Proposed Budget 2016-2017
September 7, 2016

Finance, Legislation and Claims Committee
September 7, 2016

Connie Knoche
Chief Financial Officer

Christy Reikofski
Manager Budget Planning & Analysis
Agenda

- Budget Calendar
- Revenue Information
  - Review Assessed Valuation Information/Projection
  - Review State Aid Information
- Expenditure Information
  - Proposed Increases
  - Proposed Reductions
- Revenue/Cash Flow
- Questions/Feedback
Budget Development Timeline

• July 18th – Budget Workshop
• August 20th – Property Tax Certifications
• September 1st – Learning Community Common Levy Proceeds Certification
• September 1st Publication of Budget Hearing Forms (OPS and ESU 19)
• September 7th - Budget Hearing
• September 7th – Budget Adoption
• September 20th – Budget Filing Deadline with State Auditor of Public Accounts, Douglas County Clerk, Sarpy County Clerk, Nebraska Department of Education, Learning Community of Douglas and Sarpy County
• October 13th – Resolution Setting Property Tax Request Filing Deadline with the County Clerk and Auditor of Public Accounts
Omaha Public Schools
Proposed 2015-2016 Levy Fund Budgets

Total Expenditures

- Special Building and Qualified Capital Purpose $177,694,922
- Bond Fund $67,619,248
- General Fund Local $557,287,399

Total Revenue Required

- Cash on Hand, Other Non-Tax Revenue - Special Build, Qualified Cap, Purpose, and Bond - $218,774,660
- Qualified Cap, Purpose Tax Requirement - $3,650,739
- Special Building and Qualified Cap, Purpose Tax Requirement - $549,523
- Bond Fund Tax Requirement - $25,919,248
- LEVY EXCLUSION - Early Leave Incentive $4,575,773
- General Fund Property Tax Requirement - $23,294,046
- Total Levy Required 0.27975*
- Total Levy Required $55,822,561*

General Fund Property Tax Requirement (Less Exclusions) $18,718,273

Learning Community
- Common Levy Projected Proceeds (0.95) - $230,516,391

State Aid $213,112,872

State - Other (Apportionment, SPED, etc.) $45,359,090
Local - Other than Taxes $31,250,000
County $2,600,000
Miscellaneous $5,925,000
Federal $650,000

Total District and Learning Community Levy Required $1.22975

Property Valuation Base $19,954,698,480
3.018% Increase over 2015

*Includes 1% tax collection fees and delinquent tax allowance.
Omaha Public Schools
Proposed 2016-2017 Levy Fund Budgets

Total Expenditures
$897,705,800

- Special Building and Qualified Capital Purpose $244,124,728
- Bond Fund $1,508,140
- General Fund Local $380,072,902

Total Revenue Required
$897,705,800

- Cash on Hand, Other Non-Tax Revenue - Special Build, Qualified Cap. Purpose, and Bond - $360,619,012

Property Tax and Levy Required

- Qualified Cap. Purpose Tax Requirement - $4,186,961
- Special Building and Qualified Cap. Purpose Tax Requirement - $862,405
- Bond Fund Tax Requirement - $29,483,040
- LEVY EXCLUSION - Early Leave Incentive $4,115,853
- General Fund Property Tax Requirement - $72,352,000
- General Fund Property Tax Requirement (Less Exclusions) - $655,092,000
- Learning Community Common Levy Projected Proceeds (0.96) - $248,856,958
- State Aid $226,992,234
- State - Other (Assiopment, SPD, etc.) - $43,664,612
- Local - Other than Taxes - $31,541,496
- County - $2,500,000
- Miscellaneous - $7,685,000
- Federal - $650,000

Total Levy Required
0.29403

Total District and Learning Community Levy Required
$1,244,03

Property Valuation
Base
$20,208,566,050
1.77% Increase over 2016

*Includes 1% tax collection fees and disengaged tax allocation.

OMAH Public Schools

Total District and Learning Community Levy Required
$1,244,03

Property Valuation
Base
$20,208,566,050
1.77% Increase over 2016

*Includes 1% tax collection fees and disengaged tax allocation.

