



*Every Student
College and Career Ready*

Fiscal Year 2019 Preliminary Budget
For the period July 1, 2018 through June 30, 2019
Colonial School District

Presented to the Board of Education on August 14, 2018

D. Dusty Blakey, Ed.D., Superintendent
Emily Falcon, Chief Financial Officer



*Every Student
College and Career Ready*

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2018-2019**

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PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019

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Executive Summary

The Colonial School District is a K-12 district located in New Castle County in the State of Delaware. There are fifteen (15) schools located within the district. The enrollment as of September 30, 2017 was 9,819 students.

The Preliminary Fiscal Year 2019 Budget represents the financial plan for the district for the 2018-2019 school year. The plan was developed through a review of the district's priorities and alignment to the vision of creating access and opportunity for every student while maintaining fiscal responsibility and sustainability.

The Colonial community approved an operating referendum in June 2017. The referendum increased the tax rate by \$.27 in FY 2018 and another \$.11 in FY 2019. The FY 2019 revenue increase is \$3.1 million. However, Colonial had been operating with a structural deficit, meaning that annual spending exceeded annual revenue, of over \$6.3 million. State budget cuts that took effect on July 1, 2018 cut \$1.9 million from the operating budget. Additionally, Colonial was notified of an assessment appeal that reduced expected local revenue by \$473,000 for FY 2018. The net effect of these changes is that new operating revenue is down by almost \$1 million for FY 2018. The additional \$10.9 million in additional revenue that will be generated by this referendum is expected to allow the district to operate for 4-5 years.

The State of Delaware budget for FY 2019 includes a general salary increase of \$1,000 for all employees except educators, who received 2%. All five collective bargaining units re-negotiated their contracts in FY 2018 and the local salary budget reflects the projected increases.

The Preliminary budget for FY 2019 is \$167.8 million, in addition to which, Colonial has carryover balances from various sources totaling \$6.6 million. This is an increase of 5.5% over the FY 2018 budget. Minimizing budget growth while allowing for the staffing increases that are needed with a student population that includes a higher percentage of special education students each year is a priority. By limiting growth in other areas of operations and maximizing opportunities, such as grants and partnerships, we can focus our resources on giving our students the best educational services and the most opportunities to be successful.

The Colonial School District has a citizen financial oversight committee consisting of residents of the district to oversee the budget and review financial reports and information prior to submission to the Board of Education. This budget was reviewed by that committee on August 7, 2018

PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019
SUMMARY OF REVENUE

REVENUE	FINAL BUDGET FY 2018	PRELIMINARY BUDGET FY 2019	% Change
<u>DISCRETIONARY STATE REVENUE</u>			
Division II Costs, AOC	2,143,730	2,143,730	0.00%
Division III Equalization	4,878,773	4,878,773	0.00%
Educational Sustainment	2,088,786	2,088,786	0.00%
Excellence/Admin Option	275,000	235,000	-14.55%
SUBTOTAL	9,386,289	9,346,289	-0.43%
<u>RESTRICTED STATE REVENUE</u>			
State formula salaries	62,363,765	66,972,459	7.39%
Cafeteria Salaries	2,218,925	2,248,659	1.34%
Division II Costs, AOC - Voc	194,332	194,332	0.00%
Division II Costs, Energy	1,734,954	2,064,893	19.02%
State Transportation	5,401,661	6,450,000	19.41%
Drivers Ed	13,342	39,746	197.90%
Unique Alternative	1,068,082	963,893	-9.75%
Related Services	349,214	429,678	23.04%
Professional Development	115,132	110,644	-3.90%
Technology Block Grant	166,949	166,949	0.00%
Student Success Block Grant	0	650,481	NEW
Opportunity Grants	200,000	573,895	186.95%
Other State Revenue	235,000	50,000	-78.72%
John G. Leach	7,182,736	7,182,736	0.00%
ECAP (Pre-K State grant)	284,640	287,140	0.88%
Minor Capital Improvements	699,639	943,163	34.81%
SUBTOTAL	82,028,371	89,328,667	8.90%
Operational Budget Reduction	(1,929,190)	(1,948,482)	
TOTAL STATE REVENUE	\$91,414,660	\$96,726,474	5.81%

