

2015 – 2016 BUDGET BOOK

Executive Summary



July 1, 2015 - June 30, 2016 Fiscal Year



KELVIN R. ADAMS, PH.D., Superintendent of Schools

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Special Administrative Board



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President and CEO

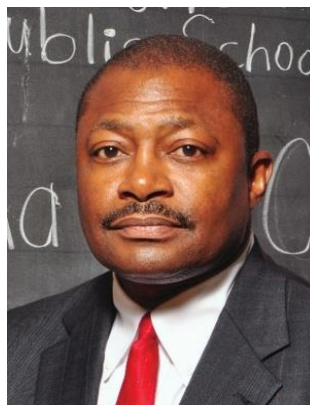


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Comprehensive
Long-Range Planning
Chair

Superintendent of Schools



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July 1, 2015

Special Administrative Board and Citizens of the City of St. Louis

St. Louis Public Schools

801 N. 11th Street

St. Louis, MO 63101

Dear Special Administrative Board and Citizens,

During the 2014-15 school year our district updated its Transformation Plan, the roadmap that we will follow to ensure our ability to provide a quality education for every student. This new plan, Transformation Plan 2.0, was shared in the spring with the community via public forums and the District website. The plan focuses on four primary goals that will allow our district to operate at a higher academic level, clearly communicate our focus, relentlessly use data to accomplish our goals and have fun doing it. The four goals are:

1. Operate a system of excellent school options for all students
2. Cultivate and sustain transformational teachers & leaders
3. All students read their way to college & career success
4. Partnerships support the whole child

The strategic goals and actions outlined in Transformation Plan 2.0 are our way to help “shape the path” for the district. These goals provide a direct alignment between the existing district level work and individual student outcomes. These strategic goals have very tangible actions we must coordinate, as we plan to take our thinking from district-level planning to school-level execution. We operate with limited resources; therefore, it is imperative that we effectively align our resources in an effort to maximize the collective impact needed to ensure our students are college and career ready.

We are pleased to submit the St. Louis Public Schools’ (SLPS) annual operating budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016. The budget for 2015-16 has been developed, with the input of private citizens, instructional leadership, district administration, and members of the Special Administrative Board. In accordance with the goals and objectives enumerated within the district’s Transformation Plan 2.0, proposed funding for FY 2016 is focused on the following objectives:

- Establish Full Accreditation
- Align resources to support the District’s Transformation Plan 2.0 Objectives (outlined above)
- Build financial stability with 10% fund balance target
- Reinforce a culture of high expectations and accountability

These fundamental objectives, along with the continuity of district leadership, both in governance and at the administrative level, has contributed to the attainment of much progress over the past seven years. The Proposed FY 2016 Budget has been developed with these fundamental objectives in mind

The total proposed general operating budget (GOB) is \$286,400,000, which includes the planned utilization of \$1.4 million from the building fund balance for maintenance and repairs. The total estimate for all funds is \$399,338,699.

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The St. Louis Public Schools' mission:

"We will provide a quality education for all students and enable them to realize their full intellectual potential."

The proposed budget for FY 2015-16 focuses on the needs of students and provides funding to further our mission. Funds have been allocated to our campuses for the development of new programs and initiatives as outlined in the FY 2015-16 Transformation Plan 2.0 and the continued support of programs that have proven to be successful. The ensuing pages of this publication provide an overview of the District and details relative to the District's sources and uses of funding.

In the upcoming years, it will be imperative that we revisit the many opportunities for greater operational efficiencies and cost savings. We will approach these opportunities and the many challenges that lie ahead with transparency, improved depth, quality, and clarity of information to all of our stakeholders. We will do our very best to minimize the negative impact to the services most needed, and we will undertake these efforts with due care and concern for our students, residents, and employees. As always, we seek the public's awareness and participation in this challenging effort.

