

# SOMERSET BERKLEY REGIONAL SCHOOL DISTRICT

## FISCAL YEAR 2019 TENTATIVE BUDGET

- March 15, 2018



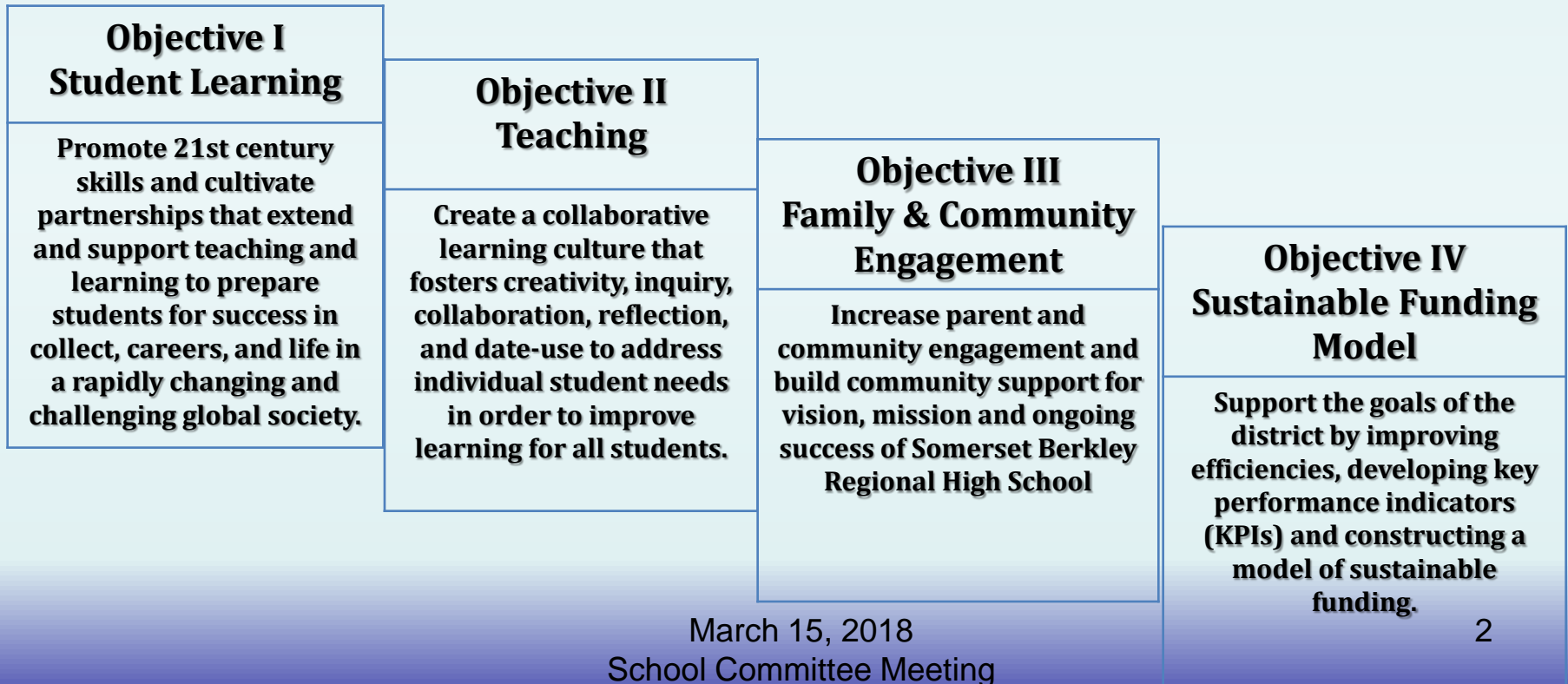
*2017-2020 Strategic Plan Mission Statement:*

