



Strategic Planning – Goal 3.1 Fiscal Vitality  
*Budget Reductions of At Least \$10 Million Seem Likely Over 3 Years*

Presented to Board of Education  
September 21, 2009

# PPS Strategic Planning - Goal 3.1 Fiscal Vitality

## Budget Impact Analysis 2009-10

### Assumptions & Variables

#### ASSUMPTIONS & NOTES

<b>Fund Balance - Beginning</b>	\$ 6,377,919	Per Pending Audit Report
Adopted Budget Deficit 09-10	\$ (774,837)	As Adopted at June 15th Board Meeting
<b>Revenue Factors</b>		
Enrollment Change	\$ (368,000)	Based on Adjusted Blended Count (-50 FTE @\$7,316)
Foundation Allowance	\$ (2,252,000)	\$262 Reduction Per Pupil In Either
Categoricals	\$ -	Foundation Grant and/or Categoricals
Special Education Reimbursement		Not Applicable
KRESA County Wide Enhancement Millage		Not Applicable
<b>Expense Factors</b>		
Step Costs		Included in Deficit
Flat Salary Increase		Included in Deficit
Staff Retirements/Attrition		Included in Deficit
Retirement Rate		Included in Deficit
Health Insurance		Included in Deficit
BSSF Expenses Without Millage		Not Applicable
<b>Budget Estimate Revisions</b>	\$ 621,000	Identified from Audit and/or Year End Analysis
<b>Controlled Outcome - Budget Reductions</b>	<b>\$ 1,925,000</b>	Currently Identified \$511,000 in Reductions
Staffing Levels		
<b>Deficit Projection With Budget Reductions</b>	<b>\$ (848,837)</b>	
<b>Fund Balance - Ending</b>	<b>\$ 5,529,082</b>	
<b>Fund Balance - Ending As % of Budget</b>		<b>7.00%</b>

PPS Strategic Planning - Goal 3.1 Fiscal Vitality  
 Budget Impact Analysis **2010-11**  
 Assumptions & Variables

ASSUMPTIONS & NOTES

<b>Fund Balance - Beginning</b>	\$	5,529,082	Based on Previous Year Assumptions
Structural Deficit Carried Forward From 09-10	\$	(848,837)	Based on Previous Year Assumptions
 <b>Revenue Factors</b>			
Enrollment Change	\$	(326,600)	Based on Stanfred Most Likely (-46 FTE @7,100)
Foundation Allowance	\$	(3,420,000)	\$400 Reduction Per Pupil In Either
Categoricals	\$	-	Foundation Grant and/or Categoricals
Special Education Reimbursement	\$	-	Taxable Value Concerns May Negatively Impact
KRESA County Wide Enhancement Millage			Not Applicable
 <b>Expense Factors</b>			
Step Costs	\$	-	No Steps Paid in Negotiated Agreements
Across the Board Salary Increase	\$	-	Flat Wages
Staff Retirements/Attrition	\$	350,000	Assumes 10 Teaching Positions
Retirement Rate	\$	(901,511)	Assumes 2.00 Rate Increase (11.8%)
Health Insurance	\$	-	Assumes No Additional Expense to PPS
BSSF Expenses Without Millage	\$	-	Assumes Renewal or use of Fund Balance
 <b>Controlled Outcome - Budget Reductions</b>			
Staffing Levels-Wage Concessions-Program Reductions	\$	4,750,000	
 <b>Deficit Projection with Budget Reductions</b>			
	\$	(396,948)	
 <b>Fund Balance - Ending</b>			
	\$	5,132,134	
 <b>Fund Balance - Ending As % of Budget</b>			
		6.91%	Assumes Contraction of Budget by \$4.75 Million

PPS Strategic Planning - Goal 3.1 Fiscal Vitality  
 Budget Impact Analysis 2011-12  
 Assumptions & Variables

