



*Every Student
College and Career Ready*

Fiscal Year 2013 Preliminary Budget

For the period July 1, 2012 through June 30, 2013

Colonial School District

Presented to the Board of Education on July 10, 2012

**Dorothy Linn, Ed.D., Superintendent
Karen S. Thorpe, Director of Business**



*Every Student
College and Career Ready*

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2012-2013**

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PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013

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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 fourteen (14) schools located within the district. The enrollment as of September 30, 2011 was 9,855 students.

The Fiscal Year 2013 Preliminary Budget represents the financial plan for the district for the school year 2012 - 2013. The plan was developed through a review of the district's priorities and education success plan. The budget is inclusive and reflects all elements of the district operations. The preliminary budget is an initial plan as the budget cannot be put into final form until after the State certifies the September 30th count, which is normally accomplished during the months of November/December. The district operates under a Board approved preliminary budget prior to the approval of the final budget.

The budget for 2013 reflects a deficit in the amount of **\$6.7 million**, which will be covered by the district's reserve funds. The State of Delaware has cut funding to public education and has only partially restored some funding. The district has a cash balance of \$18.9 million as of June 30, 2012. At the end of 2013 the cash balance is projected to be \$12.2 million. During the fiscal year 2013 the district will begin planning an operating referendum.

The Preliminary Budget for fiscal year 2013 is \$141 million for all expenditures and \$137 million for operations which excludes major capital costs. The fiscal year 2013 budget represents an increase in operating costs of \$3 million as compared to fiscal year 2012 actual costs largely due to increasing salaries, an increase in the state mandated pension rate and technology costs.

The State of Delaware funded a 27th pay at the biweekly pay rate in 2012 and increased the state pay scale by 2% effective January 1, 2012. A 1% increase is scheduled effective July 1st to the state pay scales for 2013 and there are 26 pay cycles. The local salary scales for 2013 are paid in accordance with the collective bargaining agreement or by Board of Education action. Employees received an increase for steps or years of experience changes where applicable.

The Colonial School District has a citizen financial oversight committee consisting of seven residents of the district to oversee the budget and review financial reports and information prior to submission to the Board of Education.

**PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
SUMMARY OF REVENUE**

REVENUE	BUDGET FY 2012	ACTUAL FY 2012	BUDGET FY 2013	% Change
<u>STATE REVENUE</u>				
Division I Salaries	54,700,000	53,500,000	52,500,000	-4.02%
Cafeteria Salaries	1,129,543	1,129,543	1,129,543	0.00%
Division II Costs, AOC	1,886,469	1,897,469	1,897,469	0.58%
Division II Costs, AOC - Voc	116,068	116,068	116,068	0.00%
Division II Costs, Energy	1,584,463	1,592,953	1,592,953	0.54%
Division III Equalization	4,215,600	4,258,845	4,258,845	1.03%
State Transportation	4,806,200	4,645,787	4,645,787	-3.34%
Educational Sustainment	0	0	2,000,000	
Related Services	0	0	0	
Drivers Ed	27,166	27,166	25,000	-7.97%
Unique Alternative	489,908	534,926	550,000	12.27%
Excellence/Admin Option	408,198	436,754	436,754	7.00%
Professional Development	116,428	116,425	115,000	-1.23%
School Improvement	25,000	25,000	25,000	0.00%
Minor Capital Improvements	720,000	719,682	739,685	2.73%
Other State Revenue	0	185	0	
TOTAL STATE REVENUE	\$70,225,043	\$69,000,803	\$70,032,104	-0.27%
<u>LOCAL REVENUE</u>				
Debt Service Tax Receipts	5,890,000	5,786,400	5,223,100	-11.32%
Tuition Revenue & Reserves	6,052,640	4,745,600	4,985,080	-17.64%
Current Expense Tax Receipts	26,070,700	25,408,000	25,660,000	-1.58%
Minor Capital Tax Receipts	945,800	948,126	1,231,600	30.22%
Technology Maintenance Match	413,000	419,200	417,800	1.16%
Interest	200,000	243,926	200,000	0.00%
Athletics	20,000	17,665	18,000	-10.00%
CSCR	250,000	88,214	100,000	-60.00%
Indirect Costs	400,000	486,351	400,000	0.00%
Cafeteria	5,801,457	5,500,100	5,790,457	-0.19%
Donations	100,000	120,000	100,000	0.00%
Building Rental	15,000	17,000	17,000	13.33%
Erate	40,200	52,746	50,000	24.38%
Other Local Revenue	0	160,000	100,000	
Charter (Reduction)	-3,282,600	-3,282,553	-3,400,000	3.58%
Choice (Reduction)	-1,252,200	-1,252,168	-1,300,000	3.82%
Debt Service & Other Reserve		102,753	1,097,100	
Reserve Funds	5,740,905	4,056,000	6,653,974	15.90%
TOTAL LOCAL REVENUE	\$47,404,902	\$43,617,360	\$47,344,111	-0.13%

