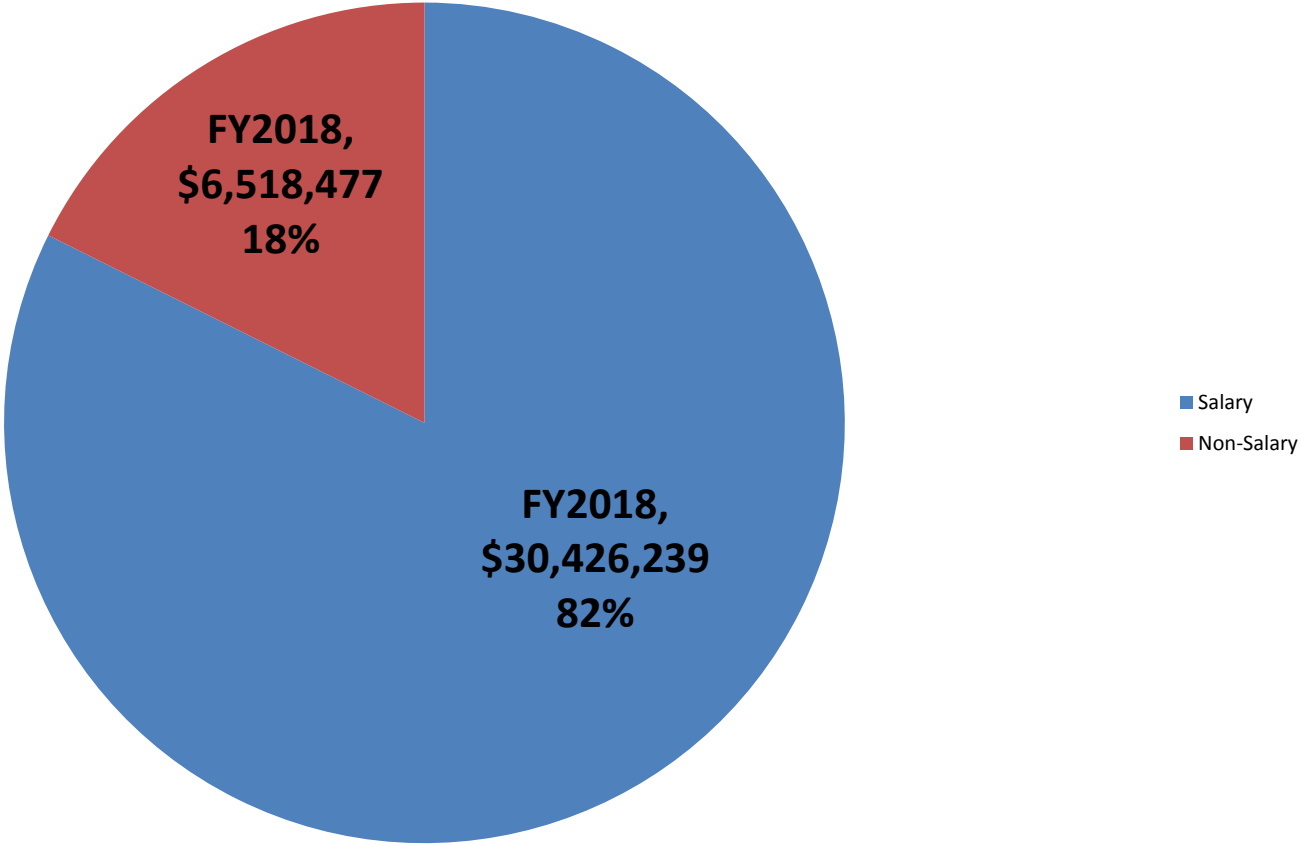


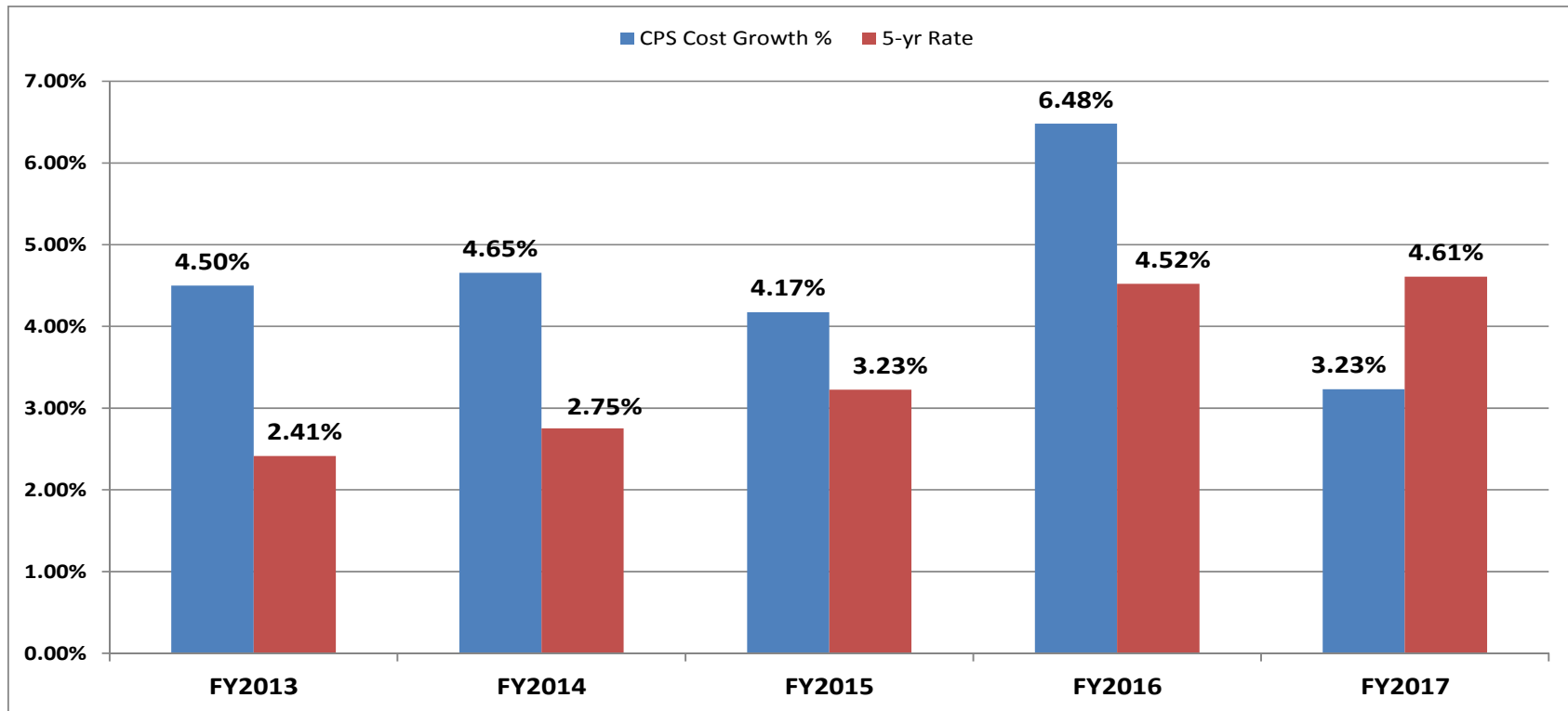
CPS Operating FY2018 Budget Development Process

