

Lincoln-Sudbury Regional High School District Proposed FY 2020 Budget

Presentation to LS School Committee, January 22, 2019
Updated for Lincoln Budget Workshop No. 2, January 23, 2019
Sudbury Finance Committee, February 4, 2019

Bella Wong, Superintendent-Principal
Sherry Kersey, Director of Finance & Operations

What the budget aspires to...

- Support LS Core Values
 - Fostering cooperative and caring relationships
 - Respecting human differences
 - Pursuing academic excellence
 - Cultivating Community
- Support for 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 all students
- Enable us to recruit and retain high quality faculty and staff
- Support an educational program that fosters student growth for post graduate success
- Anticipates the comprehensive needs of our projected student enrollment
- Addresses Lincoln budget guidance
- Addresses Sudbury budget guidance

Factors affecting budget assumptions

- Forecasting state aid and projected revenues
- Estimating federal aid funding
- Variability of Out of District Placements/Tuitions/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
- High Expectations for performance outcomes
- Monitoring class size
- Ensuring a safe school environment
- Capacity for new program development
- Addressing the OPEB liability
- Managing health insurance costs

Lincoln-Sudbury FY 20 Budget Overview

- Includes financial assumptions using best data available to date
- Incorporates all salary agreement obligations
- Includes cost for implementation of the new LS Academy
- Initial proposal to maintain current educational program without staff reductions cannot be achieved within guidance
- Operational and staff reductions plus use of reserves will be necessary in order to meet guidance
- Modest capital request per 5 year capital plan

Note: This presentation anticipates planning for FY21 stadium field replacement

Budget Financial Assumptions

- Federal and state grants are level funded
- Salaries budgeted per agreements
- Includes special costs related to projected student need
- 10% increase to health insurance
- 5% increase in regular education transportation
- 10% increase to non MTRS pension funding
- Partial restoration to instructional capital
- 2% increase to expenses
- OPEB liability level funded (100% normal costs of July 1, 2015 valuation)
- No adjustment to current student fee structure

Lincoln-Sudbury Regional High School

In-School Enrollment

Five Year Cohort Survival Enrollment Projection by Grade

Grade Level	FY18 Actual Enrollment 10/1/2017	FY19 Actual Enrollment 10/1/2018	FY20 Projected Enrollment	FY21 Projected Enrollment	FY22 Projected Enrollment	FY23 Projected Enrollment	FY24 Projected Enrollment	FY25 Projected Enrollment
9	409	406	364	367	381	352	334	346
10	359	395	401	356	360	374	345	328
11	374	353	386	390	346	349	363	335
12	387	374	357	388	392	348	351	365
Total Projected Enrollment	1529	1528	1507	1501	1479	1423	1394	1374

Current Median Class Size

Department	Median Class Size
Computer Science	20
English	22
FATA	20
History	22
Math	21
Science	22
Wellness	20
World Language	20

Department	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Computer Science	25	25	24	22	22.5	24	20	20
English	26	25	25	25	24	24	22	22
FATA	24	22	22	22	21	21	20	20
History	25	26	25	24	24	23	23	22
Math	22	23	22	23	23	22	23	21
Science	25	25	24	24	24	24	24	22
Wellness	22.5	23	22.5	21	21	19	20	20
World Language	24	23	23	23	22	21	21	20

Total Recommended FY 20 Budget

\$33,882,069 (All inclusive w/debt & OPEB) 5.53%

Reference:

1% = \$321,057

% comparison refers to total FY 19 appropriation

Note: Includes the cost of implementation of LS Academy

Projected Reductions to close funding gap

Total estimated funding gap is: \$738,798

- Recommendation to charge first year operational costs of LS Academy to LS Excess and Deficiency Fund (\$245,000).
- Draw from circuit breaker reserve (\$200,000)
- Reductions to operational costs (\$100,000)
 - \$50,000 Utilities
 - \$50,000 Instructional Capital
- Reorganization and reductions to staffing (\$193,798)
 - 1.0 Student Services (special educator) and .25 FATA (visual arts, technical arts)
 - .75 equivalent reduction to support staff (main, student services and financial operations)

