



# 2008-09 Budget Development Update

January 14, 2008

# June 30 Operating Fund Balance History

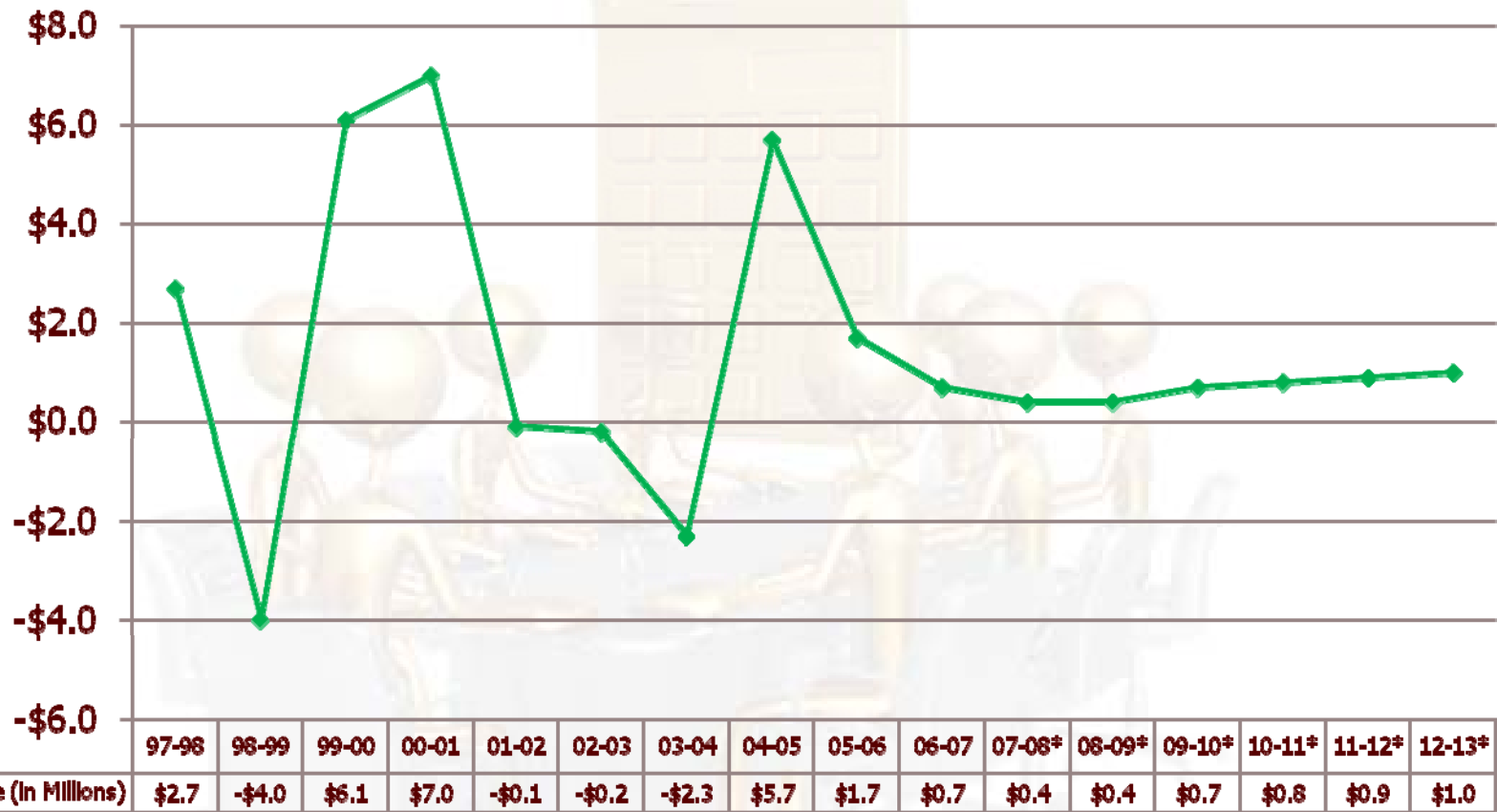
	Operating Fund Revenue	Operating Fund Expense	Operating Fund Balance	Reserve %
1996-97	\$79,467,539	\$75,800,440	\$9,681,823	12.77%
1997-98	85,548,774	81,924,832	13,305,765	16.24%
1998-99	82,631,972	85,264,325	10,673,412	12.52%
1999-2000	100,303,072	92,362,718	18,613,766	20.15%
2000-01	113,666,876	105,397,385	26,883,257	25.51%
2001-02	114,223,555	114,182,771	26,924,039	23.58%
2002-03	119,366,584	117,764,158	28,526,466	24.22%
2003-04	121,895,208	116,879,183	33,542,491	28.70%
2004-05	128,454,809	129,867,552	32,129,747	24.74%
2005-06	142,638,154	138,049,923	36,717,979	26.60%
2006-07	149,844,974	149,745,749	36,817,204	24.59%
2007-08 (Projected)	153,681,743	164,035,138	26,463,809	16.13%

