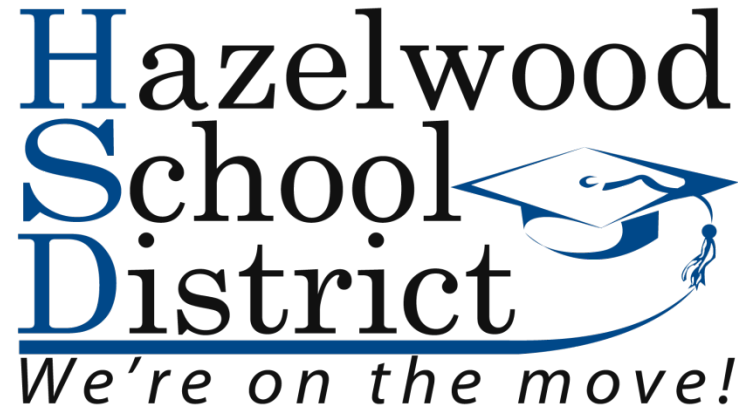


Hazelwood
School
District



We're on the move!



2013 – 14 Budget

Moving Forward!

Board Meeting

June 18, 2013

Budget Process Review

- The budget is based on estimates
- Estimates and projections are based on the best information that we have at this time
- Estimates will vary from the actual amounts reflected in the reports to the state and the audited financial statements

Budget Process Review

- Monitor and adjust throughout the year
- Budget usually revised around October, February and June
- Budget revisions include actual revenue, salaries, benefits and grant allocations compared to projected amounts

Budget Methodology

- Revenue estimates are low
- Expenditure estimates are high
- State statute requires that the total amount spent in each fund cannot exceed the budgeted amount

Overview

- Includes – Operating Funds
 - Incidental Fund - salary and benefits for all support staff; training costs; utilities; other purchased services; supplies; and instructional materials
 - Teachers' Fund – salary, insurance, and retirement costs for professional staff; substitute teacher costs; and tuition payments to other districts

Overview

- Includes – Operating Funds (continued)
 - Capital Projects Fund – building renovation projects; classroom and computer equipment; and bus and vehicle purchases

Overview

- Includes – Other Funds
 - Bond Issue Fund - construction, renovations and additions approved by voters; projects began 2 years ago and will be continuing throughout the next 1-2 years
 - Debt Service Fund - principal and interest payments on outstanding general obligation bonds