OTHER REVENUE

IDEA Part B	2,633,200	2,633,133	2,640,000	0.26%
Title I	3,217,240	3,217,239	2,915,400	-9.38%
Title II	995,150	995,146	809,000	-18.71%
Title III	130,365	130,364	125,600	-3.66%
Perkins	233,100	233,088	270,600	16.09%
Other Federal Funds	90,945	38,950	40,000	-56.02%
ARRA Federal Funds	443,700	443,700	0	-100.00%
SFSF Federal Funds	136,600	136,600	0	-100.00%
Race to the Top	2,085,600	2,085,600	1,629,000	-21.89%
Edujobs	2,090,000	2,090,000	50,000	-97.61%
Special School Programs	11,381,830	9,930,000	11,485,810	0.91%
Major Capital Improvements	<u>5,162,100</u>	<u>5,162,100</u>	<u>4,200,000</u>	-18.64%
TOTAL OTHER REVENUE	<u>\$28,599,830</u>	<u>\$27,095,920</u>	<u>\$24,165,410</u>	-15.51%
TOTAL REVENUE	<u>\$146,229,775</u>	<u>\$139,714,083</u>	<u>\$141,541,625</u>	-3.21%
<u>TOTAL OPERATING REVENUE</u>	<u>\$141,067,675</u>	<u>\$134,551,983</u>	<u>\$137,341,625</u>	-2.64%

Total Operating Revenue excludes major capital funding.

