

FY09 Expense Budget Review

***Olentangy School District's
Finance & Audit Committee***

Prepared 8/25/08

Per the Board directive as set out
at the Committee's inception:

The intent of the committee is to assist the Board in a financial advisory role. It is not the intent of the committee to partake in the day-to-day operations/decisions of the Treasurer or the district administration.

The Goal:

**Ensure that the budget is reasonable
in light of the growth in the district.**

The Review Criteria:

In order to review this year's expense budget in a fairly short timeframe, we performed a focused review, following these guidelines for our analysis:

- Reviewed all object codes that fluctuated more than \$100,000 (less than 1/10th of 1% of total expenses) **and** 20% or more between FY07 actuals and FY08 actuals.
- Reviewed all object codes that fluctuated more than \$100,000 (less than 1/10th of 1% of the total expenses) **and** 20% or more between FY08 actuals and FY09 budget.

The Data:

- 23 of the 126 object codes fell within the committee review criteria.
- 1 additional object code (Professional and Technical Services) was reviewed that fell outside of the criteria.
- The administration provided information regarding the 24 object codes.
- At subsequent meetings, we reviewed that information and made recommendations.

What drives the District's operating expenses?

Number and Distribution of Schools/Facilities

<u>School Year</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Bus Facility</u>	<u>Total</u>
FY07	10	3	2	1	16
Adds	2	1			3
FY08	12	4	2	1	19
Adds			1		1
FY09	12	4	3	1	20

What drives the District's operating expenses?

Student Enrollment

<u>School Year</u>	<u>Preschool</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Total (excl PreSch)</u>
FY07 <i>From May 2007 Enrollment Report</i>	172	6,525	2,663	2,784	11,972
FY08 <i>From May 2008 Enrollment Report</i>	234	7,110	2,854	3,038	13,002
FY09 (projected) <i>From August 20, 2008 Enrollment Report</i>	209	7,592	3,089	3,424	14,105

What drives the District's operating expenses?

Student Enrollment vs Building Capacity

(enrollment includes preschool students)

	Capacity	FY08 Enrollment	% Over/-Under Capacity	FY09 Enrollment (projected)	% Over/-Under Capacity (projected)
Elementary:					
Arrowhead	650	539	-17%	574	-12%
Alum Creek	650	596	-8%	665	2%
Glen Oak	650	631	-3%	695	7%
Johnnycake Corners	650	481	-26%	490	-25%
Indian Springs	650	609	-6%	691	6%
Liberty Tree	650	530	-18%	635	-2%
Oak Creek	650	650	0%	696	7%
Olent Meadows	650	634	-2%	682	5%
Scioto Ridge	650	699	8%	706	9%
Tyler Run	650	684	5%	672	3%
Walnut Creek	650	674	4%	694	7%
Wyandot Run	<u>650</u>	<u>617</u>	<u>-5%</u>	<u>601</u>	<u>-8%</u>
Elem Total	7,800	7,344	-6%	7,801	0%
Middle:					
Hyatts	900	575	-36%	601	-33%
Liberty	900	670	-26%	750	-17%
Orange	900	882	-2%	952	6%
Shanahan	<u>900</u>	<u>727</u>	<u>-19%</u>	<u>786</u>	<u>-13%</u>
Middle Total	3,600	2,854	-21%	3,089	-14%
High:					
Liberty	1,600	1,394	-13%	1,429	-11%
Olentangy	1,400	1,644	17%	1,173	-16%
Orange	<u>1,600</u>	<u>0</u>	<u>N/A</u>	<u>822</u>	<u>-49%</u>
High Total	4,600	3,038	-1%	3,424	-26%
Total	16,000	13,236	-17%	14,314	-11%
		Incl 234 preK		Incl 209 preK	

What drives the District's operating expenses?

District Employees

<u>School Year</u>	<u>Certified</u>	<u>Classified</u>	<u>Admin (includes bldg admin)</u>	<u>Total</u>
FY07	809	478	59	1346
FY08	891	528	68	1487
FY09 (projected)	962	586	78	1626

Overall Budget Analysis

	<u>FY09 Budget</u>	<u>% of Total</u>
Personal Services	\$77,408,902	63%
Employees' Retirement/Benefits	\$24,892,764	20%
Purchased Services	\$9,855,002	8%
Supplies & Materials	\$5,755,369	5%
Capital Outlay	\$293,950	0%
Educational Service Center	\$3,600,000	3%
Other Objects	\$1,808,574	1%
Total	\$123,614,561	100%