ASSUMPTIONS & NOTES

<b>Fund Balance - Beginning</b>	\$	5,132,134	Based on Previous Year Assumptions
Structural Deficit Carried Forward From 10-11	\$	(396,948)	Based on Previous Year Assumptions
<b>Revenue Factors</b>			
Enrollment Change	\$	(381,900)	Based on Stanfred Most Likely (-57 FTE @6,700)
Foundation Allowance	\$	(2,550,000)	\$300 Reduction Per Pupil In Either
Categoricals	\$	-	Foundation Grant and/or Categoricals
Special Education Reimbursement	\$	-	Taxable Value Concerns May Negatively Impact
KRESA County Wide Enhancement Millage	\$	-	Assumes Renewal of \$3.2 Million Revenue
ARRA Economic Stimulus Funding	\$	-	Assumes Revenue Loss Offset by Associated Expenses
<b>Expense Factors</b>			
Step Costs	\$	-	No Steps Paid in Negotiated Agreements
Across the Board Salary Increase	\$	-	Flat Wages
Staff Retirements/Attrition	\$	350,000	Assumes 10 Teaching Positions
Retirement Rate	\$	(901,511)	Assumes 2.00 Rate Increase (10.5%)
Health Insurance	\$	-	Assumes No Additional Expense to PPS
BSSF Expenses Without Millage	\$	-	Assumes Renewal
<b>Controlled Outcome - Budget Reductions</b>		<b>\$ 3,700,000</b>	
Staffing Levels-Wage Concessions-Program Reductions			
<b>Deficit Projection with Budget Reductions</b>	\$	(180,359)	
<b>Fund Balance - Ending</b>	\$	4,951,775	
<b>Fund Balance - Ending As % of Budget</b>		<b>7.02%</b>	Assumes Contraction of Budget by \$3.70 Million

PPS Strategic Planning - Goal 3.1 Fiscal Vitality  
 Budget Impact Analysis 2011-12  
 Assumptions & Variables - *No Millage Renewals*

ASSUMPTIONS & NOTES

<b>Fund Balance - Beginning</b>	\$ 5,132,134	Based on Previous Year Assumptions
Structural Deficit Carried Forward From 10-11	\$ (396,948)	Based on Previous Year Assumptions
<b>Revenue Factors</b>		
Enrollment Change	\$ (381,900)	Based on Stanfred Most Likely (57 FTE @6,700)
Foundation Allowance	\$ (2,550,000)	\$300 Reduction Per Pupil In Either
Categoricals	\$ -	Foundation Grant and/or Categoricals
Special Education Reimbursement	\$ -	Taxable Value Concerns May Negatively Impact
KRESA County Wide Enhancement Millage	\$ (3,200,000)	Assumes <u>No</u> Renewal of \$3.2 Million Revenue
ARRA Economic Stimulus Funding	\$ -	Assumes Revenue Loss Offset by Associated Expenses
<b>Expense Factors</b>		
Step Costs	\$ -	No Steps Paid in Negotiated Agreements
Across the Board Salary Increase	\$ -	Flat Wages
Staff Retirements/Attrition	\$ 350,000	Assumes 10 Teaching Positions
Retirement Rate	\$ (901,511)	Assumes 2.00 Rate Increase (10.5%)
Health Insurance	\$ -	Assumes No Additional Expense to PPS
BSSF Expenses Without Millage	\$ (1,100,000)	Assumes <u>No</u> Renewal of Millage
<b>Controlled Outcome - Budget Reductions</b>	<b>\$ 8,000,000</b>	
Staffing Levels-Wage Concessions-Program Reductions		
<b>Deficit Projection with Budget Reductions</b>	<b>\$ (180,359)</b>	
<b>Fund Balance - Ending</b>	<b>\$ 4,951,775</b>	
<b>Fund Balance - Ending As % of Budget</b>	<b>7.02%</b>	Assumes Contraction of Budget by \$3.70 Million

