

# **Superintendent's Proposed FY2018 Budget**

Presentation to School Committee

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*February 28, 2017*

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# 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 21<sup>st</sup> 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
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# 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
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# 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%
	<b>26,503,185</b>	<b>27,252,325</b>	<b>749,140</b>	<b>2.83%</b>	<b>100%</b>

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

# 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
<b>Total Additions Listed Above</b>	<b>13.0</b>	<b>711,001</b>

\* 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 Projections

## FY2017 Revolver Projections

Starting Balance	2,994,095
2017 Revenue	1,905,625
2017 Expense	2,907,449
Ending Balance	1,992,271

- Amount needed from revolver > amount available from revolver
- Fully funding the amount needed from revolver is not an option
- When ending balance = minimum safety net, future annual spending from revolver should be limited to projected annual revenue

## FY2018 Revolver Projections To Leave \$1M Balance

Starting Balance	1,992,271
2018 Revenue	1,806,000
2018 Expense	2,798,272
Ending Balance	1,000,000

## FY2018 Revolver Projections Level + Strategic Needs

Starting Balance	1,992,271
2018 Revenue	1,806,000
2018 Expense	3,936,591
Ending Balance	(138,320)

# Budget Gap

FY18 Level Services Budget	27,252,325
FY18 Strategic Additions	711,001
<b>FY18 Recommended Budget</b>	<b>27,963,326</b>
Less: FY18 Appropriation (\$506,000 > FY17)	22,760,443
Less: Capital Article May Town Meeting	100,000
Less: Anticipated Grant Revenue (Level to FY17)	1,166,292
Less: Revolver Available to leave \$1M	2,798,272
<b>Budget Gap/Deficit</b>	<b>1,138,319</b>

## Options to Close the Gap:

- Increase the appropriation
- Utilize additional funds from revolvers (reduce balance below \$1M safety net)
- Budget reductions (mainly reductions to personnel)
- Override

# Closing the Gap

- Increase the appropriation:
    - Request an increase above the proposed appropriation increase of \$506,000
    - Will there be a potential increase in Chapter 70 from the Legislature?
      - Final FY17 budget increased the minimum required Chapter 70 from \$20 per pupil to \$55 per pupil. If that happens again, it will result in an additional \$80,675
      - The Town has already factored this potential increase into the current appropriation increase proposed
        - If an additional Chapter 70 increase does not occur, the appropriation will not be reduced
        - If an additional Chapter 70 increase does occur, any amount >\$81,000 will be added to the appropriation
  - Utilize additional funds from revolvers:
    - Reduce balance below \$1M safety net
    - Increase deficit for FY19 as less revolver funds will be available
  - Budget reductions:
    - Elimination of requested strategic additions = up to \$711,001
    - Reductions to level services budget = ~ \$250,000 to \$550,000 depending on \$ funded from revolver
  - Override:
    - Support full budget request and sustain for at least 5 years with modest growth
    - Support partial budget request (level services or some increase to level services) and sustain for at least year 5 years with modest growth
    - Get through FY18 with no override and close the gap with other options above
      - Increase the need for an override in FY19
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# Should an Override be Considered?

- Factors to consider when deciding “When”:
    - FY18 Budget: May 2017 Town Meeting/Election
    - FY19 Budget: May 2018 Town Meeting/Election
    - Phased in over multiple town meetings/elections FY18 – FY22
    - Delayed timing results in larger need due to increasing budget and decreasing revolver balance
    - School Building Project Vote: ~ June 2018 –June 2019
  - Factors to consider when deciding “How much”:
    - Sustainable
      - Support the budget for at least 5 years
      - Support a budget with modest growth
    - Level services with/without strategic additions
      - Strategic additions added up front
      - Strategic additions phased in over years (i.e. \$120K - FY18; \$200K - FY19; \$150K - FY20, etc.)
      - No strategic additions (school administrator identified essential needs/restorations)
    - Impact on taxpayer
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# 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 = 27,963,326 – an increase of \$1.4M or 5.5%
- \$100,000 of capital expenses can be removed from the recommended operating budget and 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
- The budget deficit can be funded by additional appropriation, additional revolver, budget reductions and/or an override
- Without additional funding for FY18, reductions will have to be made
- If an override is not pursued for FY18, an override for FY19 will be highly likely

# Important Upcoming Dates

- Presentation to Finance Committee - March 8, 2017
- Public Hearing - March 14, 2017
- School Committee Votes on the Budget - March 28, 2017
- Annual Spring Town Meeting - May 2, 2017