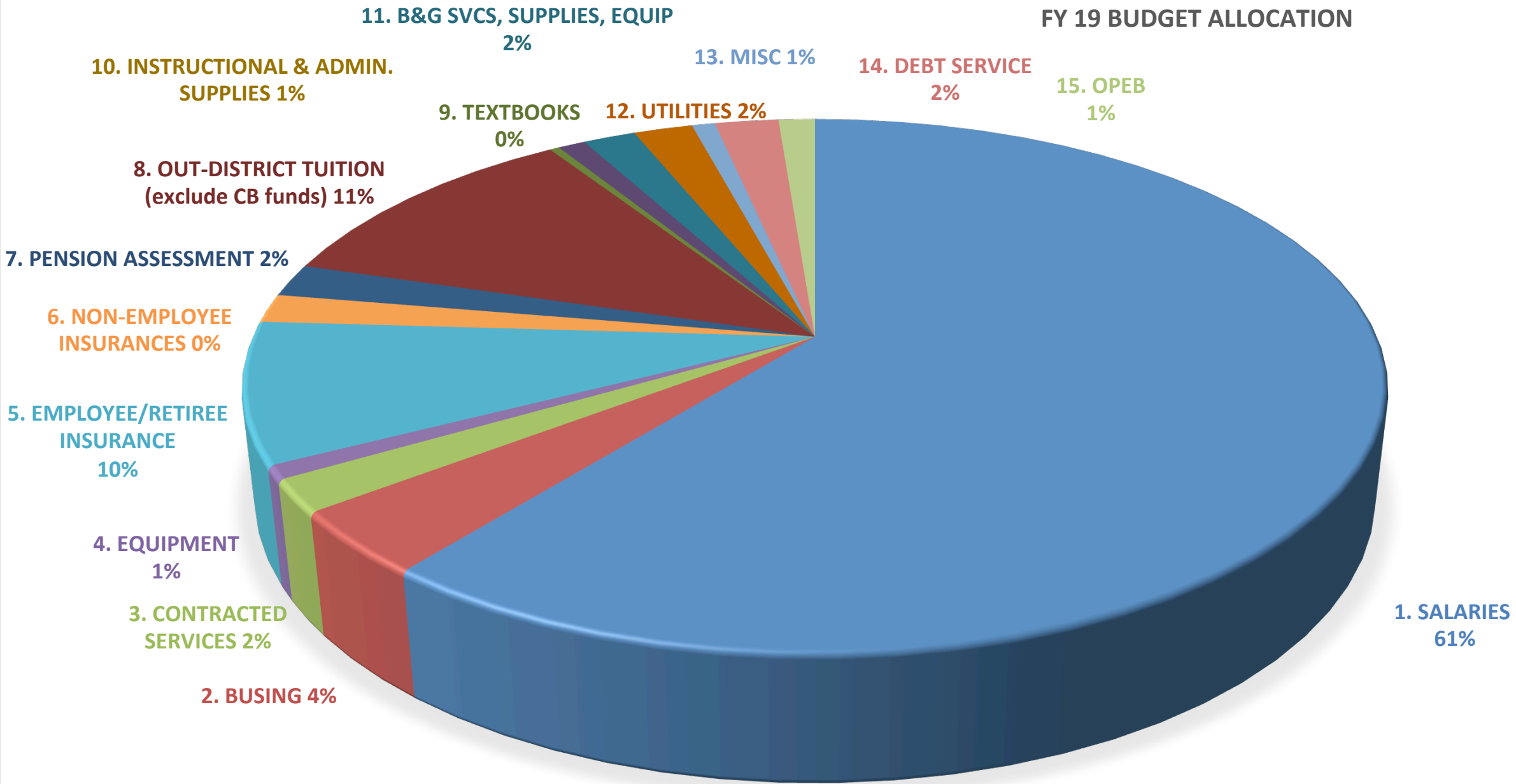
Lincoln Sudbury Regional School District

