

The Good, The Bad, and The Ugly



Valley View Local Schools
FY19 Financial Master Plan

Monday, October 8, 2018

Agenda

The Good: What are we doing well?

The Bad: What is not in our favor?

The Ugly: We need to be on the ballot in 2019.

The Good

We spend a large percentage of its operating budget on classroom expenses.

Spending Data

Classroom Spending

Spending per Pupil

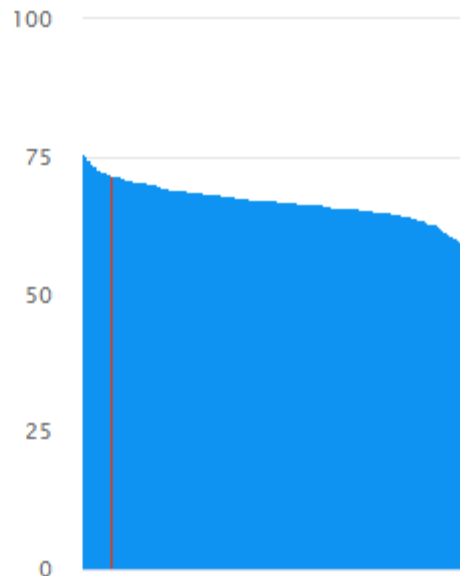
Source of Funds

What percent of funds are spent on classroom instruction?

71.8%

How does this district rank in comparison to other districts of similar size?

21 out of 273



A rank of 1 indicates the highest percent spent on classroom instruction.

The Good

We spend more per pupil in the classroom and less per pupil in non-classroom expenses than the state average.

