



Board Work Session

FY 2012 and Beyond

A new Beginning

November 1, 2011

Agenda

I. Re-Cap FY 2011 and FY 2012

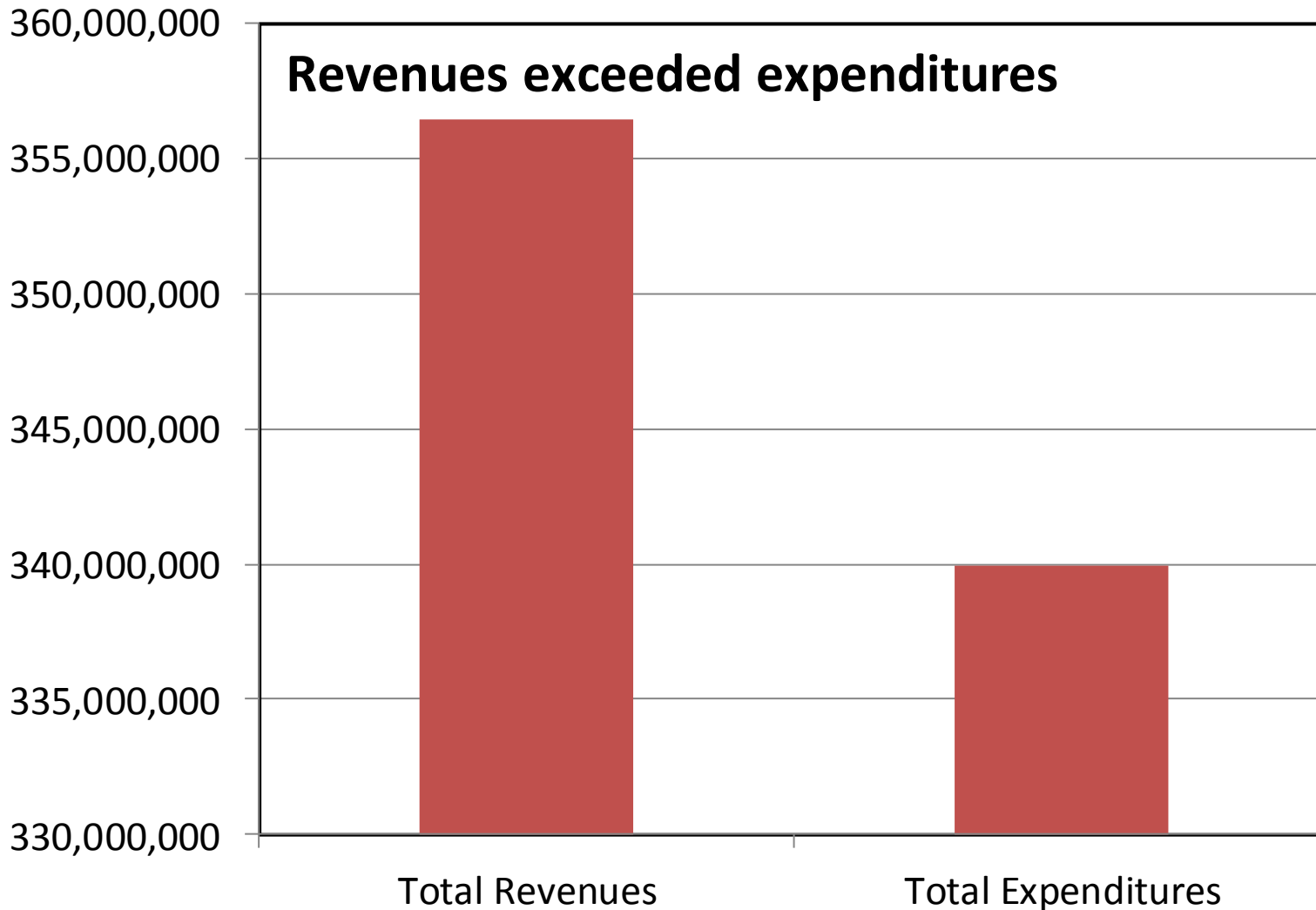
II. FY 2013 Forecast

III. Next Steps

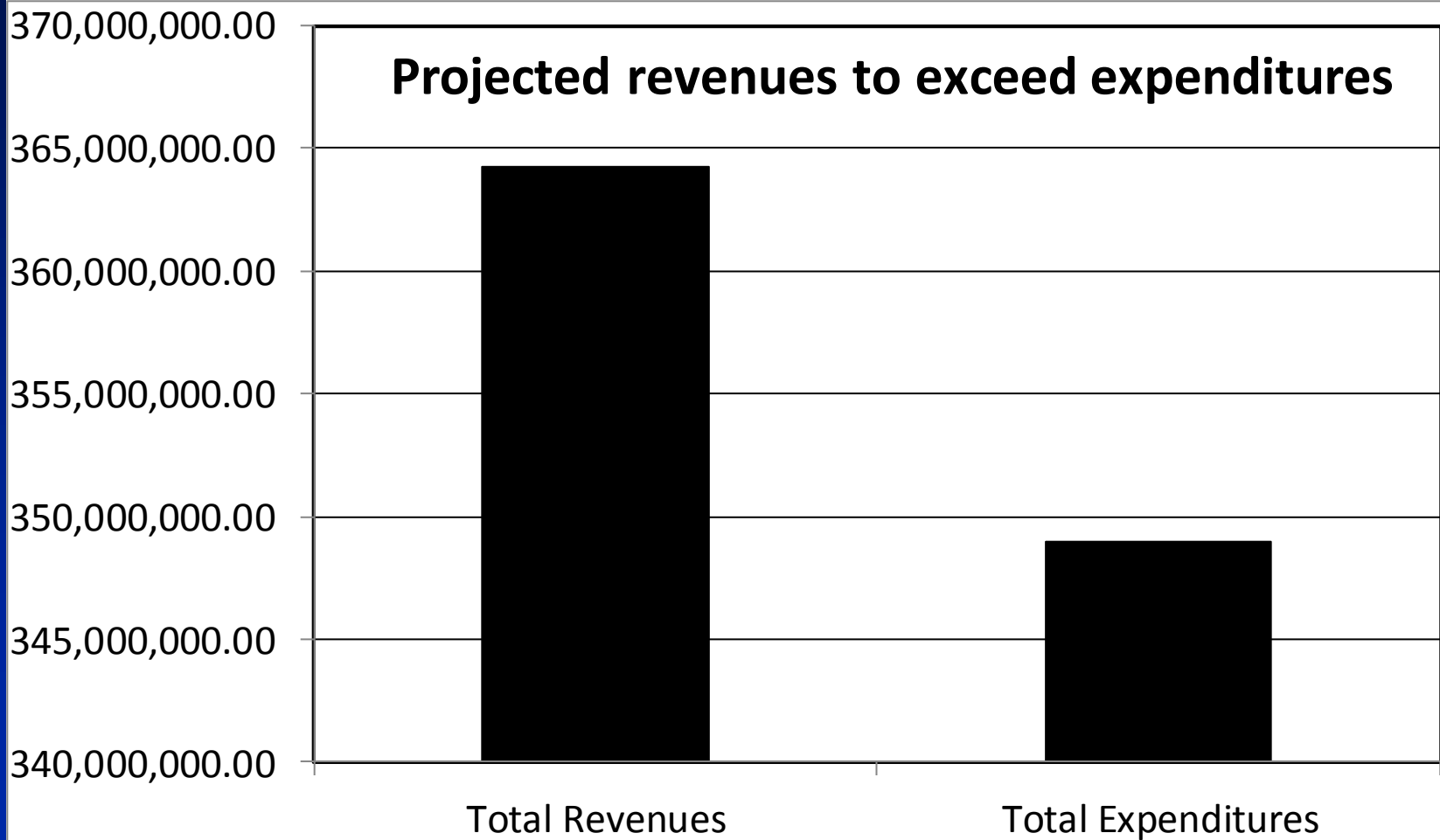
IV. Comparative Data

- All Staff
- Impact By Building
- Other Metro Districts

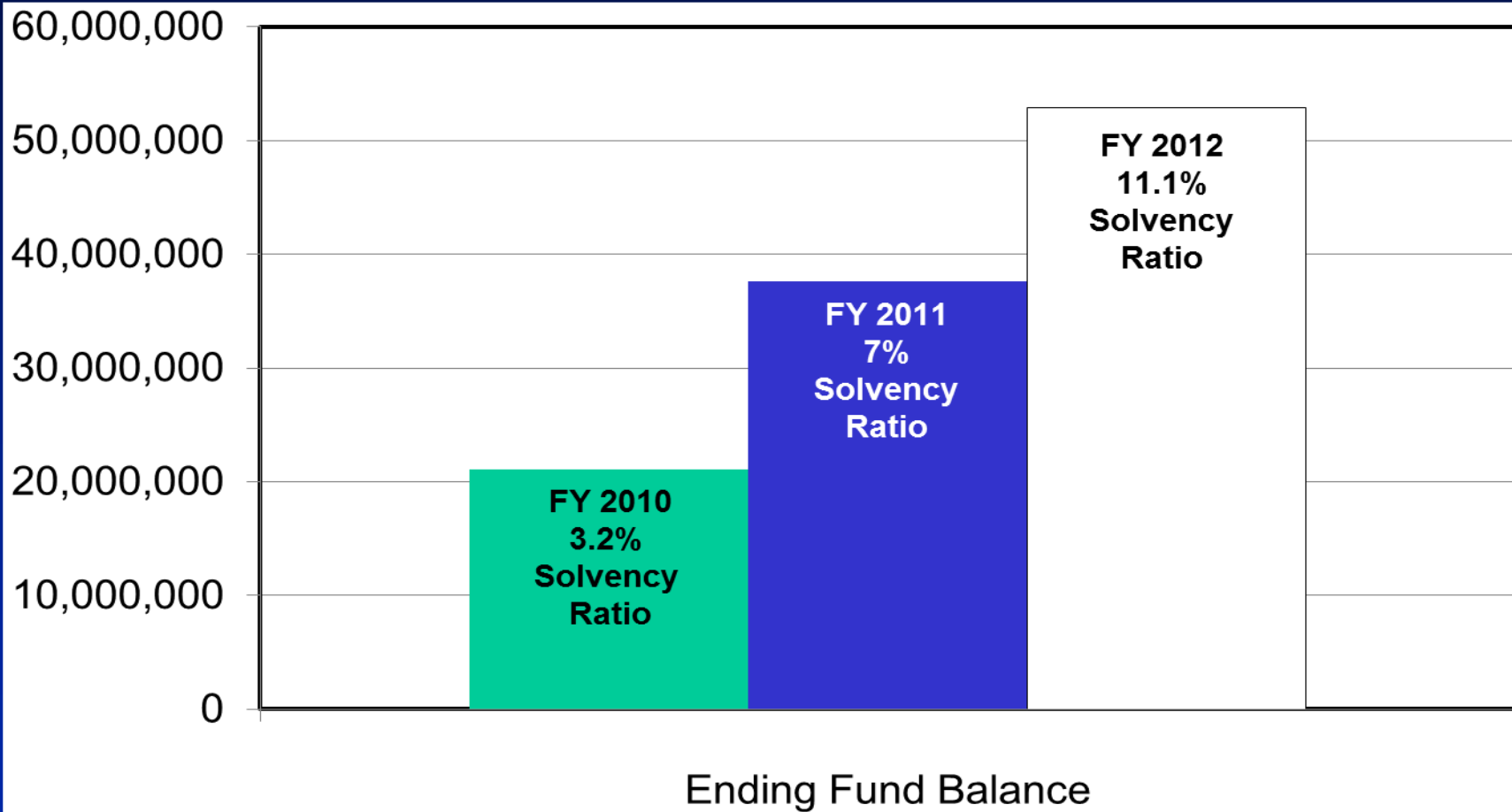
FY 2011



FY 2012



Fund Balance-Solvency Ratio



FY 2013 Assumptions

- **FY 2013 based on updated estimates to revenue per Aid & Levy final worksheet**
- **FY 2012 expenditures adjusted based on FY 2011 actuals**

FY 2013 Assumptions

- **Decrease in Polk County valuations=reduction in FY 2013 Property Tax Revenues**
- **FY 2013 with 2% Allowable Growth = \$118 X 30,975**
- **FY 2013 Expenditures based on historical growth**

FY 2013



Allowable Growth FY 2013

<u>Allowable Growth</u>	<u>Gap</u> (Preliminary)
2% (Governor approved)	\$5.7 million

\$5.7 million

FY 2013 Projections

Projected Revenues FY 2012	\$364. m	
	+3.6m	2% Allowable growth (state aid)
	-1.5m	Property tax decrease, due to valuations
	-4.3m	ARRA & Edujobs ending
	-3.7m	Other Federal Grants ending
	-.7m	Heartland AEA cuts
	-.3m	Other state, local & misc. revenues lost
FY 2013 Budgeted Revenues	=\$357.m	
Projected Expenditures FY 2012	\$349.m	
	+15.m	Salary , benefits, net attrition (estimated)
	-.7m	Spending decrease due to Heartland AEA cuts
Budgeted Expenditures FY 2013	\$363.m	
	=(\$5.7m)	Short Fall for FY 2013