Overview

ALL FUNDS COMBINED

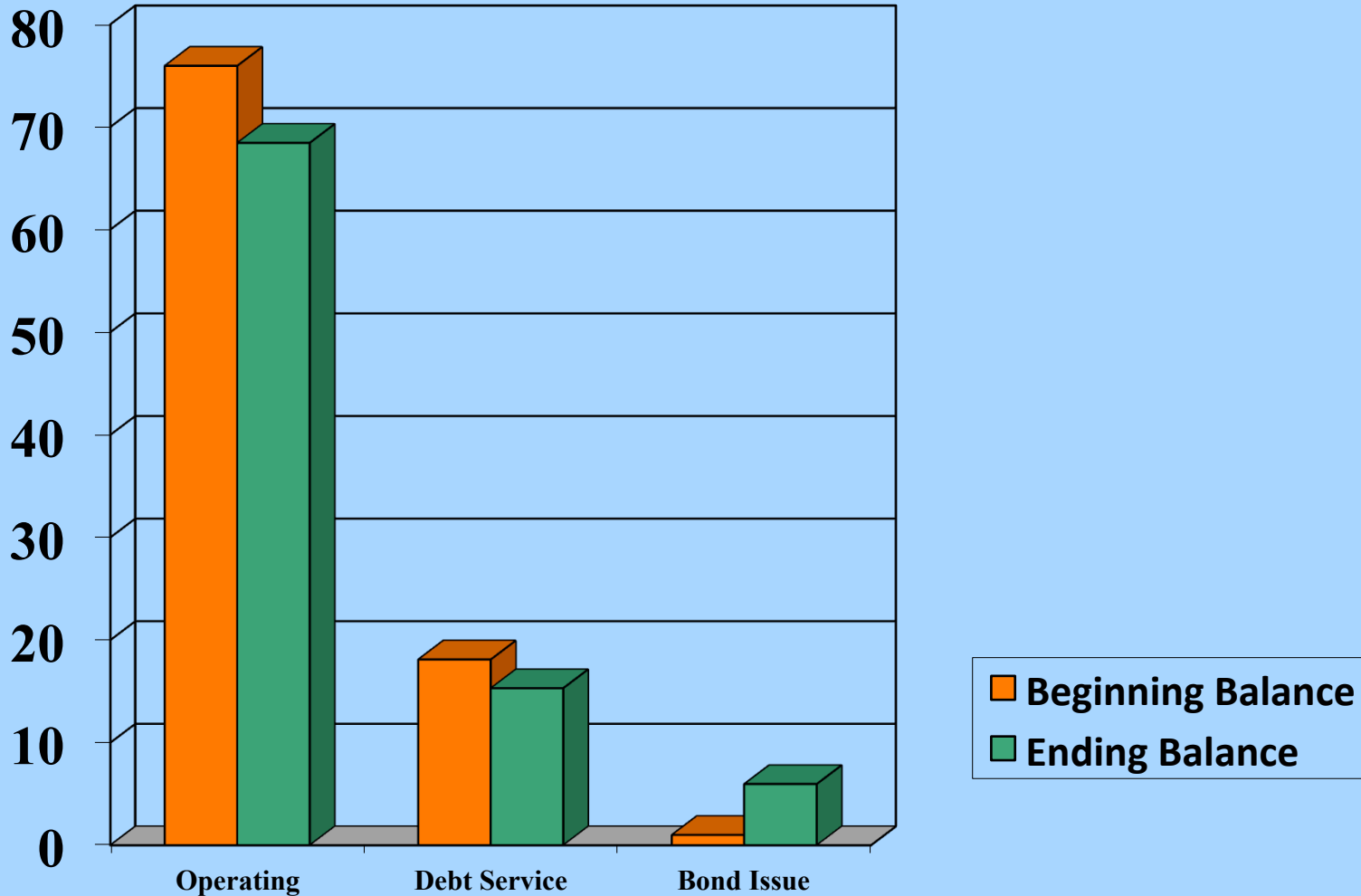
Beginning Balance	\$ 95 million
Revenue	245 million
Expenditures	<u>(250) million</u>
Ending Balance	\$ 90 million

Overview

OPERATING FUNDS ONLY

Beginning Balance	\$ 76 million
Revenue	189 million
Expenditures	<u>(197) million</u>
Ending Balance	\$ 68 million

Balance Comparisons - In Millions



Overview

OPERATING FUNDS ONLY

- Balance as a percentage of spending:
34.8%
- Approximately 4.25 months of operations