DISCRETIONARY LOCAL REVENUE

Current Expense Tax Receipts	42,608,909	46,281,607	8.62%
Interest	315,000	175,000	-44.44%
Athletics	19,000	20,000	5.26%
Indirect Costs	330,000	350,000	6.06%
CSCRCP	80,000	145,000	81.25%
Building Rental	22,000	26,000	18.18%
Charter (Reduction)	(5,414,707)	(5,685,442)	5.00%
Choice (Reduction)	(1,011,739)	(1,042,091)	3.00%
Reserve funds	(1,416,882)	(4,122,368)	190.95%
SUBTOTAL	35,531,581	36,147,705	1.73%

RESTRICTED LOCAL REVENUE

Debt Service Tax Receipts	4,373,297	4,863,557	11.21%
Tuition Receipts (excl. Leach)	7,045,776	7,215,110	2.40%
John G. Leach (tuition revenue)	3,800,000	3,750,000	-1.32%
Match Tax Receipts	868,828	1,616,202	86.02%
Technology Maintenance Match	443,161	447,125	0.89%
Cafeteria	6,455,000	6,450,000	-0.08%
Donations	105,000	100,000	-4.76%
E3 Grant	450,000	1,500,000	233.33%
Other Local Revenue	540,000	515,000	-4.63%
SUBTOTAL	23,631,062	26,456,994	11.96%

TOTAL LOCAL REVENUE **\$59,162,643** **\$62,604,699** **5.82%**

FEDERAL REVENUE

IDEA Part B	2,631,427	2,689,190	2.20%
IDEA Pre-K	98,037	100,025	2.03%
Title I	4,206,001	4,094,316	-2.66%
Title II	773,021	697,328	-9.79%
Title III	89,467	97,148	8.59%
Perkins	266,882	262,365	-1.69%
Title IV	154,435	431,126	179.16%
Other Federal Funds	100,000	115,000	15.00%

TOTAL FEDERAL REVENUE **\$8,319,270** **\$8,486,498** **2.01%**

TOTAL REVENUE **\$158,896,573** **\$167,817,671** **5.61%**

PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019
SUMMARY OF EXPENDITURES

EXPENDITURES

Operating Unit	Program Code		FINAL FY 2018	PRELIM FY 2019	Difference
DISCRETIONARY SCHOOL BUDGETS					
9340410A	95437	Carrie Downie Library	3,200	2,880	-10%
9340410A	99999	Carrie Downie Elementary	50,070	45,063	-10%
9340412A	95437	Castle Hills Library	5,034	4,531	-10%
9340412A	99999	Castle Hills Elementary	71,225	64,103	-10%
9340418A	95437	Pleasantville Library	3,840	3,456	-10%
9340418A	99999	Pleasantville Elementary	51,995	46,796	-10%
9340420A	95437	Wilmington Manor Library	3,036	2,732	-10%
9340420A	99999	Wilmington Manor Elementary	36,230	32,607	-10%
9340422A	95437	Wilbur Library	9,012	8,111	-10%
9340422A	99999	Wilbur Elementary	138,710	124,839	-10%
9340427A	95437	Southern Library	6,960	6,264	-10%
9340427A	99999	Southern Elementary	99,305	89,375	-10%
9340432A	95437	New Castle Library	4,568	4,111	-10%
9340432A	99999	New Castle Elementary	69,515	62,564	-10%
9340456A	95437	Eisenberg Library	4,124	3,712	-10%
9340456A	99999	Eisenberg Elementary	56,805	51,125	-10%
9340470A	95437	Gunning Bedford Library	8,744	7,870	-10%
9340470A	99999	Gunning Bedford Middle	133,295	119,966	-10%
9340474A	95437	George Read Library	5,992	5,393	-10%
9340474A	99999	George Read Middle	99,555	89,600	-10%
9340476A	95437	McCullough Library	5,816	5,234	-10%
9340476A	99999	McCullough Middle	97,530	87,777	-10%
9340522A	99530	Wallin (Regular Ed)	2,000	1,800	-10%
9340490A	95048	William Penn - ROTC	4,600	4,140	-10%
9340490A	95073	William Penn - Music Choir	29,000	26,100	-10%
9340490A	95437	William Penn - Library	20,000	18,000	-10%
9340490A	95468	William Penn - Summer School	10,000	9,000	-10%
9340490A	95602	William Penn - Athletics	145,000	155,000	7%
9340490A	99999	William Penn High School	260,815	234,734	-10%
SUBTOTAL			1,435,976	1,316,878	-8%

