

SOMERSET BERKLEY REGIONAL SCHOOL DISTRICT

FISCAL YEAR 2019 TENTATIVE BUDGET

- March 15, 2018



2017-2020 Strategic Plan Mission Statement:

The Somerset Berkley Regional High School community inspires and guides everyone to inquire, adapt, persevere and innovate.

FY19 Budget Vision

“Stay the Course while considering financial impact on existing initiatives”

2017-2020 District Strategy Objectives

Objective I Student Learning

Promote 21st century skills and cultivate partnerships that extend and support teaching and learning to prepare students for success in collect, careers, and life in a rapidly changing and challenging global society.

Objective II Teaching

Create a collaborative learning culture that fosters creativity, inquiry, collaboration, reflection, and data-use to address individual student needs in order to improve learning for all students.

Objective III Family & Community Engagement

Increase parent and community engagement and build community support for vision, mission and ongoing success of Somerset Berkley Regional High School

Objective IV Sustainable Funding Model

Support the goals of the district by improving efficiencies, developing key performance indicators (KPIs) and constructing a model of sustainable funding.

What Drives the Budget?

- Staffing and Labor Costs
 - Teachers are still under negotiations for FY18 and FY19
- Enrollment Changes – Increase of 6 students from PY, excludes school choice students
- Technology & Renewal Licenses
- Special Education, including Transportation
- Current Fiscal Climates in both Member Towns (Somerset and Berkley)

School Adjustment Counselor

- Due to the recent increased social emotional needs of the student at the High School, it is imperative that the District retain an additional School Adjustment Counselor (SAC).
- Increased number of student cases related to:
 - ASD (Autism Spectrum Disorder)
 - Neglect and abuse
 - Depression & Anxiety
 - Eating Disorders
- Increased student hospitalizations
- These emotional needs become barriers to the academic success of our students and can detract from other students' learning.
- The additional School Adjustment Counselor will not only help develop social emotional skills of the students but will also be able to provide strategies to teachers on how to better help these students in the classroom.

Establishment of Special Education Stabilization Fund

- MGL Chapter 218, Section 24 provides for the establishment of a Special Education Stabilization fund. The law enables municipal and regional districts to establish a reserve fund that can be used in future years for unanticipated or unbudgeted costs of special education, out of district tuition or transportation.
- In the case of regional school districts the local legislative body means a majority vote of the legislative bodies in a majority of the member communities of the district. Once the fund is established, the school committee may include a separate line item in their annual budget request to appropriate monies into the stabilization fund.
- For regions, the amount to be appropriated to the stabilization fund is included in each member municipality's assessment. The balance in the reserve fund cannot exceed two percent of the annual required net school spending of the school district.
- Funds in the reserve fund can only be expended or transferred out after a majority vote of both the School Committee and a majority vote of the boards of selectmen of a majority of the member communities of the district.
- The FY19 Budget Includes a first time funding of a Special Education Stabilization Fund of \$100,000. This must be approved as a separate article to establish this fund first. This represents an increase in our operating budget of approx. 0.70% increase.