**PORTAGE PUBLIC SCHOOLS  
2009/10 ADOPTED BUDGET  
COMPARISON BY MAJOR CATEGORIES AND FUND BALANCE INFORMATION**

	<u>ACTUAL</u> <u>SY 06/07</u>	<u>ACTUAL</u> <u>SY 07/08</u>	<u>AMEND#2</u> <u>BUDGET</u> <u>SY 08/09</u>	<u>REQUEST</u> <u>BUDGET</u> <u>SY 09/10</u>	<u>CHANGE</u>
<b>Revenues</b>					
Not Program Related	66,774,714	65,673,874	65,582,926	65,402,935	(179,991)
Program Related	10,946,108	11,334,315	11,784,898	12,804,007	1,019,109
<b>Total Revenues</b>	<b>77,720,822</b>	<b>77,008,189</b>	<b>77,367,824</b>	<b>78,206,942</b>	<b>839,118</b>
<b>Expenses</b>					
Salaries	43,174,382	43,491,855	44,313,054	45,075,558	762,504
Fringes					
Health	8,136,670	8,585,647	7,964,674	7,900,000	(64,674)
Retirement	7,587,155	7,299,198	7,270,908	7,600,000	329,092
All Others	5,013,917	4,748,872	4,797,652	4,792,209	(5,443)
Purchased Services	6,230,985	6,416,474	7,200,933	6,335,312	(865,621)
Supplies, Materials, Other	4,511,187	4,464,669	4,534,075	5,750,135	1,216,060
Capital Outlay	1,982,859	758,294	217,975	80,400	(137,575)
Debt Service	437,479	416,071	331,971	267,156	(64,815)
Outgoing Transfer to Athletic Fund	1,147,587	1,110,309	1,151,352	1,181,009	29,657
<b>Total Expenses</b>	<b>78,222,221</b>	<b>77,291,389</b>	<b>77,782,594</b>	<b>78,981,779</b>	<b>1,199,185</b>
<b>Income (Deficit) Projected</b>	<b>(501,399)</b>	<b>(283,200)</b>	<b>(414,770)</b>	<b>(774,837)</b>	<b>(360,067)</b>

**Total Fund Balance Information**

Total Fund Balance - Beginning	7,562,945	7,061,546	6,778,346	6,363,576
Income(Deficit) - Allocated to Unreserved	(501,399)	(283,200)	(414,770)	(774,837)
Total Fund Balance - Ending	7,061,546	6,778,346	6,363,576	5,588,739
As Percentage of Budgeted Expenditures	9.14%	8.77%	8.18%	7.08%

Notes:

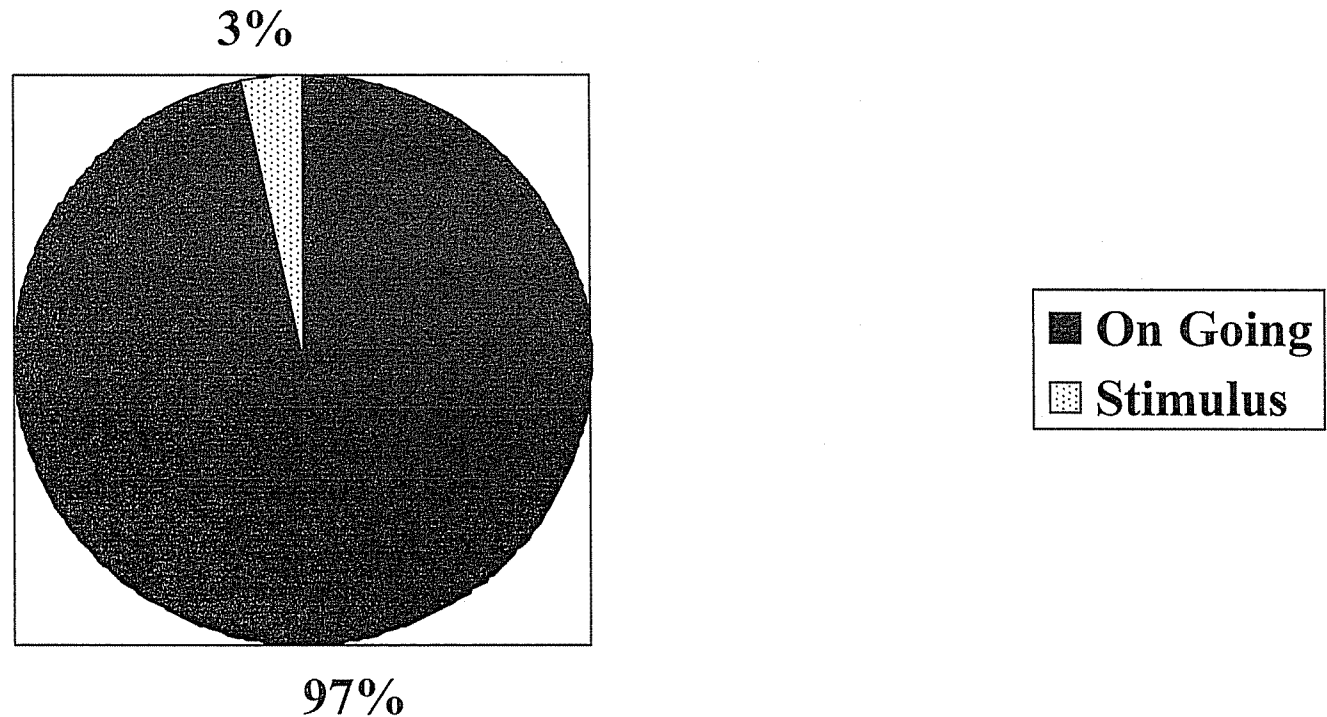
- 1 Salaries reflect only step increases for employees. No across the board salary increase is included in the projected salaries.
- 2 Increase in supplies and materials Includes new textbooks, laptop replacement batteries, a reallocation of building supply budget line items, and projected 2008-09 year end savings not included in 2009-10.