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
SUMMARY OF EXPENDITURES**

<u>EXPENDITURES</u>			BUDGET FY 2012	PROJECTED FY 2012	BUDGET FY 2013	
<u>Operating</u>	<u>Program</u>					
<u>Unit</u>	<u>Code</u>					
SCHOOL BUDGETS						
						%
						Chg.
9340410A	95437	Carrie Downie Library	4,350	4,328	4,400	1.15%
9340410A	99999	Carrie Downie Elementary	54,375	55,200	55,000	1.15%
9340412A	95437	Castle Hills Library	8,150	8,136	7,800	-4.29%
9340412A	99999	Castle Hills Elementary	101,875	95,485	97,500	-4.29%
9340418A	95437	Pleasantville Library	5,440	5,402	5,500	1.10%
9340418A	99999	Pleasantville Elementary	68,000	65,704	68,750	1.10%
9340420A	95437	Wilmington Manor Library	4,940	3,522	4,650	-5.87%
9340420A	99999	Wilmington Manor Elementary	61,750	60,698	58,125	-5.87%
9340422A	95437	Wilbur Library	11,330	11,307	11,050	-2.47%
9340422A	99999	Wilbur Elementary	141,625	141,016	138,125	-2.47%
9340427A	95437	Southern Library	10,190	10,186	9,650	-5.30%
9340427A	99999	Southern Elementary	127,375	120,866	120,625	-5.30%
9340450A	95437	Colwyck Library	3,360	1,212	3,250	-3.27%
9340450A	99999	Colwyck Elementary	42,000	44,636	40,625	-3.27%
9340456A	95437	Eisenberg Library	5,570	5,532	5,600	0.54%
9340456A	99999	Eisenberg Elementary	69,625	66,023	70,000	0.54%
9340470A	95437	Gunning Bedford Library	10,800	10,759	10,310	-4.54%
9340470A	99999	Gunning Bedford Middle	135,000	102,216	128,875	-4.54%
9340474A	95437	George Read Library	7,520	7,525	7,500	-0.27%
9340474A	99999	George Read Middle	94,000	93,130	93,750	-0.27%
9340476A	95437	McCullough Library	7,450	8,443	7,500	0.67%
9340476A	99999	McCullough Middle	93,125	96,048	93,750	0.67%
9340522A	99530	New Castle (Regular Ed)	4,750	4,750	5,000	5.26%
9340490A	95048	William Penn - ROTC	10,000	5,000	10,000	0.00%
9340490A	95073	William Penn - Music Choir	30,000	35,726	30,000	0.00%
9340490A	95437	William Penn - Library	23,065	19,664	22,800	-1.15%
9340490A	95468	William Penn - Summer School	40,000	44,000	50,000	25.00%
9340490A	95602	William Penn - Athletics	110,000	117,838	150,000	36.36%
9340490A	99999	William Penn High School	259,470	248,903	256,500	-1.14%
		SUBTOTAL - OTHER	<u>1,545,135</u>	<u>1,493,255</u>	<u>1,566,635</u>	1.39%

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
SUMMARY OF EXPENDITURES**

EXPENDITURES		BUDGET FY 2012	PROJECTED FY 2012	BUDGET FY 2013	
<u>Operating</u>	<u>Program</u>				
<u>Unit</u>	<u>Code</u>				
TUITION FUNDED BUDGETS					
9340450A	95030	Preschool	48,000	39,098	56,640 18.00%
9340450A	99532	PreK Nonprincipal	360,000	200,000	280,000 -22.22%
9340427A	95217	Southern ILC	10,080	10,185	17,760 76.19%
9340427A	99532	Southern ILC Nonprincipal Item:	300,000	170,000	220,000 -26.67%
9340427A		Southern CASL	0	0	2,880
9340427A		Southern CASL Nonprincipal	0	0	25,000
9340522A	99532	New Castle Non Principal Items	1,100,000	800,000	1,000,000 -9.09%
9340522A	99999	New Castle School	34,560	41,900	52,800 52.78%
99920300	99999	LEP/ESL	500,000	450,000	480,000 -4.00%
99930200	95454	Private Placement	800,000	1,194,860	1,200,000 50.00%
99930200	99999	In State Tuition	3,000,000	1,954,100	2,200,000 -26.67%
		SUBTOTAL - TUITION	6,152,640	4,860,143	5,535,080 -10.04%
OTHER/LOCAL AND STATE FUNDED					
99900000	99999	Board of Education	60,000	39,115	50,000 -16.67%
99900100	99999	Legal	150,000	155,326	160,000 6.67%
99900300	95083	William Penn Twilight Program	55,000	49,640	55,000 0.00%
99900300	95228	Substitutes & Homebound	600,000	617,272	620,000 3.33%
99900300	95260	Community & Schools	30,000	30,000	30,000 0.00%
99900300	95494	Teacher of the Year	7,500	3,375	7,500 0.00%
99900300	99999	General District Expenses	1,600,000	584,116	1,600,000 0.00%
99910000	99541	Events & Recognition	50,000	45,963	50,000 0.00%
99910000	99999	Public Communications	75,000	71,182	75,000 0.00%
99910010	95411	Copy Center	420,000	442,690	450,000 7.14%
99910010	99999	Admin Building General	30,000	9,699	15,000 -50.00%
99910100	99999	Superintendent	13,000	9,553	13,000 0.00%
99910110	95488	Visiting Teachers	10,000	7,636	10,000 0.00%
99910110	99999	Assistant Superintendent	10,000	8,508	10,000 0.00%
99920000	99999	Curriculum/Instruction	120,000	118,498	150,000 25.00%
99920100	99999	Discipline Programs/SRO	330,000	328,367	350,000 6.06%
99920200	99999	Extra Time	400,000	450,000	480,000 20.00%
99920400	99999	Local Testing Program	20,000	3,578	5,000 -75.00%
99920500	99999	Professional Development	120,000	93,000	115,000 -4.17%
99920700	99999	Athletics	30,000	37,449	40,000 33.33%