# December 31 Operating Fund Balances

	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08 Projected
<b>Total Operating Fund Balances</b>	\$11,520,689	\$16,615,355	\$13,771,496	\$14,545,999	\$8,774,114	\$(2,191,185)
<b>Average Monthly Expense</b>	\$9,739,932	\$10,822,296	\$11,504,160	\$12,478,812	\$13,669,595	\$14,169,808
<b>Annual Expenses</b>	\$116,879,183	\$129,867,552	\$138,049,923	\$149,745,749	\$164,035,138	\$170,037,699
<b>Reserve %</b>	9.57%	13.06%	9.79%	9.63%	5.35%	(1.29%)

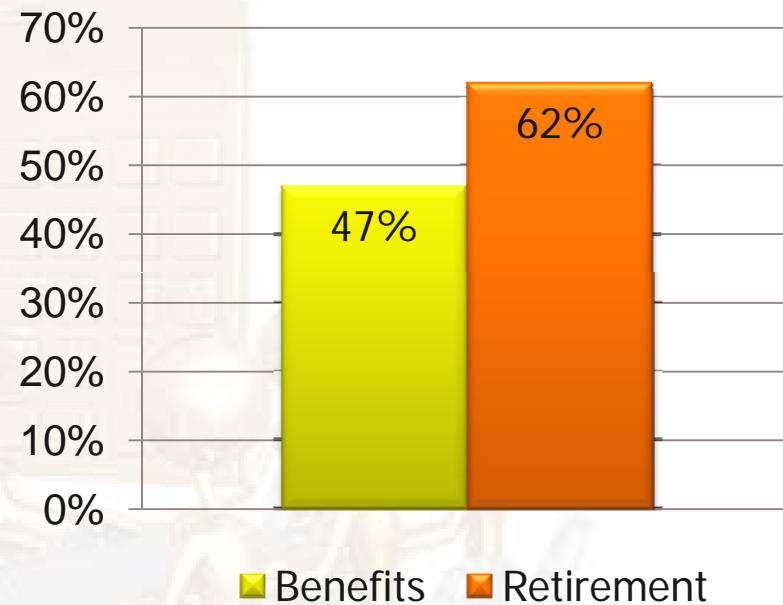
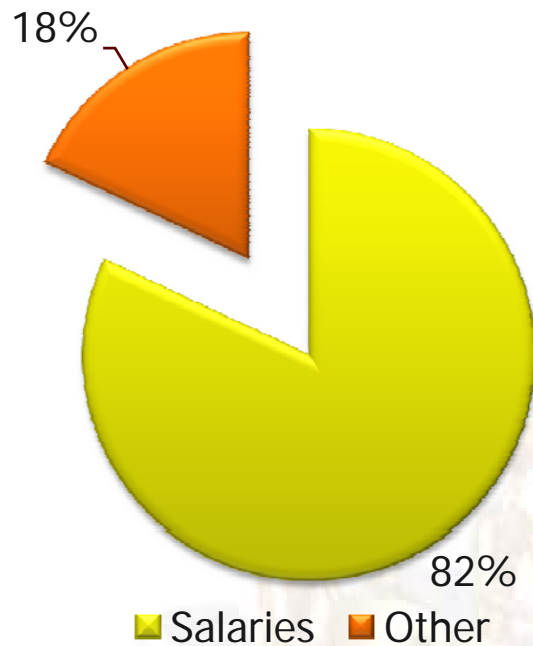
To guarantee operation without borrowing, a minimum reserve balance at November 30 and December 31 is 8%