October 11, 2016

FY2018 CPS Salary & Non-Salary

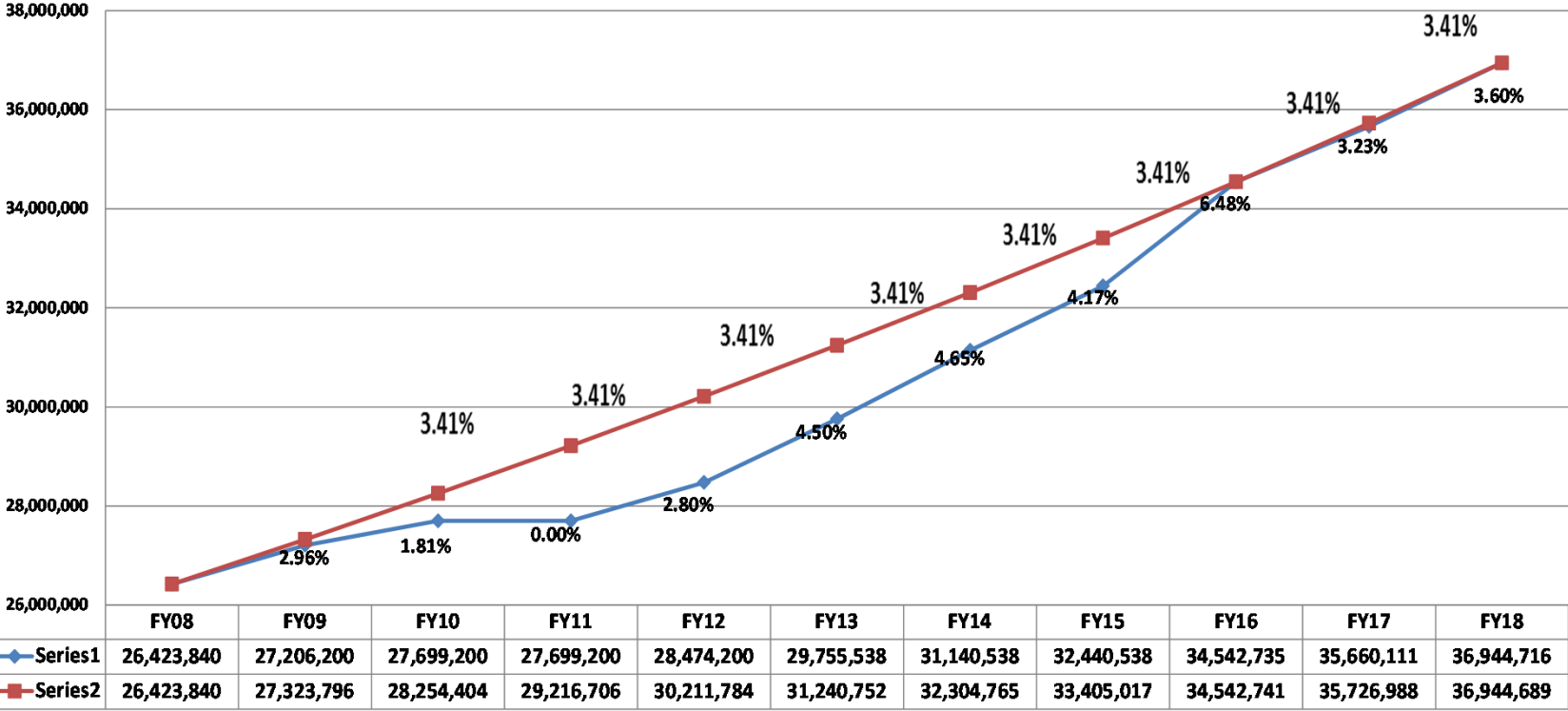


Historical & Projected Cost Growth: FY14 – FY18



Historical & Projected Cost Growth: FY08 – FY18

CPS Budget Escalation Trendline Since 2008 Recession to FY18 Preliminary



Historical Perspective

FY10 – FY18

- Fiscal Year 2010 budget increase was 1.81%
- Fiscal Year 2011 budget increase was 0.0%
- Fiscal Year 2012 budget increase was 2.8%
- The growth rates of FY10 – 12 were unsustainable. Some relief offered in FY13, but end of year FY14 closing process demonstrated tightness of budget and need beyond FY16 Finance Committee Guideline amount. Note that FY17 & FY18 increases average to our long term trend.

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016 Adopted	FY2017 Adopted	FY2018 Preliminary
1.81%	0.00%	2.80%	4.50%	4.65%	4.17%	6.48%	3.23%	3.60%

FY18 Budget Development Process Update

- FY18 Teacher costs are based on current FY17 teacher step and lane placement advanced into the FY18 salary contract

FY17 CTA Baseline -- 1:45 PM on August 2, 2016

	Bachelor	B+ 15	Masters	M+ 15	M+ 30	M+ 45	M+ 60	Doctor			
Step 1	1.0	0.0	3.0	0.0	0.0	0.0	1.0	0.0		5.0	
Step 2	1.0	0.0	5.5	0.0	0.0	0.0	0.0	0.0		6.5	
Step 3	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0		4.0	
Step 4	0.0	0.5	3.0	1.0	0.0	2.0	2.0	0.0		8.5	
Step 5	0.0	0.0	6.8	1.0	2.0	0.0	0.0	0.0		9.8	
Step 6	1.0	0.0	1.0	1.0	1.0	0.0	0.0	1.0		5.0	
Step 7	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0		4.0	
Step 8	1.0	1.0	2.0	2.0	2.0	0.0	0.0	0.0		8.0	
Step 9	0.0	0.0	5.0	3.0	0.0	1.0	1.0	0.0		10.0	
Step 10	2.0	0.0	1.0	3.0	0.0	0.0	0.0	0.0		6.0	
Step 11	0.0	0.0	2.0	5.0	0.0	2.0	1.0	0.0		10.0	
Step 12	0.0	0.0	1.6	2.0	0.0	0.0	1.0	1.0		5.6	
Step 13	0.8	0.0	5.0	1.0	0.0	0.0	0.0	0.0		6.8	
Step 14	1.0	0.0	1.8	0.0	3.0	1.0	2.0	0.0		8.8	
Step 15	0.0	0.0	1.5	4.0	0.0	1.0	2.0	1.0		9.5	
Step 16	0.0	0.0	0.0	2.0	1.0	0.0	3.0	0.0		6.0	
Step 17	1.0	3.7	10.0	17.0	12.6	14.0	32.0	2.0		92.3	
Step 18	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
	8.8	5.2	54.2	43.0	22.6	22.0	45.0	5.0		205.8	44.8%

