

SUDBURY  
PUBLIC  
SCHOOLS

FY12 ROLL UP BUDGETPRESENTATION  
TO SUDBURY FINANCE COMMITTEE

John R. Brackett, Superintendent  
Mary Will, Director of Finance  
Susan Iuliano, School Committee Chair

FEBRUARY 10, 2011

# What is Roll-Up Budget?

- Takes existing programs, staffing level and 'rolls up' the costs for FY12
- Total Staffing FTE = FY11 level (385.97FTE)
- **No** Fed. Jobs \$ (nor ARRA) positions included in FY12
- No new programs added
- Expense categories grow at no more than 3%
- Utilities (budget parameter at 3%, \$36,000 growth) actual budget level to FY11 level. Energy savings, rebates continue to allow control in this category.

# What is Roll-Up Budget?

- Contract terms for FY12 applied
  - Implement year 3 of benefit savings agreement
    - Increase employee health plan contribution by 2.5% to 20%
    - All new employee contribution at 30% (this continues to become a larger proportion of the staff as turnover occurs)
  - Teacher salary = steps + 1% on salary schedule linked to negotiated agreement to increase benefit contribution by 2.5% (80/20 split in FY12)
  - Additional 1% on top step of schedule paid for by SEA giving up \$100,000 in tuition reimbursement
  - (Cost of 1% = \$205,000)

# SPS Key Driver Trends

	FY08	FY09	FY10	FY11*	FY12 RollUp
Total Budget (Inc. Benefits)	33,341,232	33,845,714	34,270,701	34,654,473	35,516,703
% Difference	7.40%	<b>1.51%</b>	<b>1.26%</b>	<b>1.12%</b>	<b>2.49%</b>
Benefits	6,329,855	6,820,759	6,380,198	6,450,128	6,800,075
% Difference	12.00%	<b>7.76%</b>	<b>-6.46%</b>	<b>1.10%</b>	<b>5.43%</b>
Enrollment	3,232	3,235	3,165	3,093	3,027
% Difference	-2.12%	<b>0.09%</b>	<b>-2.16%</b>	<b>-2.27%</b>	<b>-2.13%</b>
Staff FTE	412.25	389.89	393.31	390.57 *	385.97
Staff FTE (w/o FDK)	412.25	389.89	383.31	377.57	375.47
% Difference (w/o FDK)	0.21%	<b>-5.42%</b>	<b>-1.69%</b>	<b>-1.50%</b>	<b>-0.56%</b>

**FY11 Includes 4.6 FTE from Federal Ed. Jobs Funds and not included in FY12**

# Projected Savings from '09 Agreement

ORIGINAL 09 PROJECTION					ACTUAL (FY12 BUDGET)				
Salaries (Net of Offsets)	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>Total</u>	Salaries (Net of Offsets)	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>Total</u>
Status Quo (Steps +2%)	21,879,048	22,796,874	24,231,027	68,906,949	Status Quo (Steps +2%)	21,879,048	22,796,874	24,231,027	68,906,949
Settlement	21,606,451	22,296,460	23,201,317	67,104,228	Act/Bdgt	21,009,586	21,510,888	22,135,861	64,656,335
Difference	272,597	500,414	1,029,710	1,802,721	Difference	869,462	1,285,986	2,095,166	4,250,614
Benefits	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>Total</u>	Benefits	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>Total</u>
Status Quo (+ 6% per YR)	6,947,893	7,364,767	7,806,653	22,119,313	Status Quo (+ 6% per YR)	6,947,893	7,364,767	7,806,653	22,119,313
Settlement	6,525,726	6,548,842	6,820,503	19,895,071	Act/Bdgt	6,380,138	6,450,128	6,800,075	19,630,341
	422,167	815,925	986,150	2,224,242		567,755	914,639	1,006,578	2,488,972
			2,015,860	4,026,963				3,101,744	6,739,586

# What is Roll-Up Budget?

- Special Education Expenses (parameter set 10% growth; \$396,000)
  - Gross Budget reduced \$322,351.
  - Out of District Tuitions (still fluid) reduced from 44 to 36 students and \$396,300
    - Includes increase in CASE Collaborative Assessment of \$35,000
  - This will reduce Circuit Breaker reimbursement in FY13
- FY12 Circuit Breaker at 40% (\$400,000) FY11 – 40%; FY10 – 42.3%; FY09 – 72%
  - This underfunded reimbursement was always based on prior year costs, causing us to assume costs as new students came on line and went through SPS, some from age 3.