Overview

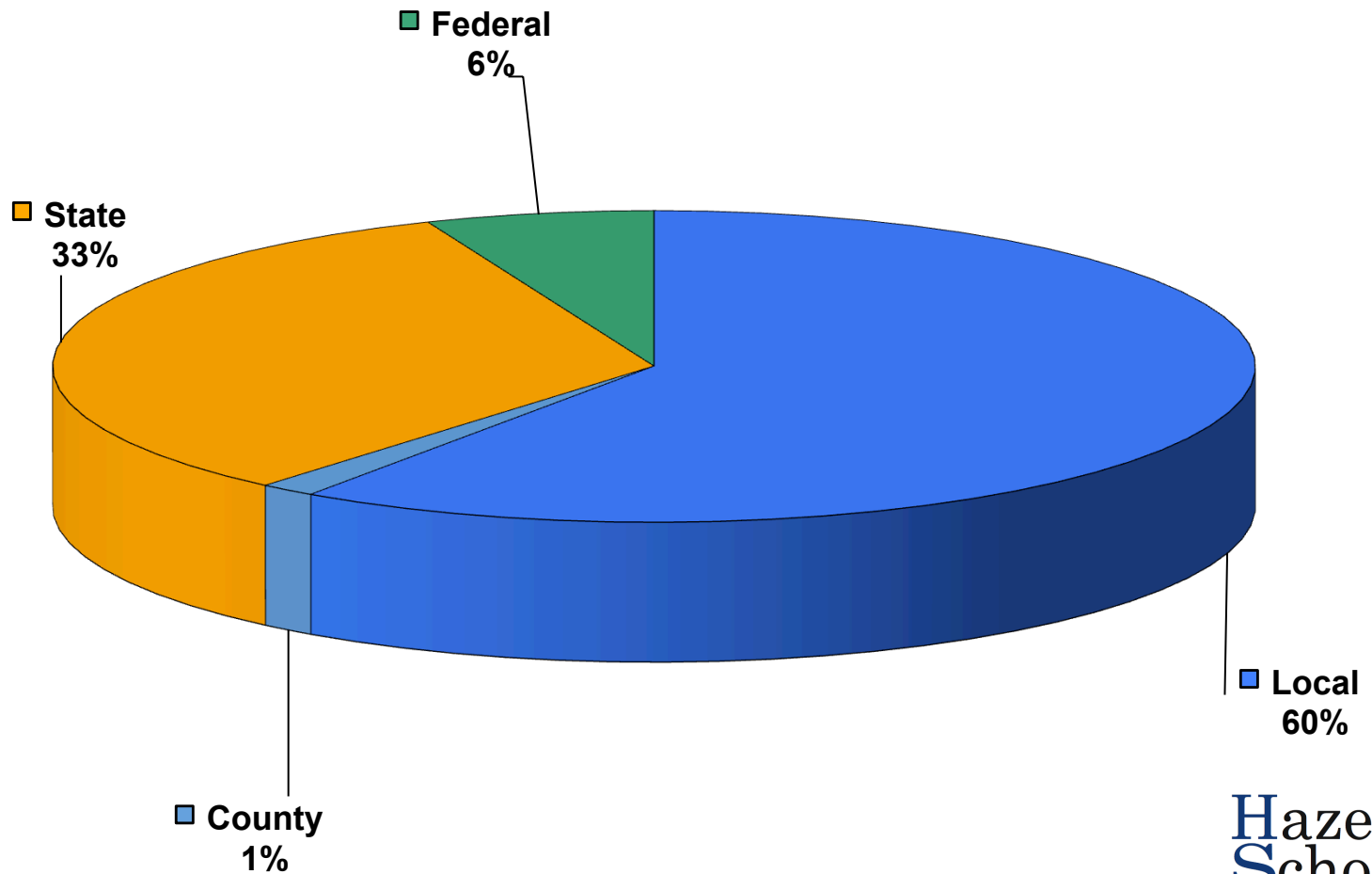
Balances are necessary and important to:

- Have sufficient cash available to cover payrolls until January when we start receiving property tax revenue
- Have funds available to cover emergency repairs or replacement of equipment

Operating Revenue Highlights

- Taxable Assessed Valuation – slightly less than \$1.6 billion
 - Overall estimated decrease of \$75 million (-4.5%)
- Budget based on estimated “blended” tax levy of \$6.286 (Rate will be set in September)
- Collection rate – 95%
- State formula – projected \$3,242 per student
- Prop C (state sales tax) – projected \$880 per student

