:

- Information: 2015-16 teacher salary schedule

<table>
<thead>
<tr>
<th>Start</th>
<th>City</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Helena PCAP</td>
<td>$38,017</td>
</tr>
<tr>
<td>1.</td>
<td>Bozeman</td>
<td>$38,802</td>
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<tr>
<td>2.</td>
<td>Billings</td>
<td>$36,821</td>
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<tr>
<td>3.</td>
<td>Missoula</td>
<td>$33,994</td>
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<tr>
<td>4.</td>
<td>Great Falls</td>
<td>$32,702</td>
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<tr>
<td>5.</td>
<td>Butte</td>
<td>$32,258</td>
</tr>
<tr>
<td>6.</td>
<td>KalisPELL</td>
<td>$30,320</td>
</tr>
</tbody>
</table>

Given this information, do you feel GFPS teachers are adequately paid?

Do you feel GFPS should cut programs/staff in order to balance the budget?
What’s next...

• Cabinet will continue to true-up the numbers for accuracy.
• Cabinet will prepare any additional information to present on March 9.
• Board Budget Committee recommendation on March 9.
• Board meeting on March 28.
Other Timelines

- **Friday, April 1**: Deadline for Trustees to set levy amount
  - March 28 Board Meeting
- **Tuesday, May 3**: Election
- No later than **August 25**: Budget adopted by Trustees
Thank you for coming!

- Closing Remarks
- Trustee Don Ryan, Chair of the Board Budget Committee