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
SUMMARY OF EXPENDITURES**

EXPENDITURES		BUDGET FY 2012	PROJECTED FY 2012	BUDGET FY 2013	
Operating Program					
Unit	Code				
99920800	99999	Drivers Education	27,200	15,674	25,000 -8.09%
99930300	99999	Special/Student Services	20,000	23,640	30,000 50.00%
99940000	99999	Business Office	15,000	14,303	15,000 0.00%
99940200	99999	Division I Salaries	54,700,000	53,500,000	52,500,000 -4.02%
99940400	99999	Local Salaries	28,000,000	26,856,300	28,500,000 1.79%
99940300	99999	Division II Vocational	116,000	69,319	116,000 0.00%
99940410	99999	Competitive Grants - State	25,000	18,513	25,000 0.00%
99940700	99999	Private Grants/Donations	200,000	217,758	100,000 -50.00%
99940800	99999	Data Collection & Reporting	100,000	97,698	100,000 0.00%
99940810	99999	Tech Equipment & Repair	600,000	599,000	700,000 16.67%
99950000	99999	Personnel	30,000	30,000	50,000 66.67%
99960000	99999	Child Nutrition Operations	6,931,000	6,850,000	6,920,000 -0.16%
99960200	95419	Energy/Utilities	2,600,000	1,932,605	2,200,000 -15.38%
99940050	99999	Facilities Maintenance	470,000	544,040	550,000 17.02%
99960200	99531	Custodial Services	300,000	299,278	300,000 0.00%
99960200	99538	Construction Services	10,000	1,133	0 -100.00%
99960200	99999	Operations	20,000	8,742	20,000 0.00%
99960400	99999	Transportation	6,578,000	6,440,000	6,800,000 3.37%
99970675	99999	Other District Programs	0	0	25,000
99970680	99999	School Supervision	60,000	59,290	60,000 0.00%
		SUBTOTAL - OTHER	104,932,700	100,682,260	103,321,500 -1.54%
99970000	99999	Debt Service	5,890,000	5,889,153	5,728,000 -2.75%
99940500	99999	Federal Funds	9,965,900	9,965,900	8,479,600 -14.91%
99970100	99999	Major Capital	5,162,100	2,656,780	4,200,000 -18.64%
99970200	99999	Minor Capital	1,199,470	599,440	1,225,000 2.13%
		Leach - Special School*	11,381,830	9,930,000	11,485,810 0.91%
TOTAL EXPENDITURES			146,229,775	136,076,931	141,541,625 -3.21%
TOTAL OPERATING EXPENDITURES			141,067,675	133,420,151	137,341,625 -2.64%

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
DETAIL OF OPERATING UNIT EXPENDITURES**

<u>EXPENDITURES</u>		BUDGET	BUDGET
		FY 2012	FY 2013
<u>Operating</u>	<u>Program</u>		
<u>Unit</u>	<u>Code</u>		
99900300	99999	General District Expenses	
		Phone & Repairs	60,000
		Trash Removal	140,000
		General Admin Office	50,000
		Postage & Courier	30,000
		Security	40,000
		Printing	20,000
		Data Management/Archive	35,000
		Audit	60,000
		Insurance	165,000
		Data Service Center	0
		Contingency	1,000,000
		\$1,600,000	1,600,000

The 2012 cost for the Data Service Center was paid in 2011. Therefore no amount is budgeted in 2012 for the DSC technology operation.