Respectfully,

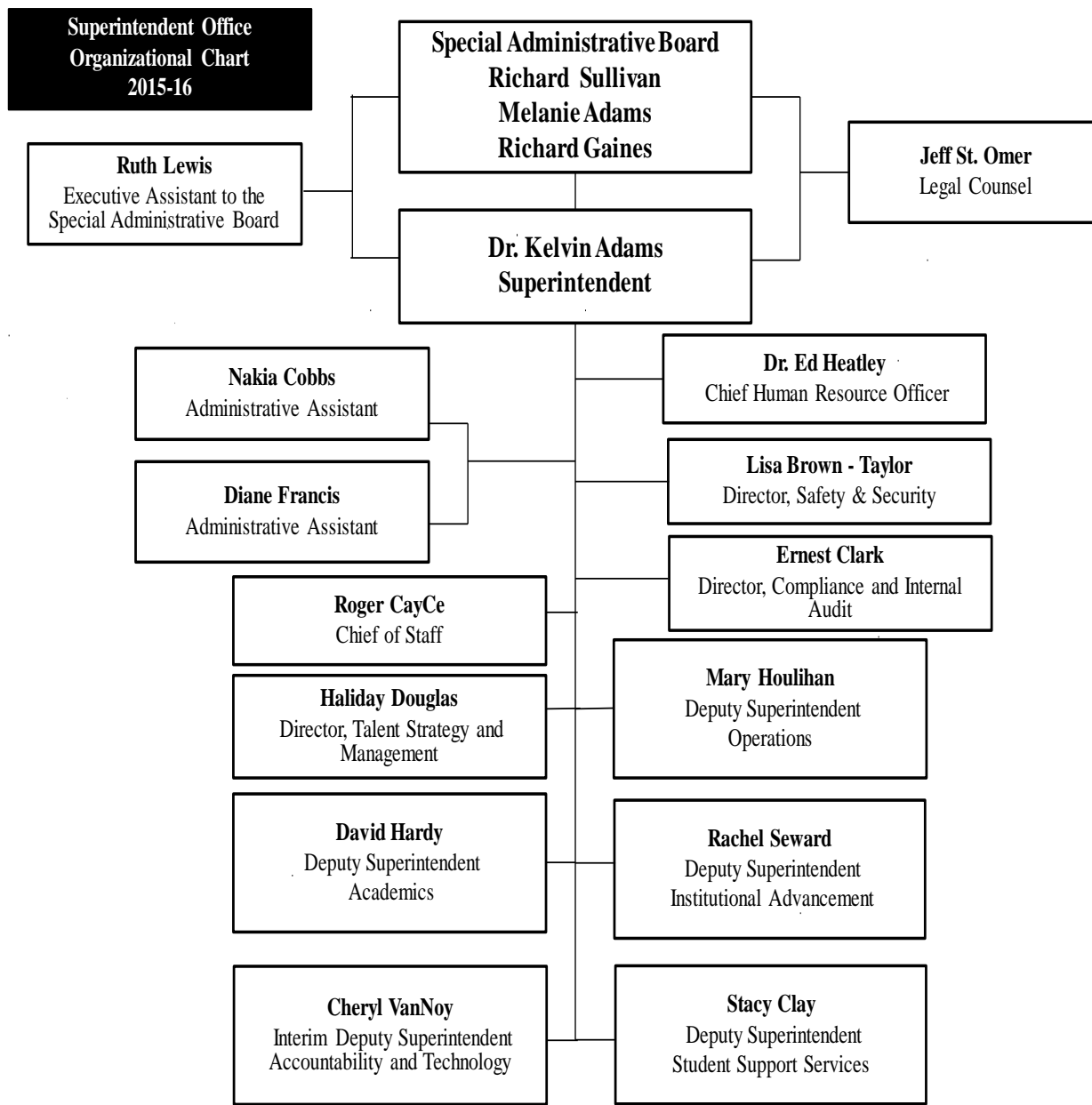
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Superintendent, St. Louis Public Schools

FY2016 Proposed SLPS Budget by Fund

Fund Code	Fund Description	FY2015 Projected Spend	FY2016 Adopted Budget	Variance +/-	% Change
SAB Adopted Funds					
110	GOB INCIDENTAL	127,532,156	123,532,037	(4,000,119)	-3.1%
111	² EXPANSION INCIDENTAL	4,300,051	4,392,915	92,864	2.2%
112	² EXPANSION TEACHERS	5,102,387	3,907,085	(1,195,302)	-23.4%
120	GOB TEACHERS	165,439,607	157,787,271	(7,652,336)	-4.6%
140	GOB STUDENT HEALTH	3,800,387	3,680,693	(119,694)	-3.1%
360	CAPITAL EQUIPMENT	4,973,200	1,400,000	(3,573,200)	-71.8%
510	SCHOOL LUNCHROOM	16,996,287	18,000,000	1,003,713	5.9%
610	DEBT SERVICE	27,253,897	28,200,000	946,103	3.5%
	SAB Adopted Funds Subtotal	355,397,973	340,900,001	(14,497,972)	-4.1%
Special Revenue Funds					
220	¹ EARLY CHILDHOOD SPECIAL ED	6,550,000	7,100,000	550,000	8.4%
230	¹ TITLE I IASA	19,320,000	25,819,811	6,499,811	33.6%
240	¹ ADULT VOCATION/ACADEMIC ED	420,000	0	(420,000)	-100.0%
250	¹ ADULT BASIC ED	2,350,000	2,768,395	418,395	17.8%
260	¹ COMM DEVELOP AGENCY	126,200	0	(126,200)	-100.0%
270	¹ SPECIAL ED	8,690,000	7,454,344	(1,235,656)	-14.2%
290	¹ OTHER FEDERAL	11,190,000	6,589,106	(4,600,894)	-41.1%
620	¹ TITLE VI	3,710,000	4,451,014	741,014	20.0%
	Special Revenue Funds Subtotal	52,356,200	54,182,670	1,826,470	3.5%
Capital Projects Funds					
909	CAPITAL A/C	880,051	0	(880,051)	-100.0%
913	PROP S 2011A	5,017,529	0	(5,017,529)	-100.0%
914	PROP S 2011B	3,828,415	2,600,000	(1,228,415)	-32.1%
	Capital Projects Funds Subtotal	9,725,995	2,600,000	(7,125,995)	-73.3%
Self-Funding Funds					
720	TRUST AGENCY & ENTERPRISE	79,450	100,000	20,550	25.9%
730	FOUNDATIONS & CONTRIBUTIONS	2,253,940	1,556,000	(697,940)	-31.0%
	Self-Funding Funds Subtotal	2,333,390	1,656,000	(677,390)	-29.0%
Grand Total - All Budgeted Funds		\$ 419,813,558	\$ 399,338,671	\$ (20,474,887)	-4.9%

SLPS Organization Chart





The Transitional School District of the City of St. Louis (“the District”) (known as the St. Louis Public Schools prior to the time the Special Administrative Board was vested with power to govern the District) is a K-12 public school district in the City of St. Louis, Missouri. The District was originally organized in 1833. In 1838, the District opened its first school, and in 1853, the District opened the first co-educational high school west of the Mississippi River.

