

Lincoln-Sudbury Regional High School

Proposed FY18 Budget

Presented to Lincoln Sudbury School Committee

December 13, 2016

L-S Conference Room B

Outline

- Budget History and Challenges
- Enrollment Projections
- Class Size
- Budget Priorities/Overview/Assumptions
- Budget Summaries (7 slides)
- Assessment
- FY17/18 Capital needs addressed by Lincoln March 2016 ATM, Sudbury October 2016 STM, Lincoln Board of Selectmen November 2016

Budget history and challenges

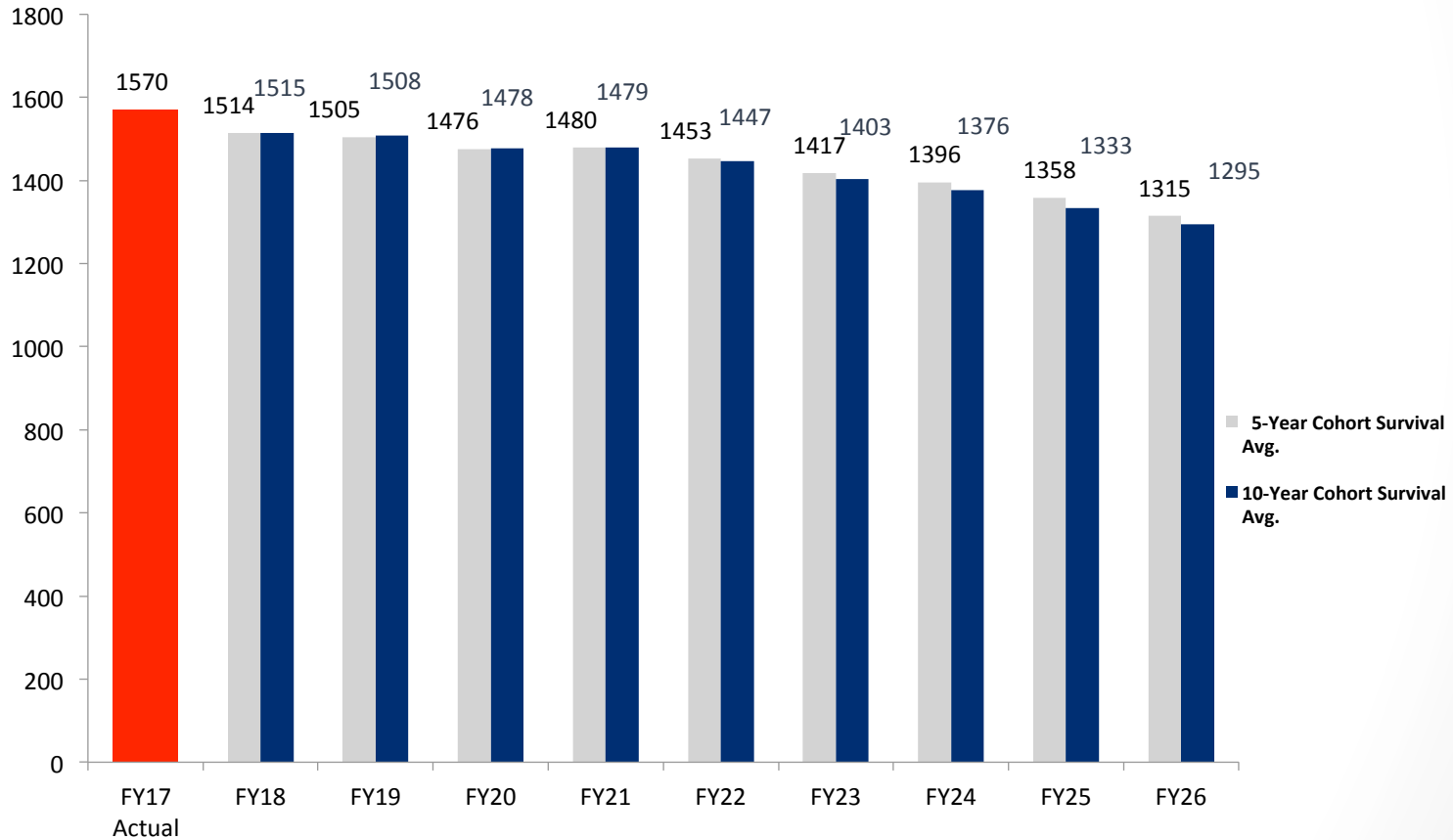
- Median class size 21-24
- 25 - 55% of classes have 25-29 students
- Year to year uncertainty of state aid/projected revenues
- Federal grants
- Out of District Placements/Tuition/Specialized Education Costs
- Providing appropriate and comprehensive academic and counseling supports to reach and teach all student learners
- Need to maintain current technology
- High expectations for performance
- Unfunded OPEB liability
- Conservative capacity for new program development as we contemplate the changing global environment