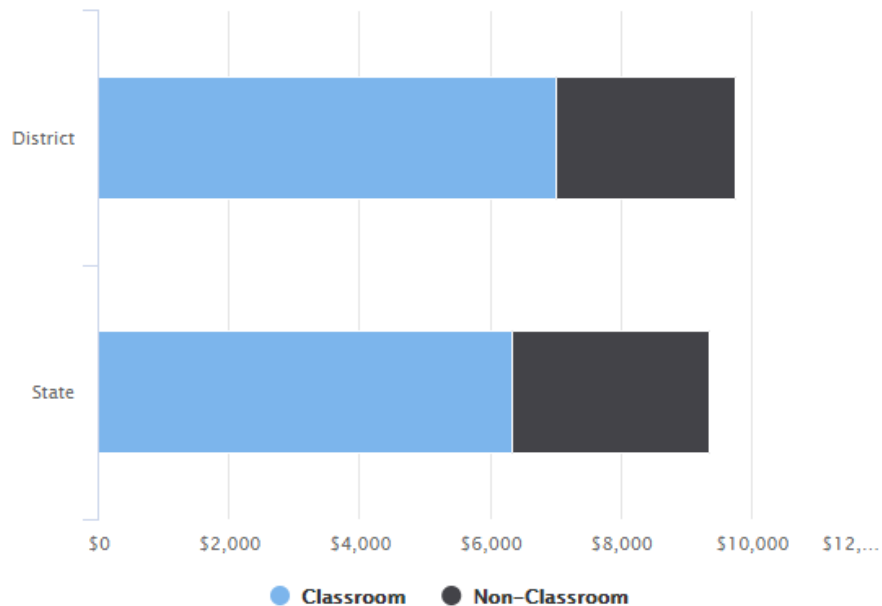
Spending Data

Classroom Spending

Spending per Pupil

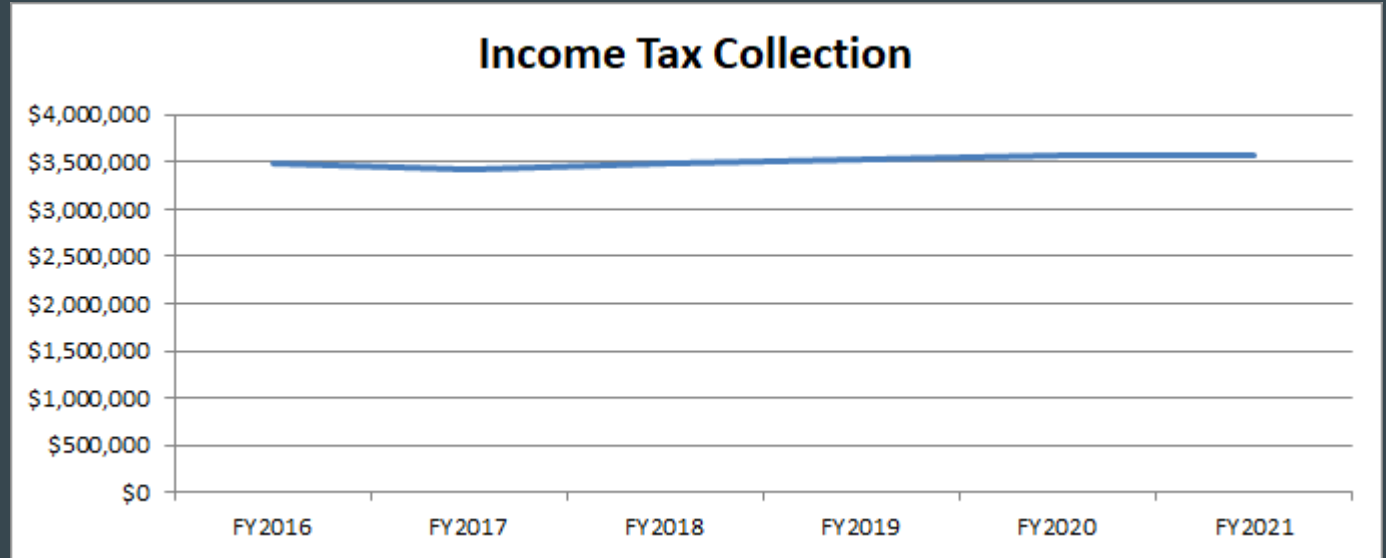
Source of Funds

	District	State
Operating Spending per Pupil ⓘ	\$9,758	\$9,356
Classroom Instruction	\$7,005	\$6,328
Non-Classroom Spending	\$2,753	\$3,028



The Good

Our district's income tax collection has recovered from the last recession and is expected to be stable for the next couple of years.

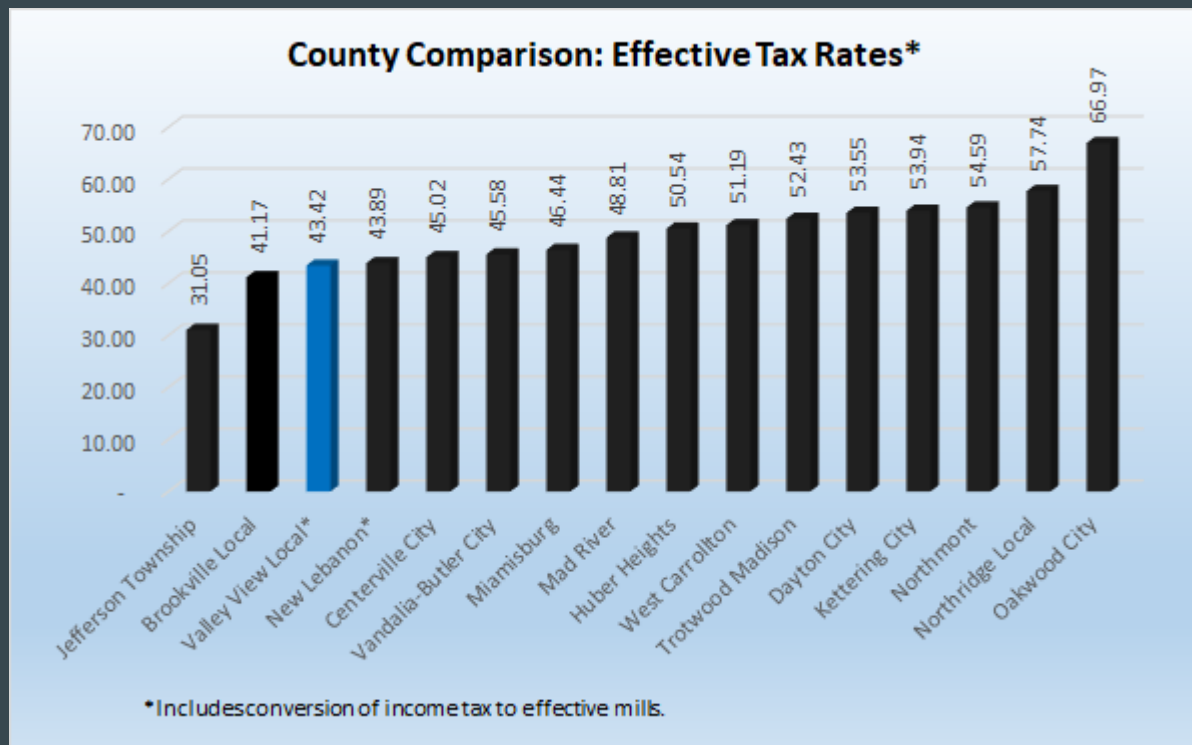


*Income tax revenue is a volatile area for our district. A decline in the economy will have an impact on income tax collection.

The Good

We have the third lowest effective tax rate in Montgomery County.

*The income tax has been converted to effective mills to get an accurate comparison.



The Good



We ended FY18 right on track with where we planned!

Original Planned Deficit

(\$415,595)

Actual Deficit Spending

(\$442,825)

Why is this significant?

