

# Lincoln Sudbury Regional High School

Presentation to Sudbury Finance Committee

February 4, 2015

# Regional School Finance Highlights

- Sudbury is a member of three school districts
  - Sudbury Public Schools
  - Lincoln Sudbury Regional High School
  - Minuteman Regional Technical High School
- Assessment from L-S is comprised of three parts:
  - Required Minimum Contribution [RMC] as derived by MA DESE
  - Assessment above RMC per regional agreement
  - Debt assessment per regional agreement
- Fair to say it's more complicated than municipal/K-12 district because our budget translates into an "assessment" that nets out state aid and other revenues and fluctuates with enrollment changes

# RSD's Expenses: Similarities to Muni's and "Regular School Districts"

<b>Expenses</b>	<b>Similar to Municipalities</b>	<b>Similar to Regular School Districts</b>
Insurance (employees and retirees)	Yes	
Pensions	Yes	
OPEB	Yes	
Building and Grounds	Yes	
Debt Service	Yes	
Utilities	Yes	
Teacher and staff salaries		Yes
Instructional Supplies		Yes
Bus Contracts		Yes

# RSD's Revenues: Similarities with “Regular School Districts but Unique to RSD's

Revenues	Unique to Regional School Districts	Similar to Regular School Districts
Member Town Assessments <ul style="list-style-type: none"> <li>• RMC (Required Minimum Contribution) for each member town</li> <li>• RE: L-S, less to do with member towns' relative wealth but more to do with enrollment amongst school districts of a single town and MRGF's</li> </ul>	Statutory Assessment	
Regional School Transportation	Yes	
Chapter 70 aid	Yes	Yes
Circuit Breaker Reimbursement		Yes
Fees (parking, athletics, activities)		Yes

# RSD Terminology v. Muni Terminology

Regional School District	Municipality
<p>Excess and Deficiency Fund:</p> <p>Fund balance not to exceed 5% of operating budget and budgeted capital costs for the succeeding fiscal year.</p>	<p>Free Cash</p>
<p>Stabilization Fund:</p> <p>For capital expenses or special purpose, can only budget up to 5% of previous year's assessments. Fund balance allowed up to 5% of town's Equalized Valuation [EQV].</p>	<p>Stabilization Fund (capital and other future expenses)</p>
<p>OPEB trust</p>	<p>OPEB trust</p>

# C. 70 Statutory Funding

- Creates a minimum-level of funding based upon enrollment and cost categories: Foundation Budget [FB]. FB is adjusted annual by “inflation factor”.
- Determines a Target Local Share based upon “aggregate wealth formula”. Capped at 82.5% of FB
- Determines a Required Minimum Contribution [RMC] towards the FB. The RMC is adjusted each year by the Municipal Revenue Growth Factor [MRGF] which is a measure of a community’s change in annual revenues
  
- $FB = RMC + \text{Chapter 70 Aid}$



# FY16 Budget Overview

- Purpose of this presentation is to outline
  - various financial assumptions
  - how assumptions were developed
  - degree of reliability
  - impact of those assumptions
  - what is being recommended that is different or the same



# Budget Guidelines

- Support LS Core Values
  - Fostering Cooperative and Caring Relationships
  - Respecting Human Differences
  - Pursuing Academic Excellence
  - Cultivating Community
- Support our school goals
  - What students should be able to do by the time they graduate
  - Access to equity and excellence for all students
- Support needs of our projected student enrollment
- Address Lincoln budget guideline
  - 2.5% over appropriation excluding Pensions and Insurance
- Address Sudbury budget guidelines
  - Level service, 2.5%, and 2% over gross budget

# Recap: Guidelines Impact

- Level Services\* = \$29,535,044
- 2.5% Budget is \$715,000 in reductions
- 2.0% Budget is \$850,000 in reductions

- *\* Assumes 0% COLA*
- *1% COLA = \$175,000*
- *Negotiations are in progress.*

# FY16 Level Service Budget

This Level Service Budget: Carries forward a best estimate of what is necessary to fund a near current standard level of program in a conservative manner which means 'non-essential' line items are level funded.

