



**Des Moines Public Schools
Proposed Budget
FY 2013**

Quality Education is the #1 Priority

***Fiscally Sound
And
Forward Focused***

April 3, 2012

District Recommendations

FY 2013 Budget Proposal

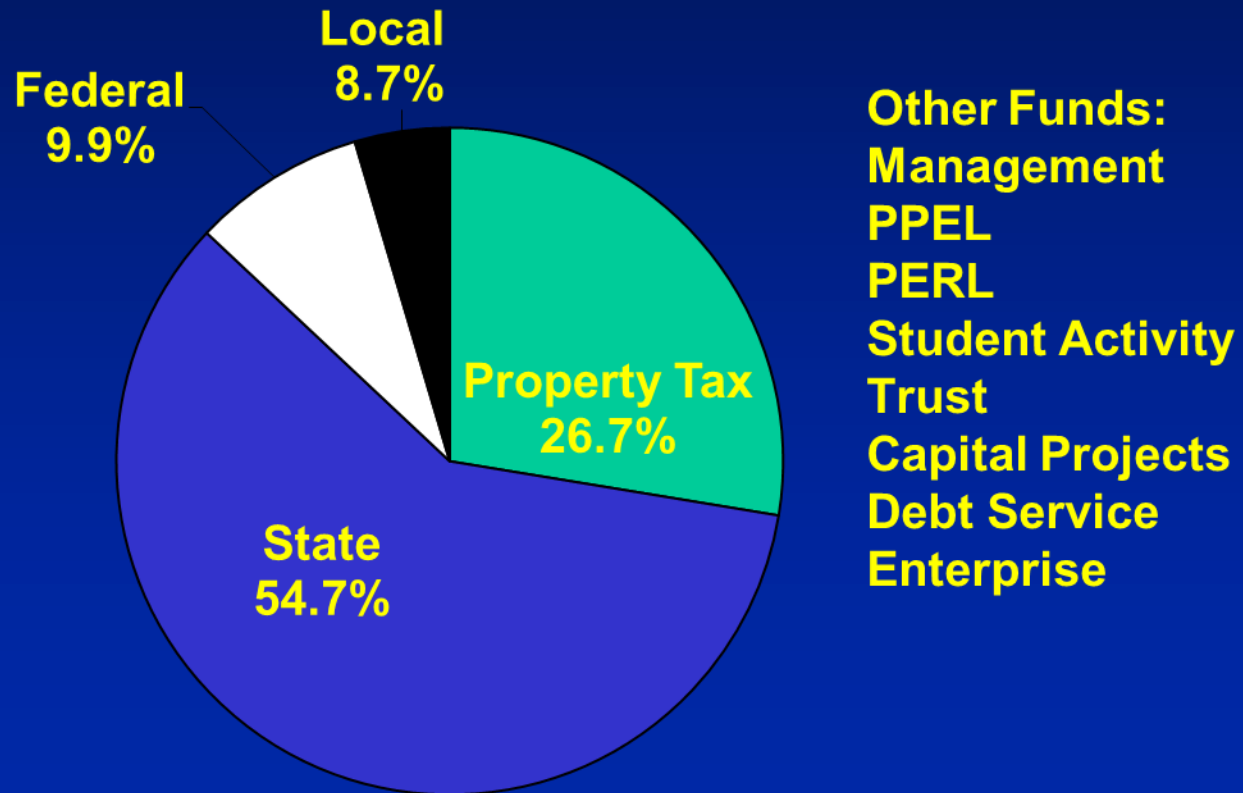
- ✓ **Incorporates legislative action**
- ✓ **Incorporates CBAC and EBAC Committee recommendations**
- ✓ **Maintains quality educational programming**
- ✓ **Maintains General Fund teaching positions**
- ✓ **Fully funds conservative increases in compensation**
- ✓ **Maintains district financial health**
- ✓ **Does not include funding for new programs**

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**Revenues
And
Expenditures**