District Overview

The District encompasses approximately 61 square miles and is coterminous with the corporate limits of the City of St. Louis, Missouri. The present estimated population of the City of St. Louis, and therefore the District is 319,294.

Under a March 22, 2007 decision, the Missouri State Board of Education declared St. Louis Public Schools as unaccredited. In accordance with the laws of the State of Missouri, the governance of the school district was transferred from the divested board, except for auditing and reporting matters, and placed with the Special Administrative Board (SAB) of the Transitional School District. The transitional school district is subject to all laws pertaining to “seven member districts,” as defined in section 160.011, RSMO. In keeping with state statutes, the governing board of the transitional school district shall consist of three members: one shall be a chief executive officer nominated by the state board of education and appointed by the governor with the advice and consent of the senate, one shall be appointed by the mayor of the city not within a county and one shall be appointed by the president of the board of alderman of the city not within a county. The SAB took full control of the operation of the St. Louis Public School District on June 15, 2007. Generally, the SAB responsibilities are to set policy for the District to ensure efficient operations, to select and evaluate the Superintendent of Schools, to adopt an annual budget and its supporting tax rate and to foster good community relations and communications.

On October 16, 2012, after noting substantial improvements in several areas including: stable leadership; curriculum alignment; assessment, instruction, and professional development; data collection; federal compliance and financial management, the State Board of Education voted unanimously to restore the District to provisional accreditation status.

District Accreditation

At the time of the loss of accreditation, the District had three (3) Annual Performance Report Points (“APR”) pursuant to the Missouri School Improvement Program. According to the Understanding Your Annual Performance Report (“UYAPR”), a K-12 school district was required to have earned between six (6) and eight (8) APR points, including at least one Missouri Assessment Program (“MAP”) point to qualify for Provisional Performance Accreditation. To qualify for Full Accreditation, a K-12 school district was required to have earned at least nine (9) APR points. At the time of the recent decision to restore the District to Provisional Performance Accreditation the District had earned seven (7) APR points, including one (1) MAP point satisfying the objective criteria set forth in the UYAPR.

In addition to earning the requisite number of APR points necessary to qualify for Provisional Performance Accreditation, the SAB and administration have addressed many of the original concerns raised by DESE, the Special Advisory Committee on SLPS, and the State Board of Education.

Level of Education Provided

The District provides educational programs to students of all ages through its early childhood, kindergarten through 12th grade, alternative, and adult education programs. In addition, the District operates four (4) community education full-service schools that offer educational and recreational programs to students and adults of all ages.

The grade configuration of the District was reorganized in 1980. Prior to that year, the elementary schools served grades K-8 and the secondary schools served grades 9-12. Under the reorganization, middle schools were established for grades 6-8 and elementary schools for grades PK-5. A “cluster” system was instituted in which elementary schools became feeders to middle schools. Clusters were formed based upon racial composition of pupil population, school location and the number of classrooms needed in each building.

Early Childhood Program

The SLPS Early Childhood Program is a tuition free, full-day program. The District operates one-hundred-forty (140) classrooms at forty-five (45) campuses for children of SLPS residents between the ages of 3-5 years old. Fifty-two (52) of the early childhood classrooms are supported by Title I funds, and thirty-nine (39) of these



classrooms are operated at SLPS Magnet campuses. The District’s campuses accommodate children with developmental delays including one (1) classroom at Gateway-Michael School for medically fragile preschoolers. Gifted preschoolers are served in two (2) classrooms at Mallinckrodt Elementary School, and one (1) classroom at Kennard, while preschoolers that are deaf or hard of hearing have opportunities to participate with hearing peers at Lyon Academy at Blow School. In FY 2015, SLPS served two-thousand (2,000) students in the

Early Childhood Program. A distinctive competence of the SLPS program is that students enrolled in such programs receive a quality education taught by certified teachers at no cost to resident families. Instructional outcomes and facilities for the preschool experience follow licensing guidelines and best practices/policies issued by the State of Missouri.

Improved educational outcomes and kindergarten readiness are the primary focal points of the SLPS Early Childhood Program. The SAB and district administration believe that the investment in early childhood education is amongst the most important education reform efforts that has been implemented since the SAB took control of District operations in 2007.

Elementary School Program

Approximately 15,022 students are projected to attend the District's 46 elementary schools in FY 2016. Elementary schools (grades PK-5) offer mathematics, communication arts (reading, writing, speaking, and listening), science and social studies. Arts and physical education are also provided.