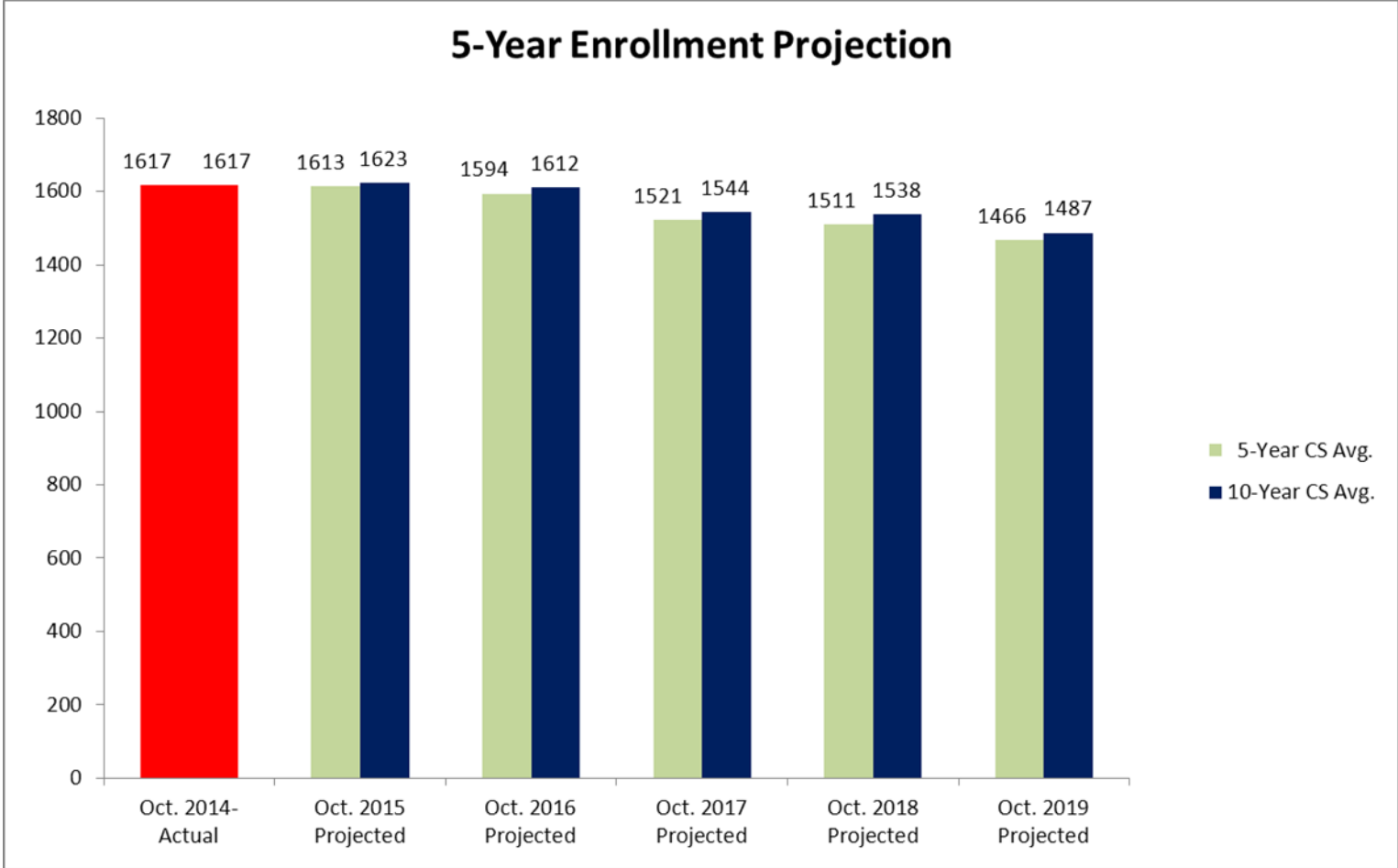
# Budget Assumptions

- **To Be Determined . . .** Impact of negotiations
- Departmental budgets are level-funded unless noted otherwise
- Level staffing with critical adjustments
- Level-funding of state aid adjusted for Governor's mid-year FY15 9C cuts
- Level-funding of federal and state grant revenues
- Fee revenues will remain at current levels
- Health insurance premium increases at 2%-9.7%
- (Non-teacher) pension rate increase at 6.7%
- Reduction to utilities