FY 2013

A Loss of \$5.7 million equals

- **77 FTE's**

or

- **Loss of roughly \$180.00 per student**

Federal Funding Issues

Grants ending in FY 2012

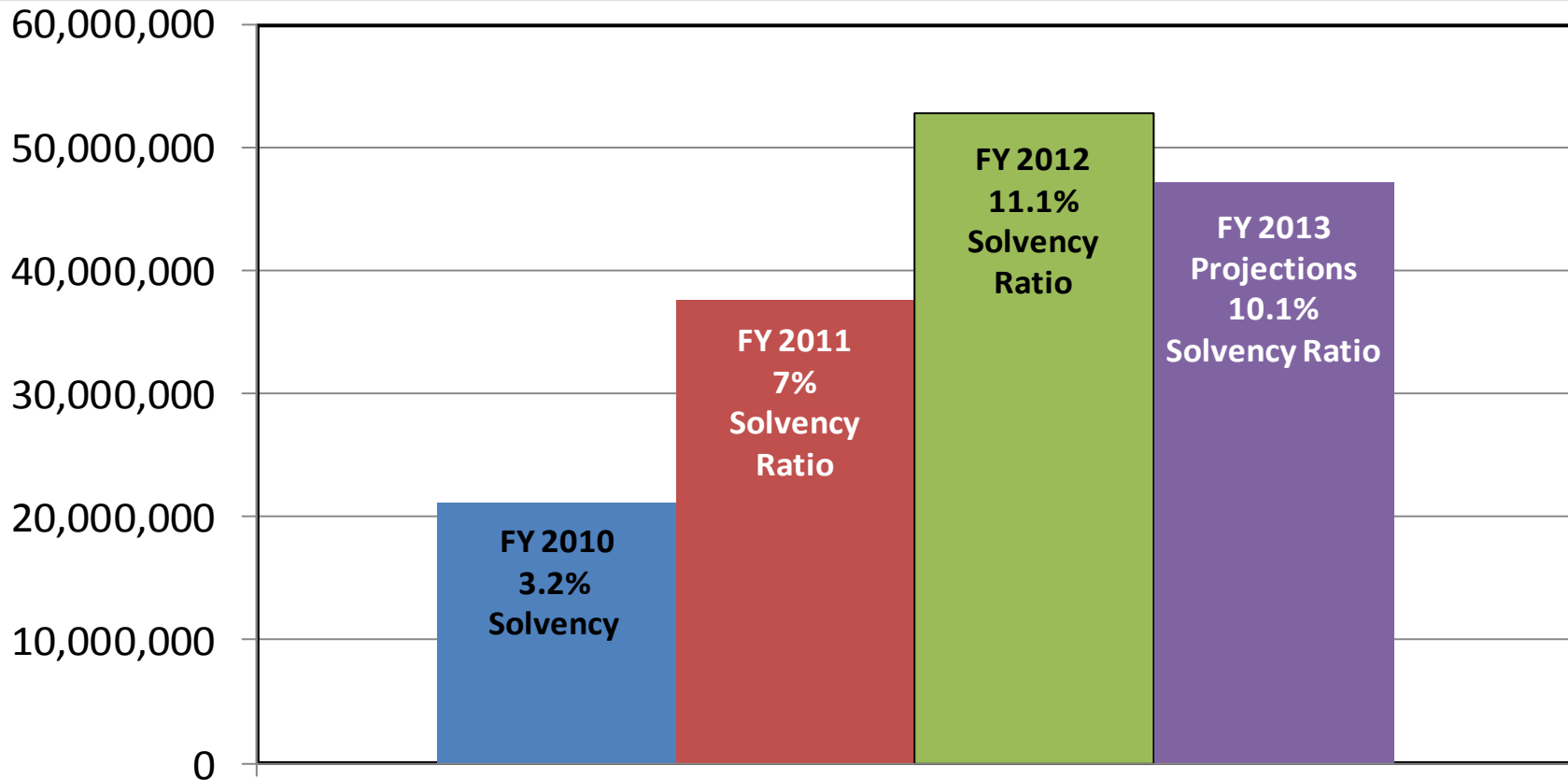
- ✓ Edujobs
- ✓ Title I
- ✓ Small Learning Communities
- ✓ 21st Century Learning
- ✓ Gear Up
- ✓ Harkin Early Childhood
- ✓ Early Reading First

Federal Funding Issues

Grants ending in FY 2013

- ✓ Science Partnership
- ✓ 21st Century
- ✓ SIG funds

Fund Balance-Solvency Ratio



Ending Fund Balance

**Where
do we go from
here?**

Draft - Proposed Budget Development Timeline

Citizen's Budget Advisory Committee -presentation to the board	Feb/March 2012 (Date TBD) Special Board meeting
Employee's Budget Advisory Committee -presentation to the board	Feb/March 2012 (Date TBD) Special Board meeting
Board Budget Workshops	As requested by Board
Proposed FY 2013 Budget Released	Date TBD
Public Forums and Board Discussion	Date TBD -Regular Board Meeting Date TBD -Budget Forum Date TBD -Budget Forum Date TBD -Regular Board Meeting
Publication By law, must be published 10-20 days before Public Hearing; Overall total budget and tax rate cannot change after publication	March 14 - March 24, 2012
Public Hearing-Board Adoption & Certification of FY 2013 Budget	Tuesday, April 3, 2012
Certification to County (statutory deadline; April 15, 2011)	Friday, April 13, 2012

Board Budget Parameters

- The Superintendent recommends that the Board discuss preliminary FY 2013 budget parameters and priorities, as well as the guiding principles they wish the Citizen's Budget Advisory Committee and the Employee's Budget Advisory Committee to follow in the course of its deliberations.
- At the same time the Board wishes to discuss its preliminary FY 2013 budget development parameters and priorities within the context of Management Limitation 2.5 – Financial Planning/Budgeting which states:
 - *Financial planning for any fiscal year or the remaining part of any fiscal year may not deviate materially from the Board's Ends priorities, risk financial jeopardy.*

Potential Resolutions

- 1) Review all contracts for Goods and Services for 20% savings**
- 2) Right size organization –big savings**
- 3) Negotiations - benefits**
- 4) Absenteeism – under controls**
- 5) With the recommended solvency ratio at 8% the funds could be used to manage budget shortfalls. On average, 2.1 million per year for four years.**

Recommendation

Solvency Ratio:

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>*2012</u>	<u>**2013</u>
3.3	3.2	7.0	11.1	10.1

- It is essential that the District maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable rates.
- Fund balance levels are a crucial consideration in long term financial planning.
- Credit rating agencies monitor levels of fund balance as well as unrestricted fund balance in a government's general fund to evaluate the District's continued credit worthiness.
- The GFOA recommends a fund balance equaling 2 months of expenditures, 16% of revenue . For the GFOA that amount is 57.5 million.
- The Council of Great City Schools fund balance range from a negative (10%) to 35%. The median is 8% .
- My recommendation is that DMPS adopt the median of the Great City Schools which is 8% of revenue.
- Adopting this as policy will free cash flow, approximately \$8.5 million, to use on one-time items and to manage budget short-falls over the next 4 years.

**Projected*
*** Estimated*

Take Away.....

- 1) Expenditures are rising faster than revenues, projected expenditures up 4% projected revenue down 2%**
- 2) Short fall in FY 2013 includes the lost federal funding (excluding Title 1; carry over funds are sufficient to get through FY 2013)**
- 3) Solvency Ratio increase this time period went from 3.2% to a projected 10.1% in FY 2013. (As the fund balance decreases this rate will also decrease)**
- 4) Excess fund balance = one-time expenditures**
- 5) The Short Fall does not include**
 - 1) Funding for additional Mandates**
 - 2) Governor Reform expenses**
 - 3) New JOB program revenues**
 - 4) New District programs or people**

Comparative Data Staffing

Cumulative Impact of Reductions

Staffing

	FY 2011	FY 2012	Change
<i>Selected groups:</i>			
Administrators	115	117	+2
Teachers	2667	2691	+24
Operations	414	408	-6
Crafts	46	44	-2
<u>Overall:</u>	4595	4642	+47

FY 2010 to FY 2011 total reduction was 149 FTE's
FY 2011 to FY 2012 The number of FTE's increased

Teacher Positions- High Schools & Middle Schools

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
East	127.3	127.3	0
Hoover	72.0	71.5	-0.5
Lincoln	120.0	123.0	3
North	71.0	71.0	0
Roosevelt	79.4	82.2	2.8
Central Campus	69.0	69.4	0.4
Scavo	18.5	19.9	1.4
Brody	43.8	43.3	-0.5
Callanan	40.2	40.2	0
Charter School	NA	7.6	7.6
Gateway	3	5.3	2.3
Goodrell	41.2	40.7	-0.5
Harding	43.4	49.4	6.0
Hiatt	47.0	44.5	-2.5
Hoyt	48.5	49.3	0.8
McCombs	36.0	38.0	2.0
Meredith	44.0	43.0	-1.0
Merrill	37.8	38.7	0.9
Orchard Place	12.6	13.5	0.9
Van Meter	35.0	36.0	1.0
Weeks	54.0	54.0	0