*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



# *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)<br>High School                | (9)<br>ELL<br>KF - 12 | (10)<br>Voca-<br>tional | (11)<br>Special Ed<br>In District       | (12)<br>Special Ed<br>Out of Dist | (13)<br>Economically<br>Disadvantaged |                      |
| <b>Foundation Enrollment</b>        | 941                               | 1                     | 43                      | 37                                      | 9                                 | 160                                   | 985                  |
| <b>Foundation Enrollment - FY18</b> | <b>936</b>                        | <b>3</b>              | <b>40</b>               | <b>37</b>                               | <b>9</b>                          | <b>157</b>                            | <b>979</b>           |
| 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              |
| <b>12 Total - FY19</b>              | <b>\$ 8,578,918</b>               | <b>\$ 9,724</b>       | <b>\$ 593,938</b>       | <b>\$ 972,497</b>                       | <b>\$ 246,610</b>                 | <b>\$ 591,931</b>                     | <b>\$ 10,993,618</b> |
| <b>FY18 FINAL FIGURES</b>           | <b>\$ 8,267,185</b>               | <b>\$ 28,355</b>      | <b>\$ 536,673</b>       | <b>\$ 948,372</b>                       | <b>\$ 240,267</b>                 | <b>\$ 611,951</b>                     | <b>\$ 10,632,803</b> |
| <b>CHANGE FROM FY18</b>             | <b>\$ 311,733</b>                 | <b>\$ (18,631)</b>    | <b>\$ 57,265</b>        | <b>\$ 24,125</b>                        | <b>\$ 6,343</b>                   | <b>\$ (20,020)</b>                    | <b>\$ 360,815</b>    |
| <b>Foundation Budget per Pupil</b>  |                                   |                       |                         |   |                                   |                                       | <b>11,161</b>        |

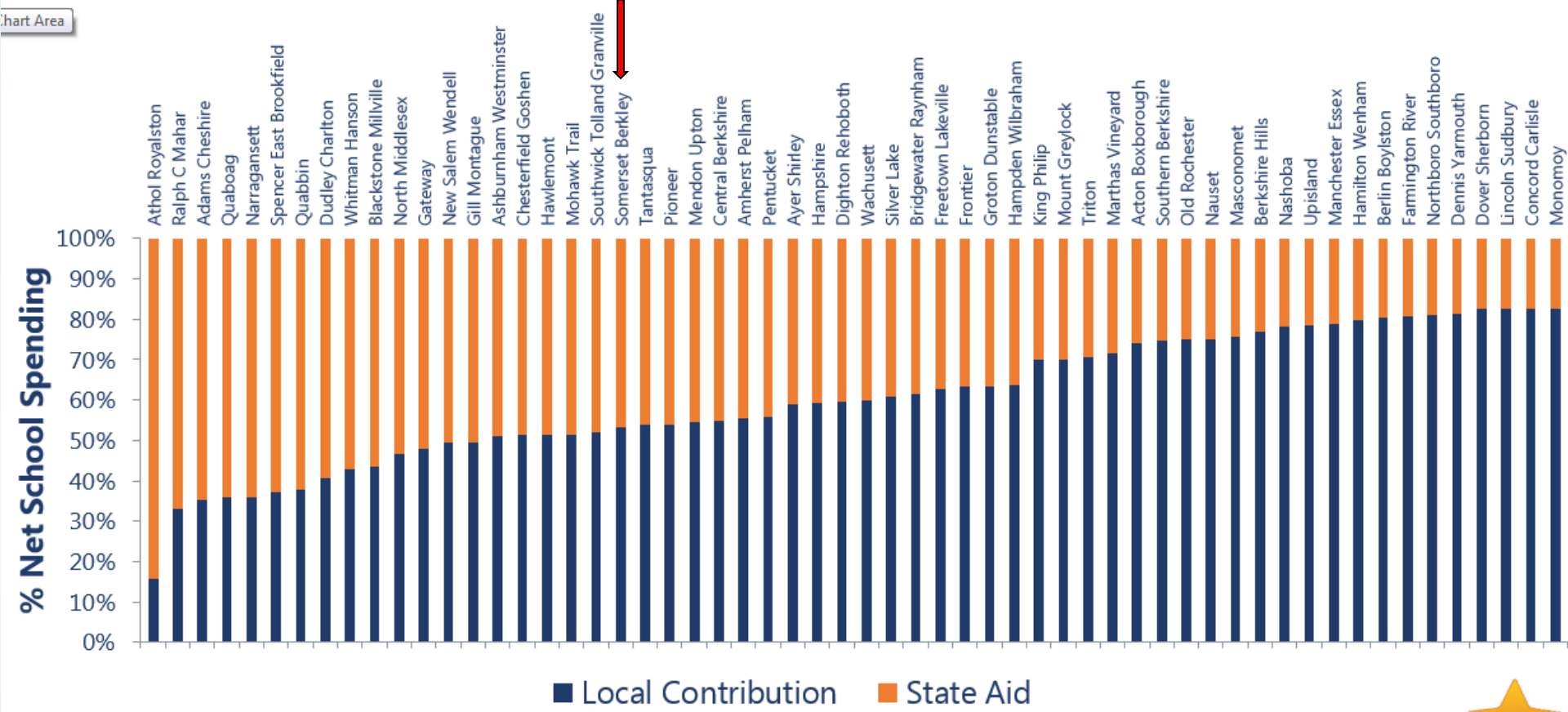
***-SBRHS has 22 students as Out of District for FY19 - \$1,020,000 (GF)***