- Unlike other years, this will be a two step process as a mid-year step increase was approved by the SC for the contract
 - The initial step increase requires \$353,730, and midyear increase adds another \$177,038 Total Projected FY18 Step \$530,768

FY18 Budget Development Process Update

- The FY18 scale increase 2%, cost projection is \$377,580
- FY18 Lane change estimate is \$75,000

Step	Bachelor	B+ 15	Masters	M+ 15	M+ 30	M+ 45	M+ 60	Doctor
1	48,553	50,983	56,809	58,266	59,721	61,177	62,635	64,201
2	50,495	53,019	59,080	60,597	62,112	63,626	65,141	66,767
3	52,515	55,142	61,442	63,020	64,595	66,170	67,747	69,439
4	54,617	57,348	63,904	65,541	67,181	68,816	70,455	72,218
5	56,800	59,642	66,457	68,160	69,867	71,570	73,274	75,107
6	59,073	62,028	69,116	70,890	72,659	74,433	76,205	78,111
7	61,437	64,510	71,881	73,724	75,568	77,409	79,251	81,233
8	63,892	67,089	74,755	76,673	78,591	80,508	82,425	84,485
9	66,450	69,773	77,747	79,740	81,733	83,743	85,720	87,862
10	69,110	72,562	80,857	82,931	85,003	87,078	89,148	91,376
11	71,873	75,465	84,093	86,248	88,405	90,559	92,715	95,035
12	74,749	78,483	87,456	89,697	91,939	94,181	96,425	98,836
13	77,736	81,625	90,953	93,286	95,617	97,950	100,282	102,789
14	80,847	84,890	94,589	97,017	99,441	101,868	104,292	106,901
15	84,081	88,288	98,374	100,898	103,420	105,943	108,465	111,177
16	88,732	93,169	103,815	106,480	109,141	111,800	114,465	117,326

- The number of steps is decreased from 18 to 16 steps and the step and lane values are shown in the table.
- Steps, Scale, Lane changes for FY18 projected total = \$908,348, or 2.8% above the FY17 budget

FY18 Budget Development Process Update

MAJOR ESCALATION & COST DRIVERS				
	PROGRAM AREA	FY18 INCREASES		
STEPS - <i>Initial</i>	1010 - 2400	\$ 353,730		
STEPS - <i>Mid-Year</i>	1011 - 2400	\$ 177,038		
LANES	1010 - 2400	75,000		
2 % SCALE	1010 - 2400	377,580		
TEACHER SALARY ESCALATION	2.8%	983,348		
CO-CURRICULAR, PRE-SCHOOL, SUBSTITUTES - LINE INCREASES	2330	49,356		
K5 FOREIGN LANGUAGE 3.0 FTE	1041 - 1043	199,371		
CMS LATIN TEACHER .5 FTE	1080	37,213		
BUDGET SALARY ADJUSTMENTS & NEW POSITIONS	0.8%	285,940		
OTHER NON CBU & CBU SALARY ESCALATION	1010 - 4670	272,055		
SPECIAL EDUCATION TUTORS & AIDES	1200 - 1201	142,754		
OTHER STAFFING SALARY ESCALATION	1.2%	414,808		
MAINTENANCE VEHICLES	4640	32,368		
MAINTENANCE CONTRACTED SERVICES (Grounds & Buildings)	4640	75,000		
UTILITIES/OTHER (<i>Electricity & Water</i>)	4690	49,735		
OPERATIONS ESCALATION	0.4%	157,103		
OTHER NET ESCALATION	0.01%	4,454		
TOTAL INCREASES	5.2%	1,845,653		

FY18 Budget Development Process Update

<u>OFFSETTING REDUCTIONS</u>			
	PROGRAM AREA		FY18 REDUCTIONS
<u>PRELIMINARY BUDGET REQUEST REDUCTIONS</u>			
SPECIAL EDUCATION TUITIONS	1200 - 1201		(240,000)
SALARY CONTINGENCY	2340		(190,903)
TRANSPORTATION, BUILDING SERVICES ADJUSTMENTS	4660 & 4630		(58,458)
BUILDINGS S/M	4640		(40,000)
UTILITIES/HEATING	4680		(31,686)
TOTAL DECREASES	-1.6%		(561,047)
NET CHANGE	3.6%		\$ 1,284,605