

# Lincoln-Sudbury Regional High School FY 2019 Budget Proposal

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PRESENTED TO THE L-S SCHOOL COMMITTEE

FOR APPROVAL

FEBRUARY 13, 2018

CONFERENCE ROOM B

# The budget supports

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- **LS Core Values**

  - Fostering cooperative and caring relationships

  - Respecting human differences

  - Pursuing academic excellence

  - Cultivating Community

- **Our school goals for improvement**

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

  - Access to equity and excellence for all students

  - Ensuring social emotional supports for students and staff

  - Cultivating Community

- **Capacity to recruit and retain high quality faculty and staff**

- **An educational program that fosters student growth for post-graduate success**

# Factors affecting budget assumptions

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Forecasting state aid and projected revenues

Decreasing federal aid

Variability of Out of District Placements/Tuition/Specialized Education Costs

Sustaining appropriate academic and social emotional supports to reach and teach our wide range of student learners

Maintaining current and relevant technology supports

Expectations for high performance outcomes (re-gained Level 1 Status)

Monitoring class size

Ensuring a safe school environment

Conservative capacity for new program development

Funding the OPEB liability

Rising health insurance costs

Utilities will be level funded

# Lincoln-Sudbury FY 19 Budget Overview

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Incorporates new teacher compensation agreement

Maintains current educational program

Partial restoration of lines reduced for FY18

Makes financial assumptions on best data available

Reallocation and increase of FTE to balance class size

Addresses Lincoln Budget Guidance

Addresses Sudbury Budget Guidance

# Budget Financial Assumptions

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- Newly negotiated agreements for compensation

	COLA Effective Day 1	COLA Midyear
July 1, 2018 – June 30, 2019	0.5%	1.5%
July 1, 2019 – June 30, 2020	0.0%	3.0%
July 1, 2020 – June 30, 2021	0.5%	2.0%

- 0.58 FTE net increase to Science, Math, Instr Technology (math/science) staffing
- Federal grants are level funded
- Chapter 70 adjusted per Governor’s Budget released January 24, 2018
- Reduction to anticipated state Circuit Breaker reimbursement
- 10% increase to health insurance

**(continued)**

# Budget Financial Assumptions

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- 6.8% increase to non MTRS pension funding
- 5% increase in regular education transportation\*
- Partial restoration of funding for instructional capital (\$25,000)
- 2% increase to expenses
- Increase annual contribution to \$383,109 (+\$24,402) to fund OPEB accrued liability
- Level fund utilities
- No adjustment to current student fee structure

# % Students in median class size at or above 25

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	2014-15	2015-16	2016-17	2017-18
Science	56	48	55	54
Math	31	44	32	37
English	60	54	49	37
History	40	51	40	26
Language	37	33	25	30
FATA	36	34	22	27
Wellness	22	27	9	6

# Math and Science 2017-18 Class Sizes

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## MATH

3 Advanced Algebra II:

**25 25 26**

7 Advanced Placement Classes:

**31 30 25 20 23 27 26**

## SCIENCE

11 Earth Science I:

**25 26 26 26 26 26 26 27 27 27 27**

3 Accelerated Bio:

**25 26 26**

8 Biology 1:

**22 22 23 24 25 25 26 26**

2 Accelerated Chemistry:

**28 26**

9 Chemistry I:

**22 22 25 25 26 26 26 26 26**

4 Accelerated Physics:

**30 29 28 28**

3 AP Physics:

**19 27 25**



Lincoln-Sudbury Regional High School

In-District Enrollment

Five Year Cohort Survival Enrollment Projection by Grade

Grade Level	FY17 Actual Enrollment 10/1/2016	FY18 Actual Enrollment 10/1/2017	FY19 Projected Enrollment	FY20 Projected Enrollment	FY21 Projected Enrollment	FY22 Projected Enrollment	FY23 Projected Enrollment
9	369	409	392	360	372	371	346
10	378	359	410	388	356	368	367
11	380	374	354	399	378	347	359
12	443	387	380	356	402	381	349
<b>Total Projected Enrollment</b>	<b>1570</b>	<b>1529</b>	<b>1535</b>	<b>1503</b>	<b>1508</b>	<b>1467</b>	<b>1422</b>

# Proposed adjustments to educational program

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Add:	0.25 FTE	Science *
	0.25 FTE	Math *
	0.25 FTE	Instructional Technology (Math/Science Staff) *
Reduce:	-0.17 FTE	Wellness
<b>Net increase</b>	<b>0.58 FTE</b>	

- **To address large class sizes**
- DESE Guideline for IT is 1.0 FTE per 60 to 120 instructional staff. LS currently has .75 per 150 instructional staff.
- **Note: If chorus enrollment does not exceed 80 students, second section will not be offered and .25 FTE will be re-allocated to address other high class size needs.**