# Change in State Formula from Prior Year



\*Projected

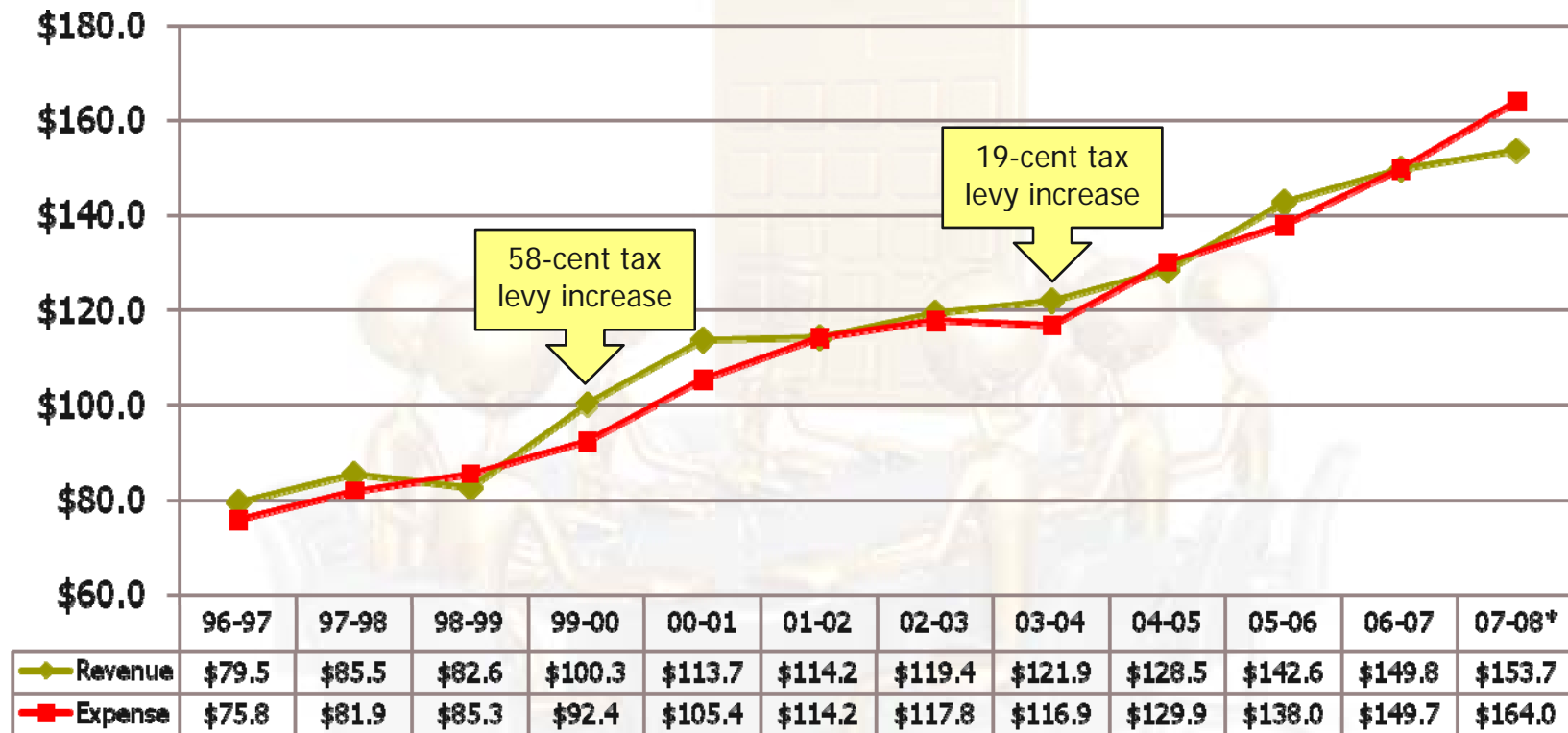
# Budget Challenges



## **FIRE Ratio (Fiscal Instructional Ratio of Efficiency):**

A ratio of total instructional, pupil, and improvement costs to adjusted current operating costs. The current FIRE ratio for Columbia Public Schools is 85.89%.

# Comparison of Revenue to Expense



\*Projected

# Minimum and Desired Classroom Sizes

## DESE Elementary Classroom Size Standards

Grade	K	1	2	3	4	5
Minimum	25	25	25	27	27	30
Desirable	20	20	20	22	22	25

CPS elementary classrooms meeting or exceeding desirable standards:  
**56.6%**

## DESE Secondary Classroom Size Standards

Grade	6	7	8	9	10	11	12
Minimum	30	33	33	33	33	33	33
Desirable	25	28	28	28	28	28	28