Middle School Program

FY 2016 middle school enrollment is projected at 3,677 students. SLPS operates ten (10) Middle Schools. Middle schools (grades 6-8) offer mathematics, communication arts, science and social studies. Additionally, the middle schools offer art, business education (in magnet schools), foreign language (in magnet schools), home economics, industrial arts, music (vocal and instrumental), physical education, career awareness and orientation, counseling, remedial reading and mathematics, and athletic programs.

High School Program

High school enrollment for FY 2016 at the District's 14 High Schools is projected at 6,418 students. High Schools offer English (complete sequence), mathematics courses (basic mathematics through calculus), science (general science, chemistry, physics), social studies (complete sequence), foreign language (four years of French, German, or Spanish district-wide and Chinese, Arabic and Russian at a single site, career technical education courses, music (vocal and instrumental), physical education, and athletic programs (all sports).

Special Education Program

Local school districts are responsible for ensuring a Free Appropriate Public Education (FAPE) for students requiring special education services. Special education services were federally mandated in 1975 by the passage of the Education for All Handicapped Children Act. This legislation was later modified and became the Individuals with Disabilities Education Act (IDEA). IDEA requires states to provide services for children with special education needs as a condition of receiving federal funds.

The SLPS budget for Special Education is a combination of state, local and federal funds and is used to serve the needs of approximately 3,900 students, between the ages of 5-21. The District has budgeted approximately \$48 million for special education administration and student services for the 2015-16 school year.

At all grade levels there is a range of services for special education and guidance services. In addition, the District operates alternative programs for students with specialized needs. These initiatives include programs for adjudicated students and students with disciplinary problems; special schools for students with multiple disabilities; and tutoring for students who are hospitalized.

Educational and Therapeutic Supports at Madison is the district's educational centralized program that supports Pre-k through 8th graders that have severe emotional and behavioral challenges. By placing these students in a specialized environment with a clinical social worker and teachers trained to work with these students, we will better serve the needs of all SLPS students.

Magnet School Program

Included within the District's elementary, middle and high schools are magnet schools. In addition to a basic curriculum, magnet schools offer a specific focus, which makes it possible

to match a student's unique needs or interests with a compatible teaching method and/or program.

The District operates twenty-three (23) Magnet schools serving 10,661 students. The District's Magnet schools have entrance requirements similar to the requirements for students enrolling in St. Louis County public schools participating in the Voluntary Inter-District Choice Corporation ("VICC") student transfer program.

In addition to the magnet programs, the District also has several "theme" schools, including New American Preparatory Academy, Carnahan High School of the Future, Northwest Academy of Law, Woerner (Pilot Schools Initiative-Gender Specific Classrooms), and Pamoja Preparatory Academy (African Centered Education). These are all small schools with a focus on serving targeted populations of students in the District.

Career and Technical Education (CTE) Program

The Career Education Program provides a variety of experiential activities that demonstrates the practical application of school related subjects in the real work world. Career classroom speakers discuss topics such as job readiness, life skills, college and post-secondary training expectations, and career exploration options.

The Technical Education Program provides technical training and resources that promote high academic achievement while preparing students for successful careers in various technical trades. The department's instructional staff consists of approximately 60 teachers and offers more than 30 programs within various technical subject areas.

Career and Technical Education programs are supported by Specialists with knowledge and expertise in the CTE program pathway. Programs are required to have a current industry based curriculum supported by a sequence of courses, an applicable technical skills assessment, student organization affiliation, and a transition agreement to post-secondary education training. The Career and Technical Department reports all core data pertaining to the programs to the Department of Elementary and Secondary Education. CTE programs receive state and federal funding based upon this data and this data has been used to attain MSIP points towards accreditation.

Statement of Missouri Statute

Missouri Revised Statutes Section 67.010 establishes the legal basis for budget development for public school districts in the State of Missouri. The following items summarize the legal requirements from the statute.

1. Each political subdivision of this state, as defined in section 70.120, except those required to prepare an annual budget by chapter 50 and section 165.191, shall prepare an annual budget. The annual budget shall present a complete financial plan for the ensuing budget year, and shall include at least the following information:

(1) A budget message describing the important features of the budget and major changes from the preceding year;

(2) Estimated revenues to be received from all sources for the budget year, with a

comparative statement of actual or estimated revenues for the two years next preceding, itemized by year, fund, and source;

(3) Proposed expenditures for each department, office, commission, and other classification for the budget year, together with a comparative statement of actual or estimated expenditures for the two years next preceding, itemized by year, fund, activity, and object;

(4) The amount required for the payment of interest, amortization, and redemption charges on the debt of the political subdivision;

(5) A general budget summary.

2. In no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year; provided, that nothing herein shall be construed as requiring any political subdivision to use any cash balance as current revenue or to change from a cash basis of financing its expenditures.

The accounts of the district are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund of the district is custodial in nature and does not involve measurement of results of operations. However, the modified accrual basis of accounting is used for the Governmental and Fiduciary Funds. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred except for unmatured interest on general long term debt, which is recognized when due.