## Strategic Planning – Goal 3.1 Fiscal Vitality Timing on Millage Renewal Issues

Type	Millage Rate	Amt	Expires	1 <sup>st</sup> Budget Yr Impact
BSSF	.500	\$1.1 M	12/09	2010/11
KRESA PPS GF	1.500	\$3.2 M	12/10	2011/12
GF	18.000 Non-Homestead	\$13.7M	12/13	2014/15

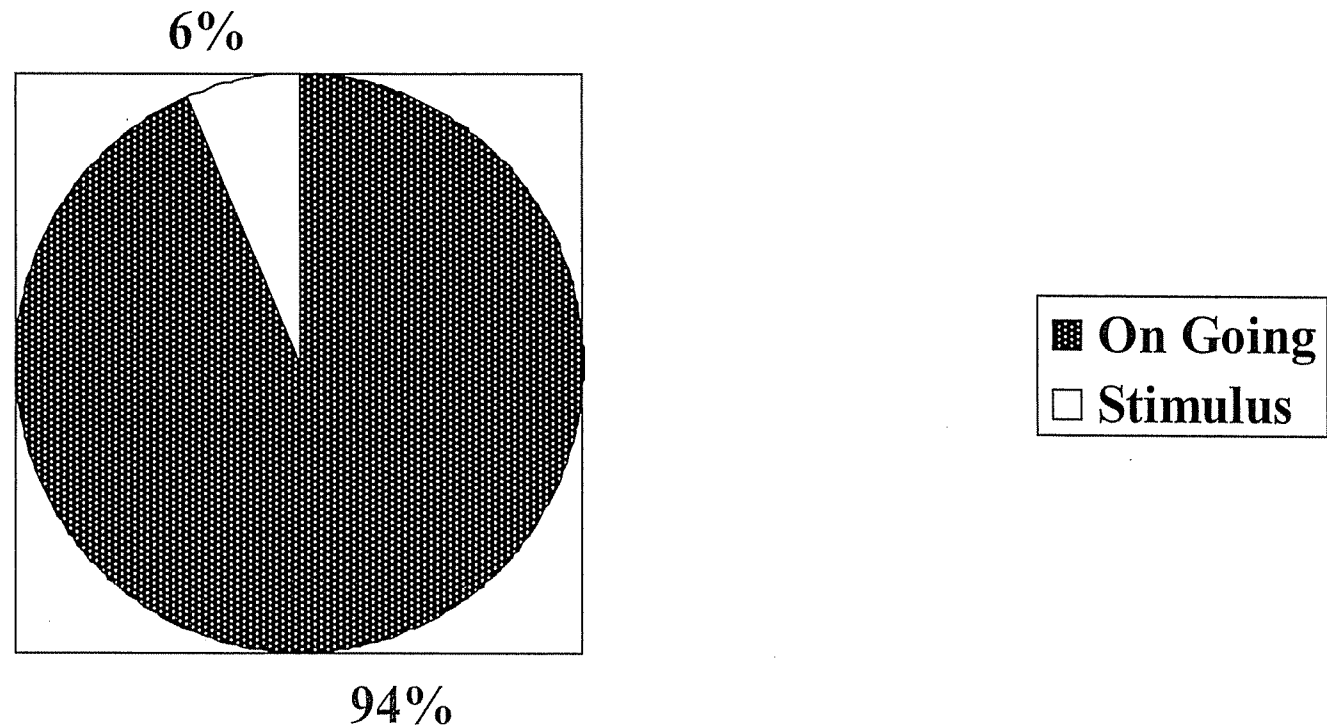
# Strategic Planning – Goal 3.1 Fiscal Vitality