CPS secondary classrooms meeting or exceeding desirable standards:  
**83.3%**

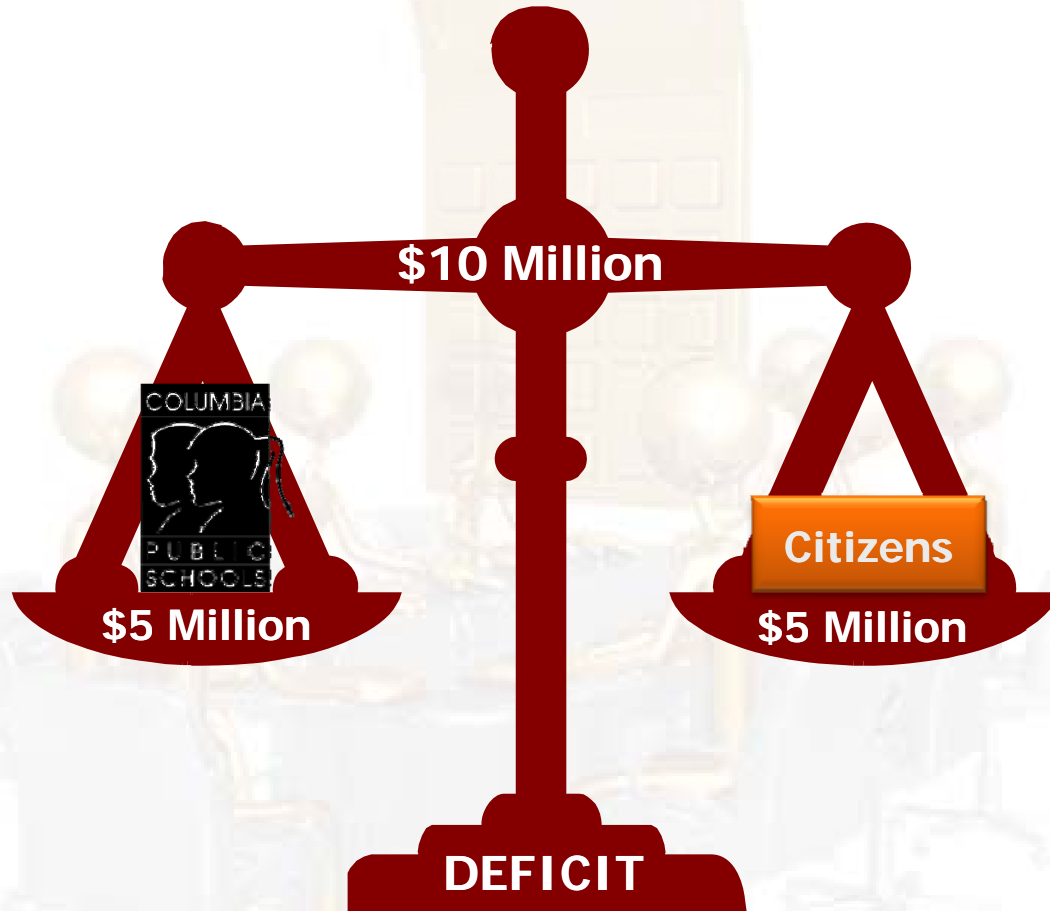
## Recommendation of Dr. Allan Crader

Dr. Allan Crader, principal consultant with L.J. Hart & Company, recommended to the Columbia Board of Education on December 10, 2007, that the Columbia School District's tax levy be increased by 79 cents in order to enable the district to remain solvent and maintain its current operations