FY19 Chapter 70 Foundation Budget

763 Somerset Berkley

	<u>Base Foundation Components</u>			<u>Incremental Costs Above The Base</u>			TOTAL*
	(6) High School	(9) ELL KF - 12	(10) Voca- tional	(11) Special Ed In District	(12) Special Ed Out of Dist	(13) Economically Disadvantaged	
Foundation Enrollment	941	1	43	37	9	160	985
Foundation Enrollment - FY18	936	3	40	37	9	157	979
1 Administration	355,472	378	16,244	96,467	23,465	0	492,025
2 Instructional Leadership	642,016	682	29,338	0	0	0	672,036
3 Classroom and Specialist Teachers	3,809,657	4,712	295,949	318,316	0	461,706	4,890,339
4 Other Teaching Services	452,480	642	20,677	297,207	358	0	771,364
5 Professional Development	122,452	168	9,251	15,355	0	11,838	159,065
6 Instructional Equipment & Tech	681,736	453	54,517	13,403	0	0	750,108
7 Guidance and Psychological	357,439	303	16,334	0	0	0	374,075
8 Pupil Services	481,472	136	22,001	0	0	0	503,609
9 Operations and Maintenance	859,312	1,176	73,490	107,758	0	71,032	1,112,767
10 Employee Benefits/Fixed Charges	816,882	1,075	56,139	123,991	0	47,355	1,045,442
11 Special Ed Tuition	0	0	0	0	222,787	0	222,787
12 Total - FY19	\$ 8,578,918	\$ 9,724	\$ 593,938	\$ 972,497	\$ 246,610	\$ 591,931	\$ 10,993,618
FY18 FINAL FIGURES	\$ 8,267,185	\$ 28,355	\$ 536,673	\$ 948,372	\$ 240,267	\$ 611,951	\$ 10,632,803
CHANGE FROM FY18	\$ 311,733	\$ (18,631)	\$ 57,265	\$ 24,125	\$ 6,343	\$ (20,020)	\$ 360,815
Foundation Budget per Pupil							11,161

-SBRHS has 22 students as Out of District for FY19 - \$1,020,000 (GF)

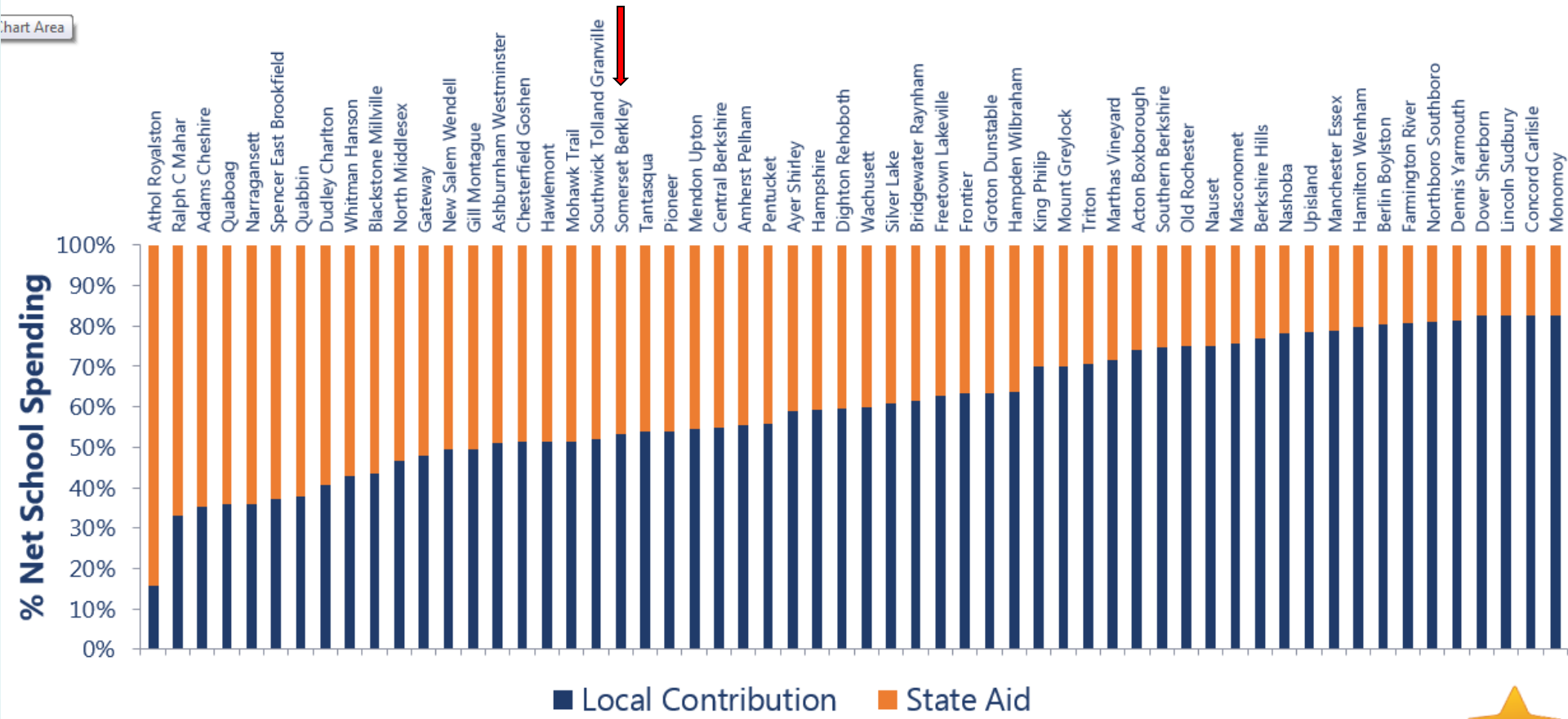
-Employee Benefits/Fixed Charges Actual FY19 = \$2.5M