DISCRETIONARY STATE & LOCAL BUDGETS

99900000	99999	Board of Education	27,000	29,000	7%
99900100	99999	Legal	76,000	40,000	-47%
99900300	95228	Substitutes & Homebound	950,000	850,000	-11%
99900300	95260	Community & Schools	50,000	20,000	-60%
99900300	95494	Teacher of the Year	7,500	7,500	0%
99900300	99999	General District Expenses	700,994	942,526	34%
99910000	95052	Marketing	60,000	60,000	0%
99910000	99999	Public Communications	20,000	20,000	0%
99910010	95411	Copy Center	240,000	240,000	0%
99910010	99999	District Administration	90,000	90,000	0%
99910010	95405	District Choice	5,000	4,500	-10%
99910100	99999	Superintendent	18,000	18,000	0%
99910110	95255	Middle School Redesign	40,000	0	-100%
99970600	95060	Preschool Expansion	157,000	141,300	-10%
99970675	95430	Elementary Wellness	85,000	85,000	0%
99910110	99999	Assistant Superintendent 1	5,500	15,000	173%
99910115	99999	Assistant Superintendent 2	0	15,000	NEW
99920000	99999	Curriculum/Instruction	115,000	115,000	0%
99920000	95435	Common Core/Curriculum	250,000	250,000	0%
99920000	90850	Music/Art Curriculum	45,000	45,000	0%
99920100	99999	Discipline Programs	371,000	175,000	-53%
99920110	99519	Security/Constables	0	505,000	NEW
99920700	99999	Athletics	50,000	50,000	0%
99930300	99999	Special/Student Services	25,000	45,000	80%
99940000	99999	Business Office	47,000	42,300	-10%
99940400	99999	Local Salaries & Benefits	35,395,001	35,748,951	1%
99950000	99999	Personnel	36,000	36,000	0%
99940050	99999	Facilities Maintenance	410,000	450,000	10%
99960200	99531	Custodial Services	405,000	410,000	1%
99960200	99999	Operations	9,500	9,500	0%
99970680	99999	School Supervision	60,000	60,000	0%
99970680	95488	Visiting Teachers	4,250	4,000	-6%
SUBTOTAL - DISCRETIONARY			39,754,745	40,523,577	2%

RESTRICTED FUNDING WITH LOCAL INVESTMENT

99940810	99999	Tech Equipment & Repair	1,550,000	1,498,526	-3%
99960200	95419	Energy/Utilities	2,009,980	2,064,893	3%
99960400	99999	Transportation	7,320,500	7,466,910	2%
		SUBTOTAL - RESTRICTED/LOCAL	10,880,480	11,030,329	1%

OTHER RESTRICTED BUDGETS

99910120	99999	Contractual Services	475,000	429,678	-10%
99920200	99999	Extra Time	270,000	270,000	0%
99920500	99999	Professional Development	115,132	110,643	-4%
99920800	99999	Drivers Education	13,342	10,000	-25%
99940200	99999	Division I Salaries	62,363,765	66,972,459	7%
99940300	99999	Division II Vocational	194,332	174,899	-10%
99940410	95037	Immersion Funding	60,971	60,971	0%
99940410	99999	Competitive Grants - State	300,000	50,000	-83%
99940500	99999	Federal Funds	8,319,270	8,486,498	2%
99940700	99999	Private Grants/Donations	95,000	100,000	5%
99960000	99999	Child Nutrition Operations	9,745,000	8,698,659	-11%
99970000	99999	Debt Service	4,373,297	4,863,557	11%
99970680	99451	Opportunity Grants	200,000	573,895	187%
99970680	99562	Student Success Block Grants	0	1,084,135	NEW
99990050	91476	E3 Grant	0	1,500,000	NEW
99970200	99999	Minor Capital	1,166,065	1,571,938	35%
99970600	99768	ECAP (State Pre-K grant)	284,640	287,140	1%
		SUBTOTAL - RESTRICTED	87,975,814	95,244,471	8%