OMAH Public Schools

Total District and Learning Community Levy Required
$1,244,03

Property Valuation
Base
$20,208,566,050
1.77% Increase over 2016

*Includes 1% tax collection fees and disengaged tax allocation.
Budget Development Parameters 2016-2017

- Based on preliminary revenue projections expenditures prioritizations were necessary.
  - Prioritize staffing at buildings.
  - Continued monitoring of other fixed cost for potential increases. (insurance, utilities, fuel, etc.)
  - Continued conversations about needed investments. (textbooks, technology, professional development, facilities, etc.)

- A general fund budget increase of 4.45% approximately $25 million is a minimal sustaining budget.

- Future salary increases are creating a very tight budget climate for schools.
### 2016-17 Preliminary Expenditure Summary

- **Elementary (45.27 FTE)**: $5,323,828
- **Middle School + 81.53 FTE (movement of 6th grade)**: $8,767,572
- **High School + 4.81 FTE**: $3,944,813
- **Alternative Programs + 12.39 FTE (Career Center, Secondary Success, Blackburn, etc)**: $1,208,623
- **District Operational Services (11.24 FTE)**: $4,075,663
- **CIA (3.13 FTE)**: ($223,709)
- **Special Education (5.13 FTE)**: ($416,001)
- **District Wide Facility**: $82,554
- **General Finance & Administrative Services + 2.0 FTE**: ($599,729)
- **Board of Education**: ($13,477)
- **Executive Director School Support + 2.90 FTE**: $362,253
- **Alternative Education (1.15) FTE (Accelere, Independent Studies, Adult High School, etc.)**: $74,146
- **Human Resources + 5.22 FTE**: $658,825
- **Interfund Transfers**: $1,540,142
- **Total District Budget Increase**: $24,785,503
Preliminary Budget Recommendations

- 2015-16 Expenditure Budget: $557,287,399
- Net Preliminary Increases: $24,785,503
- 2016-17 Preliminary Budget: $582,072,902
- Percent Increase: 4.45%
Budget Development Parameters for 2016-17

- District Negotiated Contracts: 3.5%
- Valuation Learning Community: 3.89%
- Valuation Estimate OPS: 1.27%
- Learning Community Levy: $0.95
- OPS Levy: $0.10
## 2016-2017

**INSURANCE INCREASE PROJECTED AT 6%**

### Same Structure as 2015-2016 for BA, BA+18, Add 2 Steps to MA, MA+30 and PHD (20 Steps)

- Starting pay increase of $1151 for new teachers in to $40,000
- Movement on step by OEA creditable years of service
- OPS pays 50% of difference between single and EE+CH, EE+SP, family health on Day 1, for new hires - Year 3
- Employer contribution rates for health insurance for all other employees same as 2015-2016
- Double LSI for employees with 25+ years of experience, LSI remains the same for employees with 15-24 years
- $0 salary adjustment above step 15 or step 20

### Table:

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2017</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ave Salary (Base only)</td>
<td></td>
<td>$4,692,123.00</td>
<td>$51,141</td>
<td>2.3%</td>
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<tr>
<td>LSI</td>
<td>$2,774,145</td>
<td>$929,775.00</td>
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<tr>
<td>Salary Total</td>
<td>$212,504,730.00</td>
<td>$5,621,898.00</td>
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<td>2.7%</td>
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<tr>
<td>Medical $750 Deductible</td>
<td>$34,048,628.00</td>
<td>$890,693.22</td>
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<td></td>
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<tr>
<td>Day 1 Family ER Contr</td>
<td>$3,177,452.82</td>
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<td></td>
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<tr>
<td>New EE 50% of Difference</td>
<td>-$269,149.66</td>
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<td>Medical Total</td>
<td>$36,956,931.16</td>
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<tr>
<td>Dental Total</td>
<td>$1,298,134.93</td>
<td>$73,479.34</td>
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<td>Health Total</td>
<td>$38,255,066.09</td>
<td>$1,808,559.44</td>
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<tr>
<td>Total Package</td>
<td>$250,759,796.09</td>
<td>$7,930,457.44</td>
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<td>3.3%</td>
</tr>
</tbody>
</table>
### 2017-2018