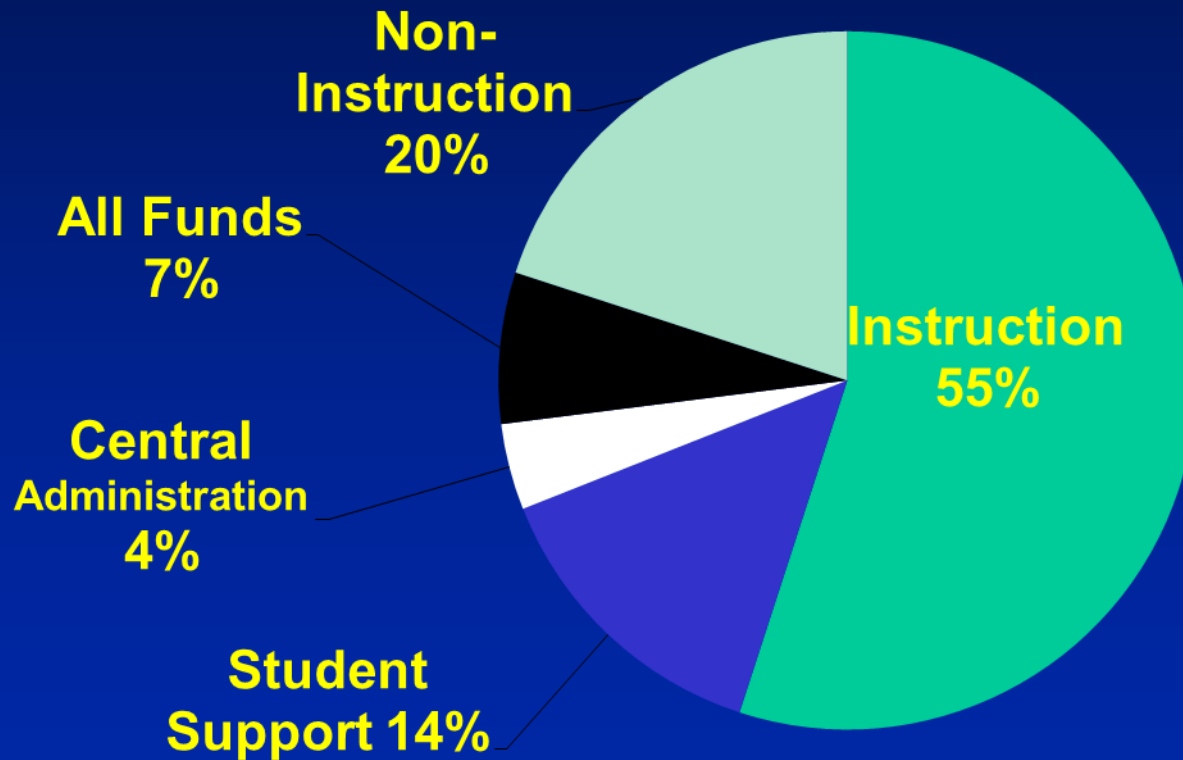
All Funds Revenue \$442.5 million

Where Funding Comes From - Revenue



All Funds Expenditures

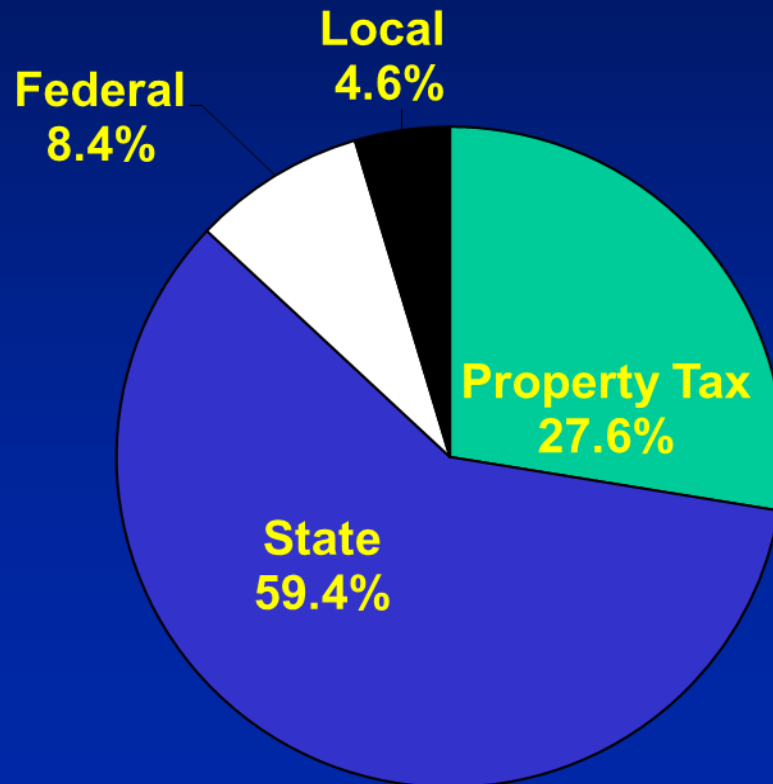
\$474.3 million



General Fund Revenue

\$364.1 million

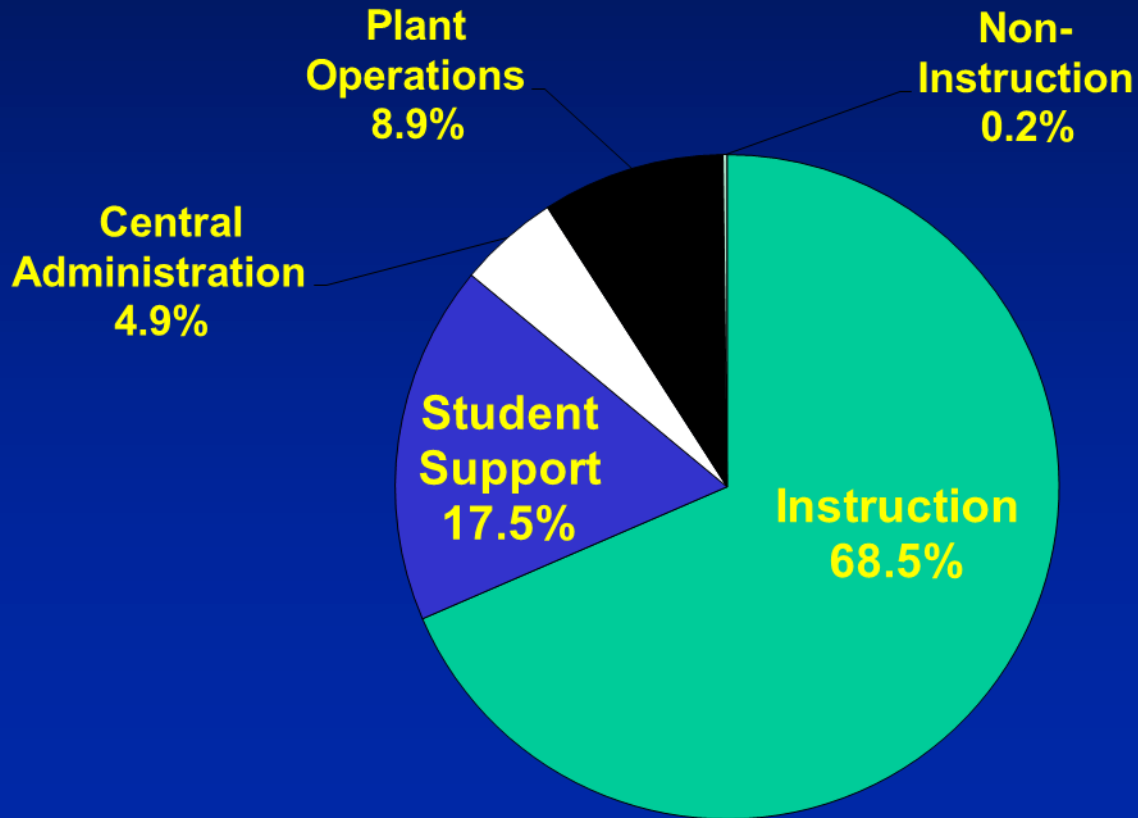
Where Funding Comes From - Revenue



General Fund Expenditures

\$364.1 million

Where Do Funds Go - Expenditures



Allowable Growth

- **Increase in the amount of spending authority based on an increase in the cost per pupil costs as calculated by the State. For FY2013, allowable growth is set at 2%.**

Allowable Growth

Allowable Growth Rate



Grants Ending

FY 2012

- ✓ Small Learning Communities (15.6)
- ✓ 21st Century Learning (1.0)
- ✓ Gear Up (13.5)
- ✓ Harkin Early Childhood (3.99)
- ✓ Early Reading First (11.85)

FY 2013

- ✓ Science Partnership