Budget Analysis

Fiscal Year 2008 total actual expenditures			\$114,158,725
Less loan repayment plus interest			(3,379,083.00)
Fiscal Year 2008 operating expenditures			\$110,779,642
2009 Projected Changes			
Incremental costs for Orange High School ⁽¹⁾			
Certified Staff Salaries (new teachers hired)	\$1,212,096	9.2%	
Certified Staff Benefits (new teachers hired)	\$399,992	3.0%	
Supplies, Materials	\$203,000	1.5%	
Purchased services & misc	\$197,000	1.5%	
Electric increase expected from OOHS	\$435,722	3.3%	
Gas increase expected from OOHS	\$183,000	1.4%	
Subtotal	\$2,630,810	19.9%	\$2,630,810
Incremental costs from add'l elementary and middle schools students (due to growth) ⁽²⁾			
Certified Staff Salaries (new teachers hired)	\$1,867,443	14.1%	
Certified Staff Benefits (new teachers hired)	\$616,256	4.7%	
Subtotal	\$2,483,699	18.8%	\$2,483,699
Incremental current staff costs (excludes OOHS and new growth):			
Cost of living increase (2.8%)	\$1,820,518	13.8%	
Step increase (ave 3%)	\$1,950,555	14.7%	
Subtotal	\$3,771,073	28.5%	\$3,771,073
Other incremental staff costs:			
Incremental classified and other salaries	\$399,238	3.0%	
Medical insurance increase	\$867,905	6.6%	
Increase in certified retirement	\$275,515	2.1%	
Increase in classified retirement	\$68,613	0.5%	
Other benefits: Workers' Comp, Tuition, Medicare	\$51,648	0.4%	
Subtotal	\$1,662,920	12.6%	\$1,662,920
Other:			
Utilities increase (does not include OOHS):			
Electric increase expected per AEP (15% hike)	\$342,909	2.6%	
Gas increase expected per Energy USA (36% hike)	\$367,264	2.8%	
Other purchased services increases	\$233,671	1.8%	
New and supplemental textbooks	\$248,883	1.9%	
Increased fuel for buses	\$201,833	1.5%	
Other supplies and materials	\$57,667	0.4%	
Increased County Board of Ed (special needs services)	\$483,980	3.7%	
Increased property tax collection fees	\$170,320	1.3%	
Other capital outlays and other objects	\$179,891	1.4%	
Subtotal	\$2,286,418	17.3%	\$2,286,418
2009 Projected Changes	\$12,834,919	97.0%	\$12,834,919
Fiscal Year 2009 expense budget		11.6%	\$123,614,561
⁽¹⁾ Costs of Orange High School do not include classified staff and their benefits.			
⁽²⁾ Costs of growth in middle and elementary schools do not include classified staff and their benefits or related purchased services, supplies, and materials.			

Expense Comparison

Expense Category	Budget 2009	Actual 2008	Actual 2007	Increase /(Decrease)		% Inc/(Dec)	
				2009 over 2008	2008 over 2007	2009 over 2008	2008 over 2007
Personal Services	\$77,408,902	\$70,159,052	\$60,349,777	\$7,249,850	\$9,809,275	10.3%	16.3%
Employees' Retirement/Benefits	\$24,892,764	\$22,612,835	\$18,658,365	\$2,279,929	\$3,954,470	10.1%	21.2%
Purchased Services	\$9,855,002	\$8,095,436	\$6,934,004	\$1,759,566	\$1,161,432	21.7%	16.7%
Supplies & Materials	\$5,755,369	\$5,043,986	\$3,375,564	\$711,383	\$1,668,422	14.1%	49.4%
Capital Outlay	\$293,950	\$213,620	\$243,561	\$80,330	-\$29,941	37.6%	-12.3%
Other Objects	\$5,408,574	\$4,654,713	\$4,437,491	\$753,861	\$217,222	16.2%	4.9%
Total operating expenditures	\$123,614,561	\$110,779,642	\$93,998,762	\$12,834,919	\$16,780,880	11.6%	17.9%
Financing costs	\$0	\$3,379,083	\$3,470,583	-\$3,379,083	-\$91,500	-100.0%	-2.6%
Total expenditures	\$123,614,561	\$114,158,725	\$97,469,345	\$9,455,836	\$16,689,380	8.3%	17.1%
Number of students K-12 (excl pre-K)	14,105	13,002	11,972	1,103	1,030	8.5%	8.6%
Raw operating exp/pupil (not ODE's)	\$8,764	\$8,520	\$7,852	\$244	\$669	2.9%	8.5%

Results:

Student/Teacher Ratio

(# K to 12 students/# certified teachers)

<u>School Year</u>	<u>Ratio</u>
FY05	14.48
FY06	14.75
FY07	14.80
FY08	14.59
FY09 (projected)	14.66

Results:

Cost Per Pupil

School Year	Total Operating Expenditures	Olentangy Raw Cost Per Pupil (<u>OLSD exp/#pupils</u>)	Olentangy Cost Per Pupil (<u>per ODE</u>)	State Average Cost Per Pupil (<u>per ODE</u>)
FY05	\$78,756,548	\$8,331	\$8,828	\$9,051
FY06	\$84,218,506	\$7,895	\$8,214	\$9,355
FY07	\$93,998,762	\$7,852	\$8,507	\$9,586
FY08	\$110,779,642	\$8,520	<i>not available</i>	<i>not available</i>
FY09 budgeted	\$123,614,561	\$8,764		