5-Year Enrollment Projection

Lincoln-Sudbury Regional High School In-School Enrollment Five Year Cohort Survival Enrollment Projection by Grade						
Grade Level	FY16 Actual Enrollment 10/1/2015	FY17 Actual Enrollment 10/1/2016	FY18 Projected Enrollment	FY19 Projected Enrollment	FY20 Projected Enrollment	FY21 Projected Enrollment
9	386	369	401	386	353	371
10	394	378	365	396	381	349
11	437	380	370	357	388	373
12	385	443	379	369	356	387
Total Projected Enrollment	1602	1570	1515	1508	1478	1479

Enrollment Projection (in-district)

LSRHS 10 -Year Enrollment Projection



% Students in class sizes at or above 25

	2013-14	2014-15	2015-16	2016-17
Science	50	56	47.6	55
Math	39	31	44.4	32
English	61	60	54	49
History	70	40	51	40
Language	44	37	33.4	25
FATA	33	36	33.5	22
Wellness	32	22	27	9

The Lincoln-Sudbury Budget Supports

- LS Core Values

 - Fostering cooperative and caring relationships

 - Respecting human differences

 - Pursuing academic excellence

 - Cultivating Community

- Our school goals

 - What students should be able to do by the time they graduate

 - Access to equity and excellence for all students

 - Ensuring socio-emotional supports for students and staff

 - Respecting human differences

- An educational program that fosters student growth for post-graduate success in a changing environment

- The needs of our projected student enrollment

- Being able to recruit and retain high quality faculty and staff

- Best efforts toward complying with Lincoln and Sudbury funding capacity and budget guidance

Lincoln-Sudbury FY18 Budget Overview

- Retains current educational program with no new initiatives
- Incorporates 1.0 Beacon Program (Grant expires)
- Incorporates .25 Mandarin Language (2-Year Pilot)
- Increases district funding of the OPEB liability
- Exceeds Sudbury budget guidance
- Lincoln budget guidance in process
- Contains no new programs

Budget Assumptions

- Adherence to negotiated contracts for compensation
- Incorporates staffing for Beacon and Mandarin (\$85,000)
- Federal and state grants level funded
- 15% increase to health insurance
- Slight reduction to out of district tuition expense*
- 10% increase in regular education transportation*
- No adjustment to current fee structure
- 6% increase to non MTRS pension funding
- 3% increase to expenses
- Lincoln budget guideline
 - 2.5% increase over Spring 2016 TM excluding insurance and pension
- Sudbury budget guideline
 - 2.25% including funding for OPEB Liability

Total Recommended FY18 Budget

- \$30, 770, 592 (w/o requested OPEB funding) 3.20%
- \$31, 129, 299 (w/ requested OPEB funding) 4.43%
 - 100% OPEB Normal 2013 = \$358,707 = 1.15%
- \$687,791 in excess of Sudbury Guidance 2.18%

Reference: 1% of budget = \$311,129
% comparison refers to total FY17 appropriation

Sustaining efficiencies and improvements

- Strategies to decrease energy expenses
 - lighting fixtures replaced
 - energy management control system replaced
 - higher efficiency HVAC component added
 - Solar Canopy
- Specialized Educational Programs keep students in district
- Strengthening in-district options and supports per Walker Report
- Refinanced debt service
- Health insurance contribution negotiated decrease
- Reorganization of general education tutorial supports
- Reorganization of behavioral program supports

Lincoln Sudbury Regional School District

FY18 Preliminary Budget Forecast; December 2016

Major Account Categories		FY 18 Forecast	%
FY 17 Budget	Preliminary FY18 Forecast	Growth from FY 17 Budget	Growth from FY 17 Budget

Salary Accounts	\$18,204,601	\$18,937,247	\$732,646	4.02%
Contracted Services (Busing, Legal, Etc.)	\$1,767,789	\$1,814,787	\$46,998	2.66%
Instructional Support (Eq, Texts, Supplies)	\$617,501	\$642,867	\$25,366	4.11%
Insurances & Pensions	\$3,459,965	\$3,811,851	\$351,886	10.17%
Out of District Tuitions (including Circuit Breaker)	\$4,987,830	\$4,977,000	(\$10,830)	-0.22%
Utilities/Building/Grounds	\$1,088,433	\$1,174,616	\$86,183	7.92%
Debt Service	\$692,075	\$670,800	(\$21,275)	-3.07%
Other	\$251,374	\$241,424	(\$9,950)	-3.96%
(Circuit Breaker Funding)	(\$1,500,000)	(\$1,500,000)	\$0	0.00%
TOTAL APPROPRIATED BUDGET	\$29,569,568	\$30,770,592	\$1,201,024	4.06%
OPEB	\$238,114	\$358,707	\$120,593	50.65%
Total with OPEB and DEBT	\$29,807,682	\$31,129,299	\$1,321,617	4.43%