- ✓ 21st Century

Funding History

	2002 *	2003	2004 *	2005	2006	2009 *	2010*	2011	2012
Leveraging other funds	✓	✓	✓	✓		✓	✓	✓	✓
Hiring Freeze	✓		✓			✓	✓		
Staffing changes**		✓	✓		✓			✓	✓
Energy savings	✓	✓		✓			✓	✓	✓
Cash Reserves	✓		✓				✓	✓	✓
Textbooks/educational materials		✓				✓	✓		
School/dept. supplies	✓		✓			✓	✓	✓	
Outsourcing					✓			✓	

* ATB Cut mid-year

** Attrition, early retirement, stipends, overtime, reductions in all areas (from admin, teachers, custodians, etc.)

History of Funding Reductions

<u>Fiscal Year</u>	<u>Reduction</u>	<u>Fiscal Year</u>	<u>Reduction</u>
2002 mid-year (4.3%)	\$6.7m	2007, 2008	-
2003	\$6.6m	2009 mid-year (1.5%)	\$3.3m
2004	\$6.1m	2010	\$2.6m
2004 mid-year (2.5%)	\$4.1m	2010 mid-year (10.0%)	\$17.2m
2005	\$7.1m	2011	\$11.0m
2006	\$1.9m	2012	\$7.0m
		2013	\$2.8m
		Total	\$76.4m