# Math/Science Average Class Size projected for 2018-19

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		avg class sz	“Maximum”
Accelerated and Level 1 Earth Science	80% of 9th	24.3	24
Accelerated and Level 1 Biology	75% of 10 <sup>th</sup>	25.7	24
Biology 2	20% of 10 <sup>th</sup>	17.1	16
Chemistry 2	20% of 11 <sup>th</sup>	16.9	16
Accelerated and AP Physics	45% of 12 <sup>th</sup>	26.4	24
Geometry Standard	30% of 9 <sup>th</sup>	22.7	21
	15% of 10 <sup>th</sup>		
Acc Advanced and Advanced Algebra II	60% of 10 <sup>th</sup>	25.9	24
Algebra II Standard	25% of 10 <sup>th</sup>	23.3	
	15% of 11 <sup>th</sup>		
AP Calculus	35% of 12 <sup>th</sup>	27.3	24

# Recommended FY 19 Budget Numbers

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\$32,184,970

4.62%

Reflects level program, partial restoration of instructional capital and net increase of .58 FTE professional staffing.

Funding gap in excess of 3.6% = \$329,228

# Proposal to address funding gap

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- I. Additional adjustments and reductions (\$110,983)
  - \$ 5,975 (.67 FTE modified to a .58 FTE net increase)
  - \$31,923 from custodial cleaning
  - \$48,090 Chapter 70 adjustment
  - \$25,000 from Instructional Capital
- II. Use of up to \$218,240 from E and D
  - E & D will certify at \$950,000
  - Extraordinary circumstance
  - Protect investment in reducing class size over several years

# Progression of adjusted budget numbers

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- \$32,254,422 4.84% 12/14/17
- \$32,184,970 (adjusted for utilities and pension) 4.62% 01/31/18
- \$32,105,742 (itemized reductions) 4.36%

Net reduction between 4.84% and 4.36% = \$148,680

- \$31,887,502 (minus \$218,240 from E & D) 3.60%
- All inclusive w/ debt & OPEB
- Recommendation to hold OPEB increase at \$24,402
- Update reflects Ch 70 funds identified in Governor's Budget released January 24, 2018

# OPEB Funding History

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FY 16 = \$75,984

FY 17 = \$238,114 (213% increase on annual contribution from FY 16)

FY 18 = \$358,707 (42 % increase on annual contribution from FY 17)

FY 19 = \$383,109 (7% increase on annual contribution from FY 18)

Current total contribution = \$734,984

Plus \$383,109 = \$1,118,093 plus interest at end of FY19 ... over 34% increase in one year.

# Reductions without use of E & D

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On top of .17 Wellness reduction, additional reductions would include:

Eliminate net request for **.58 FTE** (.25 each Math, Science, IT minus .17 Wellness)

English	.5 FTE	History	.5 FTE
Language	.5 FTE	Special Educator	.25 FTE
Math	.25 FTE	Science	.25 FTE
FATA	.17 FTE		
Wellness	.17 FTE		
Computer	.17 FTE	Total = 3.34 FTE	



# Impact to average class sizes if teacher reductions were to occur

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All semester English would increase from 23.1 to 24.9

AP US History and 20<sup>th</sup> Century would increase from 23.8 to 26.0

All 11<sup>th</sup> and 12<sup>th</sup> grade History would increase from 23.6 to 24.5

High Science class average size would remain same plus an elimination of an elective or of AP Chemistry.

High Math class average would remain same plus Trig Precalc Acc Adv and Adv would increase from 22.75 to 27.7

Possible elimination of Mandarin or one section of Mandarin and one section of another language

**Lincoln Sudbury Regional School District**  
 FY 19 Proposed Budget: Major Account Categories  
 January 22, 2018

	<b>FY 18 Budget</b>	<b>FY 18 Projected</b>	<b>FY 19 Budget</b>	<b>FY 19 Budget Growth from FY 18 Budget</b>	<b>% Change</b>
Salary Accounts	\$ 18,947,787	\$ 18,950,000	\$ 19,728,702	\$ 780,915	4.12%
Contracted Services (Busing, Legal Etc.)	\$ 1,839,287	\$ 1,860,562	\$ 1,926,525	\$ 87,238	4.74%
Instructional Support (Supplies, Texts, Equip)	\$ 521,170	\$ 493,777	\$ 548,394	\$ 27,224	5.22%
Insurance and Pensions	\$ 3,750,261	\$ 3,750,000	\$ 4,082,401	\$ 332,140	8.86%
Out of District Tuition (Incl. Circuit Breaker)	\$ 4,977,000	\$ 4,983,653	\$ 4,940,810	\$ (36,190)	-0.73%
Utilities/Building/Grounds	\$ 1,119,103	\$ 1,089,462	\$ 1,096,885	\$ (22,218)	-1.99%
Debt Service	\$ 670,800	\$ 670,800	\$ 649,675	\$ (21,125)	-3.15%
OPEB	\$ 358,707	\$ 358,707	\$ 383,109	\$ 24,402	6.80%
Other	\$ 234,594	\$ 215,611	\$ 249,241	\$ 14,647	6.24%
(Circuit Breaker Funding)	\$ (1,654,539)	\$ (1,654,539)	\$ (1,500,000)	\$ 154,539	-9.34%
<b>TOTAL APPROPRIATED BUDGET</b>	\$ 30,764,170	\$ 30,718,033	\$ 32,105,742	\$ 1,341,572	4.36%
<b>Total with OPEB without Debt</b>	\$ 30,093,370	\$ 30,047,233	\$ 31,456,067	\$ 1,362,697	4.53%