Foundation Budget

- *Three Components to Foundation Budget as calculated by DESE.*
 1. *A foundation budget calculated for the district representing minimum spending needed. Adjusted annually to reflect changes in enrollment, demographics, inflation, and geographical wage differences.*
 2. *A local contribution or local appropriations required to meet net school spending. (NSS excludes transportation)*
 3. *Chapter 70 Aid is the share of the foundation budget funded by the state. This reduces the Town of Somerset's and Town of Berkley's assessment to fund the budget.*

Districts receive different levels of Chapter 70 aid, because their community's ability to pay differs

Chart Area



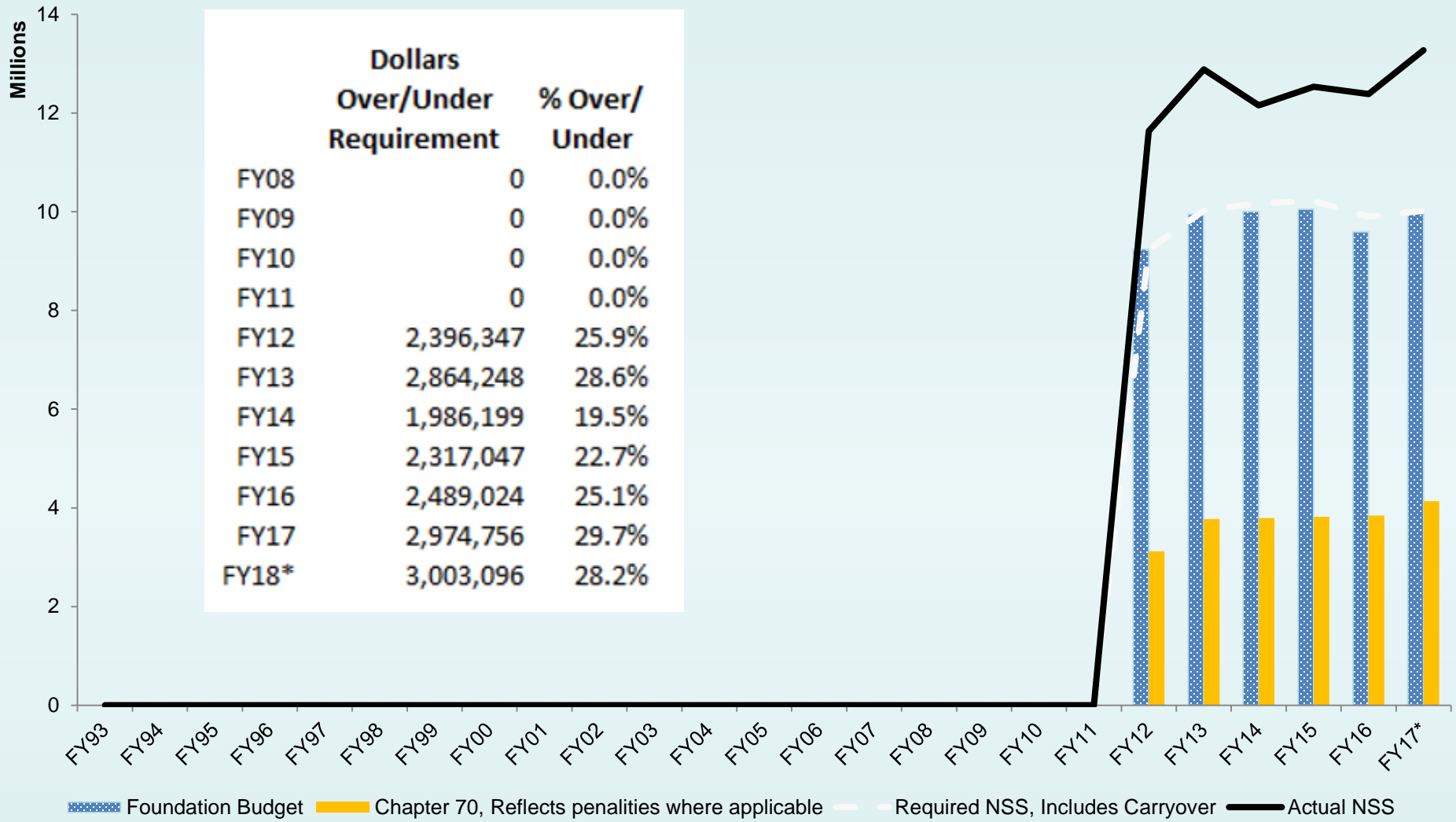
■ Local Contribution ■ State Aid

Massachusetts Department of Elementary and Secondary Education

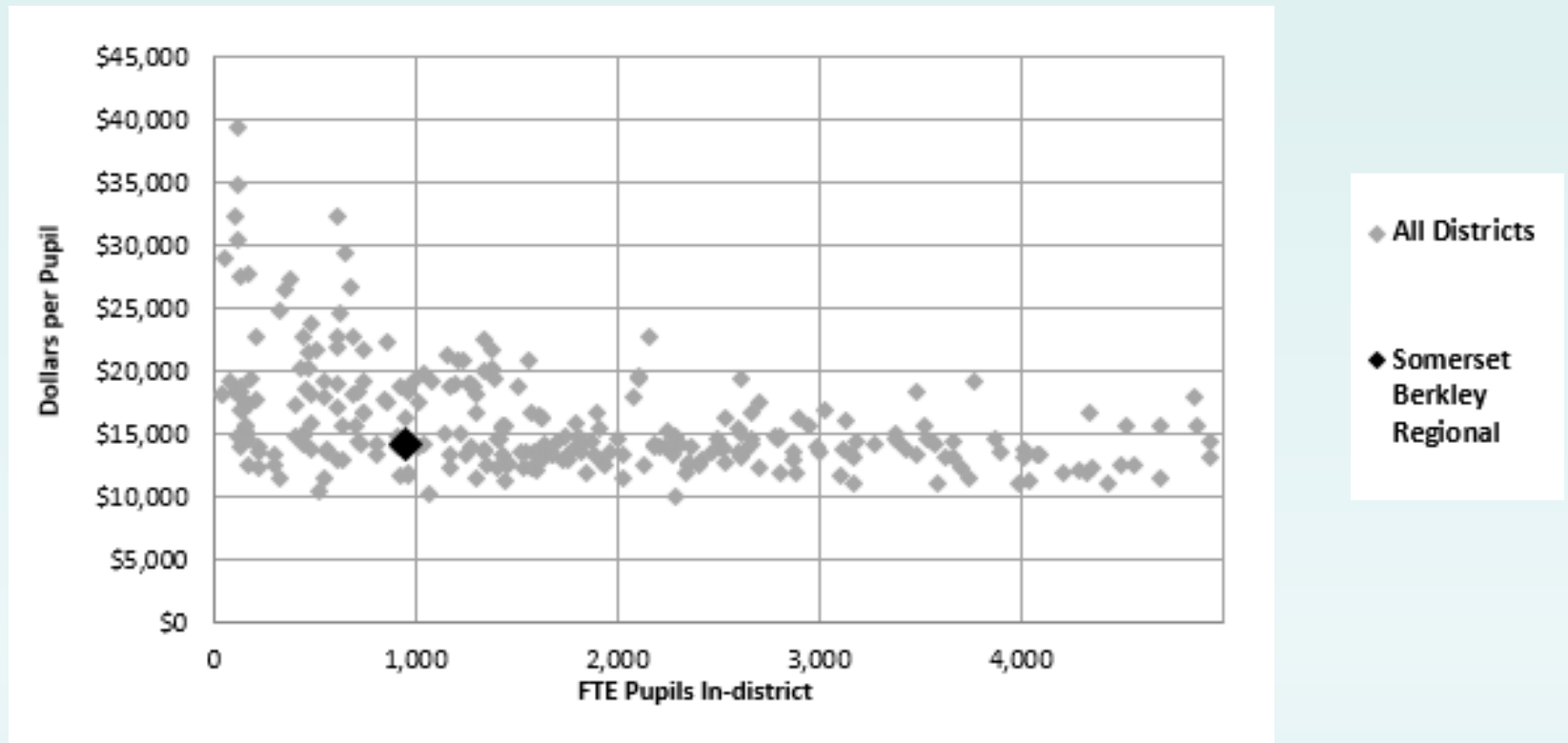


Somerset Berkley receives approximately 50% of the annual required net school spending figure from Chapter 70 State Aid.