Basis of Accounting

Property tax revenues and other Governmental Fund financial resources are recognized under the "susceptible to accrual" concept. The district generally considers property taxes available if they are due before year-end and are collected within 60 days after year end. Grant revenues are recognized when reimbursable expenditures are made, except in the School Lunchroom Fund where revenue recognized is based on the number of children served. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The district maintains control over operating expenditures by the establishment of an annual budget. The Governmental Fund Type budgets of the district are developed according to the modified accrual basis of accounting. The basis of budgeting is the same as the basis of accounting.

Basis of Budgeting

The budget for a fund is prepared based on the projected revenue amount (revenue = expenditure) for the fund's fiscal year. An increase or decrease in actual revenue

(over or under the projected revenue) amount can result in a corresponding amendment to the fund's budget, as approved by the Special Administrative Board. Financial system edits and controls prevent total expenditures more than the funds' amended budget.

A school district's accounting systems are organized and operated on a fund basis in which each of the district's funds are designated for a specific purpose. A state or federal government can also establish the fund's purpose. Three fund types are:

Funds and Fund Types **Governmental Fund Types**

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in Proprietary Funds, are accounted for through Governmental Funds (General, Teacher's, Debt Service, Capital Projects and Non-Major Governmental Funds).

Governmental Funds are, in essence, an accounting segregation of financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between Governmental Funds assets and liabilities, the fund equity, is referred to as "Fund Balance."

The Governmental Fund measurement focus is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources), rather than on net income determination. The statement of revenue, expenditures, and changes in fund balance is the primary Governmental Fund operating statement. It may be supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

The St. Louis Public Schools' budget includes the following governmental fund types:

1. General Fund
2. Special Revenue
3. Capital Improvements
4. Debt Service

Proprietary Fund Types

Proprietary funds are used to account for ongoing organizations and activities which are similar to those often found in the private sector. An Internal Service Fund is used to account for costs of the District's limited self-insurance program and to account for the activities of the SLPS Health Benefits Trust, which accumulates resources for the payment of health and welfare benefits primarily on behalf of and for the benefit of the District's employees, retirees and their dependents.

The St. Louis Public Schools' budget includes the following proprietary fund types:

1. Internal Service
2. Foundations and Contributions

Fiduciary Fund Types

Fiduciary funds are used to account for transactions related to amounts received in an agency capacity on behalf of individuals, private organizations, and other governmental units. The District has no equity interest in this fund. This fund applies the accrual basis of accounting. The District's agency fund is used to account for monies placed in escrow that represent the District's retirement contribution to the Public School Retirement System of the City of St. Louis.

Budget Development Process

The District Budget serves as the annual operating plan of St. Louis Public Schools for the upcoming year and is the guide for all District activities. The budget document also the historical record of the District’s financial policies; provides information regarding the District’s academic priorities, operational programs and services; and communicates the financial strategy of the District to the governing body, administration, staff and community members. The District budget is not a static document; rather it is ever-changing throughout the year to best meet the needs of our students.



Though the fiscal year for St. Louis Public Schools runs from July 1 through June 30, the budget process is cyclical and ongoing in nature. SLPS never stops seeking the best use of District resources. The budget process is composed of five major phases: planning, preparation, adoption, implementation, and evaluation. The focus of the process is to align the district’s resources, programs, and services in a manner that allows school communities to concentrate their efforts on the education of students.

Planning - (October – February)

The District’s planning process is initiated with the establishment of the budget calendar. The calendar sets the tone of the annual process and outlines each stage of developing the yearly financial plan. The budget calendar is created and distributed to budget managers in October.

A major component of the annual planning process is the review of the district’s long-term financial modeling tool. The District recognizes the necessity of prudent management of its finances in order to ensure its long-term viability for our students and communities. In turn, it has made a priority to take a long-term approach to financial planning. The Finance Department provides frequent reporting of the District’s five-year financial outlook which takes into consideration various enrollment, state and federal revenue, and expenditure scenarios to the Special Administrative Board. This information equips the Superintendent and District Leadership to strategically plan. The strategic plan is then used to inform discussions for the upcoming year’s annual goals, priorities and initiatives.

Preparation - (March - April)

Community involvement and input in the District’s planning cycle is imperative. The initiatives of the District are discussed openly and public forums are held for continuous feedback and input from a variety of stakeholders. Once the District’s goals, priorities and initiatives for the upcoming year have been established and approved by the Special Administrative Board, the Finance Department analyzes anticipated expenditures to align with projected revenue estimates. Appropriation levels are then determined for schools and central office programs. The Budget Office develops electronic workbooks for completion by School Administrators and Program Managers. Upon completion, each budget workbook submitted is reviewed by Executive Leadership for revision and/or approval.

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A Human Resource Allocation Model is used for all General Operating Budget (GOB) funded school-based positions. To ensure the dual aim of equity in the distribution of District resources and compliance with the Missouri Department of Elementary and Secondary Education standards, all staffing throughout St. Louis Public Schools was determined using the mid-point average between Minimum and Desirable Pupil-Teacher- Ratios (PTRs). Building Principals meet with their assigned Budget Analyst and Human Resource Generalist to clarify any questions concerning their proposed allocations. Additional requests beyond the allocation model may be made to the Education Officer based on school needs assessments. All needs assessment-based allocations require Superintendent approval.

