

Superintendent's Proposed FY2018 Budget

Public Hearing

March 22, 2017

Mission & Goals

- The mission of the Northbridge Public Schools is to prepare our students to become responsible, contributing members of society by providing a challenging, rigorous educational program which will maximize academic achievement, enable intellectual, physical, social, and emotional development in an atmosphere which promotes creative and critical thinking.
 - Strategic Plan Goals
 1. **Teaching and Learning:** All students will reach their maximum potential for college and career readiness including academics, as well as social and emotional well-being.
 2. **Buildings and Operations:** The Northbridge Public Schools will provide a creative and challenging academic and social atmosphere that is safe, supportive, and respectful.
 3. **Communication and Community:** Student achievement will be maximized - producing healthy, knowledgeable, active members of global and local societies.
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FY18 Budget Process

- October – November 2016: School Committee hosted three Budget Input Forums
- November 2016: School Committee compiled and reviewed data from public input sessions and set budget priorities/parameters:

Priorities:

- Improve student achievement at Balmer School (Level 3 status)
- Keep the High School competitive
- Address technology deficiencies and focus on 21st Century Learning

Parameters:

- Level services budget
- Prioritized list of essential needs to potentially add/restore in FY18 budget
- December 2016: Site based managers submitted detailed level services budget to Superintendent, along with prioritized list of essential needs/strategic additions
- January 2017: School Committee met with site based managers to review budget detail and prioritized list of essential needs/strategic additions
- January – February 2017: Discussions at Budget Subcommittee, School Committee, and Finance Committee meetings to discuss next steps

Budget Recap

- Failed override in May 2014 resulted in budget reductions and increased fees:
- FY2015
 - Reduced level services operating budget by \$1.1 Million
 - Elimination of 18.9 FTE's = 21 Positions – 14 Teachers and 7 Support Staff
 - Reduction to supplies, contracted services, technology, stipends, and extra-curricular activities
 - Cut golf, hockey, swimming, wrestling, & Middle School sports
- FY2016
 - Reduced level services operating budget by \$250,000 (not including transportation savings)
 - Limited transportation services – cut 4 buses ~ \$225,000 savings
 - Elimination of 2.0 FTE's = 2 Positions – 2 Teachers
 - Reorganization and reduction of stipends resulted in elimination of Director of Instructional Technology and .5 Instructional Technology Specialist
 - Increased fees by ~ \$142,000
 - Added a transportation fee and increased fees for pre-school, athletics, activities, parking and facility rental
- FY2017
 - Budget was built as a level services budget as to avoid another year of reductions
 - Additional revolver funds utilized to balance the budget
- Continued cost savings initiatives
 - In-district therapeutic program, energy savings/net metering agreements, copier savings

FY2018 Level Services Operating Budget

Category	FY 2017	FY 2018	Increase/ (Decrease)	% Change	% of Budget
Salaries	19,004,228	19,798,468	794,240	4.18%	71.90%
Supplies/Materials/Texts	278,909	296,164	17,255	6.19%	1.10%
Professional Development	80,647	82,338	1,691	2.10%	0.30%
Instructional Contracted Services	282,499	307,678	25,179	8.91%	1.10%
Athletics	281,407	281,479	72	0.03%	1.10%
Technology	222,776	249,385	26,609	11.94%	0.80%
Utilities	869,715	851,771	(17,944)	-2.06%	3.30%
Custodial/Maintenance	520,818	471,318	(49,500)	-9.50%	1.80%
Transportation	1,107,085	1,160,615	53,530	4.84%	4.20%
Out of District Tuition & Trans	3,360,208	3,255,598	(104,610)	-3.11%	12.60%
Title I	242,494	242,494	0	0.00%	1.00%
Other Expenses	252,399	255,017	2,618	1.04%	0.90%
	26,503,185	27,252,325	749,140	2.83%	100%

Other expenses includes: copier lease/maintenance, attorney fees, dues/memberships, advertising, Medicaid billing, postage, and MTRS grant expenses.