Cumulative Staff Changes FY 2008–FY 2012

All Staff/All Funds						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Change</u>
Administrators	124	131	130	115	117	-7
Teachers	2845	2819	2766	2667	2691	-154
Operations	425	433	430	414	408	-17
Crafts	59	57	54	46	44	-15
Other	1453	1437	1365	1353	1382	-71
Overall:	4906	4877	4745	4595	4642	-264

Compensation

- Schools are labor intensive
- 84% of General Fund (operating fund) expenditures are for compensation

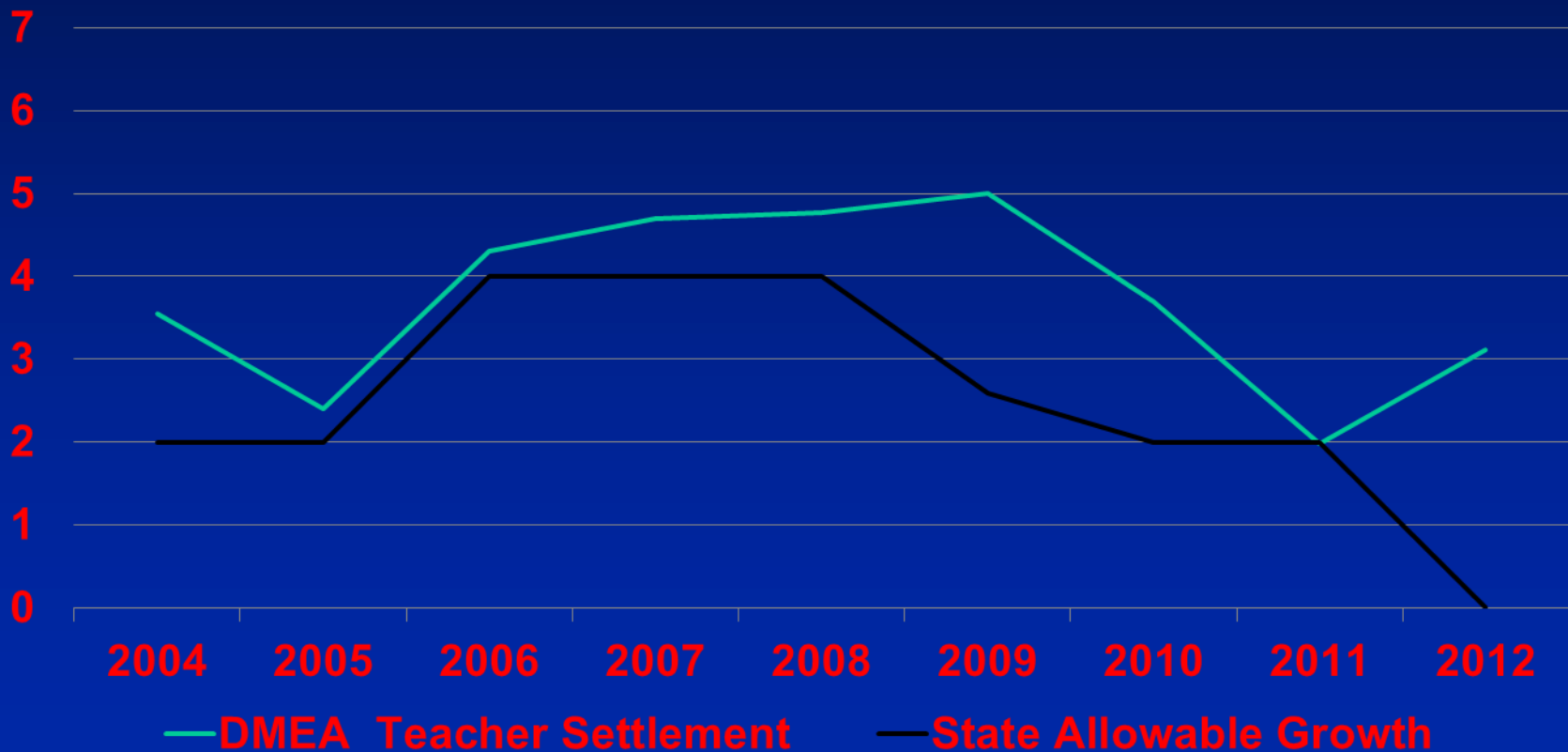
Health Insurance

Average Percent Increase



Compensation Negotiations History

Settlements Have Been Higher Than State Allowable Growth



Percentage of Compensation to Total General Fund Expenditures

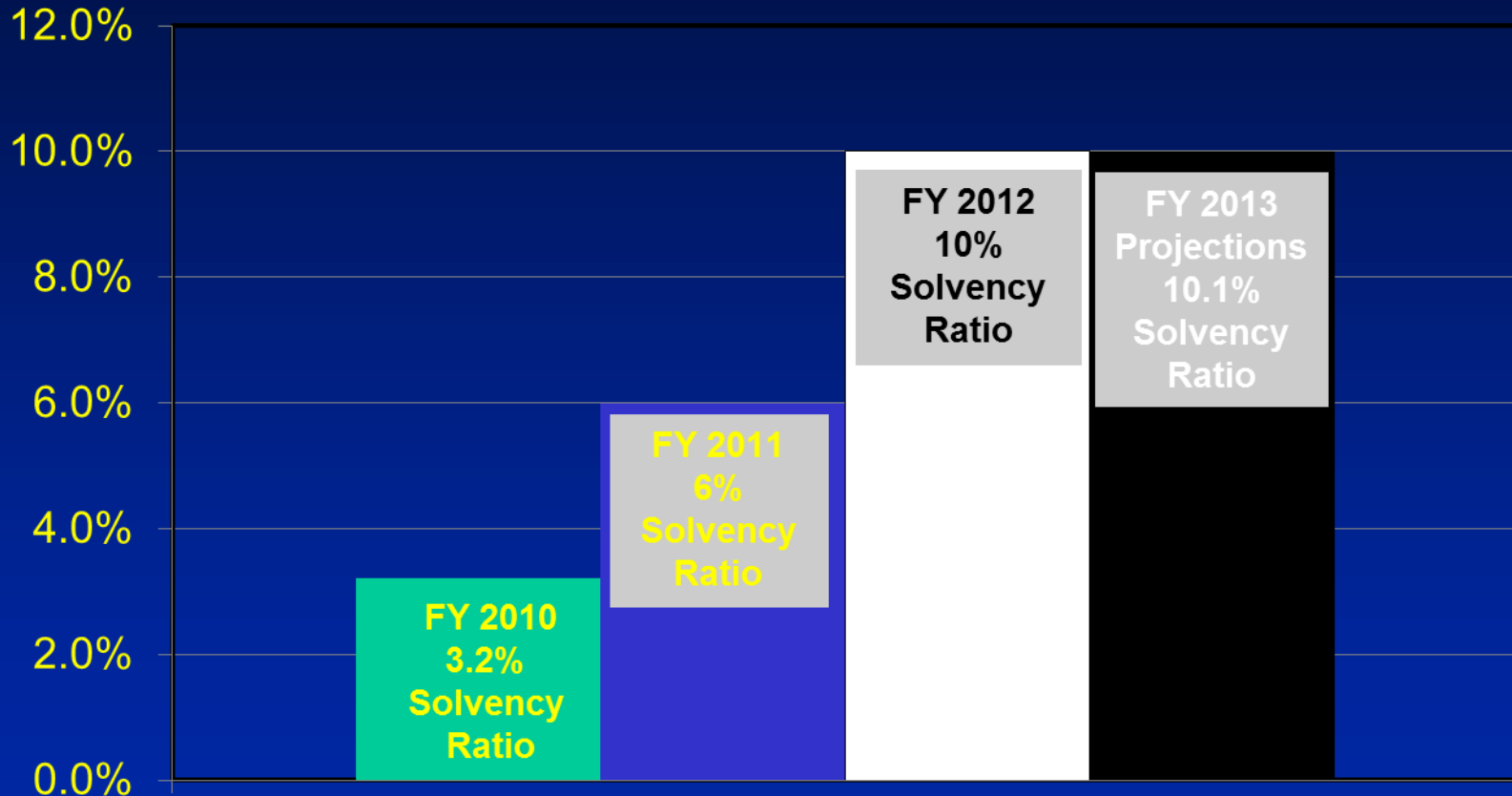
Compensation Percentage Remains Steady



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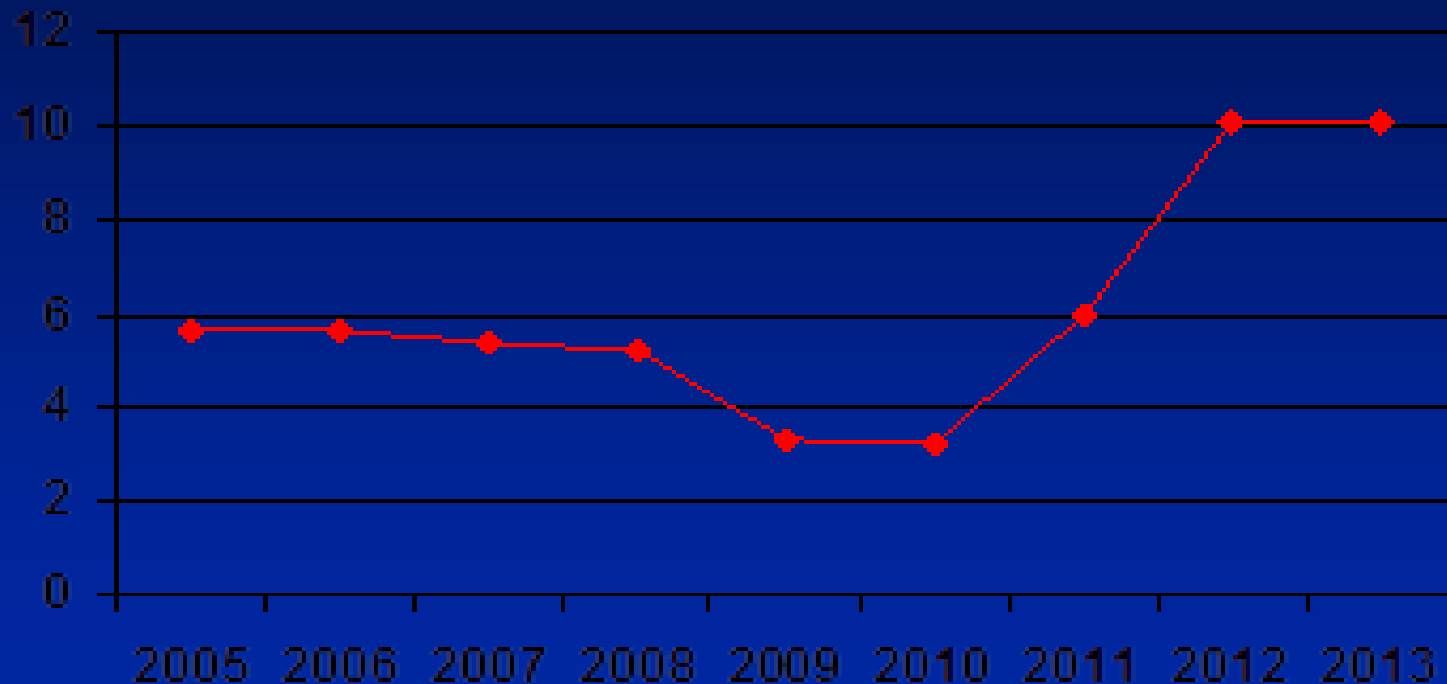
Solvency Ratio