**SAME STRUCTURE AS 2016-2017, INDEXED TO BASE SALARY FOR BA OF $41,000**

**LANES INDEXED TO BA AS FOLLOWS: BA+18 @ 1.04, MA @ 1.10, MA+30 @ 1.14 AND PHD @ 1.18**

**EACH STEP Indexed @ 2 PERCENT OF BASE, FOR MA, MA+30 AND PHD STEPS 15-20 INDEXED @ 3% OF BASE**

**INSURANCE INCREASE PROJECTED AT 6%**

**EACH STEP INDEXED @ 2 PERCENT OF BASE, FOR MA, MA+30 AND PHD STEPS 15-20 INDEXED @ 3% OF BASE**

**MOVEMENT ON STEP BY OEA CREDITABLE YEARS OF SERVICE**

**OPS PAYS 53.5% OF DIFFERENCE BETWEEN SINGLE COVERAGE AND EE+CH, EE+SP, FAMILY HEALTH ON DAY 1 FOR ALL EE**

**ADDITIONAL 1% REDUCTION IN ER CONTRIBUTION FOR EE+CH, EE+SP AND FAMILY, MAINTAIN 98% FOR SINGLE**

**NO CHANGE IN LSI**

**$0 SALARY ADJUSTMENT ABOVE TOP STEP**

**INSURANCE INCREASE PROJECTED AT 6%**

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary</strong></td>
<td>$221,830,692</td>
<td>$12,100,107.00</td>
<td>$54,092</td>
<td>5.8%</td>
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<tr>
<td><strong>LSI</strong></td>
<td>$2,774,145</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Salary Total</strong></td>
<td>$224,604,837.00</td>
<td>$12,100,107.00</td>
<td>$54,092</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>Medical $750 Deductible</strong></td>
<td>$35,850,266.17</td>
<td>-$1,106,664.99</td>
<td>-$352,172.18</td>
<td>-3.0%</td>
</tr>
<tr>
<td><strong>Day 1 Family ER Contr</strong></td>
<td>$3,368,099.99</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>New EE 53.5% of Difference</strong></td>
<td>-$182,497.43</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.0%</td>
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<tr>
<td><strong>Medical Total</strong></td>
<td>$39,035,868.73</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Dental Total</strong></td>
<td>$1,376,023.03</td>
<td>$0.00</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Health Total</strong></td>
<td>$40,411,891.77</td>
<td>$2,156,825.67</td>
<td>$2,065,066.10</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Early Leave Incentive</strong></td>
<td>-$500,000.00</td>
<td>-$500,000.00</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Package</strong></td>
<td>$264,516,728.77</td>
<td>$13,756,932.67</td>
<td>$1,739,196.10</td>
<td>5.5%</td>
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</tbody>
</table>
### GENERAL FUND EXPENDITURES

<table>
<thead>
<tr>
<th>Account</th>
<th>2015-16 Budget</th>
<th>2016-17 Budget</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$320,453,137</td>
<td>$332,999,188</td>
<td>3.92%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>$123,389,750</td>
<td>$130,821,991</td>
<td>6.02%</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>$73,980,166</td>
<td>$82,308,787</td>
<td>11.26%</td>
</tr>
<tr>
<td>Supplies &amp; Materials</td>
<td>$33,742,165</td>
<td>$30,907,229</td>
<td>-8.40%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$1,783,861</td>
<td>$1,454,358</td>
<td>-18.47%</td>
</tr>
<tr>
<td>Other Accounts</td>
<td>$3,938,320</td>
<td>$3,581,349</td>
<td>-9.06%</td>
</tr>
<tr>
<td><strong>Total General Fund</strong></td>
<td><strong>$557,287,399</strong></td>
<td><strong>$582,072,902</strong></td>
<td><strong>4.45%</strong></td>
</tr>
</tbody>
</table>
## Revenues to Support Operations