Enrollment Count;
Preliminary numbers
show little change
from FY 2011 to FY
2012

Teacher Positions- NW Elementaries

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
Cattell	34.1	34.1	0
Cowles	18.2	19.5	1.3
Findley	29.1	34.8	5.7
Greenwood	28.8	28.8	0
Hanawalt	26.8	25.8	-1.0
Hillis	32.0	32.0	0
Hubbell	28.8	27.9	-0.9
King	33.3	31.7	-1.6
Madison	32.2	29.2	-3.0
Monroe	44.6	44.5	-0.1
Moulton	46.8	43.8	-3.0
Oak Park	32.6	33.8	1.2
Perkins	33.8	30.9	-2.9
Samuelson	35.0	35.5	0.5
Smouse	29.0	29.0	0
Walnut Street	20.8	21.7	0.9
Windsor	32.3	30.8	-1.5

Enrollment Count;
Preliminary numbers
show little change
from FY 2011 to FY
2012

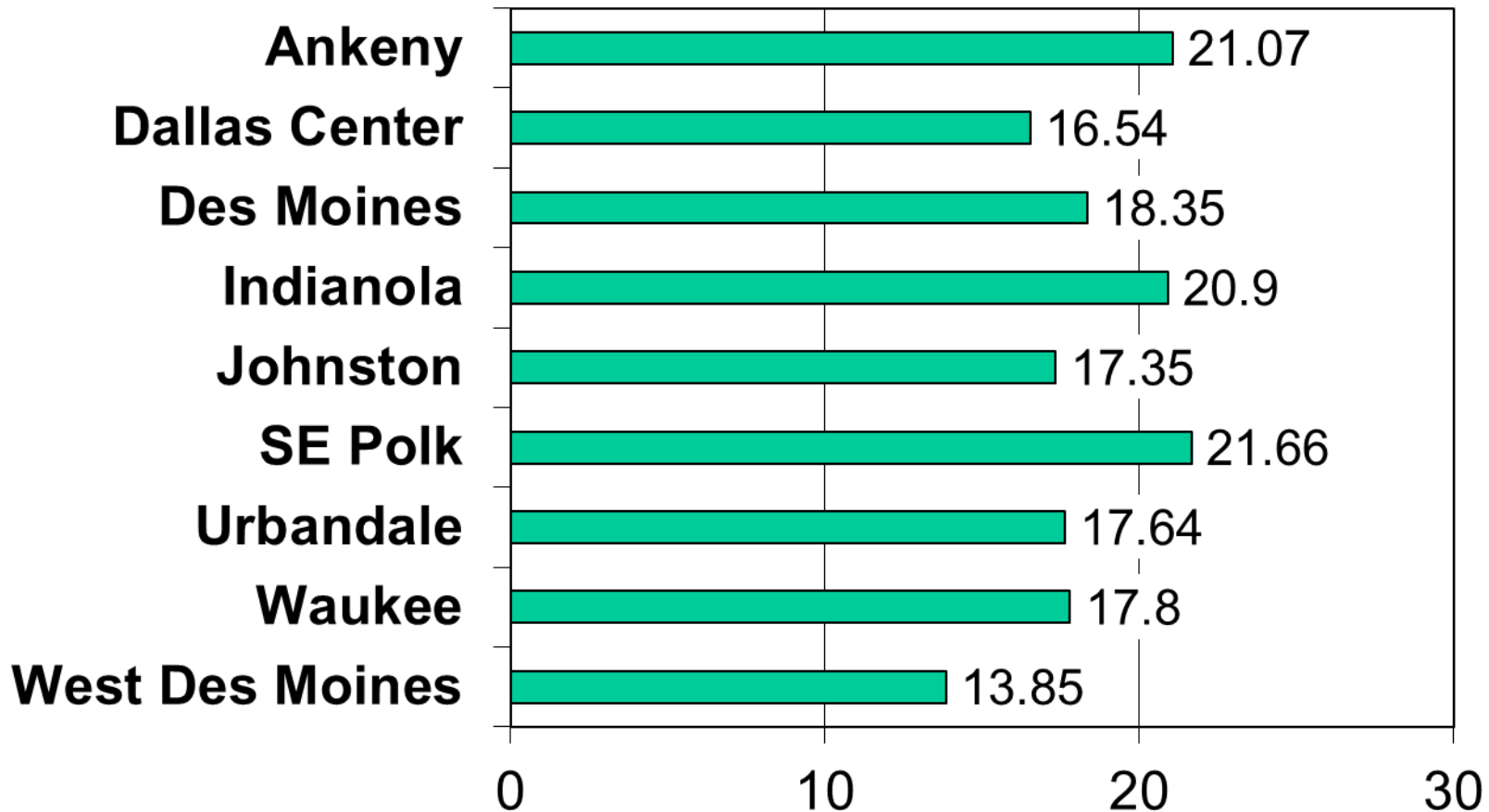
Teacher Positions- South and East Elementaries

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
Brubaker	54.1	55	0.9
Capitol View	56	52.5	-3.5
Downtown	19	20.05	1.05
Edmunds	29.7	32.3	2.6
Garton	49.5	47	-2.5
George Washington	57.7	54.5	-3.2
Howe	22.1	21	-1.1
Jackson	32.3	33.3	1
Jefferson	23.6	23.8	0.2
Lovejoy	29.3	30.08	0.78
McKinley	29.6	30	0.4
Morris	52.5	50.5	-2
Park Ave	41.3	37.8	-3.5
Phillips	22.7	22.7	0
Pleasant Hill	19.8	20.8	1
River Woods	42.5	41.5	-1
South Union	43.5	43.5	0
Stowe	34.9	35.7	0.8
Studebaker	32.4	31.4	-1
Willard	38.9	38.4	-0.5
Wright	21.6	19	-2.6