Fund Balance-Solvency Ratio

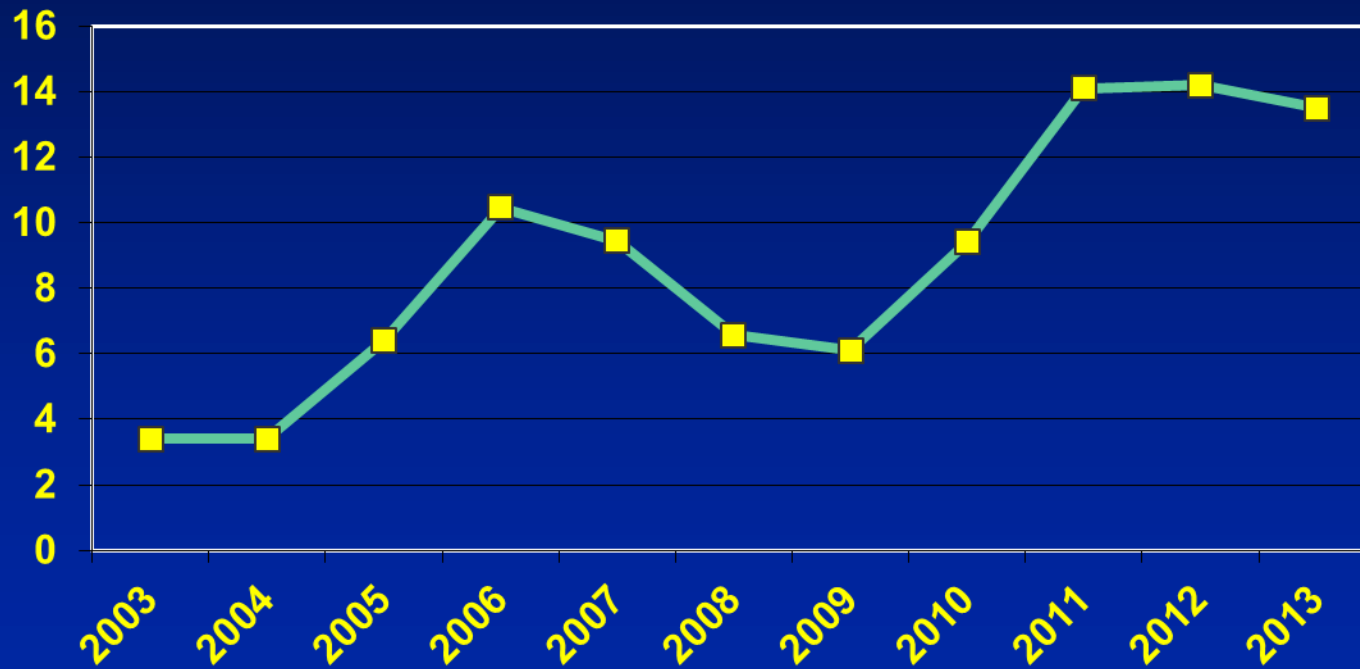


Solvency Ratio

Solvency Ratio



Unspent Spending Authority Ratio



Discussion

Solvency Ratio:

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>*2012</u>	<u>**2013</u>
3.3	3.2	6.0	10.0	10.1

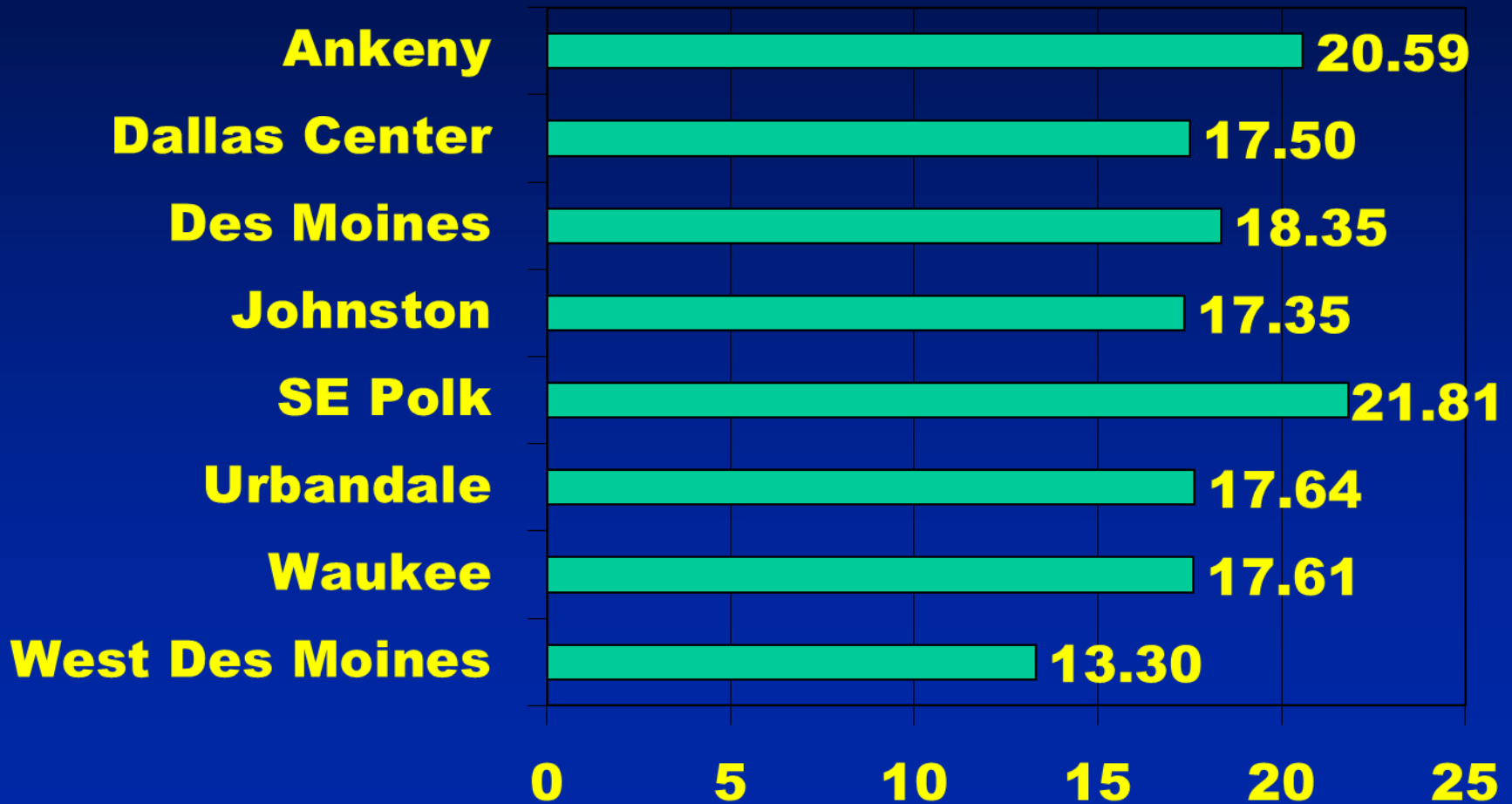
- It is essential that the District maintain adequate levels of fund balance to mitigate current and future risks and to ensure stable rates.
- Fund balance levels are a crucial consideration in long term financial planning.
- Credit rating agencies monitor levels of fund balance as well as unrestricted 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 \$7.8 million, to use on one-time items and to manage budget short-falls over the next 4 years.