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>2015-16</th>
<th>2016-17</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>$258,390,437</td>
<td>$269,839,560</td>
<td>4.43%</td>
</tr>
<tr>
<td>Other Local*</td>
<td>$39,775,000</td>
<td>$41,726,496</td>
<td>4.91%</td>
</tr>
<tr>
<td>State Aid</td>
<td>$213,112,872</td>
<td>$226,192,234</td>
<td>6.14%</td>
</tr>
<tr>
<td>Other State</td>
<td>$45,359,090</td>
<td>$43,664,612</td>
<td>1.35%</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>$650,000</td>
<td>$650,000</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**Total General Fund**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2015-16</th>
<th>2016-17</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$557,287,399</td>
<td>$582,072,902</td>
<td>4.45%</td>
</tr>
</tbody>
</table>

*(Other Local includes fines, licenses, motor vehicle tax, carline taxes, interest, etc.)*
General Fund Budget of Expenditures

- 2011-12  $447,172,634
- 2012-13  $468,037,277  increased by 4.9%
- 2013-14  $484,212,577  increased by 3.26%
- 2014-15  $536,187,024  increased by 10.73%
- 2015-16  $557,287,399  increased by 3.94%
- 2016-17  $582,072,902  proposed increase 4.45%
Resources To Support Operations

Programs and services included in the General Fund Budget are primarily supported by local and state sources of revenue. A comparison of revenue Sources to support operations for the current year and Adopted Budget is Presented below.

General Fund Revenue 2016-17

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>% Change</th>
<th>Budget 2015-2016</th>
<th>Budget 2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>4.43%</td>
<td>$258,390,437</td>
<td>$269,839,560</td>
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<tr>
<td>Other Local</td>
<td>4.91%</td>
<td>$39,775,000</td>
<td>$41,726,496</td>
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<td>State Aid</td>
<td>6.14%</td>
<td>$213,112,872</td>
<td>$226,192,234</td>
</tr>
<tr>
<td>Other State</td>
<td>-3.74%</td>
<td>$45,359,090</td>
<td>$43,664,612</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>0.00%</td>
<td>$650,000</td>
<td>$650,000</td>
</tr>
<tr>
<td>Total General Fund Revenue</td>
<td>4.45%</td>
<td>$557,287,399</td>
<td>$582,072,902</td>
</tr>
</tbody>
</table>
## Unrestricted Fund Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$47,437,243</td>
<td>11.17%</td>
</tr>
<tr>
<td>2012</td>
<td>$43,268,021</td>
<td>9.26%</td>
</tr>
<tr>
<td>2013</td>
<td>$55,565,485</td>
<td>11.57%</td>
</tr>
<tr>
<td>2014</td>
<td>$50,193,885</td>
<td>10.06%</td>
</tr>
<tr>
<td>2015</td>
<td>$63,130,596</td>
<td>12.19%</td>
</tr>
</tbody>
</table>

*The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Unrestricted fund balance consists of amounts that are not restricted, committed or assigned for specific purposes.

The unassigned general fund balance must be maintained at a level between 5% and 15% of the prior year’s expenditures of the general fund.

The purpose of unassigned fund balance is to maintain sufficient cash flow, maintain investment grade bond ratings, offset revenue shortfalls and provide funds for unforeseen expenditures related to emergencies.
<table>
<thead>
<tr>
<th>Fund</th>
<th>2015/16 Budget Information</th>
<th>2016/17 Budget Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>24,344,630.77</td>
<td>0.121999</td>
</tr>
<tr>
<td>Bond Fund(s) K - 12</td>
<td>27,088,232.32</td>
<td>0.135749</td>
</tr>
<tr>
<td>Bond Fund(s) K - 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Fund(s) 9 - 12</td>
<td></td>
<td></td>
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<tr>
<td>Bond Fund _________________</td>
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<td></td>
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<tr>
<td>Special Building Fund</td>
<td></td>
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<tr>
<td>Qualified Capital Purpose Undertaking Fund K - 12</td>
<td>4,389,697.65</td>
<td>0.021998</td>
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<tr>
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<tr>
<td>Qualified Capital Purpose Undertaking Fund 9 – 12</td>
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</tr>
<tr>
<td>Learning Community Common Levy</td>
<td>230,516,391</td>
<td>0.950000</td>
</tr>
</tbody>
</table>