Approved budget workbooks are compiled by the Budget Office for quality control checks. All budgets are then aggregated by fund, location, function, and object code as the Proposed Budget for the Superintendent's review. The full-time equivalent (FTE) count of budgeted personnel is presented with the same level of detail as part of the proposed budget. Pursuant to Missouri State Law, the proposed budget must be balanced, meaning the approved estimated expenditures for each fund cannot exceed the estimated available revenues to be received plus any unencumbered balances or less any deficits estimated for the beginning of the budget year. The Proposed Budget is submitted to the Special Administrative Board for consideration during the month of March. The Board reviews the Budget and conducts additional special meetings and forums as needed to clarify any questions concerning the proposed budget.

Adoption - (May - June)

During the month of May, the Superintendent recommends the annual general operating fund budget for the ensuing year for Special Administrative approval. Final adoption occurs in June.

Implementation - (July - June)

Passage of the motion approving the budget authorizes the expenditures contained in the budget. The Budget Office then loads the approved into the District enterprise resource system for use during the fiscal year.

Evaluation - (July - June)

The School Human Resource Allocation Model was adopted using projected enrollment for each school site. During the Evaluation phase of the Budget Cycle, actual enrollment is assessed during the month of October and budgets revised to support school needs.

Frequent performance reports are issued to the Executive Leadership and budget owners to assist in ongoing monitoring of cost center resources. During the year, the Special Administrative Board may revise, alter, increase or decrease the items contained in the budget. Transfers within funds may occur as necessary, in compliance with Board policies.

Control Structure Budgetary control is established at the district's management level. Management is responsible for establishing and maintaining an internal control structure designed to ensure that the district's assets are protected from loss, theft and misuse and that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

Capital Improvement Process The district's internal control structure includes budgetary, as well as accounting controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Special Administrative Board. The level of budgetary control (the level at which expenditures cannot exceed the appropriated budget) is established at the fund level within each fund group. The district uses an encumbrance accounting system to facilitate budgetary control. By policy, the district may budget more expenditures than revenues, provided that sufficient unrestricted fund balance is available to cover such expenditures.

On August 3, 2010 resident voters in the City of St. Louis approved a no tax increase, \$155 million bond issue, Proposition S, to be utilized to acquire, construct, renovate, improve, furnish, and equip school sites, buildings and related facilities in the St. Louis Public Schools. Proposition S program goals include the following:

- Support the SLPS Vision, Mission, and Core Beliefs
- Create a safe and secure learning environment
- Improve Teaching & Learning environments
- Enhance access to technology
- Account for the use of public finances
- Ensure equality throughout the District

Impact of Capital Projects on the General Operating Budget The major capital projects funded by Proposition S will have an impact on future general operating budgets. Renovated facilities are expected to have significantly lower maintenance and repair costs. ADA/accessibility improvements ensure continued state and federal funding for facilities requiring handicapped equipment and apparatus. Many benefits such as improved educational productivity and student and staff morale improvement are not easily quantifiable in financial terms, but represent a major, tangible impact on school and district operations.

Budget Highlights The following highlights represent a brief overview of the significant items and initiatives that drive the proposed 2015-16 budget:

Transformation Plan The District has adopted an aggressive new Transformation Plan 2.0 for FY 2016. This plan calls for resources to be aligned to the following four major goals:

- Operate a system of excellent school options for all students
- Cultivate and sustain transformational teachers & leaders
- All students read their way to college & career success
- Partnerships support the whole child

Staffing Ratios at all SLPS campuses A Human Resource Allocation Model was used for all General Operating Budget (GOB) funded school-based positions. The primary focus of this model is to ensure the dual aim of equity in the distribution of District resources and compliance with the Missouri Department of Elementary and Secondary Education standards. All staffing throughout St. Louis Public Schools was determined using a mid-point between the DESE Minimum and Desirable Pupil-Teacher-Ratios (PTRs).

Grade span expansion Bio-Medical High School Academic rigor, college preparation, character, compassion, and service to others are the hallmarks of the new Collegiate School of Medicine and Bioscience Magnet High School (CSMB) in SLPS. Students are taught to be servant leaders in their community and are required to complete a minimum of 100 community service hours as part of their graduation requirements. The school's mission focuses on preparing its students for medical, healthcare, and bioscience research professions.

CSMB's curriculum includes rigorous mathematics and science sequences, as well as Honors and Advanced Placement (AP) courses. This unique high school provides students with practicums and internships under the guidance of healthcare professionals from CSMB's local partners (BJC Healthcare, SSM HealthCare, Washington University Medical School, Saint Louis University School of Medicine, and Cortex, the bioscience consortium).

CSMB opened its doors in August 2013 to 70 incoming freshmen who resided in 35 different zip codes; from St. Louis Public Schools, Catholic, Private and county districts such as Ladue, Lindbergh, Rockwood, Parkway and Ritenour.

In FY 2016 CSMB will expand the grade span to include 11th grade and has relocated to a newly renovated building at Wyman located on Grand Avenue in close proximity to St. Louis University School of Medicine.