Foundation Budget vs. Net School Spending



FY16 In-District Per Pupil Expenditures Compared to All Districts

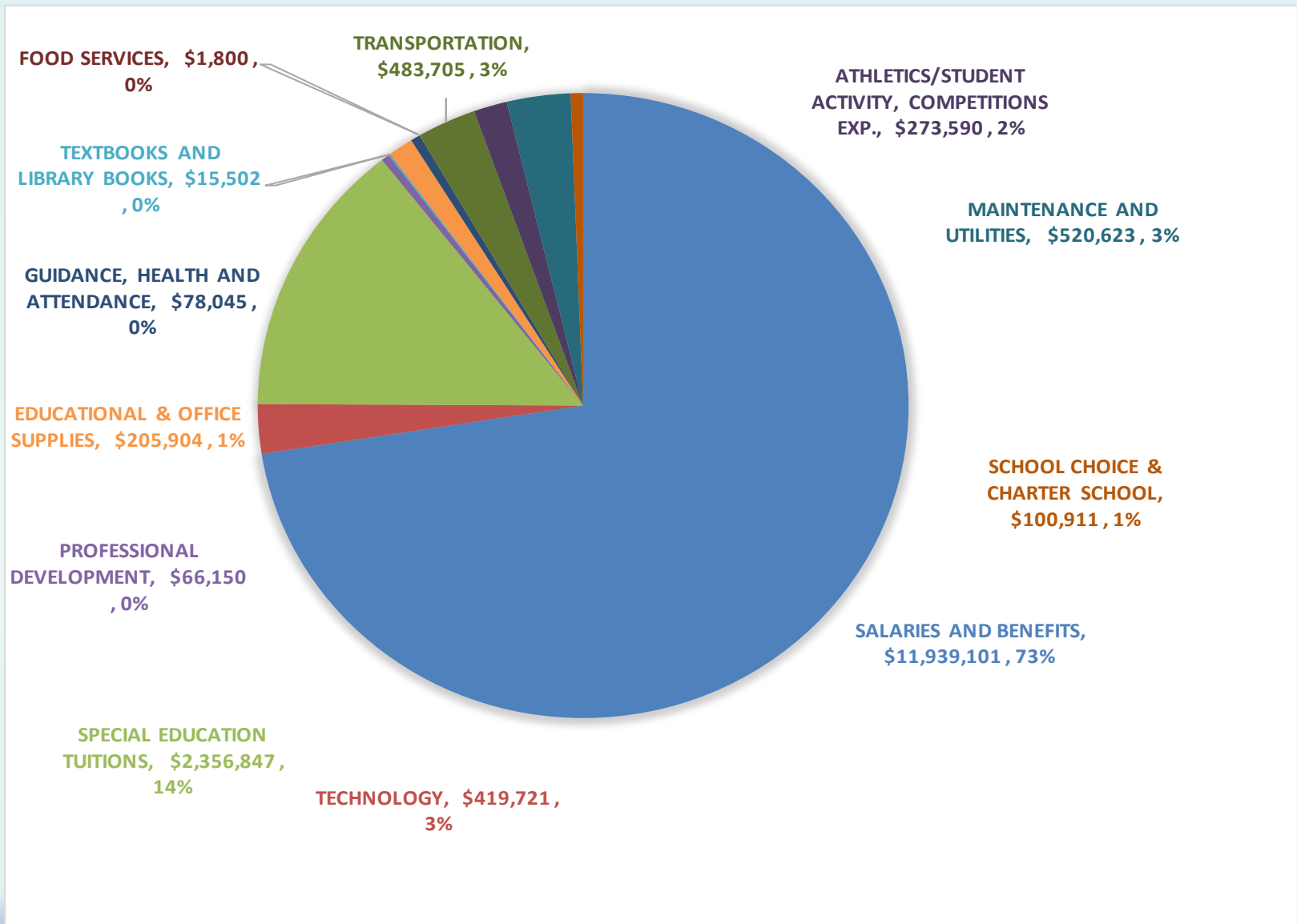


FY19 SBRSD

Gross Operating Costs w/ Prior Year Budgets

	<u>FY17 BUDGET</u> <u>(REVISED)</u>	<u>FY18 BUDGET</u>	<u>FY19 BUDGET</u>	<u>FY19</u> <u>INCREASE/</u> <u>(DECREASE)</u>	<u>FY19 GROSS</u> <u>COSTS AS %</u> <u>OF TOTAL</u>
SALARIES AND BENEFITS	\$ 11,599,583	\$ 11,915,517	\$ 11,939,101	\$ 23,584	72.5%
TECHNOLOGY	\$ 199,851	\$ 309,884	\$ 419,721	\$ 109,837	2.5%
SPECIAL EDUCATION TUITIONS	\$ 1,656,753	\$ 2,004,315	\$ 2,356,847	\$ 352,532	14.3%
PROFESSIONAL DEVELOPMENT	\$ 88,673	\$ 82,735	\$ 66,150	\$ (16,585)	0.4%
TEXTBOOKS AND LIBRARY BOOKS	\$ 77,141	\$ 27,066	\$ 15,502	\$ (11,564)	0.1%
EDUCATIONAL & OFFICE SUPPLIES	\$ 247,438	\$ 202,997	\$ 205,904	\$ 2,907	1.3%