Summary of Revenue – Operating Funds Only



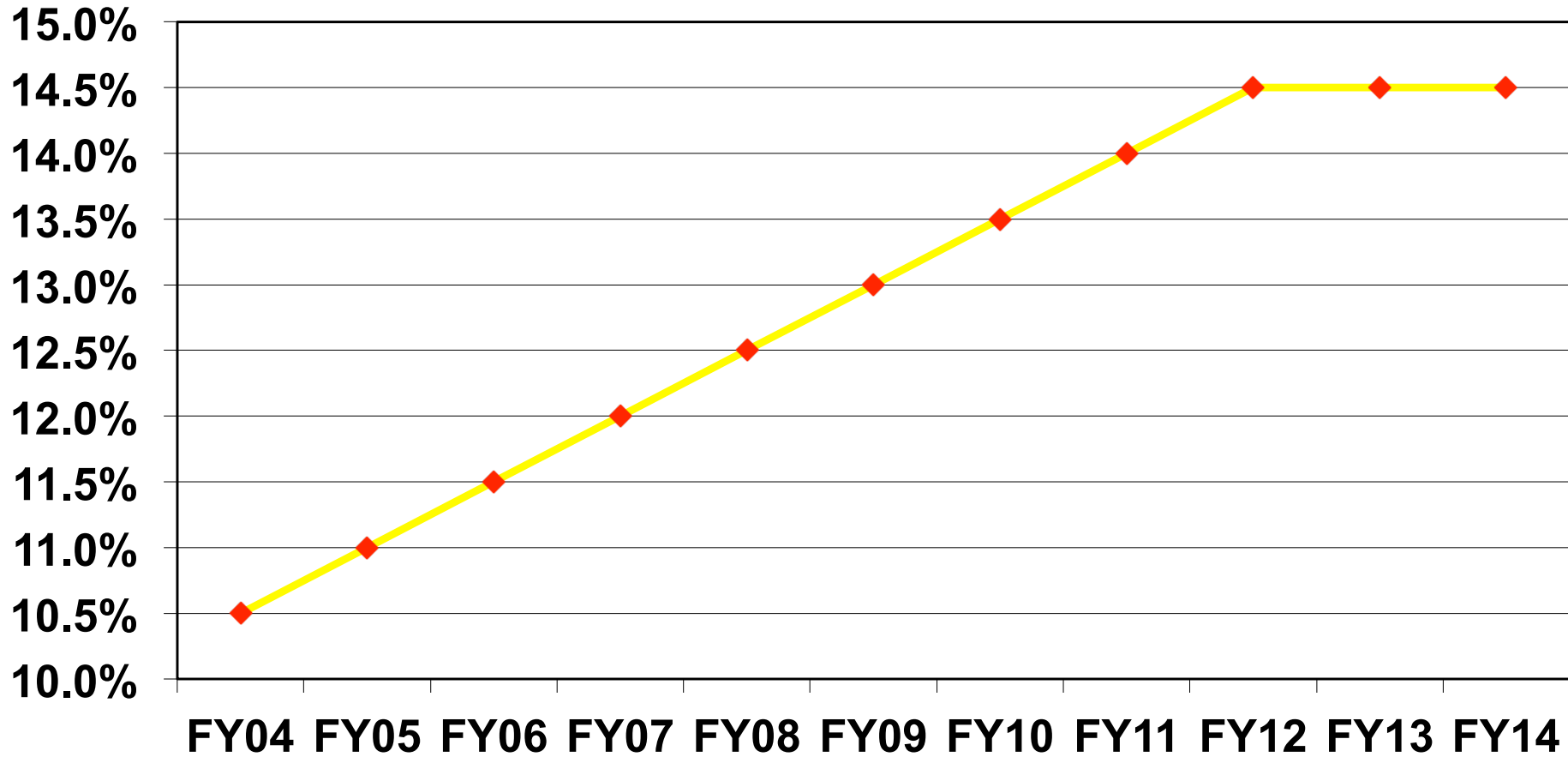
Operating Revenue Summary

Revenue <u>Source</u>	<u>2013 Budget</u>	<u>2014 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Local	\$ 115,187,703	\$ 112,332,579	\$ (2,855,124)	-2.5%
County	2,391,283	2,850,000	458,717	19.2%
State	61,629,356	61,572,023	(57,333)	-0.1%
Federal	16,837,166	11,580,182	(5,256,984)	-31.2%
Other	<u>685,000</u>	<u>685,000</u>	<u>-</u>	0.0%
	\$ 196,730,508	\$ 189,019,784	\$ (7,710,724)	-3.9%

Monthly Healthcare Premiums (per employee)