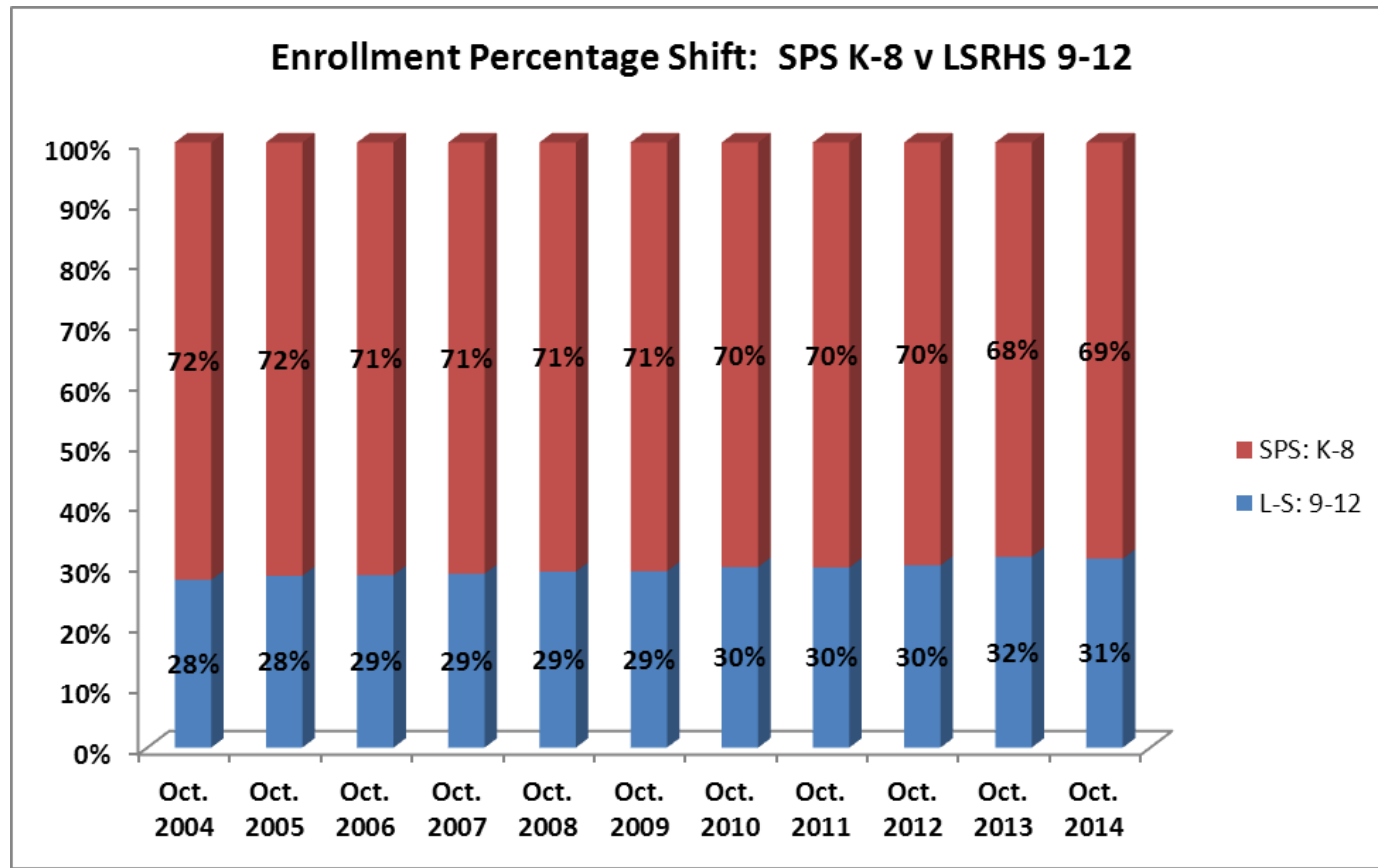
# Budget Allocations: FY15 v. FY16

Category	Percent of Budget		Percentage
	FY15	FY16	Change
SALARIES	60.10%	60.06%	-0.06%
OUT-OF-DISTRICT TUITION	11.22%	12.50%	11.34%
EMPLOYEE/RETIREE INSURANCES	10.81%	10.02%	-7.32%
BUSING	3.98%	3.87%	-2.80%
DEBT SERVICE	2.86%	2.65%	-7.58%
UTILITIES	2.56%	2.26%	-11.73%
CONTRACTUAL SERVICES	1.92%	2.11%	9.76%
PENSION ASSESSMENT	1.83%	1.88%	2.94%
B&G CON. SVCS., SUPPLIES,EQUIP.	1.49%	1.48%	-0.87%
INSTRUCTIONAL & ADMIN. SUPPLIES	1.00%	0.97%	-2.35%
EQUIPMENT	0.87%	0.83%	-4.82%
MISCELLANEOUS	0.73%	0.76%	3.50%
NON-EMPLOYEE INSURANCES	0.36%	0.38%	4.55%
TEXTBOOKS	0.27%	0.25%	-8.12%