GUIDANCE, HEALTH AND ATTENDANCE	\$ 62,516	\$ 63,395	\$ 78,045	\$ 14,650	0.5%
FOOD SERVICES	\$ 5,000	\$ 3,000	\$ 1,800	\$ (1,200)	0.0%
TRANSPORTATION	\$ 442,048	\$ 479,381	\$ 483,705	\$ 4,324	2.9%
ATHLETICS/STUDENT ACTIVITY, COMPETITIONS EXP.	\$ 260,785	\$ 265,210	\$ 273,590	\$ 8,380	1.7%
MAINTENANCE AND UTILITIES	\$ 510,413	\$ 545,179	\$ 520,623	\$ (24,556)	3.2%
SCHOOL CHOICE & CHARTER SCHOOL	\$ 52,308	\$ 98,410	\$ 100,911	\$ 2,501	0.6%
TOTAL FY19 GROSS OPERATING EXPENDITURES	\$ 15,202,509	\$ 15,997,089	\$ 16,461,898	\$ 464,810	100%

Preliminary FY19 Gross Operating Budget Expenses



District Revenue Sources

The FY19 Preliminary Gross Operating Budget of \$16,461,898 is the actual cost of operating the SBRSD. It is offset by other District Revenue Sources totaling \$1,317,366. This brings the Net FY19 Tentative Operating Budget to \$15,144,537.