PSRS Retirement Contributions Certified Staff



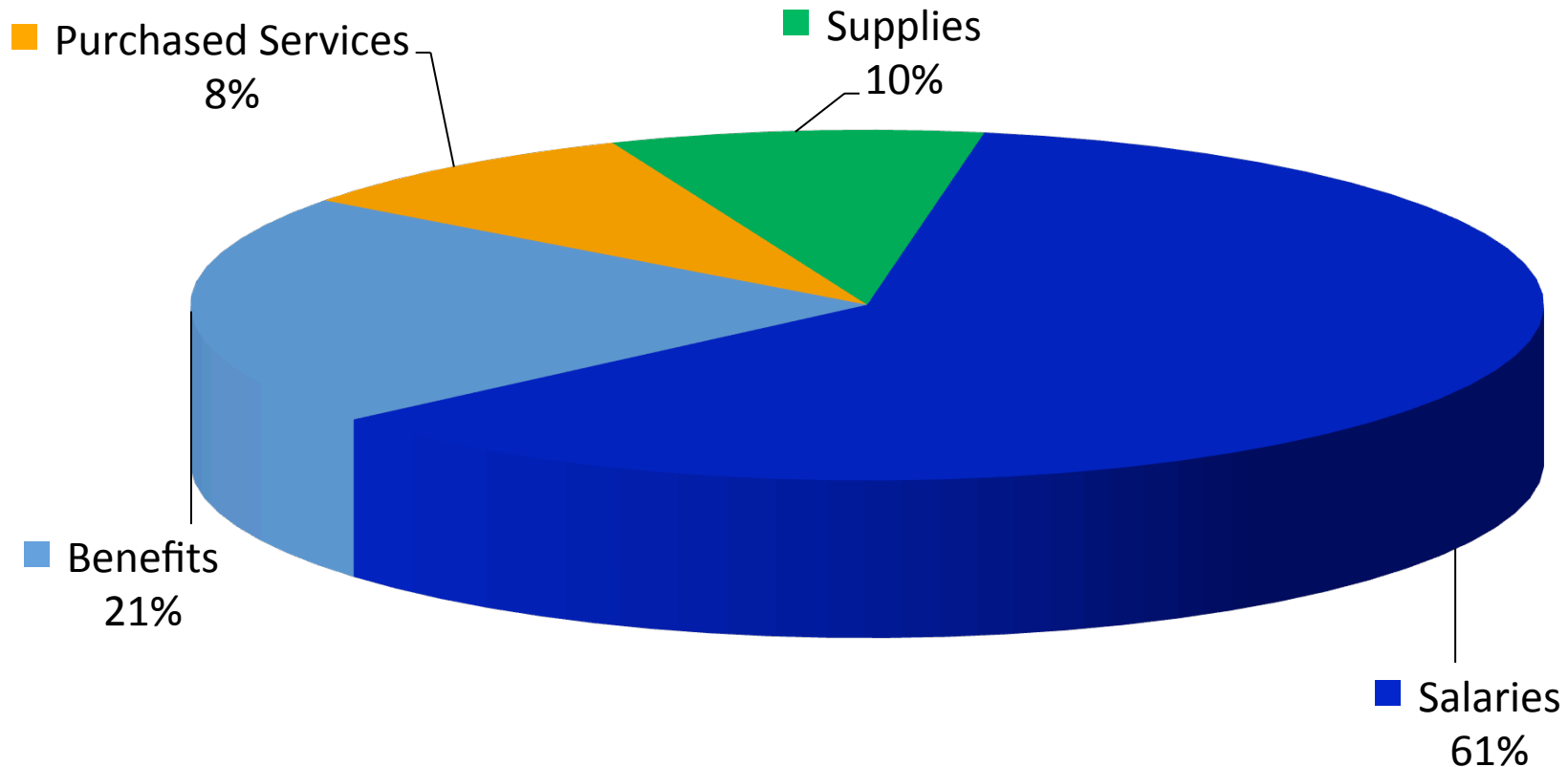
PEERS Retirement Contributions Non-Certified Staff



Operating Expenditure Summary

Expenditure Category	2013 Budget	2014 Budget	Increase/ (Decrease)	Percent Change
Salaries	\$ 113,850,734	\$ 118,777,259	\$ 4,926,525	4.3%
Benefits	40,803,593	41,042,011	238,418	0.6%
Services	18,888,503	15,908,419	(2,980,084)	-15.8%
Supplies	17,939,916	17,274,702	(665,214)	-3.7%
Capital Outlay	3,160,643	1,896,341	(1,264,302)	-40.0%
Other	1,627,645	1,631,035	3,390	0.2%
	<u>\$ 196,271,034</u>	<u>\$ 196,529,767</u>	<u>\$ 258,733</u>	0.1%

Summary of Expenditures by Object – Operating Funds



2013-14 Budget Summary

- \$7.5 million budget shortfall for operating funds
 - Includes some safety upgrades to buildings
- HSD has been planning for reduced revenue for years, resulted in increasing balances
- Using balances to protect our instructional programs

Moving Forward

- HSD has reduced the deficit through some cost-saving measures already
- A Budget Advisory Committee started meeting in February
- Review and examine operations for efficiency and further expenditure reductions
- Survey to obtain feedback

Moving Forward

Key points

- The current year budget sets the direction for several years
- HSD is fortunate to have sufficient fund balances and time to plan to sustain operations over time
- Balancing the budget while destroying student instruction does not make sense

Moving Forward

- We must protect our instructional programs in order to continue to improve student achievement
- Hazelwood School District is fully accredited, and solidly in the middle of that accreditation criteria
- Our goal is to earn Accredited with Distinction status
- We have a plan to remain fiscally responsible and reach our goal!



2013-14 Budget

Moving Forward!

June 18, 2013