LSRHS FY 18 Preliminary Budget Proposal

Review of Out of District Placement Expenses

	FY 2015	FY 2016	FY 2017	FY 2018
Out of District Tuition	\$ 4,321,888	\$ 4,761,647	\$ 5,212,186	\$ 4,977,000
(Including Circuit Breaker)				
# of students	59	62	65	63
Special Ed Transportation	\$ 622,656	\$ 634,200	\$ 610,000	\$ 610,000
Circuit Breaker Funding	\$ (1,166,846)	\$ (1,150,000)	\$ 1,500,000	\$ 1,500,000
Net Operating Costs	\$ 3,777,698	\$ 4,245,847	\$ 4,322,186	\$ 4,087,000
Variance	-6.5%	12.4%	1.8%	-5.4%

Highlighted Budget Summary

1. Proposed Budget exceeds Sudbury Finance Committee guidance
2. Slight reduced funding of Out of District Tuition
3. Health Insurance expenses are increased
4. Regular Transportation expenses are increased by 10%*
5. Middlesex Retirement System assessment increased by 6%
6. Contractual increases are included
7. Incorporates 1.25 FTE professional staff to complete program initiatives
8. Debt service continues to decrease

Assessment

The Assessment is the total amount each town is charged for the costs to operate Lincoln-Sudbury Regional High School.

It is the net operating cost after we subtract out other revenue sources such as Chapter 70 State Aid, Transportation Aid, Circuit Breaker Reimbursement, Medicaid, and other receipts.

How much each town pays of the total assessment is determined by various formulas. **At this date we can offer a preliminary assessment only. The assessment number will be finalized only after further data comes from state governmental agencies in 2017.**

Estimated Assessments

1 **Minimum Contribution** is determined annually by the state. We are projecting **\$14,585,216** to be the FY 18 minimum contribution to be established by the state: **86.72% is from Sudbury and 13.28% is from Lincoln. This is an estimate. Actual number will be determined when Governor's budget is released at the end of January 2017.**

2 **The Apportionment Ratio** represents each town's relative share of the Assessment based on a three year rolling average of in-school enrollment. The FY17 Apportionment Ratio is applied to the budget net of the Minimum Contribution. For FY18, the ratios will be 85.97% for Sudbury and 14.03% for Lincoln – as determined by the regional agreement.

3. The final Net Assessment takes into account the Minimum Contribution, Apportionment calculations and then also includes debt service and OPEB funding. **The preliminary, estimated blended apportionment ratio is 86.36% for Sudbury and 13.64% for Lincoln.**

Lincoln Sudbury Regional School District

FY 18 Preliminary Revenue Forecast: December 2016

Category	FY 15 Actual	FY 16 Actual	FY 17 Budget	FY 18 Proposed
State Revenues				
Chapter 70 Aid	\$2,820,120	\$2,862,021	\$2,895,361	\$2,953,706
Reg Trans Reimb	\$283,706	\$297,341	\$300,239	\$300,239
	\$3,103,826	\$3,159,362	\$3,195,600	\$3,253,945
Other Revenues				
Medicaid	\$42,601	\$21,500	\$35,000	\$35,000
E-rate	\$3,879	\$3,146	\$2,500	\$2,500
Transcripts	\$21,815	\$7,587	\$10,000	\$7,500
Other Misc	\$62,711	\$16,939	\$10,000	\$10,000
E & D	\$0	\$0	\$0	\$0
Interest Income	\$5,662	\$11,331	\$3,500	\$10,000
	\$136,668	\$60,503	\$61,000	\$65,000
	\$3,240,494	\$3,219,865	\$3,256,600	\$3,318,945
Preliminary and estimated				
Assessments - Operating/Debt/OPEB				
Lincoln * FY 18 is an estimate	\$3,666,847	\$3,977,668	\$3,671,947	\$3,792,073
Sudbury *FY 18 is an estimate	\$21,415,348	\$22,071,385	\$22,879,135	\$24,018,281
	\$25,082,195	\$26,049,053	\$26,551,082	\$27,810,354
Total Revenue	\$28,322,689	\$29,268,918	\$29,807,682	\$31,129,299

FY18 Capital Needs Addressed

- Lincoln 2016 March ATM and Sudbury October 2016 approved funding for replacement and upgrade of LS Security Cameras. This project will be completed over February school vacation.
- Sudbury October 2016 and Lincoln Board of Selectmen November 2016 approved the use of LS E & D to fund replacement of lower Turf Fields One and Two. This project will be completed during the summer break.