FY 20 Proposed Budget: Major Account Categories

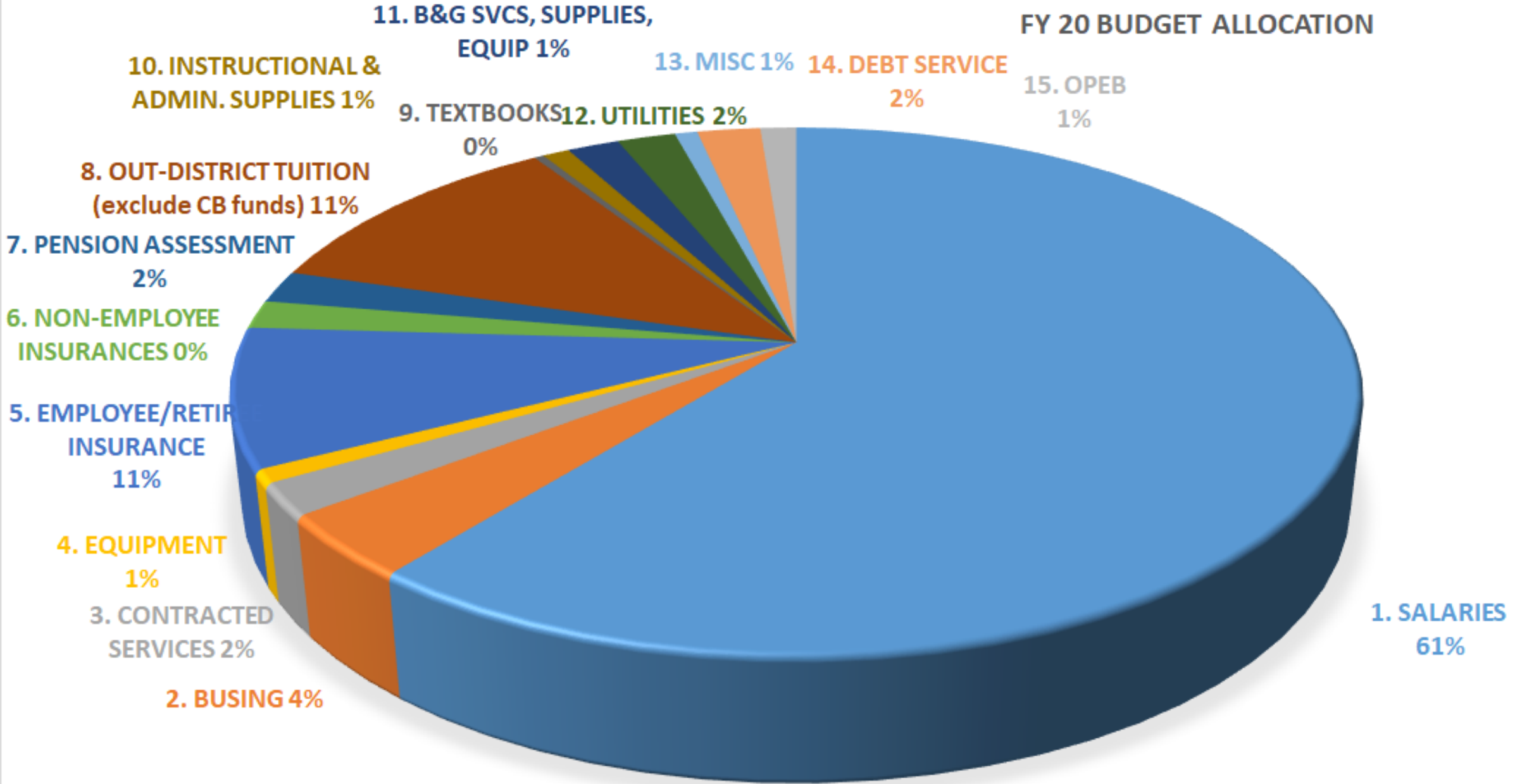
December 1, 2018

	FY 19 Budget	FY 19 Projected	FY 20 Budget	FY 20 Budget Growth from FY 19 Budget	% Change
Salary Accounts	\$ 19,728,677	\$ 19,725,000	\$ 20,547,073	\$ 818,396	4.15%
Contracted Services (Busing, Legal Etc.)	\$ 1,926,525	\$ 1,925,000	\$ 2,009,289	\$ 82,764	4.30%
Instructional Support (Supplies, Texts, Equip)	\$ 548,394	\$ 550,000	\$ 622,254	\$ 73,860	13.47%
Insurance and Pensions	\$ 4,082,401	\$ 4,082,000	\$ 4,484,536	\$ 402,135	9.85%
Out of District Tuition (Incl. Circuit Breaker)	\$ 4,940,810	\$ 4,950,000	\$ 5,334,034	\$ 393,224	7.96%
Utilities/Building/Grounds	\$ 1,096,910	\$ 1,075,000	\$ 1,118,848	\$ 21,938	2.00%
Debt Service	\$ 649,675	\$ 649,675	\$ 628,700	\$ (20,975)	-3.23%
OPEB	\$ 383,109	\$ 383,109	\$ 383,109	\$ -	0.00%
Other	\$ 249,241	\$ 240,000	\$ 254,226	\$ 4,985	2.00%
(Circuit Breaker Funding)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ -	0.00%
TOTAL APPROPRIATED BUDGET	\$ 32,105,742	\$ 32,079,784	\$ 33,882,069	\$ 1,776,327	5.53%
Total with OPEB without Debt	\$ 31,456,067	\$ 31,430,109	\$ 33,253,369	\$ 1,797,302	5.71%