79¢



# Balancing the Deficit



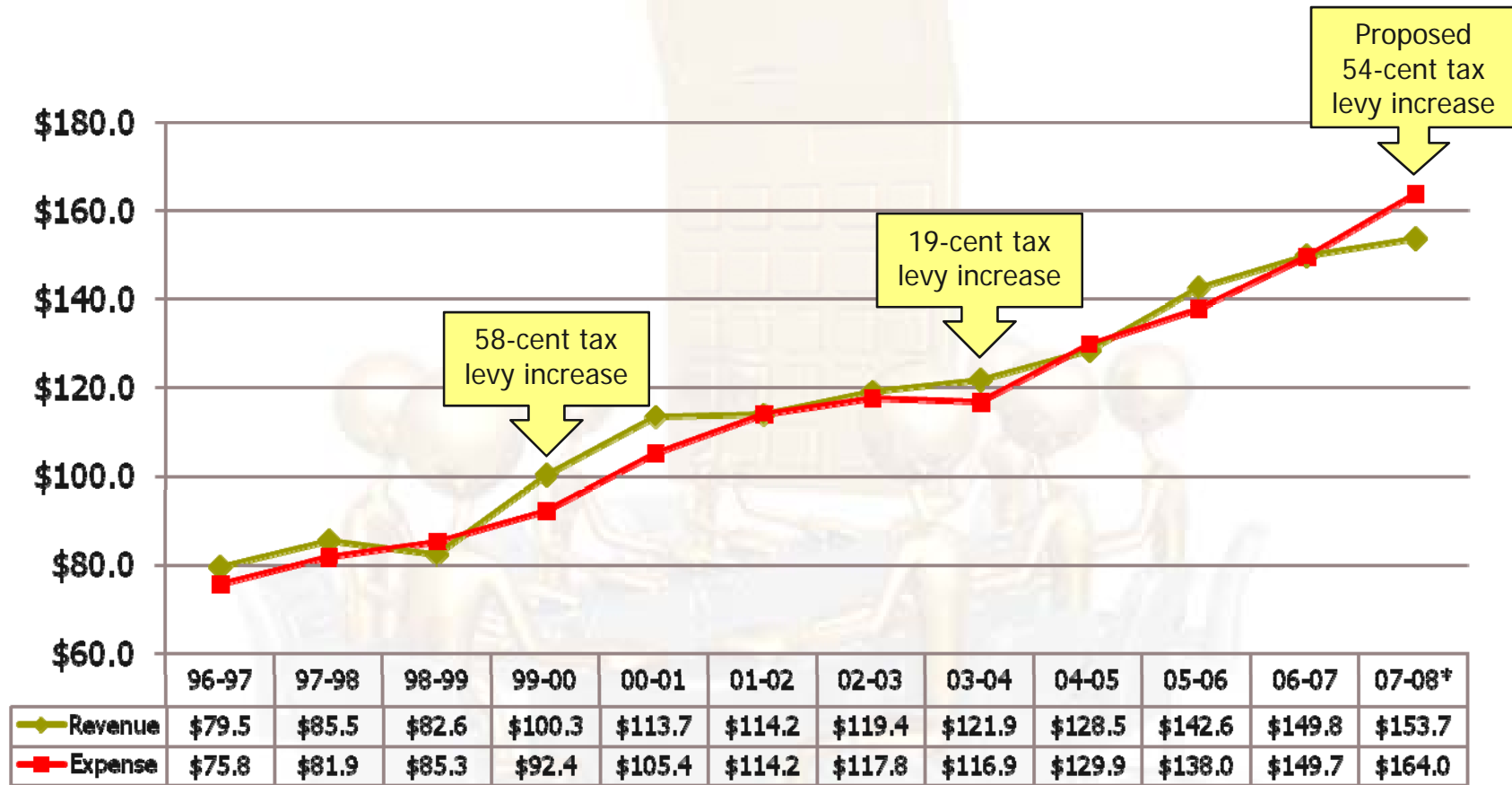
# 2008-09 Budget Reduction Parameters

Whether or not an operating levy is approved, Columbia Public Schools will be proactive in reducing its current expenditures by approximately \$5 million for the next fiscal year. Should additional revenues not be realized, Columbia Public Schools will decrease its budget by additional amounts necessary to maintain Board-approved fund balances. While the district will comply with state and federal laws and mandates, all non-mandated programs/personnel will be considered for possible reduction, with prioritization given to the Board of Education goals. The following parameters will guide the planning for program and personnel reductions should increased revenues not be realized.

# 2008-09 Budget Reduction Parameters

1. The district will adhere to Board-adopted policies pertaining to reduction in force if necessary. Reduction in staffing will be accomplished through attrition when possible.
2. The district will not plan to drop below DESE minimum standards for class size.
3. The district will consider recurring as well as one-time expenditures for reductions/elimination.
4. The district will consider the delay of planning document timelines.
5. The district will work toward multi-year teacher/staff compensation plans to maintain consistency in budget planning.
6. The district will continue to explore alternative funding opportunities.
7. The district cannot commit to the operation of the current district salary schedules.

# Comparison of Revenue to Expense



\*Projected

## The levy increase will not provide for:

1. Increases to base salaries
2. Implementation of the MAG compensation study
3. Annual increases in supply/operating budgets
4. Computer replacement cycle continuation in years 3, 4, 5
5. Additional positions
6. Deficit spending

## The levy increase will provide for:

1. Operation of the existing salary schedule
2. Completion of the technology plan
3. Increases in fixed costs
4. New operating expenses for new elementary school and new high school
5. Prevention of classification as “financially stressed” by DESE in 2009-10
6. Anticipated increases in retirement rates
7. A balanced budget