CIRCUIT BREAKER	\$ 340,000
IDEA GRANT	\$ 202,000
TITLE I GRANT	\$ 55,366
SCHOOL CHOICE REVOLVING	\$ 345,000
REGIONAL TRANSPORTATION AID	\$ 204,000
HOMELESS TRANSPORTATION AID	\$ 10,000
PARKING FEES	\$ 10,000
USER FEES (ATHLETICS)	\$ 75,000
TECH FEES (\$30/STUDENT)	\$ 23,000
FACILITY USE FUNDS	\$ 8,000
ATHLETIC REVOLVING	\$ 45,000
TOTAL REVENUE SOURCES	<u>\$ 1,317,366</u>

Historical Changes in Net Operating Budget

<u>Fiscal Year</u>	<u>Net Budget</u>	<u>Increase/Decrease)</u>	
		<u>Dollars</u>	<u>Percentage</u>
FY14	\$ 13,381,225	\$ 81,225	0.6%
FY15	\$ 13,418,803	\$ 37,578	0.3%
FY16	\$ 13,262,824	\$ (155,979)	-1.2%
FY17	\$ 14,039,006	\$ 776,182	5.9%
FY18	\$ 14,530,171	\$ 491,165	3.5%
FY19 (Proposed)	\$ 15,144,537	\$ 614,366	4.2%

The Net FY19 Tentative Budget is \$614,366 more than Net FY18 Revised Adopted Budget, for an increase of 4.2%.

Increase in Operating Expenditures - \$464,810
Decrease in Revenue Sources - 149,556
Total - \$614,366

FY19 Capital Budget Summary

<i>Long Term Bond Issuances</i>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
- \$9.28M Bond Issuance - February 2014 (actual 3.67%)	\$ 280,000	\$ 308,650	\$ 588,650
Less: \$52k Premium credit		\$ (2,991)	\$ (2,991)
- \$9M Bond Issuance - August 2014 (actual. 2.933%)	\$ 375,000	\$ 244,675	\$ 619,675
Less: \$138k Premium credit		\$ (10,307)	\$ (10,307)
- \$6.275M Bond Issuance - February 2015 (2.67%)	\$ 260,000	\$ 157,315	\$ 417,315
Less: \$87k Premium credit		\$ (6,626)	\$ (6,626)
- \$5,978,500 Bond Issuance - July 2015 (2.92%)	\$ 235,000	\$ 172,653	\$ 407,653
Less: \$109k Premium credit		\$ (8,437)	\$ (8,437)
- \$2.5M February 2018 Borrowing (2.98%)	\$ 86,289	\$ 93,077	\$ 179,366
Less: \$41k Premium credit (estimate)		\$ (4,003)	\$ (4,003)
Total Long Term Issuance Payments	\$ 1,236,289	\$ 944,006	\$ 2,180,295
Stabilization	\$ 10,000		\$ 10,000
GRAND TOTAL FOR FY19 CAPITAL BUDGET	\$ 1,246,289	\$ 944,006	\$ 2,190,295

	Total	Somerset	Berkley
	FY19 (EST-GOV)		
Students	985	724	261
Student %		73.5%	26.5%
Total Budget	\$17,334,832		
Net Operating Budget	\$15,144,537	4.2%	% increase/(decrease)
		\$614,366	\$ increase/(decrease)
STEP 1:			
Minimum Local Contribution	\$ 5,864,853	\$ 4,376,065	\$ 1,488,788
STEP 2:			
Above Minimum	\$ 9,279,684	\$ 6,820,803	\$ 2,458,881
STEP 3:			
Above Min + MLC	\$ 15,144,537	\$ 11,196,868	\$ 3,947,669
STEP 4:			
Chapter 70 Allocation			
a.) Foundation Aid			
Foundation Budget	\$ 10,993,618	\$ 8,080,588	\$ 2,913,030
Less: MLC	\$ (5,864,853)	\$ (4,376,065)	\$ (1,488,788)
Total Foundation Aid	\$ 5,128,765	\$ 3,704,523	\$ 1,424,242
b.) Excess Foundation Aid		\$ -	\$ -
c.) Total Chapter 70	\$ 5,128,765	\$ 3,704,523	\$ 1,424,242