Enrollment
Count;
Preliminary
numbers show
little change from
FY 2011 to FY
2012

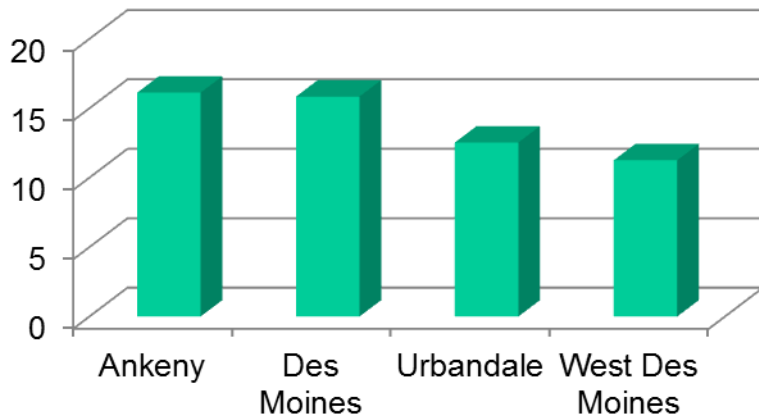
Comparative Data Other Metro Districts

Metro Area vs. District Tax Rates FY 2012

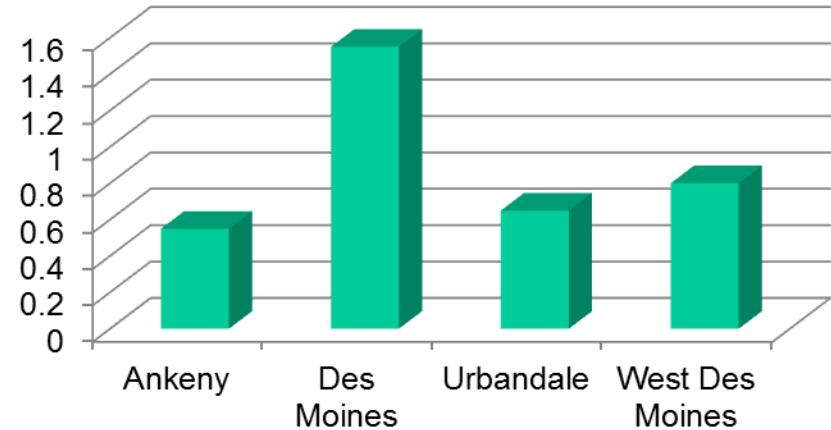


FY 11-12 Comparison Data by FUND- School District Tax Levy Rates

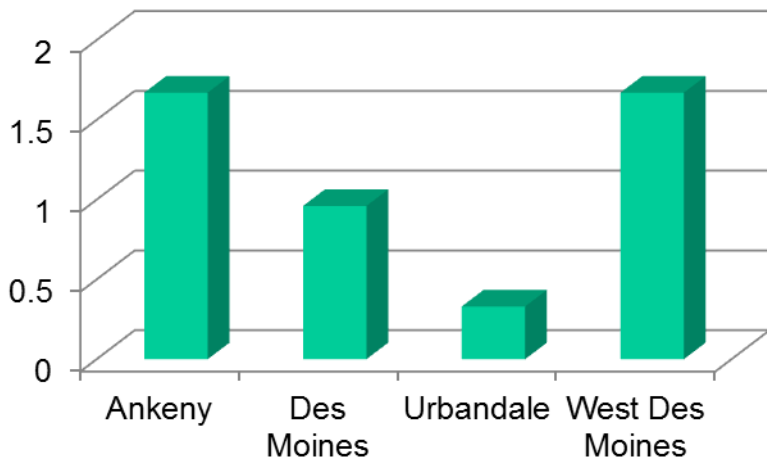
General Fund



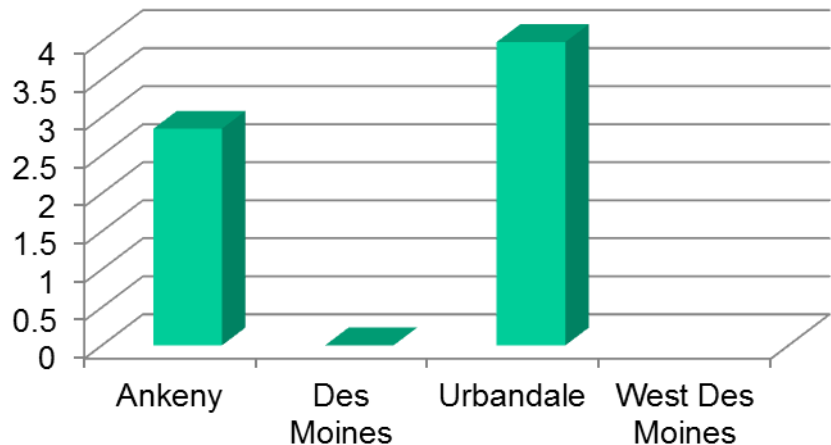
Management Fund



PPEL/PERL

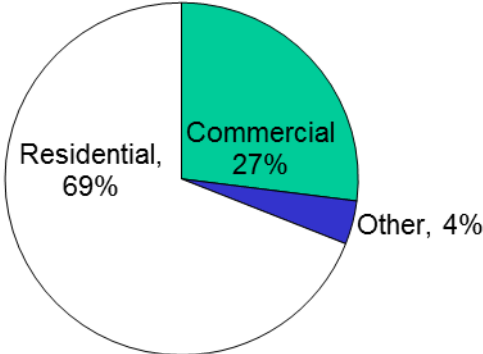


Debt Service

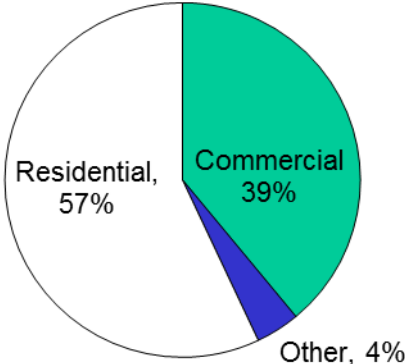


FY 11-12 Comparison Data- Sources of Taxable Valuation

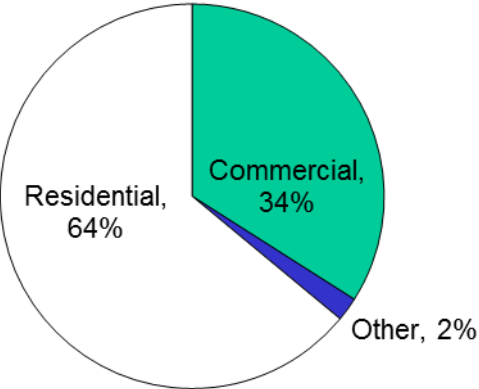
Ankeny



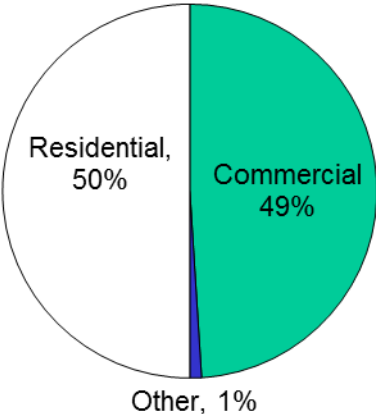
Des Moines



Urbandale

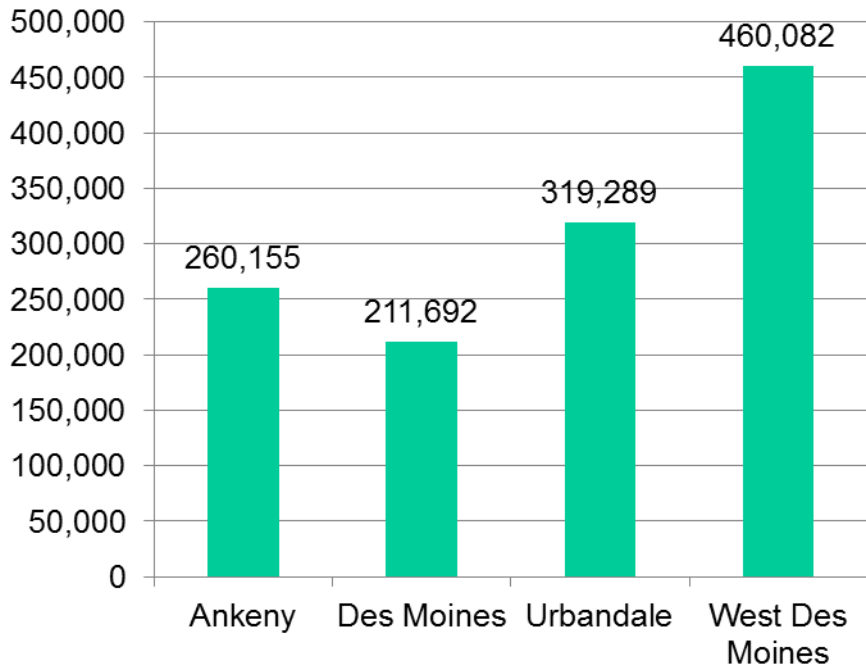


West Des Moines

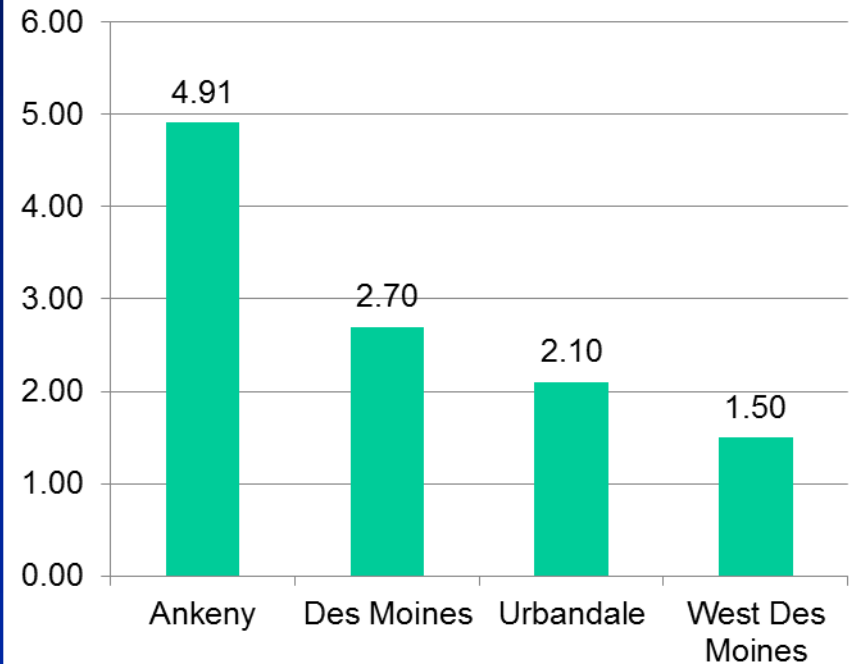


Comparison Data- Financial Indicators FY 11-12

Taxable Valuation Per Pupil

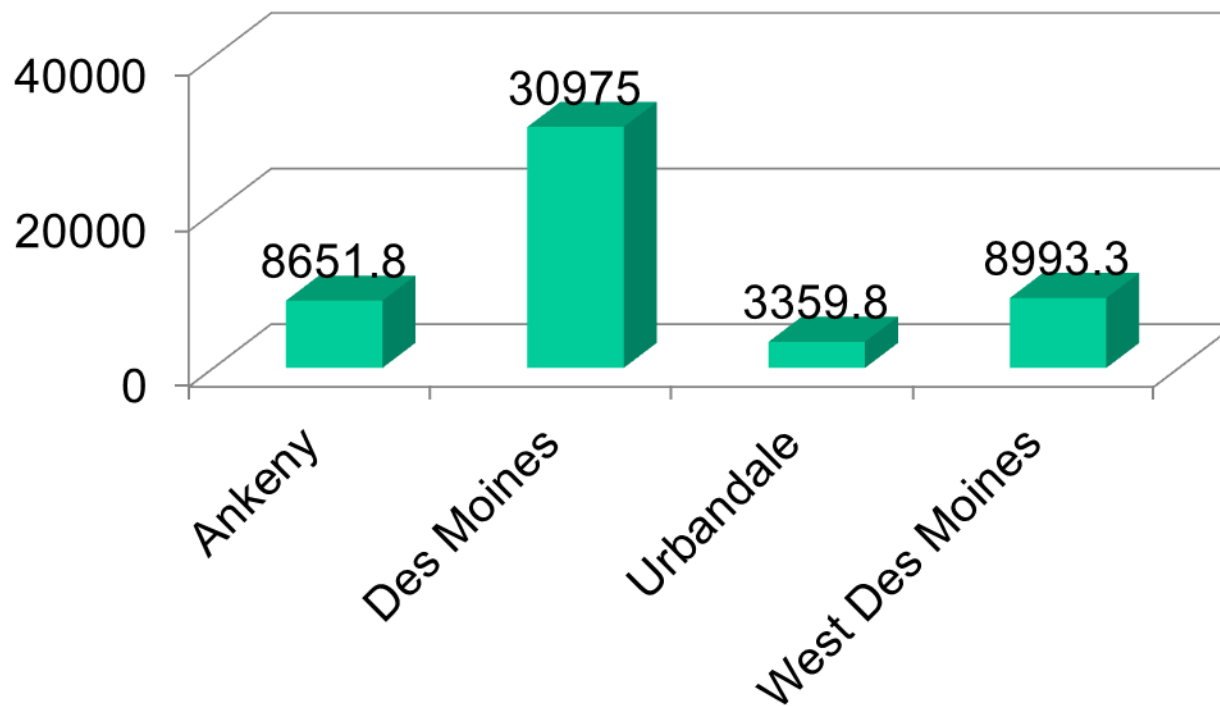