***-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



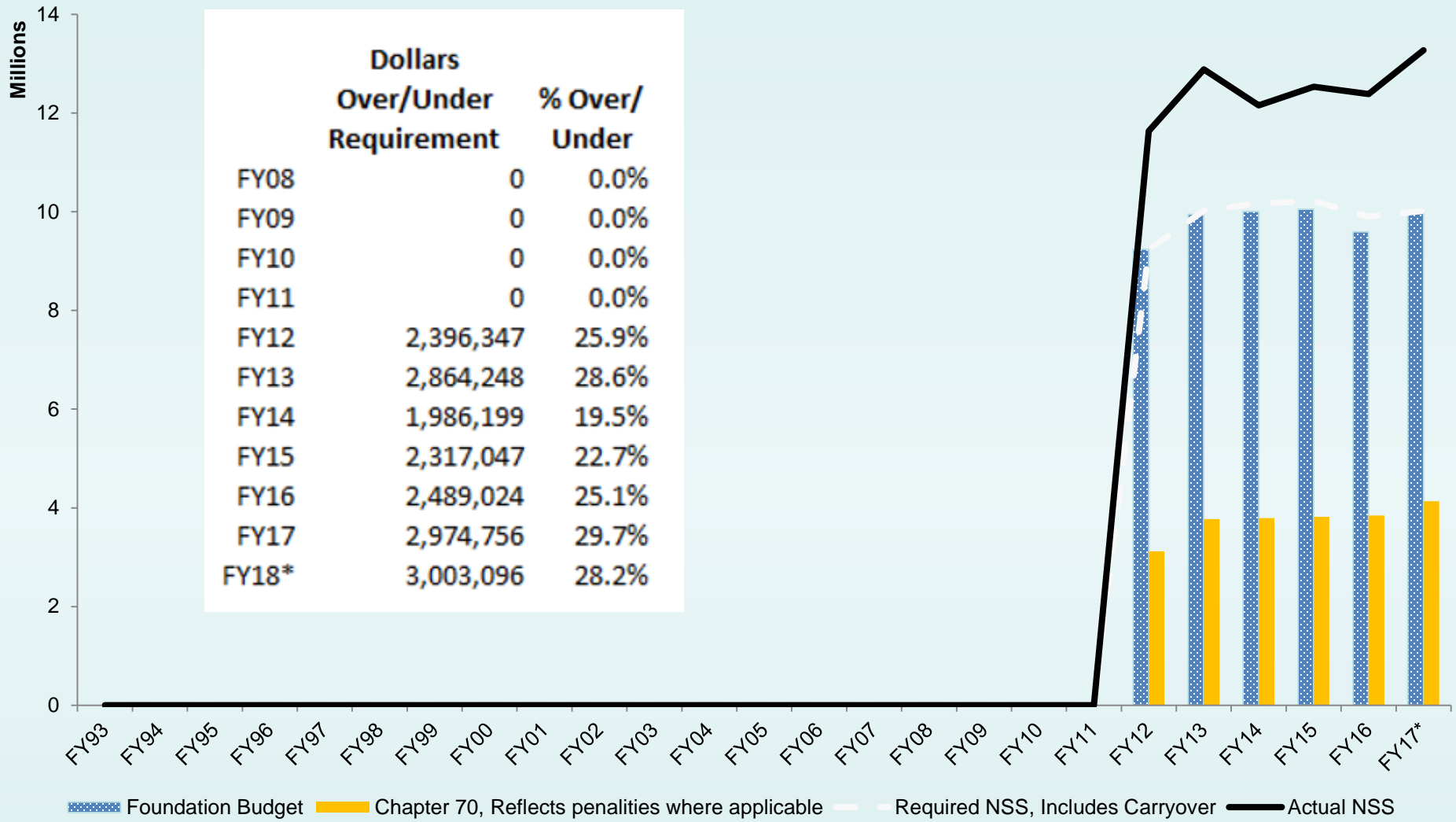
Massachusetts Department of Elementary and Secondary Education