School Reconfigurations

- Carver will add 5th grade in FY 2016
- Pruitt will reopen as a KIPP Charter School
- Bio-Medical High School increases grade span to 11th grade and was relocated to the Wyman School
- Herzog, Walbridge and Mann have eliminated 6th grade
- College Preparatory Academy was closed
- Madison was reopened as Educational Therapeutic Support @ Madison
- L'Ouverture was reopened and Academy of Environment, Science and Math Middle School was relocated

The District will operate at the maximum operating levy rate of \$3.75 per \$100 of assessed valuation, limiting future revenues.

Tax Levy

FY 2016 is the second year of funding under the 2014 desegregation agreement and will provide support for the following initiatives:

DESEG Expansion Programs

- Early Childhood Classroom Education
- Parent Infant Interaction Program (PIIP)
- High Quality Principal Leadership Initiatives
- St. Louis Plan
- Extended workday for Professional Development
- Support Services
- Reading and Math Specialists

SLPS Outstanding Debt Payment Schedule

Net Debt Service

Board of Education of the City of St. Louis
All Outstanding Debt as of July 2015

Date	Principal	Coupon	Interest	Total Debt Service	QSCBs Credit	BABs Credit	QZABs Credit @ 4.58%	Net Debt Service	Annual Net D/S
10/1/2015			7,086,012.50	7,086,012.50	(1,608,239.60)	(287,875)	(801,500)	4,388,397.90	
4/1/2016	14,276,813.30	**	11,449,199.20	25,726,012.50	(1,608,239.60)	(287,875)	(801,500)	23,028,397.90	27,416,795.80
10/1/2016			6,894,681.25	6,894,681.25	(1,608,239.60)	(287,875)	(801,500)	4,197,066.65	
4/1/2017	15,771,891.45	**	10,752,789.80	26,524,681.25	(1,608,239.60)	(287,875)	(801,500)	23,827,066.65	28,024,133.30
10/1/2017			6,662,225.00	6,662,225.00	(1,608,239.60)	(287,875)	(801,500)	3,964,610.40	
4/1/2018	16,541,439.70	**	10,790,785.30	27,332,225.00	(1,608,239.60)	(287,875)	(801,500)	24,634,610.40	28,599,220.80
10/1/2018			6,430,784.38	6,430,784.38	(1,608,239.60)	(287,875)	(801,500)	3,733,169.78	
4/1/2019	22,125,000.00	**	6,430,784.38	28,555,784.38	(1,608,239.60)	(287,875)	(801,500)	25,858,169.78	29,591,339.56
10/1/2019			5,910,700.00	5,910,700.00	(1,608,239.60)	(287,875)	(801,500)	3,213,085.40	
4/1/2020	23,197,782.40	**	6,377,917.60	29,575,700.00	(1,608,239.60)	(287,875)	(801,500)	26,878,085.40	30,091,170.80
10/1/2020			5,381,150.00	5,381,150.00	(1,608,239.60)	(287,875)	(801,500)	2,683,535.40	
4/1/2021	25,525,000.00	**	5,381,150.00	30,906,150.00	(1,608,239.60)	(287,875)	(801,500)	28,208,535.40	30,892,070.80
10/1/2021			4,792,850.00	4,792,850.00	(1,608,239.60)	(287,875)	(801,500)	2,095,235.40	
4/1/2022	18,304,694.80	**	7,033,155.20	25,337,850.00	(1,608,239.60)	(287,875)	(801,500)	22,640,235.40	24,735,470.80
10/1/2022			4,386,400.00	4,386,400.00	(1,523,489.60)	(287,875)	(801,500)	1,773,535.40	
4/1/2023	20,325,000.00	**	4,386,400.00	24,711,400.00	(1,523,489.60)	(287,875)	(801,500)	22,098,535.40	23,872,070.80
10/1/2023			3,921,900.00	3,921,900.00	(1,438,289.60)	(287,875)	(801,500)	1,394,235.40	
4/1/2024	20,635,000.00	**	3,921,900.00	24,556,900.00	(1,438,289.60)	(287,875)	(801,500)	22,029,235.40	23,423,470.80
10/1/2024			3,479,950.00	3,479,950.00	(1,353,089.60)	(287,875)	(801,500)	1,037,485.40	
4/1/2025	21,000,000.00	**	3,479,950.00	24,479,950.00	(1,353,089.60)	(287,875)	(801,500)	22,037,485.40	23,074,970.80
10/1/2025			2,881,450.00	2,881,450.00	(870,289.60)	(287,875)	(801,500)	921,785.40	
4/1/2026	21,844,000.00	**	2,881,450.00	24,725,450.00	(870,289.60)	(287,875)	(801,500)	22,765,785.40	23,687,570.80
10/1/2026			2,293,325.00	2,293,325.00	(488,480.00)	(287,875)	(801,500)	715,470.00	
4/1/2027	22,205,000.00	**	2,293,325.00	24,498,325.00	(488,480.00)	(287,875)	(801,500)	22,920,470.00	23,635,940.00
10/1/2027			1,721,350.00	1,721,350.00	(241,400.00)	(287,875)	(605,705)	586,370.00	
4/1/2028	22,350,000.00	**	1,721,350.00	24,071,350.00	(241,400.00)	(287,875)	(605,705)	22,936,370.00	23,522,740.00
10/1/2028			1,121,750.00	1,121,750.00		(287,875)	(288,540)	545,335.00	
4/1/2029	22,600,000.00	**	1,121,750.00	23,721,750.00		(287,875)	(288,540)	23,145,335.00	23,690,670.00
10/1/2029			495,000.00	495,000.00		(173,250)		321,750.00	
4/1/2030	15,000,000.00	6.600%	495,000.00	15,495,000.00		(173,250)		15,321,750.00	15,643,500.00
	301,701,621.65		141,976,434.61	443,678,056.26	(34,345,431.20)	(8,407,000)	(21,024,490)	379,901,135.06	379,901,135.06