FY 19 BUDGET ALLOCATION



FY 20 BUDGET ALLOCATION



	LSRHS FY 20 Preliminary Budget Proposal				
	Review of Out of District Placement Expenses				
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Out of District Tuition (Including Circuit Breaker)	\$ 4,761,647	\$ 5,212,186	\$ 4,977,000	\$ 4,940,810	\$ 5,334,034
# of students	62	63	56	51	57
Special Ed Transportation	\$ 634,200	\$ 610,000	\$ 610,000	\$ 655,000	\$ 690,000
Circuit Breaker Funding	\$ (1,150,000)	\$ (1,500,000)	\$ (1,654,539)	\$ (1,500,000)	\$ (1,500,000)
Net Operating Costs	\$ 4,245,847	\$ 4,322,186	\$ 3,932,461	\$ 4,095,810	\$ 4,524,034
Percent Change	12.4%	1.8%	-9.0%	4.2%	10.5%

Highlighted Budget Summary

- LS Academy program expenses added to budget
 - 2 teachers and 1 teaching assistant
- Out of District Tuition line has increased by 8%
- Circuit Breaker Reimbursement assumption is level funded
- Health Insurance expenses are increased by 10%
- Regular Transportation expenses are increased by 5%
- Middlesex Retirement System assessment increased by 10%
- Debt Service continues to decrease

Assessment

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

1. Minimum Contribution is determined annually by the state. For this exercise we are using the FY19 minimum contribution number of: \$14,387,024: 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 FY20 Apportionment Ratio is applied to the budget net of the Minimum Contribution. For FY20, the ratios will be 87.46% for Sudbury and 12.54% 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 87.34% for Sudbury and 12.66% for Lincoln based on the FY20 minimum contribution rate.

*Note: These are preliminary estimates and subject to change when DESE releases Chapter 70 estimates in January 2019.

Lincoln Sudbury Regional School District

FY 20 Preliminary Revenue Forecast: December 2018

Category	FY 17 Actual	FY 17 Actual	FY 19 Budget	FY 20 Budget
State Revenues				
Chapter 70 Aid	\$2,955,040	\$2,986,366	\$3,034,456	\$3,034,456
Reg Trans Reimb	\$300,463	\$325,903	\$309,212	\$340,972
	\$3,255,503	\$3,312,269	\$3,343,668	\$3,375,428
Other Revenues				
Medicaid	\$51,474	\$35,000	\$35,000	\$35,000
E-rate	\$0	\$2,500	\$2,500	\$2,500
Transcripts	\$9,763	\$7,500	\$7,500	\$7,500
Other Misc	\$24,378	\$10,000	\$10,000	\$10,000
E & D (or other sources)	\$0	\$0	\$250,000	\$245,000
Interest Income	\$9,579	\$10,000	\$10,000	\$10,000
	\$95,194	\$65,000	\$315,000	\$310,000
	\$3,350,697	\$3,377,269	\$3,658,668	\$3,377,269
Preliminary and estimated				
Assessments - Operating/Debt/OPEB				
Lincoln * FY 20 is an estimate	\$3,672,047	\$3,688,139	\$3,684,359	\$3,822,274
Sudbury *FY 20 is an estimate	\$22,879,135	\$23,698,762	\$24,762,715	\$26,374,367
	\$26,551,182	\$27,386,901	\$28,447,074	\$30,196,641
Total Revenue	\$29,901,879	\$30,764,170	\$32,105,742	\$33,882,069

FY 20 Capital Request

Replace 2002 Kubota Tractor

Estimated Cost - \$55,000

Lincoln share @ 12.54% = \$6,897

Sudbury share @ 87.46% = \$48,103

Football Stadium Field

- Recommendation to approve supporting replacement of the Football Stadium Field with funds from LS Excess & Deficiency Funds up to the extent of the proportion of LS user participation compared to all users of the field. Based on current data participation ratio information received from the Sudbury Park and Rec Department LS participation rate is no more than 50% of total participation use.
- Use of certified FY19 E & D funding to be used to fund this FY21 project.

Budget Timeline

- Nov 29 Lincoln Capital Committee
 - Dec 10 Budget Presentation to L-S Staff
 - Dec 10 Budget Presentation to L-S School Committee
 - Dec 12 Lincoln Joint Budget Workshop #1
 - Dec 17 Sudbury Finance Committee Budget Questionnaire Presentation
 - Dec 31 Budget submission to Town of Sudbury Finance Director
 - Jan 8 LS School Committee Meeting – Continued budget discussion
 - Jan 22 LS School Committee Meeting – Continued budget discussion
 - Jan 23 Lincoln Joint Budget Workshop #2
 - Jan 31 Governor’s Budget Recommendation Released
 - Feb 4 Sudbury Finance Committee Budget Presentation
 - Feb 5 LS Budget Hearing and Vote
- ***Note: Attendance at Capital Committee Meetings as requested by both towns