FY18 Expense Drivers

Category	Increase/ (Decrease)	Notes
Salaries	\$ 794,240	<ul style="list-style-type: none"> • Steps/Lanes/Contract Obligations • No confirmed retirees • Returning LOA's/Pro-rated salaries ~100k • Cost neutral: K teacher → K inclusion teacher
Transportation	\$ 53,530	<ul style="list-style-type: none"> • Contract rate increase • Same # of buses/level of services
OOD Tuition & Trans	\$ (104,610)	<ul style="list-style-type: none"> • First decrease since 2012 • 5 students currently placed do not require services next year: graduating/moving/returning to public schools setting • In-house OOD transportation run
Custodial/Maintenance	\$ (49,500)	<ul style="list-style-type: none"> • One-time purchases made in 2017: floor scrubbers, maintenance van, field repairs
Utilities	\$ (17,944)	<ul style="list-style-type: none"> • Increase in cost of electricity offset by decrease in cost of gas • Potential for additional savings: net metering agreement awaiting connection, Green Communities grant opportunity

Prioritized List of Strategic Additions

Need Identified	FTE	Cost
District - IT Director/Technician*	1.0	90,000
HS - .5 Vocational Coordinator (Career Academies)	0.5	28,253
HS - Health & Wellness Teacher*	1.0	56,506
Balmer - Paraprofessional* (to make one in each inclusion classroom)	1.0	17,641
Balmer- .5 FTE Instructional Technology Specialist*	0.5	28,253
District - Part-time Out of District Coordinator (Increase in-district support)	0.5	40,000
MS - World Language Teacher*	1.0	56,506
NES - Behavior Technician	1.0	23,530
MS - Reading Specialist*	1.0	56,506
HS - .5 English Teacher (to make full time Broadcast Teacher)	0.5	28,253
MS - Behavior Technician*	1.0	23,530
Balmer - Reading Specialist	1.0	56,506
HS - World Language Teacher*	1.0	56,506
MS - Technology - Laptop carts/Chromebook carts		36,000
MS - Guidance Counselor	1.0	56,506
NES - Reading Specialist	1.0	56,506
Total Additions Listed Above	13.0	711,001

* Restoration – position reduced between FY14 and FY16.

FY18 Revenue (current projections)

- **Chapter 70 – State Aid – \$15,449,991**
 - \$46,100 increase over final FY17 Chapter 70 aid
 - Minimum required increase of \$20 per student
- **Town Contribution – \$7,310,452**
 - Increase of \$377,930 over original May 2016 Town Contribution
- **Appropriation (Chapter 70 + Town Contribution) – \$22,760,443**
 - Increase of \$506,000 over original May Appropriation
 - Does not factor in one-time increase to FY17 Appropriation of \$175,000 voted at the November 2016 Town meeting.
 - \$82,000 due to an increase in Chapter 70 and \$93,000 for one-time capital expenditures
- **Grants – \$1,166,292**
 - Estimated to be level to FY17
- **Revolver - \$2,798,272**
 - Amount available to spend to leave \$1M Balance

Total Projected Revenue: \$26,725,007

Budget Gap

FY18 Level Services Budget	27,252,325
Plus: FY18 Strategic Additions	711,001
Less: Capital Article May Town Meeting	100,000
FY18 Recommended Budget	27,863,326
FY18 Projected Revenue	26,725,007
Budget Gap w/Recommended Budget	1,138,319
Reduce: Strategic Additions	711,001
Budget Gap w/Level Services Budget	427,318

Override Option

- Sustainable = Support a budget with modest growth for at least 5 years
- Assumptions:
 - Strategic additions included in FY18
 - 3% annual increase in operating expenses (FY19 restores \$100k in capital)
 - \$500,000 annual appropriation increase
 - Revolver ending balance in FY22 close to \$1M