# Enrollment Projection [In-District]



# K-12 Ratio History



# Class Size Data

2014-2015 Distribution of Students by Class Size

<u>Department</u>	<u>Enrollment</u>	<u>Class Size</u>						<u>Median</u>
		<14	15-19	20-24	25-29	30-38	> 39	
Computer	170		32%	68%				22
English	1597	<1%	4%	36%	60%			25
FATA	1116	6%	18%	39%	19%	3%	14%	22
History	1570	3%	2%	55%	40%			24
Math	1679	2%	9%	57%	26%	5%		23
Science	1733	3%	12%	30%	52%	4%		24
Wellness	1242		20%	58%	17%	5%		21
World Language	1327	3%	18%	42%	35%	2%		23



# Students Out of District

	10/10	10/11	10/12	10/13	10/14	10/15*
#OOD	39	49	51	60	60	64*

# Estimated FY16 Assessments

	<b>Sudbury</b>	<b>Sudbury</b>	
<b>Sudbury FinCom</b>	<b>Assessment</b>	<b>Assessment Increase</b>	
<b>Guidance</b>	<b>ESTIMATED</b>	<b>ESTIMATED</b>	
Level Services	\$ 22,218,134	3.7%	
2.5% Budget Increase	\$ 21,608,382	0.9%	\$715,000 Reductions
2.0% Budget Increase	\$ 21,493,254	0.4%	\$850,000 Reductions
FY15 Assessment	\$ 21,415,349		

# FY16 Assessment [estimated]: Level Services Budget\*

	Lincoln	Sudbury	Total
RMC- Estimated	\$ 2,464,212	\$ 13,084,267	\$ 15,548,479
Assessment Above Minimum- Estimated	\$ 1,461,533	\$ 8,467,361	\$ 9,928,894
Debt Service per Regional Agreement	\$ 115,044	\$ 666,506	\$ 781,550
<b>Total Assessment Estimated</b>	<b>\$ 4,040,789</b>	<b>\$ 22,218,134</b>	<b>\$ 26,258,923</b>

- *Assumes 0% COLA*
- *1% COLA= \$175,000*
- *Negotiations are in progress.*

# Reductions for 2.5% Budget

- Reduction of \$715,000 from level services budget
- Likely reductions include:
  - Proposed new positions
    - .4 FTE nurse
    - .25 FTE instructional technology
    - .50 FTE technical support
  - 5 FTE teaching positions across all academic depts.
  - Instructional Capital, including computer technology
  - Depletion of circuit-breaker reserves for special education
  - Instructional supplies and materials
  - Professional development
    - Technology
    - Special education
    - Goals to address equity and 21<sup>st</sup> Century

# Potential Reductions: 2.0% Budget

- Reduction of \$850,000 from level services budget
  - All cuts from previous slide and,
  - Additional 2 FTE Teaching Positions

# Additional Resource Requests

- **Capital Equipment: Fire Alarm Panel Upgrade**
  - \$125,000 total
    - Lincoln share= \$18,400, Sudbury= \$106,600
  - The inclusion of this request in Sudbury's final budget will be known by Jan. 23<sup>rd</sup>. So far it has received positive support by Capital Cmtee.
- **OPEB Contribution**
  - \$163,843 total
    - Lincoln share= \$24,118, Sudbury= \$139,725
  - Total amount originated by Sudbury's capacity and preliminary budgeted amount

# Budget Approval Timeline- Major Milestones

Date	Event	Note
Feb. 4 <sup>th</sup>	Sudbury FinCom	
Feb. 10 <sup>th</sup>	School Cmtee vote on budget and assessments	
Feb. 23 <sup>rd</sup>	Sudbury FinCom	As needed
March 4 <sup>th</sup>	Governor's Budget released	Receive preliminary RMC's and C.70 aid figures
March 28 <sup>th</sup>	Lincoln Town Meeting	
May 4,5,6	Sudbury Town Meeting	
July	State budget complete	Receive final RMC's and C.70 aid figures