



# City of San Antonio

## Agenda Memorandum

**File Number:**16-2554

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**Agenda Item Number:** 2.

**Agenda Date:** 5/11/2016

**In Control:** City Council B Session

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**DEPARTMENT:** Pre-K 4 SA

**DEPARTMENT HEAD:** Kathy Bruck, CEO

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Pre-K 4 SA FY 2017 Budget

### **SUMMARY:**

During the May 11, 2016 "B" Session, staff will present the Pre-K 4 SA FY 2017 Budget adopted by the Pre-K 4 SA Board of Directors on April 5, 2016. The Council is scheduled to consider approving the FY 2017 Pre-K 4 SA Budget on May 12, 2016, as required by the Pre-K 4 SA bylaws.

### **BACKGROUND INFORMATION:**

City staff will provide City Council with an overview of the Pre-K 4 SA program's Board of Directors Adopted FY 2017 Budget. The Board of Directors bylaws, approved by City Council, require that City Council approve the program's annual Budget on or before July 1 of each year. As stated in the bylaws, an Annual Budget is required to be adopted by the Board by May 1 each year and approved by City Council prior to the start of the new program year on July 1. Council consideration of the Board of Director's Adopted FY 2017 Budget is scheduled for the Council "A" session on May 12, 2016.

### **ISSUE:**

Below is an overview of the Board of Director's Adopted Operating Budget for FY 2017 to include major program areas.

| <b>Operating Expenses</b>            | <b>Adopted Budget FY 2017</b> |
|--------------------------------------|-------------------------------|
| Pre-K 4 SA Education Center Services | \$ 28,666,898                 |
| Transportation Services              | \$ 1,026,332                  |
| Facilities Leases & Maintenance      | \$ 5,653,342                  |
| Competitive Grants                   | \$ 4,592,019                  |
| Professional Development             | \$ 1,966,810                  |
| Program Assessment                   | \$ 237,467                    |
| Administration                       | \$ 1,575,811                  |
| Transfers                            | \$ 3,840,535                  |
| <i>Total Budget</i>                  | \$ 47,559,214                 |

| <b>Revenues</b>                       | <b>Adopted Budget FY 2017</b> |
|---------------------------------------|-------------------------------|
| Sales Tax                             | \$ 34,101,742                 |
| State/Local Match                     | \$ 4,166,400                  |
| USDA (Food)                           | \$ 1,425,416                  |
| Sliding Scale Tuition                 | \$ 900,000                    |
| Interest/Misc Revenue                 | \$ 24,569                     |
| Fund Balance                          | \$ 6,941,087                  |
| <i>Total Revenues &amp; Transfers</i> | \$ 47,559,214                 |

The FY 2017 sales tax assumes a 3.1% growth rate from the FY 2016 estimate. Sales tax makes up 84% of the Pre-K 4 SA total revenue. State/Local Match, USDA and Sliding Scale tuition have a 13%, 15% and 35% increase respectively from the FY 2016 Estimate. This is due to an increase of 300 students for the 2016-2017 school year.

The FY 2017 Board of Director's Adopted Annual Budget reflects a 22% increase from the FY 2016 Adopted Annual Budget. Pre-K 4 SA will accept a total of 2,000 students for the 2016-2017 school year, which reflects over a 17% increase in students from the 2015-2016 school year. Appropriations are required for the hiring of Education Center staff, food service, and other expenses required for the daily operations of each Education Center.

#### **ALTERNATIVES:**

The Board of Director's Adopted FY 2017 Budget will be placed on the agenda for the May 12, 2016 "A" Session. City Council could choose to not approve the Board of Director's Adopted FY 2017 Pre-K 4 SA Budget and request changes to the budget by the Corporation. In this event, the Corporation's Board of Directors would need to amend their adopted Budget(s) and forward the budget(s) to the City Council for approval.

#### **FISCAL IMPACT:**

This is a briefing only and will not impact the City's General Fund Budget. The Council is scheduled to consider approving the FY 2017 Pre-K 4 SA Budget on May 12, 2016, as required by the Pre-K 4 SA bylaws. It does allow City Council to approve the fiscal year budgets for the Pre-K 4 SA program: the FY 2017 budget.

**RECOMMENDATION:**

This is a staff briefing. Staff intends to take the Pre-K 4 SA FY 2017 Adopted Operating Budget to City Council for consideration on May 12, 2016.