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.

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
DETAIL OF OPERATING UNIT EXPENDITURES**

<u>EXPENDITURES</u>		BUDGET	BUDGET
		FY 2012	FY 2013
<u>Operating</u>	<u>Program</u>		
<u>Unit</u>	<u>Code</u>		
99960000	99999		Child Nutrition Operations

The detailed budget will be determined after school opens and lunch information is available.

The Child Nutrition operation is self supporting through State and Federal funding and the collection of receipts for meals purchased.

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
DETAIL OF OPERATING UNIT EXPENDITURES**

<u>EXPENDITURES</u>		BUDGET	BUDGET
		FY 2012	FY 2013
<u>Operating</u>	<u>Program</u>		
<u>Unit</u>	<u>Code</u>		
99960400	99999	Transportation	

The detailed budget will be determined after school opens and bus route information is available.

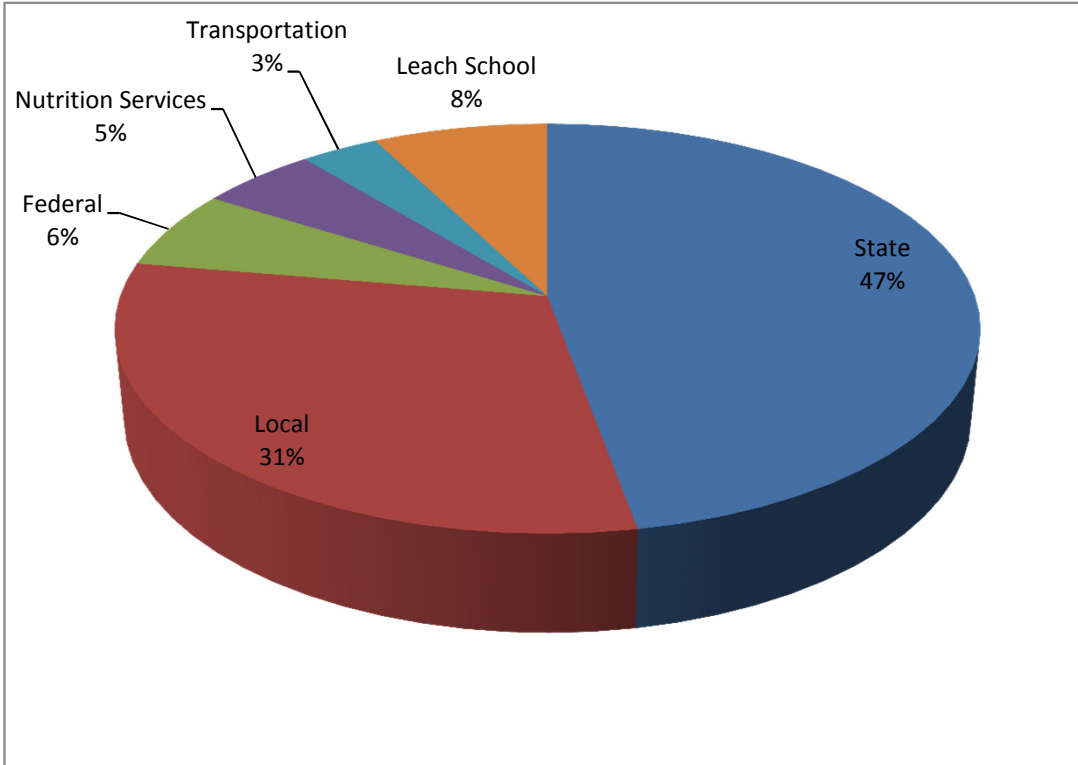
The Transportation Division is funded by State and Local appropriations. In the 2012 State of Delaware budget school transportation funding was cut by 10%.