% Growth In Taxable Valuation



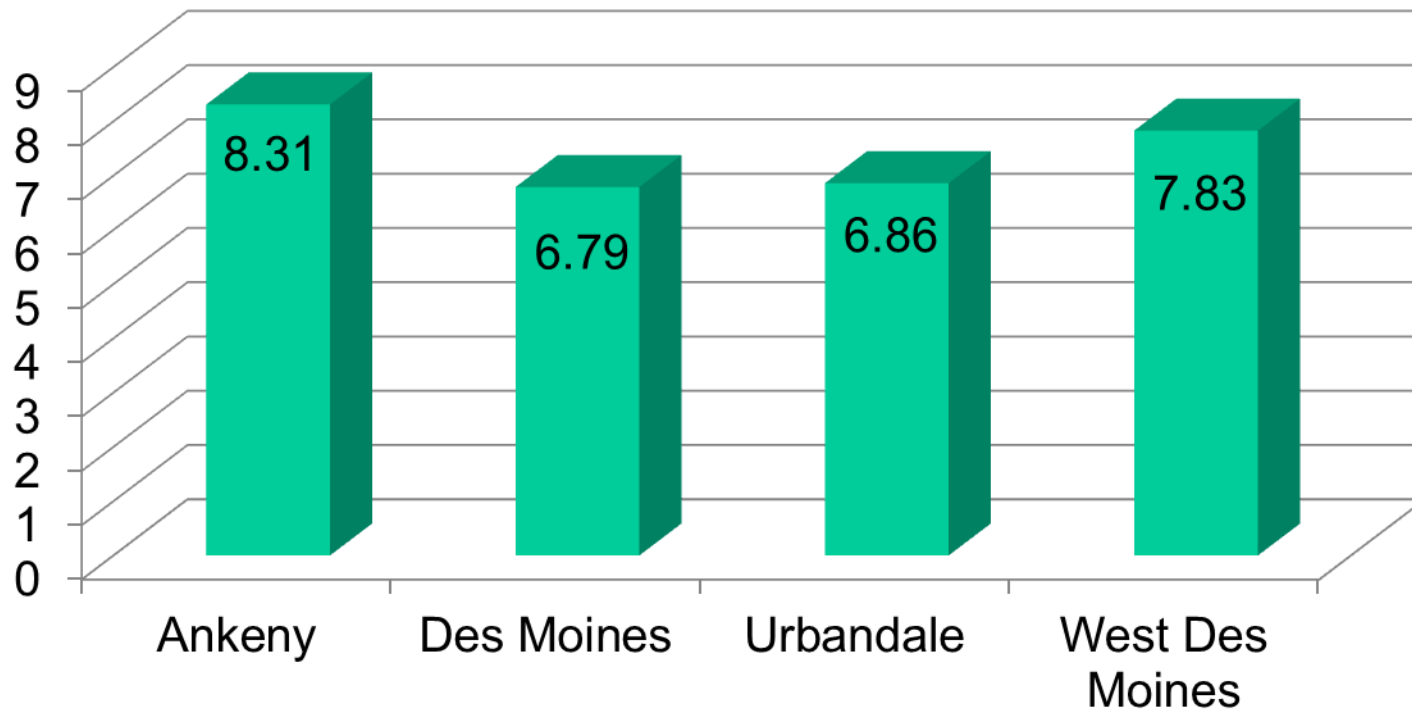
Metro Districts- Comparison Data

Budgeted Enrollment



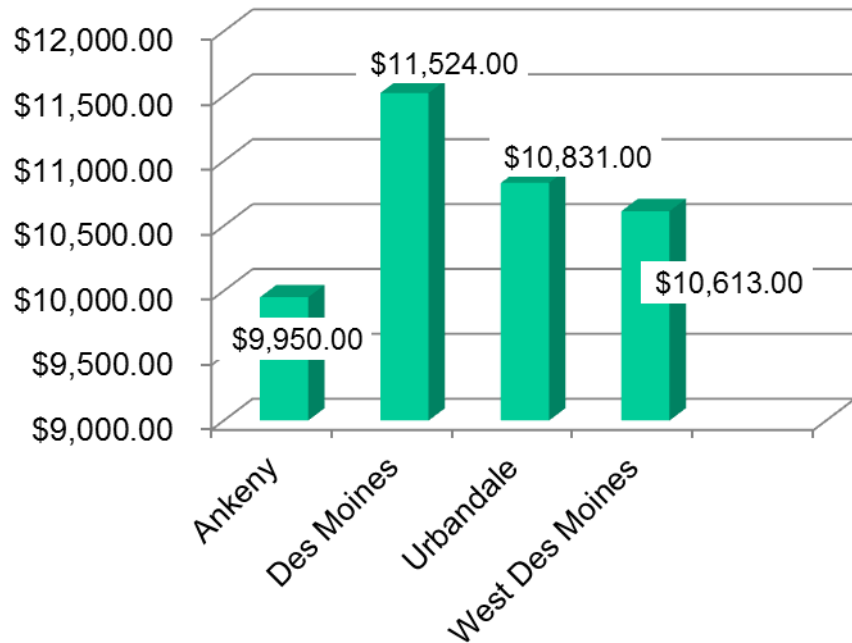
Metro Districts- Comparison Data

Pupils Per FTE

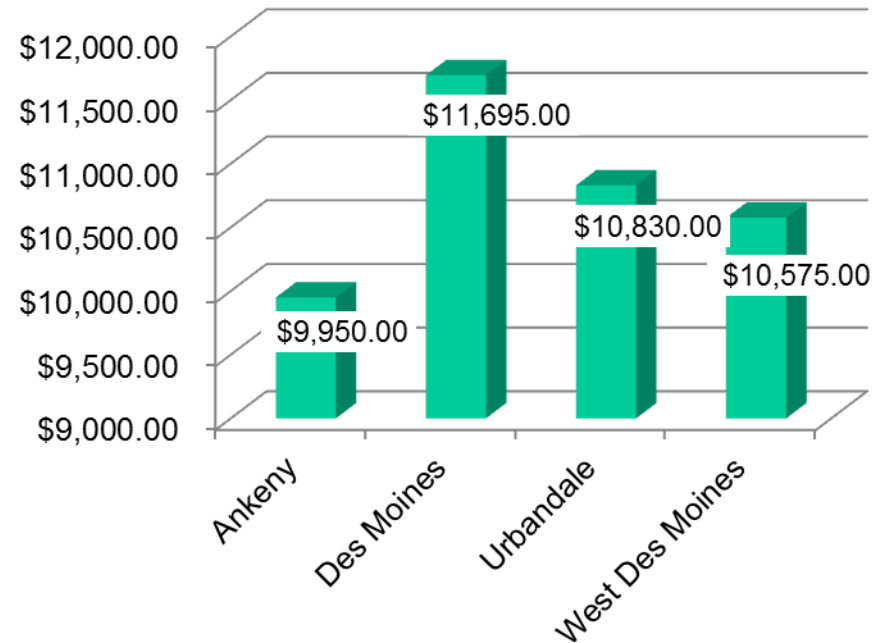


Metro Districts- Comparison Data

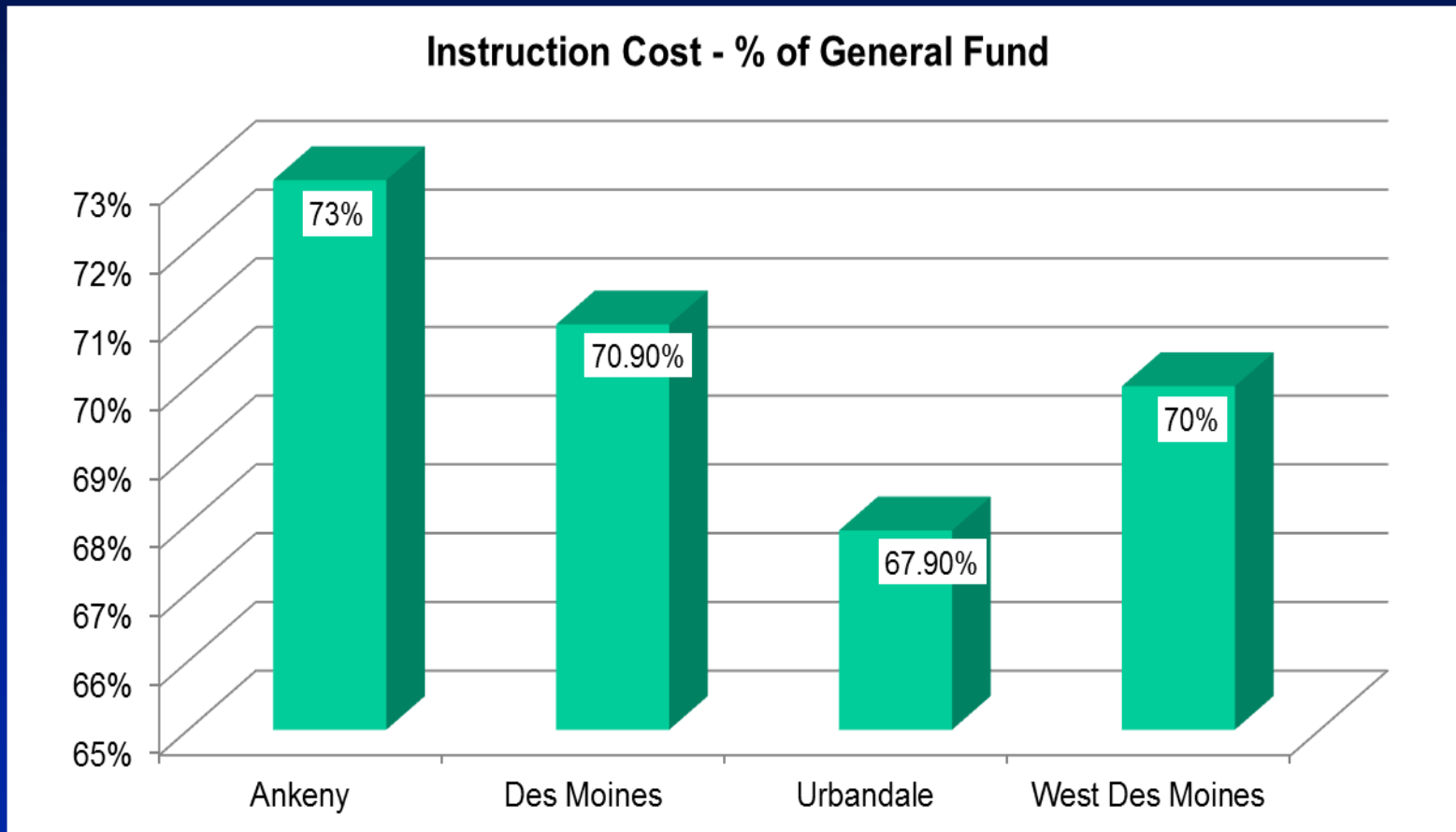
General Fund Expenditures Per Pupil



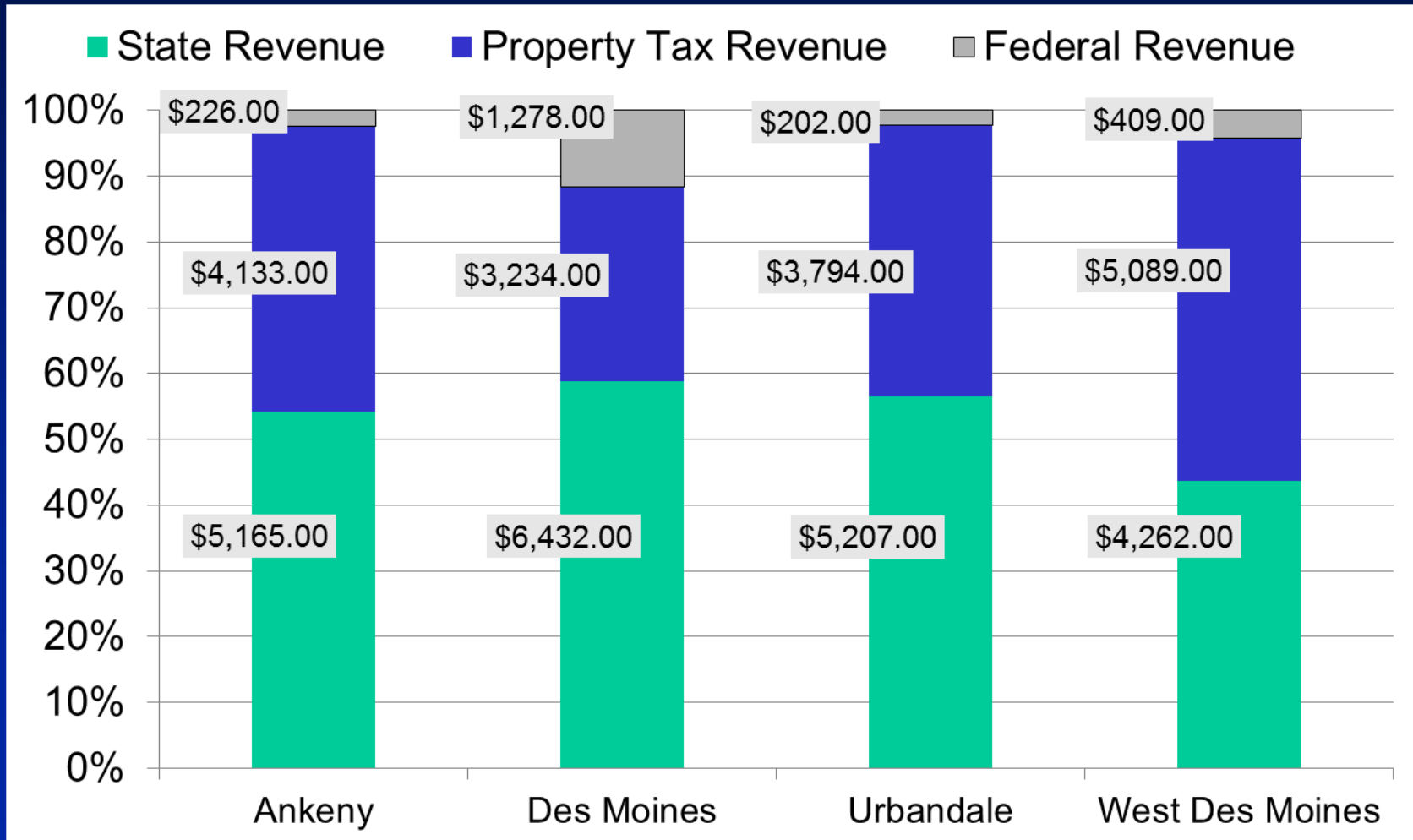
General Fund Revenue Per Pupil



Metro Districts- Comparison Data



Per Pupil Revenue Comparisons



Additional Information

Cumulative Impact of Reductions

Staffing

	FY 2010	FY 2011	FY 1012	Change
<i>Selected groups:</i>				
Administrators	130	115	117	-13
Teachers	2766	2667	2691	-75
Operations	430	414	408	-22
Crafts	54	46	44	-10
<u>Overall:</u>	4745	4595	4642	-103

FY 2010 to FY 2011 total reduction was 149 FTE's
FY 2011 to FY 2012 The number of FTE's increased

Teacher Positions- High Schools & Middle Schools