# What is NOT in Roll Up Budget

- RFP for proposals to operate food service program
- Modified applicability of facilities fees – potentially \$60,000 per year (not available for general use)
- RFP for joint bids with LS and Lincoln for home-to-school and METCO transportation contracts – currently 3% (\$31,800) increase in budget
- Expense from Federal Stimulus : ARRA, IDEA and Federal Ed. Jobs (\$714,430 in FY11)

# Continuing to Improve on Excellence

## Initiatives

- Early literacy assessment and interventions
- Pre-K and K curriculum refinement and instruction effectiveness
- Data management to support instructional effectiveness
- Anti-bullying training and response
- Middle School math success for all
- Core Curriculum Review and Redesign – planning strategy in math and science
- Technology enhancements



# Major Challenges We Face

- Growing cost of unemployment
  - Causes increase in magnitude of cuts; creates two year lag in savings from any RIF
- The multi-year reductions have created issues we can no longer accept or ignore. This will require difficult trade-offs if budget is not sufficient
  - Safety/supervision/service: appropriate administrative levels (Curtis and Haynes)
  - Safety/protection of investment: Facilities Management (Joint with Town)
  - Mandates/compliance: ELA and Social Studies Curriculum and Instruction Leadership
  - Achievement of all students: Maintaining class sizes that enable intervention and differentiation
  - Productivity/demands for technology skills: Investment in equipment & systems (currently relying on PTO & SERF donations; less than \$100K per year for new equipment; stimulus funds = \$100,000 but gone)

# CRITICAL NEEDS THAT MUST BE ADDRESSED FROM FY12 BUDGET

Shared District/Town Facilities Director	\$60,000	SPS share		
Middle School Assistant Principal	\$90,000			
Haynes Assistant Principal (0.5 FTE)	\$45,000			
ELA Curriculum Leader (1.0 FTE)	\$56,000			
Social Studies Curriculum Leader (.60 FTE)	\$33,600			
Elementary Math Coaches (2 FTE for district)	\$112,000			
	<u>\$396,600</u>			
To fund these needs, trade-offs must be made with other current positions				

# FY12 ROLL UP BUDGET – Summary

## Benefits at 5.43%

	FY2010	FY2011	FY2012	\$ Change	% Change
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Over FY11</u>	<u>Over FY11</u>
Total Salaries:	\$21,009,586	\$22,839,751	\$23,722,196	\$882,445	3.86%
Total Expenses:	\$6,806,111	\$7,845,456	\$7,500,767	(\$344,689)	-4.39%
Total Expense & Salary:	\$27,815,697	\$30,685,207	\$31,222,963	\$537,756	1.75%
Less: Total Offsets	\$0	(\$2,480,863)	(\$2,506,335)		
Total Net Operating Budget:	\$27,815,697	\$28,204,344	\$28,716,628	\$512,284	1.82%
Benefits:	\$6,380,138	\$6,450,128	\$6,800,075	\$349,947	5.43%
Total District Budget:	\$34,195,835	\$34,654,472	\$35,516,703	\$862,231	2.49%

# FY12 Rollup Budget –Summary by Program

## Salaries

		FY2010	FY2011	FY2012	\$ Change	% Change
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Over FY11</u>	<u>Over FY11</u>
<b>Summary - Salaries</b>						
	System Administration	\$756,778	\$893,059	\$910,503	\$17,444	1.95%
	Elementary Instruction	\$8,867,186	\$9,382,476	\$9,783,462	\$400,986	4.27%
	Middle School Instruction	\$4,914,598	\$4,980,436	\$5,152,543	\$172,107	3.46%
	Curriculum, Library, Media	\$465,558	\$529,672	\$529,363	(\$309)	-0.06%
	PS/Special Education Instruction	\$4,331,802	\$4,994,629	\$5,253,624	\$258,995	5.19%
	Health & Transportation	\$365,718	\$643,965	\$649,534	\$5,569	0.86%
	Plant Maintenance	\$780,895	\$801,251	\$828,905	\$27,654	3.45%
	Other	\$527,051	\$614,263	\$614,263	\$0	0.00%
	<b>Total Salaries:</b>	<b>\$21,009,586</b>	<b>\$22,839,751</b>	<b>\$23,722,196</b>	<b>\$882,445</b>	<b>3.86%</b>
	<b>Salary Offsets:</b>		<b>(\$1,328,863)</b>	<b>(\$1,586,335)</b>		
	<b>Net Salaries:</b>	<b>\$21,009,586</b>	<b>\$21,510,888</b>	<b>\$22,135,861</b>	<b>\$624,973</b>	<b>2.91%</b>