*In 08/09 State Used \$465M In Stimulus \$ To Avoid Cuts*



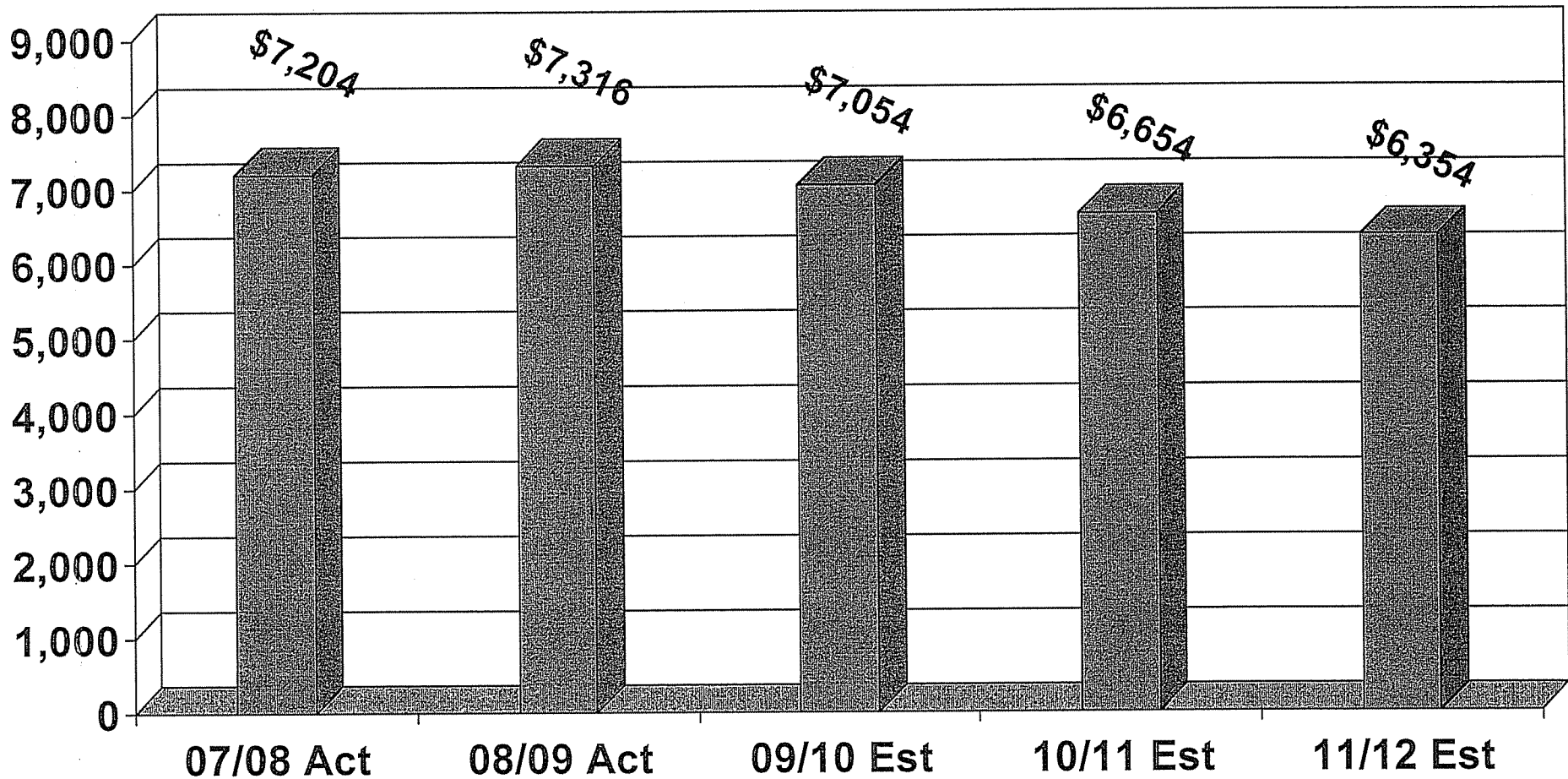
## Strategic Planning – Goal 3.1 Fiscal Vitality

*In 09/10 State Could Use \$805M In Stimulus \$  
... and there will still be cuts!*



Per Senate Fiscal Agency Update to MSBO 9/18/09

# PPS Strategic Planning Foundation Grant Projection



*Projected to Decrease by 11.8% Over 3 Years*