



City of San Antonio

Agenda Memorandum

File Number:16-2556

Agenda Item Number: 20.

Agenda Date: 5/12/2016

In Control: City Council A Session

DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Kathy Bruck, CEO

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Pre-K 4 SA FY 2017 Budget

SUMMARY:

An Ordinance considering approval of the Pre-K 4 SA program FY 2017 Budget adopted by the Pre-K 4 SA Board of Directors on April 5, 2016.

BACKGROUND INFORMATION:

City staff provided City Council with an overview of the Pre-K 4 SA program's FY 2016 Budget during the May 11 "B" session. The Pre-K 4 SA Board of Directors bylaws, which were approved by City Council, require that the City Council approve the corporation'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 before May 1 each year and approved by City Council prior to the start of the new program year on July 1.

ISSUE:

The Pre-K 4 SA Board of Directors adopted the FY 2017 Operating Budget on April 5, 2016. This item is for City Council's consideration of the approval of the Corporation's FY 2017 annual operating budgets. The Pre-K 4 SA fiscal year begins July 1 and ends June 30 of each year.

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

Operating Expenses	Adopted Budget FY 2017
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

Revenues	Adopted Budget FY 2017
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 & 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:

City Council could choose to not approve the FY 2017 Pre-K 4 SA Budget and request changes to the budget by Pre-K 4 SA. In this event, the Pre-K 4 SA 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 action will not impact the City's General Fund Budget. It does allow City Council to approve the fiscal year budgets for the Pre-K 4 SA program: the FY 2017 budget.

RECOMMENDATION:

Staff recommends that City Council approve the FY 2017 Annual Budget as recommended and adopted by the Pre-K 4 SA Board of Directors on April 5, 2016.