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
East	129.8	127.3	127.3	-2.5
Hoover	76.1	72	71.5	-4.6
Lincoln	124.5	120	123	-1.5
North	82.3	71	71	-11.3
Roosevelt	82.2	79.4	82.2	0
Central Campus	69.5	69	69.4	-.01
Scavo	20.5	18.5	19.9	-.06
Brody	45.8	43.8	43.3	-2.5
Callanan	44.9	40.2	40.2	-4.7
Charter School	NA	NA	7.6	7.6
Gateway	NA	3	5.26	5.26
Goodrell	45.7	41.25	40.75	-4.95
Harding	49.4	43.4	49.4	0
Hiatt	49.6	47.05	44.55	-5.05
Hoyt	53.8	48.5	49.3	-4.5
McCombs	40.7	36	38	-2.7
Meredith	50.4	44	43	-7.4
Merrill	41.3	37.8	38.7	-2.6
Orchard Place	11	12.6	13.5	2.5
Van Meter	36	35	36	0
Weeks	59.5	54	54	-5.5

Teacher Positions- NW Elementaries

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
Cattell	32.5	34.1	34.1	1.6
Cowles	17.9	18.2	19.5	1.6
Findley	30.1	29.1	34.8	4.7
Greenwood	31.2	28.8	28.8	-2.4
Hanawalt	24.1	26.8	25.8	1.7
Hillis	34.5	32	32	-2.5
Hubbell	28.4	28.8	27.9	-.5
King	30.7	33.3	31.7	1
Madison	31.4	32.2	29.2	-2.2
Monroe	45.5	44.6	44.5	-1