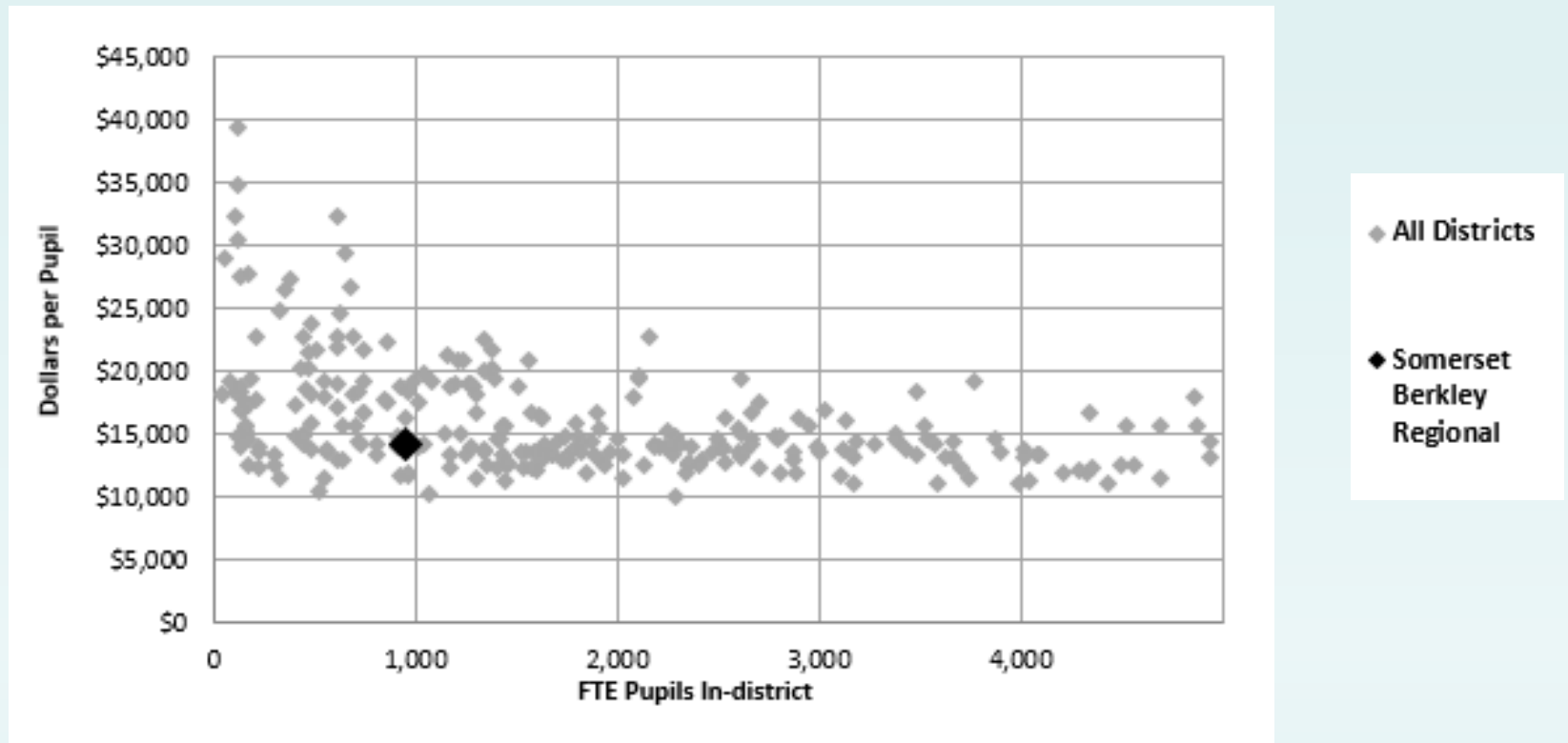
*Somerset Berkley receives approximately 50% of the annual required net school spending figure from Chapter 70 State Aid.*