	Total	Somerset	Berkley
	FY19 (EST-GOV)		
STEP 5:			
(Less Charter School Reimb.)	\$ (5,608)	\$ (4,021)	\$ (1,587)
(Less Interest income)	\$ (3,700)	\$ (2,720)	\$ (980)
(Less Medicaid & E-Rate)	\$ (59,200)	\$ (43,514)	\$ (15,686)
Less: Television Production	\$ (80,400)	\$ (80,400)	\$ -
	\$ (148,908)	\$ (130,654)	\$ (18,254)
STEP 6:			
Operating Assessment (Step 3-4c-5)	\$ 9,866,864	\$ 7,361,691	\$ 2,505,173
Less: Use of E&D		\$ -	\$ -
Less: FY18 Prepayments		\$ -	\$ -
Adj. Operating Assessment	\$ 9,866,864	\$ 7,361,691	\$ 2,505,173
Increase from PY \$	\$ 373,904	\$ 330,700	\$ 43,205
Increase from PY %	3.9%	4.7%	1.8%
STEP 7:			
Capital Assessment	\$ 2,190,295	\$ 1,609,922	\$ 580,373
Less: Return of E&D	\$ -	\$ -	\$ -
Total Capital Assessment	\$ 2,190,295	\$ 1,609,922	\$ 580,373
Increase from PY \$	\$ 77,878	\$ 95,196	\$ (17,318)
Increase from PY %	3.7%	6.3%	-2.9%
STEP 8:			
Total Assessment	\$ 12,057,159	\$ 8,971,613	\$ 3,085,546
	Increase (\$)	\$ 425,896	\$ 25,886
		4.98%	0.85%

General Fund Revenues

Direct Assessment Reductions

1. Chapter 70 - \$5,128,765
2. Interest Income - \$3,700
3. Charter School Reimbursement - \$5,608
4. Medicaid - \$38,200
5. E-Rate Funding - \$21,000
6. Somerset Access TV Funding - \$80,400

Total - \$5,277,673

Assessment Summary – Operating Only

<u>Fiscal Year</u>	<u>Operational Assessment</u>	<u>Somerset Allocation</u>	<u>Dollar Change (\$)</u>	<u>Percentage Change (%)</u>	<u>Berkley Allocation</u>	<u>Dollar Change (\$)</u>	<u>Percentage Change (%)</u>
FY14	\$ 9,323,960	\$ 7,651,883	\$ (73,446)	-1.0%	\$ 1,637,206	\$ (57,698)	-3.4%
FY15	\$ 9,261,812	\$ 7,465,508	\$ (186,375)	-2.4%	\$ 1,796,304	\$ 159,098	9.7%
FY16	\$ 9,109,266	\$ 7,075,915	\$ (389,592)	-5.2%	\$ 2,033,351	\$ 237,046	13.2%
FY17	\$ 9,725,009	\$ 7,384,458	\$ 308,543	4.4%	\$ 2,340,551	\$ 307,200	15.1%
FY18	\$ 9,492,960	\$ 7,030,991	\$ (353,467)	-4.8%	\$ 2,461,968	\$ 121,418	5.2%
FY19 (Proposed)	\$ 9,866,864	\$ 7,361,691	\$ 330,700	4.7%	\$ 2,505,173	\$ 43,205	1.8%

-Somerset recognizes an increase of 22 students for FY19.

-Berkley recognizes a decrease of 16 students for FY19.

Summary

- *The SBRSD FY19 Tentative Budget is 4.2% more than the FY18 Adopted Budget.*
 - *Reconfiguration of specific staffing levels:*
 - *Non replacement of one ELA teacher*
 - *Addition of School Adjustment Counselor*
 - *Addition of Student Services Administrator*
 - *Increases in Special Education costs - \$350,000*
 - *Technology software renewal and 1:1 Initiative*
 - *Inclusion of \$100,000 Special Education Stabilization Funding.*
 - *Increased efforts will be made to look for other outside funding, private grants, etc.*
 - *Additional information on Net School Spending Comparison will be discussed at the Public Hearing scheduled for March 22, 2018.*

Questions?