- There were several things added to the budget in FY18 - special education services, bus routes, maintenance costs.

The Good

Mr. Richards worked with Mr. Scholler and the administration to identify \$447,000 in cost reductions for FY2019.

Revenue estimates for FY2019 were increased slightly based off of actual income tax collections in FY2018.



The Bad

Our district deficit spent in its general fund by \$442,825 in FY2018.

	FY2018
Total Revenue	19,923,917
Total Expenses	20,366,742
Surplus/(Deficit)	(442,825)
Cash Balance	4,240,216

The Bad (Financially!)

Trends in wages and benefit costs have increased more than we anticipated:

- Health insurance is increasing 7% in 2019
- 14 teachers earned advancements on the salary schedule due to educational enhancements

The financial plan has increased because of added costs:

- Special education bus route
- Long term substitute costs and other position changes

We have a need to establish a reserve for special education services and increased maintenance needs for our facilities (\$300,000 added for FY19).

The Bad

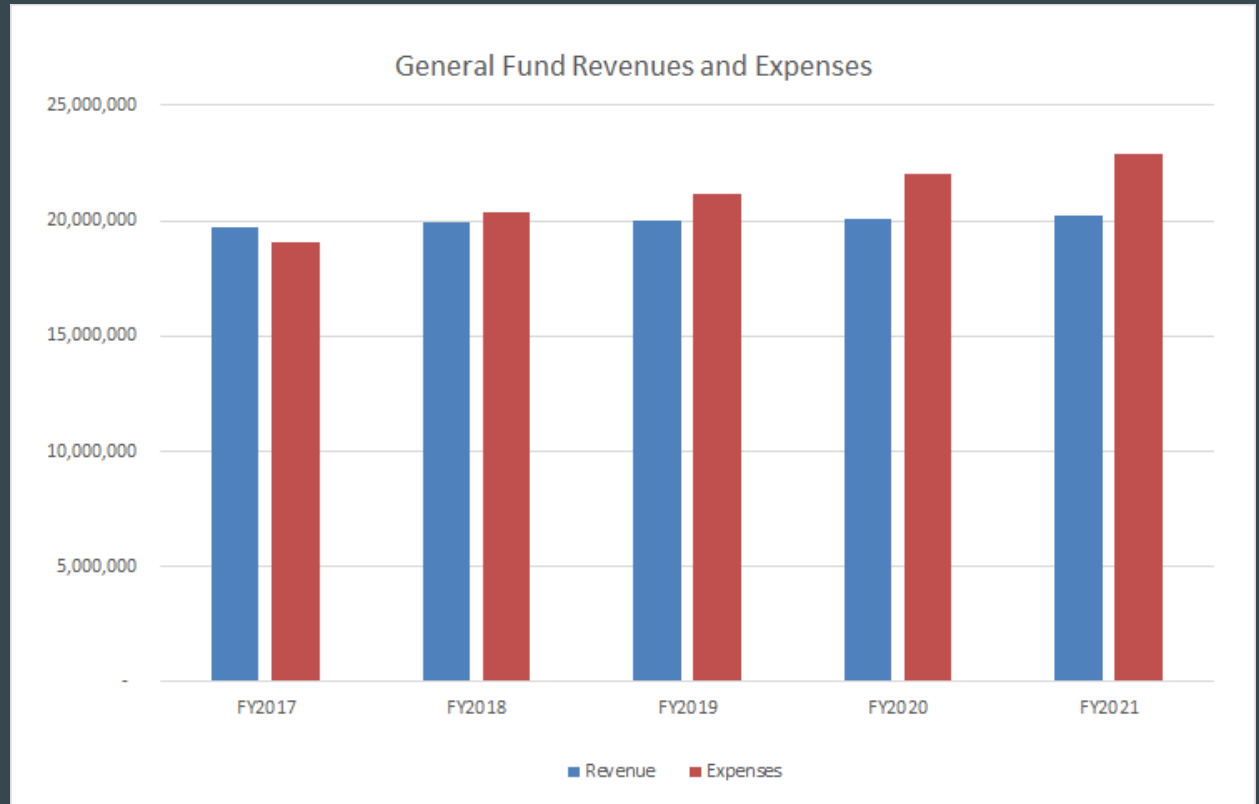
The projected deficit for FY2019 has grown to \$1.1 million.

*As a reminder, this is a spending deficit compared to current year revenue estimates. The district has cash reserves to cover this.

	FY2019
Total Revenue	19,987,199
Total Expenses	21,122,144
Surplus/(Deficit)	(1,134,945)
Projected Cash Balance	3,105,271

The Ugly

Our general fund expenses are now exceeding revenue, which is depleting cash reserves.



The Ugly

The current cash reserve will last through FY2020.



Where do we go from here?

We are evaluating current staffing levels and programs.

We need a new operating revenue source in 2019.

Questions?

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