# Foundation Budget vs. Net School Spending



# *FY16 In-District Per Pupil Expenditures Compared to All Districts*

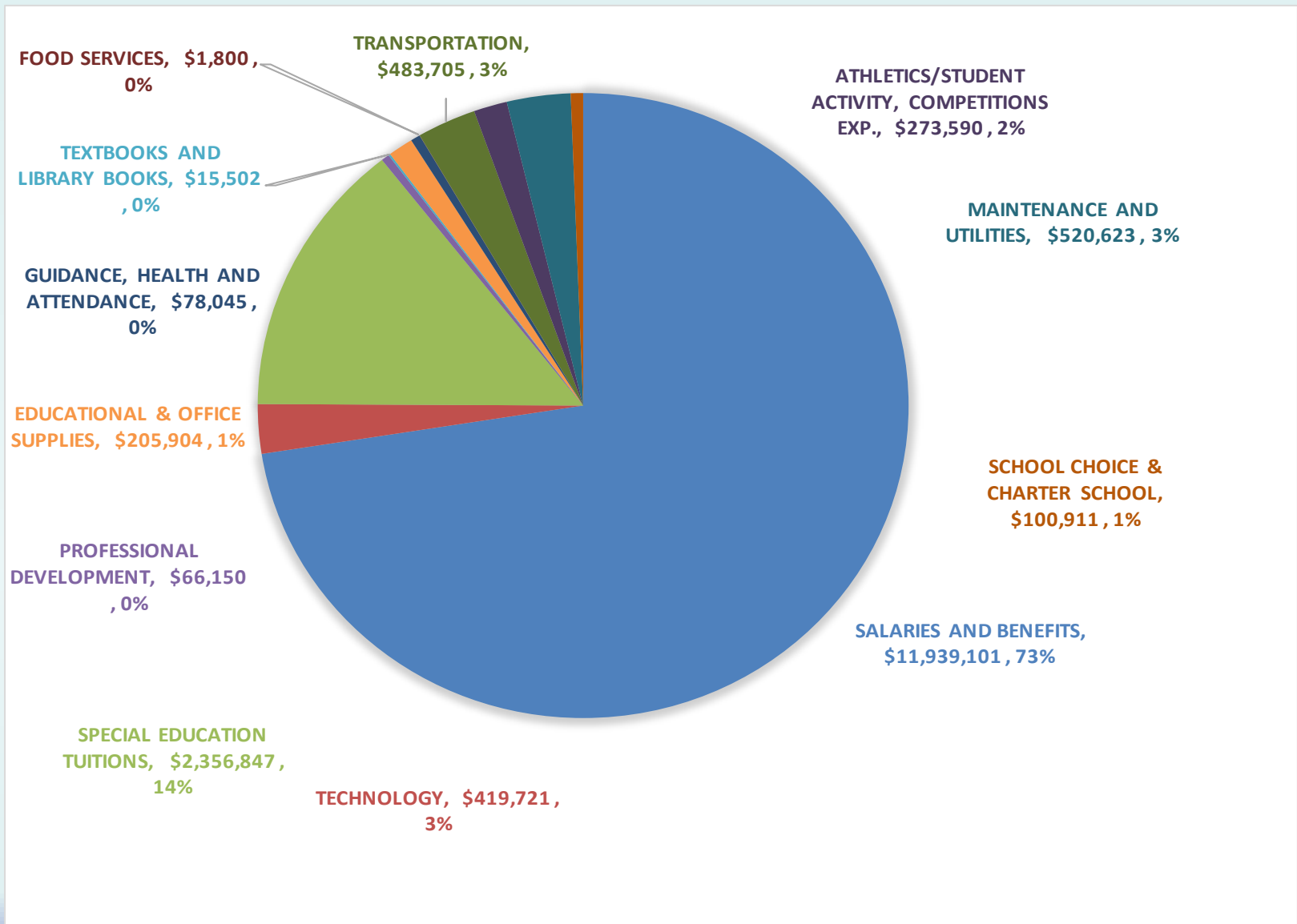


# FY19 SBRSD

## Gross Operating Costs w/ Prior Year Budgets

|  | <u>FY17 BUDGET</u><br><u>(REVISED)</u> | <u>FY18 BUDGET</u>   | <u>FY19 BUDGET</u>   | <u>FY19</u><br><u>INCREASE/</u><br><u>(DECREASE)</u> | <u>FY19 GROSS</u><br><u>COSTS AS %</u><br><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%  |
| <b>TOTAL FY19 GROSS OPERATING EXPENDITURES</b> | <b>\$ 15,202,509</b>                   | <b>\$ 15,997,089</b> | <b>\$ 16,461,898</b> | <b>\$ 464,810</b>                                    | <b>100%</b>   |

# 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*

| <b><u>Fiscal Year</u></b> | <b><u>Net Budget</u></b> | <b><u>Increase/Decrease)</u></b> |                          |
|---------------------------|--------------------------|----------------------------------|--------------------------|
|                           |                          | <b><u>Dollars</u></b>            | <b><u>Percentage</u></b> |
| 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*

| <b><i>Long Term Bond Issuances</i></b>                 | <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)              |
| <b>Total Long Term Issuance Payments</b>               | <b>\$ 1,236,289</b>     | <b>\$ 944,006</b>     | <b>\$ 2,180,295</b>     |
| <br>Stabilization                                      | <br>\$ 10,000           |                       | <br>\$ 10,000           |
| <br><b>GRAND TOTAL FOR FY19 CAPITAL BUDGET</b>         | <br><b>\$ 1,246,289</b> | <br><b>\$ 944,006</b> | <br><b>\$ 2,190,295</b> |

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



|                                    | Total                | Somerset          | Berkley          |
|------------------------------------|----------------------|-------------------|------------------|
|                                    | FY19 (EST-GOV)       |                   |                  |
| <b>STEP 5:</b>                     |                      |                   |                  |
| (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)      |
| <b>STEP 6:</b>                     |                      |                   |                  |
| 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%             |
| <b>STEP 7:</b>                     |                      |                   |                  |
| 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%            |
| <b>STEP 8:</b>                     |                      |                   |                  |
| Total Assessment                   | \$ 12,057,159        | \$ 8,971,613      | \$ 3,085,546     |
|                                    | <b>Increase (\$)</b> | <b>\$ 425,896</b> | <b>\$ 25,886</b> |
|                                    |                      | <b>4.98%</b>      | <b>0.85%</b>     |

# *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?*