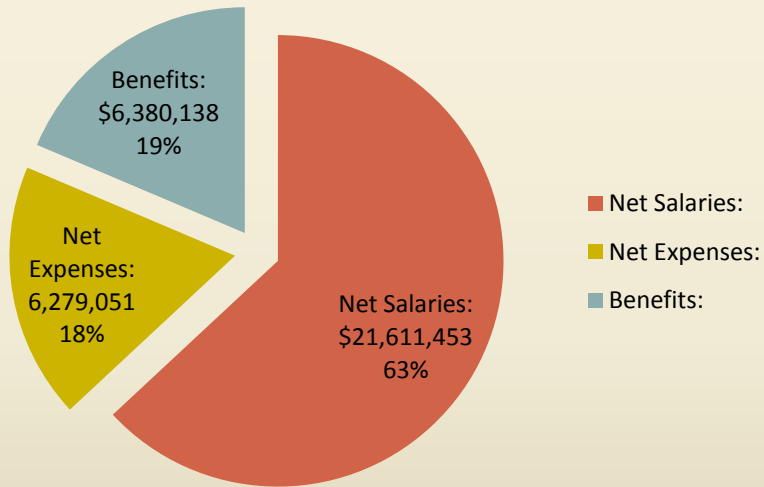
# FY12 Rollup Budget –Summary by Program Expenses & Benefits

	FY2010	FY2011	FY2012	\$ Change	% Change
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Over FY11</u>	<u>Over FY11</u>
<b>Summary - Expenses</b>					
System Administration	\$541,065	\$394,915	\$303,762	(\$91,153)	-23.08%
Elementary Instruction	\$350,672	\$323,778	\$333,491	\$9,713	3.00%
Middle School Instruction	\$147,667	\$167,609	\$172,637	\$5,028	3.00%
Curriculum, Library, Media	\$261,160	\$300,743	\$309,765	\$9,022	3.00%
PS/Special Education Instruction	\$3,242,841	\$3,964,845	\$3,642,494	(\$322,351)	-8.13%
Health & Transportation	\$660,289	\$1,060,289	\$1,092,098	\$31,809	3.00%
Utilities	\$932,320	\$1,191,882	\$1,191,882	\$0	0.00%
Plant Maintenance	\$670,097	\$441,395	\$454,637	\$13,242	3.00%
<b>Total Expenses:</b>	<b>\$6,806,111</b>	<b>\$7,845,456</b>	<b>\$7,500,767</b>	<b>(\$344,689)</b>	<b>-4.39%</b>
<b>Expense Offsets:</b>		<b>(\$1,152,000)</b>	<b>(\$920,000)</b>		
<b>Net Expenses:</b>	<b>6,806,111</b>	<b>\$6,693,456</b>	<b>\$6,580,767</b>	<b>(\$112,689)</b>	<b>-1.68%</b>
<b>Total Expense &amp; Salary:</b>	<b>\$27,815,697</b>	<b>\$30,685,207</b>	<b>\$31,222,963</b>	<b>\$537,756</b>	<b>1.75%</b>
<b>Less: Total Offsets</b>		<b>(\$2,480,863)</b>	<b>(\$2,506,335)</b>		
<b>Total Net Operating Budget:</b>	<b>\$27,815,697</b>	<b>\$28,204,344</b>	<b>\$28,716,628</b>	<b>\$512,284</b>	<b>1.82%</b>
<b>Benefits:</b>	<b>\$6,380,138</b>	<b>\$6,450,128</b>	<b>\$6,800,075</b>	<b>\$349,947</b>	<b>5.43%</b>
	<b>\$34,195,835</b>	<b>\$34,654,472</b>	<b>\$35,516,703</b>	<b>\$862,231</b>	<b>2.49%</b>

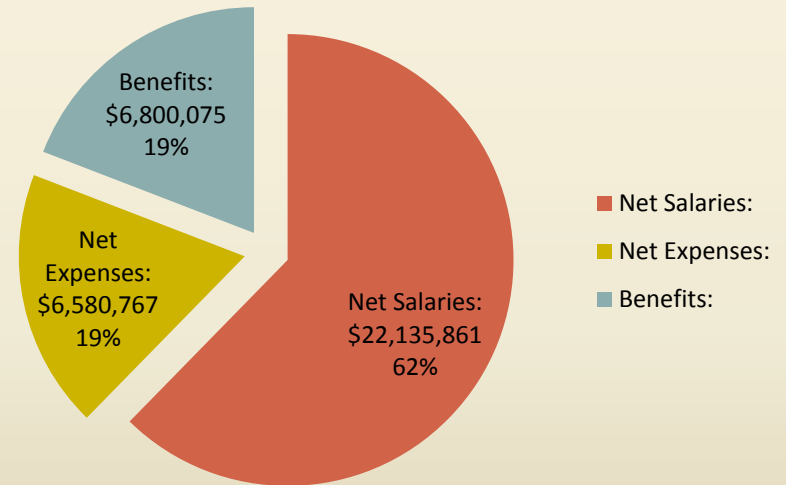
# FY12 BUDGET

## Net Uses

**FY10**



**FY12**



# Rollup FY12 Budget Changes to FY11 Budget

- Additions:

- Steps, Lane Changes and Salary Increase.....\$882,445
- Salary Offsets (greater reduction) ..... \$**257,472**
- Benefit Costs..... \$349,947
- Expense Increase..... \$ 68,814

- Reductions:

- Net Special Education Expenses..... \$**322,351**
- Net System Administration Expense..... \$ **91,153**
- Expense Offset (less reduction) ..... \$232,000

- **Net Change to FY11 Budget..... \$862,231**

- Net Percent Change..... **2.49%**

# Why 2.49%?

Oh, for Chuck's 4.5% growth limit

- Excellent Superintendent and Director of Finance
- Enrollment leveling and redistricting is reducing growth pressure
- Multi-year reduction and degradation of programs and staffing (see next slide)
- Strategic financial planning including:
  - Negotiated compensation with at sustainable level despite low comparable level
  - Benefit containment
  - Creating in-district Special Education programs
  - Modifying home services provisions (saved \$135,000 this year)
  - Energy Savings on numerous levels
  - No reliance on Stimulus money for basic operations



# Smaller Program/Service Level?

FY2009	FY2010	FY2011
<p>Total Deficit \$1,320,000</p> <ul style="list-style-type: none"> <li>• 22.5 FTE</li> <li>• 10.5 teachers</li> <li>• 9.5 K &amp; 1 Ass't</li> </ul> <p>Cut expenses: \$179K Raised Fees: \$109,000</p> <p>Mid-year cuts of \$200,000</p> <p>Budget increased <b>1.51%</b> (0.9% after mid-year cuts)</p>	<p>Projected Deficit: \$785,000</p> <ul style="list-style-type: none"> <li>• Included 12.3FTEs</li> <li>• 7.0 Teachers</li> </ul> <p><b>Avoided</b> due to CBA</p> <ul style="list-style-type: none"> <li>• No step or lane increases</li> <li>• Cheaper Health Care plan adopted</li> <li>• Change in contribution rate split</li> <li>• <u>Equivalent to pay freeze</u>, but implemented long-term savings</li> </ul> <p>Cut expenses: \$114,700 (technology, supplies etc.)</p> <p>Budget increased <b>1.26%</b></p>	<p>Deficit: \$680,400</p> <ul style="list-style-type: none"> <li>• Cut 7.5 FTE:</li> <li>• 4.5 teachers</li> <li>• 1.0 MS administrator</li> <li>• 1.0 Curriculum</li> <li>• 1.0 custodian</li> </ul> <p>Cut expenses: \$282,000 (supplies, professional development, technology and infrastructure)</p> <p>Restructured SpEd home services to reduce \$135,000</p> <p>Budget increased <b>1.12%</b></p>

# Savings/Cost Avoidance

FY2009	FY2010	FY2011
Contract special ed transportation (\$100,000)	Negotiated salary vs. status quo (\$272,600 proj; \$869,500 actual)	Negotiated salary vs. status quo (\$500,414 projected; 1,285,000 budgeted)
Energy efficiency actions	Negotiated benefits vs. status quo (\$422,200 project; 567,755 actual)	Negotiated benefits vs. status quo (\$815,925 projected; 914,639 actual)
Increased Student Fees	--new plan design	--change in contribution rate split
Restructured bus routing system & greater	--change in contribution rate split	--change in contribution rate split
Contracted for out-of-district SpEd transportation	Energy conservation projects	Reorganize special ed staffing
Created new in-house SpEd programs	Added Full-day Kindergarten	Restructured SpEd home services
	Further consolidation of payroll function (0.2 FTE) (CORE w/town)	Redistricting efficiencies (saved staffing in schools/one bus route)
	Contracted for in-district SpEd transportation	Utilities – see benefits of prior projects; no funding for expansion; Green Repair Program
	Created in-district special ed program (\$40k per student)	Shared METCO Director
	Solar array at Noyes	Increased facilities fees

# SAVINGS FOR FY2012

- Health Benefit savings
  - active employees move to 80/20
  - more new employees @ 70/30
  - lower headcount

\$ 986,150 projected  
\$1,006,600 actual v bdgt
- Tuition Reimbursement
  - elimination of benefit

\$100,000
- Special Education tuitions
  - savings of move-in/move-out

\$322,000 lower v FY11  
10% parameter = \$396,500 increase
- Utilities
  - energy savings measures

\$0 increase v FY11  
3% parameter = \$36,000
- Green Repair & Energy Grant
  - \$900,000 paid by State

Est. \$45,000 to \$75,000 utilities savings

# CONCLUSION

- SPS has demonstrated sound financial management and planning and is working toward sustainability in program and level of services
- Unfortunately this has caused a reduction in program and a stress on services which will lead to undesired results for students, parents and this community
- We have also created unmet needs that must be addressed in FY12. The difficult trade-offs this year will lead to a much larger deficit or a further reduction of teaching staff or other important services