**COLONIAL SCHOOL DISTRICT
PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
DETAIL OF OPERATING UNIT EXPENDITURES**

<u>EXPENDITURES</u>		BUDGET	BUDGET	
		FY 2012	FY 2013	
<u>Operating</u>	<u>Program</u>			
<u>Unit</u>	<u>Code</u>			
Leach - Special School				
9340427A	99999	Southern Integration Program	13,920	10,560
9340412A	99999	Castle Hills Integration Program	9,600	10,560
9340474A	99999	George Read Integration Program	20,640	27,840
9340490A	99999	William Penn Integration Program	33,120	19,200
9340514A	99999	Leach Principal's Budget	95,550	91,650
9340514A	95254	Vocational Expenses	30,000	30,000
9340514A	99545	Related Services	10,000	10,000
9340514A	99546	Assistive Technology	20,000	20,000
99900300	95228	Substitutes	40,000	60,000
99900300	99999	General	200,000	700,000
99940200	99999	Division I Salaries	6,400,000	6,300,000
99940400	99999	Local Salaries	3,100,000	2,900,000
99940500	99999	Federal	103,000	0
99960200	95419	Energy/Utilities	100,000	100,000
99970100	99999	Major Capital	1,186,000	1,186,000
99970200	99999	Minor Capital	20,000	20,000
TOTAL EXPENDITURES			<u>\$11,381,830</u>	<u>\$11,485,810</u>
TOTAL OPERATING EXPENDITURES			\$10,195,830	\$10,299,810

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.

**PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
REVENUE CHART**

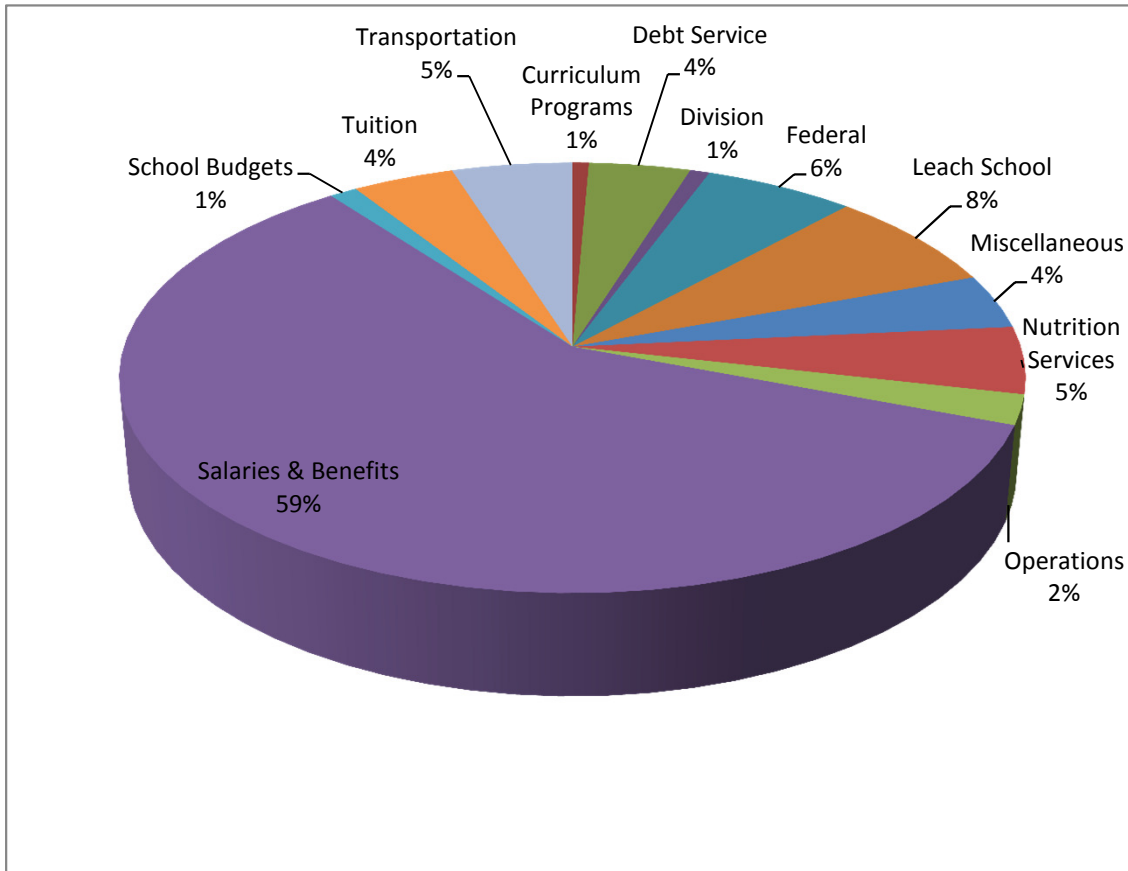


	2013	2012
State	47%	44%
Local	31%	32%
Federal	6%	8%
Nutrition Services	5%	5%
Transportation	3%	3%
Leach School	8%	8%
	100%	100%

There is a shift in funding from federal to state with the expiration of EdJobs funding

Revenue excludes major capital.

**PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
EXPENDITURE CHART**



Salaries represents State and Locally funded salaries and does not include salaries paid under transportation, nutrition services, Leach or federal funds. All personnel sources would exceed 70% of the total budget.

**PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
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.

There are two components to current expense tax. The first component involves multiplying the district's tax assessment times 38.8 cents per \$100 of assessed valuation.

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 2013 is 18.59364082%.

The district's total assessed valuation is \$2,749,061,924.

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 60% and the local district pays 40%

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	\$0.856	\$25,660,000
Debt Service	\$0.190	\$5,223,100
Tuition Tax	\$0.220	\$6,047,800
Match/MCIP	\$0.060	\$1,649,400
Total	\$1.326	\$38,580,300

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.

**PRELIMINARY BUDGET - FISCAL YEAR ENDING JUNE 30, 2013
LOCAL PROPERTY TAX RECEIPTS**

History of Local Tax Rate

Fiscal Year	Current Expense	Debt Service	Tuition	Match	Total Rate
2013	\$0.856	\$0.190	\$0.220	\$0.060	\$1.326
2012	\$0.856	\$0.210	\$0.250	\$0.050	\$1.366
2011	\$0.856	\$0.215	\$0.280	\$0.045	\$1.396
2010	\$0.856	\$0.196	\$0.305	\$0.055	\$1.412
2009	\$0.856	\$0.184	\$0.330	\$0.055	\$1.425
2008	\$0.826	\$0.199	\$0.310	\$0.055	\$1.390
2007	\$0.786	\$0.164	\$0.300	\$0.055	\$1.305

Recent Referenda

- 2005 Major Capital referendum for a new school and school renovations (primarily HVAC)
- 2005 7 cent increase to current expense to fund increase in utility cost for air conditioning

Glossary of Terms

Board Approved Budget - the district's spending plan for the current fiscal year as approved by the Board of Education

Preliminary Budget - operational financial plan in use until such time as the September 30th enrollment count is confirmed

Fiscal Year - July 1st to June 30th

Debt Service - Principal and interest payments for bonds related to school construction

Division I - state supported salaries and other employment costs funded through the September 30th enrollment count

Division II - All Other Costs and Energy funds that may pay for any item except transportation and debt service

Division III - state equalization funds based on effort and ability

Equalization - attempt to level the playing field for the property wealthy districts versus the property poor

Expenditure - the payment to a vendor or employee

Reserve Funds - funding carried over from prior years that is available in the current year

ARRA - American Recovery and Reinvestment Act funding from the federal government. These funds must be spent by the Fall of 2011

SFSF - State Fiscal Stabilization Funds from the federal government that were allocated to the State of Delaware and were used to fill the state budget gap to public education. These funds must be expended by the Fall of 2011

Race to the Top - federal funds awarded to states that applied (Delaware was one of only 2 states that received an award in round 1). Funds are to be used to advance reforms and turn around our lowest achieving schools. This is a four year grant with funding each year.