**Projected*
*** Estimated*

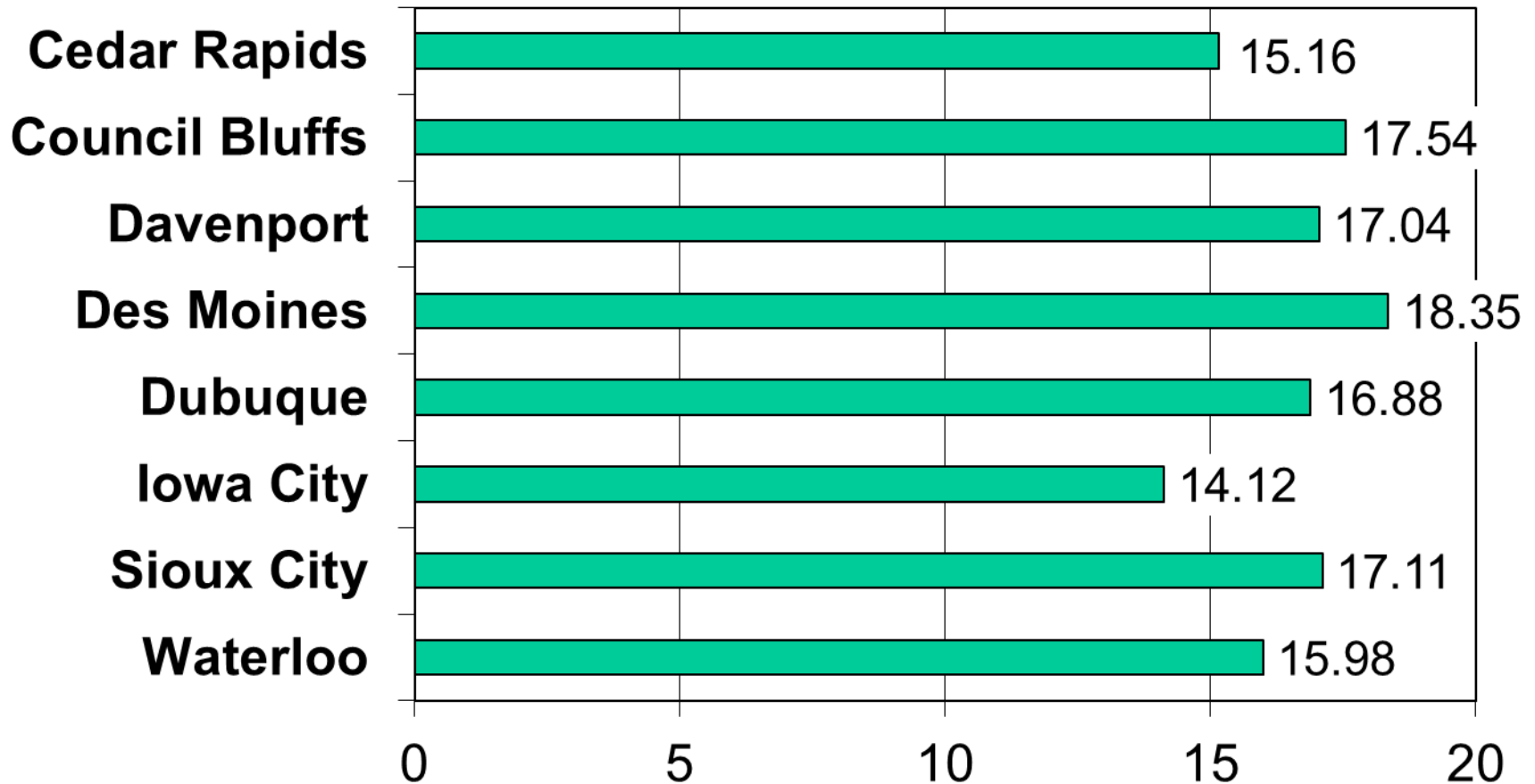
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Tax Rates

Metro Area vs. District Tax Rates FY 2013



UEN's vs. District Tax Rates FY 2013



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Further Discussion?

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- **Next Steps**
 - ***Certify Budget***
 - **April 10, 2012**
 - **1800 Grand**
 - **6:00 pm**



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