	FY18	FY19	FY20	FY21	FY22
Operating Budget	27,863,326	28,799,226	29,663,203	30,553,099	31,469,692
Appropriation (Annual \$500k increase)	22,760,443	25,960,443	26,460,443	26,960,443	27,460,443
OVERRIDE	2,700,000				
Anticipated Grant Revenue (Level to FY17)	1,166,292	1,166,292	1,166,292	1,166,292	1,166,292
Revolver Used	1,236,591	1,672,491	2,036,468	2,426,364	2,842,957
Total Revenue	27,863,326	28,799,226	29,663,203	30,553,099	31,469,692

Revolver Projections Based on Above	FY18	FY19	FY20	FY21	FY22
Revolver Start	1,992,272	2,561,681	2,695,190	2,464,722	1,844,358
Revolver Revenue	1,806,000	1,806,000	1,806,000	1,806,000	1,806,000
Revolver Expense	1,236,591	1,672,491	2,036,468	2,426,364	2,842,957
Revolver End	2,561,681	2,695,190	2,464,722	1,844,358	807,401

\$2.7M Override = \$495 increase on tax bill for average family home value of \$284,000

Recommended Budget if Override is not pursued/secured

FY18 Recommended Budget	27,863,326
Less: Strategic Additions With the exception of IT Director + .5 Vocational Coordinator	592,748
Modified FY18 Recommended Budget	27,270,578
FY18 Projected Revenue	26,725,007
Budget Gap w/ Modified Level Services	545,571

- Additional Revolver Funds: \$200,000
 - FY18 Budget Reductions: \$345,571
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FY19 Budget Impact if Override not pursued/secured for FY18

Reduced FY18 Budget	26,925,007
Plus: Estimated 3% Budget Increase for FY19	807,750
Plus: Capital expense added back for FY19	100,000
Estimated FY19 Budget	27,832,757
Less: Estimated Appropriation (FY18 + 500k)	23,260,443
Less: Estimated Grant Revenue (Level to FY17)	1,166,292
Less: Estimated Revolver available (To leave 800k)	1,806,000
FY19 Budget Gap/Deficit	1,600,022

Summary

- Level services operating budget for FY18 requires a \$749,140 or 2.83% increase over FY17
- Two largest increases in a level services budget are salaries, which increased by \$794,240 and transportation, which increased by \$53,530
- A prioritized list of essential needs/strategic additions was compiled by school administrators identifying 13 FTE's recommended to be restored/added to the FY18 budget, along with some technology needs - additions total \$711,001
- Recommended FY18 budget = 27,863,326 – an increase of \$1.3M or 5.1%
- \$100,000 of capital expenses were removed from the operating budget to be requested at the May Town Meeting in the form of a capital article
- Chapter 70 only increased by the minimum \$20 per student, or \$46,100, and the Town Contribution increased by \$377,930 resulting in the school department's appropriation increasing by \$506,000 (\$81,970 additional chapter 70 added at November 2016 Town Meeting)
- Grant funding is anticipated to remain level
- \$2.7 million can be spent from revolver accounts to help fund the budget (leaving a \$1M reserve balance) but a budget deficit of \$1.1M remains

Summary cont.

- An override of \$2.7M is needed to fund the FY18 Recommended Budget and support a budget with modest growth for the next 5 years
 - An override of \$2.7M results in a \$495 increase to the tax bill for an average family home value of \$284,000
 - If an override is not pursued or secured for FY18, a modified level services budget is recommended, which includes the addition of a technology director and a part time vocational coordinator
 - The budget gap/deficit for a modified level services budget is \$545,517
 - In order to fund a modified level services budget, budget reductions of \$345,517 are required, along with utilizing an additional \$200,000 from the revolver, dropping the emergency reserve balance to \$800k (3% of the total budget)
 - Not passing an override in FY18 may result in a budget deficit of \$1.6M for FY19
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Important Upcoming Dates

- School Committee Votes on the Budget – March 28, 2017
- Annual Spring Town Meeting – May 2, 2017
- Annual Town Election – May 16, 2017