Moulton	50.3	46.8	43.8	-6.5
Oak Park	33.3	32.6	33.8	.5
Perkins	35.83	33.83	30.93	-4.9
Samuelson	35.5	35	35.5	0
Smouse	29	29	29	0
Walnut Street	23	20.8	21.75	-1.25
Windsor	31.9	32.3	30.8	-1.1

Teacher Positions- South and East Elementaries

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
Brubaker	54.7	54.1	55	.03
Capitol View	62	56	52.5	-9.5
Downtown	20	19	20.05	.05
Edmunds	23	29.7	32.3	9.3
Garton	49.9	49.5	47	-2.9
George Washington	55.7	57.7	54.5	-1.2
Howe	22.4	22.1	21	-1.4
Jackson	30.8	32.3	33.3	2.5
Jefferson	23.8	23.6	23.8	0
Lovejoy	26.4	29.3	30.08	4.4
McKinley	28.2	29.6	30	1.8
Morris	52.6	52.5	50.5	-2.1
Park Ave	38.3	41.3	37.8	-.5
Phillips	22.7	22.7	22.7	0
Pleasant Hill	20.9	19.8	20.8	-.1
River Woods	43.5	42.5	41.5	-2
South Union	44.5	43.5	43.5	-1
Stowe	33.7	34.9	35.7	2
Studebaker	32.9	32.4	31.4	-1.5
Willard	37.3	38.9	38.4	1.1
Wright	20.7	21.6	19	-1.7



Board Work Session

FY 2012 and Beyond

A new Beginning

November 1, 2011