**LSRHS FY 19 Preliminary Budget Proposal**

**Review of Out of District Placement Expenses**

	FY 2016	FY 2017	FY 2018	FY 2019
<b>Out of District Tuition (Including Circuit Breaker)</b>	\$ 4,761,647	\$ 5,212,186	\$ 4,977,000	\$ 4,940,810
<b># of students</b>	62	63	56* (4 cost shares out)	59 (4 cost shares in)
<b>Special Ed Transportation</b>	\$ 634,200	\$ 610,000	\$ 610,000	\$ 655,000
<b>Circuit Breaker Funding</b>	\$ (1,150,000)	\$ (1,500,000)	\$ (1,654,539)	\$ (1,500,000)
<b>Net Operating Costs</b>	\$ 4,245,847	\$ 4,322,186	\$ 3,932,461	\$ 4,095,810
<b>Variance</b>	12.4%	1.8%	-9.0%	4.2%

# Highlighted Budget Summary

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1. Out of District Tuition line is decreased but...
2. Circuit Breaker Reimbursement assumption is decreased
3. Health Insurance expenses are increased
4. Regular Transportation expenses are increased by 5%
5. Middlesex Retirement System assessment increased by 6.8%
6. Incorporates new teacher compensation agreement
7. Net Increase 0.58 FTE to address math & science class size and state tech guidelines
8. Debt service continues to decrease
9. Possible rate case impact to utilities (resolved favorably)

# Assessment

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

It is the net operating cost minus 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 a blending of two formulas. One determined by the state and one determined by the regional agreement between Lincoln and Sudbury.

# Assessment

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1. Minimum Contribution is determined annually by the state. For this exercise we are using the FY19 minimum contribution number of: \$14,440,976: 87.20% is from Sudbury and 12.80% is from Lincoln.
2. The Apportionment Ratio represents each town's relative share of the Assessment based on a three year rolling average of in-school enrollment established each year on October 1. The FY19 Apportionment Ratio is applied to the budget net of the Minimum Contribution. For FY19, the ratios will be 86.95% for Sudbury and 13.05% for Lincoln – as determined by the regional agreement.
3. The final Net Assessment takes into account the Minimum Contribution. Apportionment calculations also includes debt service and OPEB funding. The blended apportionment ratio is 87.05% for Sudbury and 12.95% for Lincoln based on the FY19 minimum contribution rate released on January 24, 2018.

**Note: Subject to approval by state legislature.**

**Lincoln Sudbury Regional School District**

FY 19 Preliminary Revenue Forecast: January 2018

<b>Category</b>	<b>FY 16 Actual</b>	<b>FY 17 Actual</b>	<b>FY 18 Budget</b>	<b>FY 19 Budget</b>
<b>State Revenues</b>				
Chapter 70 Aid	\$2,862,021	\$2,955,040	\$2,986,366	\$3,034,456
Reg Trans Reimb	\$297,341	\$300,463	\$325,903	\$340,972
	\$3,159,362	\$3,255,503	\$3,312,269	\$3,375,428
<b>Other Revenues</b>				
Medicaid	\$21,500	\$51,474	\$35,000	\$35,000
E-rate	\$3,146	\$0	\$2,500	\$2,500
Transcripts	\$7,587	\$9,763	\$7,500	\$7,500
Other Misc	\$16,939	\$24,378	\$10,000	\$10,000
E & D (or other sources)	\$0	\$0	\$0	\$218,240
Interest Income	\$11,331	\$9,579	\$10,000	\$10,000
	\$60,503	\$95,194	\$65,000	\$283,240
	\$3,219,865	\$3,350,697	\$3,377,269	\$3,658,668
<b>**Preliminary and estimated**</b>				
<b>Assessments - Operating/Debt/OPEB</b>				
Lincoln * FY 19 is an estimate	\$3,977,668	\$3,672,047	\$3,688,139	<b>\$3,684,359</b>
Sudbury *FY 19 is an estimate	\$22,071,385	\$22,879,135	\$23,698,762	<b>\$24,762,715</b>
	\$26,049,053	\$26,551,182	\$27,386,901	\$28,447,074
<b>Total Revenue</b>	\$29,268,918	\$29,901,879	\$30,764,170	\$32,105,742

# FY 19 Capital Requests

	<b>Lincoln</b>	<b>Sudbury</b>	<b>Total</b>
Apportionment Ratio	13.05%	86.95%	100.00%
Hot Water Heater	\$ 7,504	\$ 49,996	\$ 57,500
Additional Security Cameras	\$ 7,178	\$ 47,822	\$ 55,000
Telephone System Replacement	\$ 10,440	\$ 69,560	\$ 80,000



# Thank You!

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