RESTRICTED/TUITION FUNDED BUDGETS

99970600	95030	Preschool (Colwyck building budget)	60,000	54,000	-10%
99970600	99532	PreK Payroll	500,000	561,706	12%
9340410A	95037	Carrie Downie Exceptional Children	7,200	2,880	-60%
9340412A	95037	Castle Hills Exceptional Children	23,400	9,360	-60%
9340418A	95037	Pleasantville Exceptional Children	9,000	3,600	-60%
9340420A	95037	Wilm Manor Exceptional Children	9,600	3,840	-60%
9340422A	95037	Wilbur Exceptional Children	18,000	7,200	-60%
9340432A	95037	New Castle Exceptional Children	10,800	4,320	-60%
9340456A	95037	Eisenberg Exceptional Children	19,800	7,920	-60%
9340474A	95037	George Read Exceptional Children	10,200	4,080	-60%
9340476A	95037	McCullough Exceptional Children	23,400	9,360	-60%

9340427A	95217	Southern ILC	74,000	66,600	-10%
9340427A	99532	Southern ILC Payroll	375,000	417,000	11%
9340427A	95207	Southern CASL	49,000	44,100	-10%
9340427A	99530	Southern CASL Payroll	245,000	314,000	28%
9340427A	95037	Southern Exceptional Children	13,800	5,520	-60%
9340470A	95217	Gunning Bedford ILC	49,000	44,100	-10%
9340470A	99532	GB ILC Payroll	265,000	268,975	2%
9340470A	95207	Gunning Bedford CASL	40,000	36,000	-10%
9340470A	99530	GB CASL Payroll	200,000	250,000	25%
9340470A	95037	GB Exceptional Children	4,200	1,680	-60%
9340490A	95207	WPHS CASL	40,000	36,000	-10%
9340490A	99530	WPHS CASL Payroll	125,000	126,875	1%
9340490A	95037	WPHS Exceptional Children	57,000	22,800	-60%
9340522A	99532	Wallin General Expenses	880,000	880,000	0%
9340522A	99999	Wallin Principal	48,000	43,200	-10%
99920300	99999	LEP/ESL	420,000	590,000	40%
99930200	95454	Private Placement	1,525,831	1,376,990	-10%
99930200	99999	In State Tuition	3,125,000	3,045,000	-3%
99930200	95037	Exceptional Children payroll	300,000	500,000	67%
99930300	99546	Assistive Technology	40,000	36,000	-10%
		SUBTOTAL - TUITION	8,567,231	8,773,106	2%
See detailed budget		Leach - Special School	10,482,327	10,929,311	4%
TOTAL EXPENDITURES			159,096,573	167,817,671	5.5%

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019
DETAIL OF OPERATING UNIT EXPENDITURES**

<u>EXPENDITURES</u>		BUDGET	BUDGET		
Operating Program		FY 2018	FY 2019		
99900300	99999	General District Expenses		% Change	
		Audit	15,000	10,000	-33%
		Insurance	178,923	185,000	3%
		Data Service Center	407,071	447,526	10%
		One Time items	0	200,000	NEW
		Contingency	100,000	100,000	0%
			700,994	942,526	34%

A contingency line is been established to fund any emergency, unexpected items or line item budget overages. An example of items that could present an issue would be increases in utility costs or other items that cannot be controlled by the District administration or Board of Education.

99960000 99999 Child Nutrition Operations

A detailed budget will be prepared once the September 30th unit count is finalized.

99960400 99999 Transportation

A detailed budget will be prepared once the September 30th unit count is finalized.

		Leach - Special School	FY 2018	FY 2019	
9340427A	99999	Southern Integration Program	21,319	19,187	-10%
9340474A	99999	George Read Integration Program	30,845	27,761	-10%
9340490A	99999	William Penn Integration Program	20,412	18,371	-10%
9340514A	99999	Leach Principal's Budget	73,618	66,256	-10%
9340514A	95254	Vocational Expenses	21,000	21,420	2%
9340514A	99545	Related Services	10,000	10,000	0%
9340514A	99546	Assistive Technology	15,000	15,000	0%
9340514A	95468	Summer School	10,000	10,000	0%
99900300	95228	Substitutes	43,000	35,000	-19%
99900300	99999	General (Incl. Transportation)	600,000	850,000	42%
99940200	99999	Division I Salaries	6,700,000	6,834,000	2%
99940400	99999	Local Salaries & Benefits	2,900,000	2,958,000	2%
99960200	95419	Energy/Utilities	28,000	55,000	96%
99970200	99999	Minor Capital	9,133	9,316	2%
TOTAL EXPENDITURES			\$10,482,327	10,929,311	4%

The John G. Leach School is a state school that is managed by the Colonial School District. It is funded by State appropriations as determined by the September 30th count and through tuition funds paid by local school districts in which the students reside.

COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019
CARRY OVER BUDGET ITEMS

BUDGET	Fiscal Year	Balance on July 1, 2018 (including encumbrances)
Major Cap		
Renovate John G. Leach	2010	425,796
TOTAL		425,796
Minor Cap		
MCI- Local	2017	1,702
MCI- Local	2018	282,502
MCI- State	2017	34,399
MCI- State	2018	487,399
TOTAL		806,002
State Funds		
Division II AOC	2018	356,028
World Language Immersion	2018	52,997
Energy	2018	458,611
Standards & Assessment	2018	243
Transportation	2018	30,835
Unique Alternatives	2018	116,801
Education Opportunity	2018	32,273
Division II Vocational	2018	80,163
Drivers Education	2018	4,217
Professional Development	2018	58,393
TOTAL		1,190,561
Federal Funds		
Title II	2017	12,535
Title II	2018	567,474
Title IV	2018	47,291
Title I	2017	49,769
Title I	2018	2,143,912
Title III (ELL)	2017	1,018
Title III (ELL)	2018	87,991
IDEA B	2017	5,831
IDEA B	2018	1,094,577
IDEA Preschool	2017	68,175
IDEA Preschool	2018	12,806
Career Tech (Perkins)	2017	2
Career Tech (Perkins)	2018	13,651
TOTAL		4,105,033
John G. Leach (State Funds)		
Energy	2018	60,676
Division II AOC	2018	21,776
Division II Voc	2018	20,191
TOTAL		102,643
GRAND TOTAL		6,630,034

PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2019
LOCAL PROPERTY TAX RECEIPTS

The local revenue consists mainly of property tax receipts. The tax rate is approved by the Board annually and is due to New Castle County (who prepares, distributes and collects the tax) by the second Thursday of July each year.

The tax rate consists of four categories, each with its own calculation and purpose.

Current Expense may be used for any expenditure in the district except to buy property or pay off bonds. This portion of the rate can only be increased through voter referendum. Revenue is budgeted at 99% of expected collections to account for delinquencies and assessment appeals and adjustments.

There are two components to current expense tax. The first component involves multiplying the district's tax assessment by 111.8 cents per \$100 of assessed valuation. There was a successful referendum in June 2017. This increased this portion of the current expense tax rate from 73.8 cents to 100.8 cents in FY 2018. The increase for this year is 111.8 cents, up from the 2018 amount.

The second component is a function of the New Castle County School Tax District and 46.8 cents of the tax rate. The calculation is based on the number of units at September 30th of the prior fiscal year. The district's share of the tax district for fiscal year 2019 is 18.59364082%. The calculations determining Colonial's portion of this share of revenue are done by the Delaware Department of Education.

The district's total assessed valuation is \$2,947,610,191

Debt Service is to pay the principal and interest due on the bonds sold for major capital improvements as approved by voter referendum. The State funds major capital improvements at 61% and the local district pays 39%

Tuition Tax is used to fund a variety of programs for students with disabilities in special schools, programs or private placements. State law permits the local school board to set this portion of the tax rate without referendum.

Match or MCIP funds areas that are matching state funds (such as minor capital or abatement) or are allowed to be set by the local school board to fund items such as extra time, technology or designated state units that were eliminated from the state budget. State law permits the local school board to set this portion of the tax rate without referendum.

Tax	Rate	Revenue
Current Expense	\$1.586	\$46,281,607
Debt Service	\$0.165	\$4,863,557
Tuition Tax	\$0.372	\$10,965,110
Match/MCIP	<u>\$0.070</u>	<u>\$2,063,327</u>
Total	\$2.193	\$64,173,601

The rates are per \$100 of assessed valuation of property.

Funds were in reserve in each tax component to supplement this year's revenue collections.