Total District and Learning Community Levy Required 1.22975 1.24403
Aligning the Budget to the Strategic Plan

- Examples of what Departments have provided
- Ideas of how to illustrate this concept
- Open Book
OPS Presents Open Book
Financial Reporting Website

- District.ops.org
- Search OPS
- Type in Open Book
- 2016-17 Proposed Budget
- Search by Department or School Building
Educational Service Unit No. 19
2016-2017 Proposed Budget

• Meets Total Levy Limit of 1.5 cents per $100 of assessed value
• Includes funds received from Omaha Public Schools to support the District’s technology and printing operations
Educational Service Unit No. 19
2015-2016 Proposed Budget

- Meets Total Levy Limits of 1.5¢ per $100 of assessed value.
- Includes funds received from Omaha Public Schools to support the District's technology and printing operations.
- Includes funding for expanded Supplemental Educational Services.

### Total Expenditures

<table>
<thead>
<tr>
<th>Million</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>22.5</td>
<td>General Fund $8,954,779</td>
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<tr>
<td>12.5</td>
<td>Technology Interlocal Agreement — Omaha Public Schools $12,297,718</td>
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<tr>
<td>2.5</td>
<td>Federal Including Supplemental Education Services - $2,297,797</td>
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</table>

### Total Revenue Required

<table>
<thead>
<tr>
<th>Million</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>23,550,294</td>
<td>Total Revenue Required - $23,550,294</td>
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</table>

### Property Tax and Levy Required

<table>
<thead>
<tr>
<th>Million</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,993,205</td>
<td>General Property Tax Requirement - $2,993,205</td>
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<tr>
<td>0.01500</td>
<td>Total Levy 0.01500</td>
</tr>
</tbody>
</table>

- Includes 1% tax collection fees and delinquent tax allowance.

Property Valuation Base
$19,954,698,480
3.018% increase over 2015
2016-17 ESU Preliminary Expenditure Summary

- Decrease ESU Rent ($22,100)
- IMS Support $24,710
- IMS Project Management $3,150
- Network Management $40,137
- Financial Information Systems $32,636
- Student Data Information Systems $6,047
- Human Resources Information System ($23,329)
- Maintenance $39,882
- Supplemental Educational Services $4,654
- Distance Education ($269,663)
- Salaries & Benefit Adjustments $23,928
- Services Hub $21,401
- Print & Publication $37,509

- **Total ESU Budget Increase** ($81,038)
Preliminary ESU Budget Recommendations

- 2015-16 Expenditure Budget $23,550,294
- Net Preliminary Increases ($81,038)
- 2016-17 Preliminary Budget $23,469,256
- Percent Increase (0.34%)
## ESU Revenues to Support Operations

<table>
<thead>
<tr>
<th>Sources</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td>$2,500,000</td>
<td>$0</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$2,858,511</td>
<td>$2,900,751</td>
</tr>
<tr>
<td>Other Local*</td>
<td>$2,959,265</td>
<td>$480,100</td>
</tr>
<tr>
<td>Core Services</td>
<td>$2,734,542</td>
<td>$2,934,309</td>
</tr>
<tr>
<td>Interlocal</td>
<td>$10,200,182</td>
<td>$14,782,945</td>
</tr>
<tr>
<td>Federal Sources</td>
<td>$2,297,797</td>
<td>$2,371,151</td>
</tr>
<tr>
<td><strong>Total General Fund Revenues</strong></td>
<td><strong>$23,550,294</strong></td>
<td><strong>$23,469,256</strong></td>
</tr>
</tbody>
</table>

*(Other Local includes fines, licenses, motor vehicle tax, carline taxes, interest, etc.)*