SLPS Revenue Sources and Assumptions

St. Louis Public Schools has four primary sources of revenues: local property taxes, local sales taxes, state-provided revenue, and federal funds. The largest component of local revenues are derived from taxes on property within the district’s footprint and a sales tax applied to commercial transactions during the fiscal year. State funding is based on State legislative appropriations determined through a finance system defined in statute. Federal funds are appropriated by the U.S. Congress, usually for specific purposes.

In developing the revenue budget for FY 2016, there are several pertinent assumptions relative to the estimated revenues that will be available to the SLPS.

Locally assessed valuations increased over \$40 million in 2015 due to new construction and improvements. However, the District will not realize some of the revenue associated with the increase since it has reached the maximum levy rate of \$3.75 per \$100 of assessed valuation. We will need to consider going back to the voters in order to participate in future increases.

In keeping with this information we have been conservative in our local tax revenue estimates and have projected a 1% decrease from last year or approximately \$2 million.

State revenue is primarily driven by enrollment and the subsequent Weighted Average Daily Attendance calculation that is a derivative from District enrollment. District enrollment increased in FY 2013 as a result of the absorption of approximately 2,500 students who previously attended Imagine Academy Charter campuses. However, in years prior to FY 2013, the SLPS had been experiencing two-percent (2%) declines in enrollment. A larger decline is anticipated due to the opening of eight new charter schools. Therefore, we have budgeted for a four-percent (4%) decline in enrollment.

Federal revenue estimates remain fairly healthy despite Sequestration and other reductions. We continue to plan carry forward amounts as needed and anticipate 3% reduction from the prior year.

SLPS Revenue by Source (all funds)

	2014 Actual	2015 Projected	2016 Proposed
LOCAL	247,674,933	253,871,848	255,722,342
COUNTY	3,113,272	3,256,854	3,000,000
STATE	65,240,914	65,531,303	59,426,044
FEDERAL	67,582,635	68,639,995	71,872,283
Total	383,613,767	391,300,000	390,020,669

SLPS Revenue by Fund (all funds)

	2014 Actual	2015 Projected	2016 Proposed
GOB	288,823,392	290,500,000	285,000,000
EXPANSION	11,590,400	11,000,000	8,300,000
FOOD	17,336,908	18,500,000	18,000,000
DEBT	25,373,648	25,000,000	31,500,000
FEDERAL	51,035,920	56,800,000	55,020,669
CAPITAL	(11,552,435)	(11,000,000)	(8,300,000)
TRUST	1,003,920	500,000	500,000
Total	383,613,767	391,300,000	390,020,669

SLPS Expenditure Uses and Assumptions

The expenditure budget for FY 2016 was developed with campuses and the needs of their respective students as the highest priority. Overall Salary costs decline due to several completed grants and reduced staffing for an anticipated two percent enrollment decline.

Five early childhood classrooms were consolidated and before and after care eliminated in accordance with the desegregation funding agreement.

Additional funds are budgeted for employee benefits and transportation. With the completion of Prop S projects scheduled for October 2015, the general operating budget will absorb more of the cost for repairing and maintaining our schools and other facilities.

GOB Proposed 2016 Expenditures by Object Comparison

Object Description	FY2015 Amendment #2	FY2016 Proposed Expenditures	Variance	Percentage Change
Salary	\$ 138,379,840.87	\$ 136,977,705.82	\$ (1,402,135.05)	-1.0%
Subs/Temps/OT	\$ 12,718,739.07	\$ 9,043,508.64	\$ (3,675,230.43)	-28.9%
Benefits	\$ 65,128,676.36	\$ 66,249,152.33	\$ 1,120,475.97	1.7%
Professional	\$ 34,416,668.94	\$ 28,245,331.57	\$ (6,171,337.37)	-17.9%
Property	\$ 11,921,495.04	\$ 13,384,889.40	\$ 1,463,394.36	12.3%
Transportation	\$ 23,220,447.31	\$ 23,551,627.79	\$ 331,180.48	1.4%
Operational	\$ 9,513,370.83	\$ 8,719,658.65	\$ (793,712.18)	-8.3%
Debt	\$ 6,446,112.01	\$ 228,125.80	\$ (6,217,986.21)	-96.5%
Grand Total	\$ 301,745,350.43	\$ 286,400,000.00	\$ (15,345,350.43)	-5.1%

