

Belmont Public Schools
FY14 Budget Proposal – Draft #1
Presentation to School Committee
February 12, 2013



FY14 Budget Proposal – Draft #1 (2/12/13)

Topics

- Strategic Goals That Impact Budget Priorities
- Definitions: Types of Budgets
- Budget Scenarios
- Major Differences Among Budget Scenarios
- Technical Budget Assumptions (incl. allocations, cost drivers, adjustments to meet available revenue)
- Summary of Key Adjustments
- What the Available Revenue Budget Cannot Provide
- Next Steps

FY14 Budget Proposal – Draft #1 (2/12/13)

Strategic Goals That Inform Budget Priorities

To prepare all students for college, career, and life-long learning through

- a balanced and healthy school experience,
- continuity of curricula aligned with Commonwealth and community standards,
- support for educators to experiment and innovate, and
- clear articulation of instructional models.

To support continuous improvement and overall programmatic and fiscal stability by

- engaging administrators, teachers, students, and community stakeholders in generally accepted practices of long-term strategic planning.

To ensure that students receive instruction from consistently highly qualified educators who pursue continuous improvement of their art by

- hiring well-prepared and diverse professionals,
- sustaining continuous professional development by means of clear and coherent plans, and
- implementing a successful educator evaluation system in line with new Commonwealth standards.

FY14 Budget Proposal – Draft #1 (2/12/13)

Definition: “True Level Service” Budget

- = Maintaining the quality of instructional services at its current level, taking into account changed conditions
- “True Level Service” is a *qualitative* distinction
- Does not include major new initiatives
- For BPS in FY14, “True Level Service” would include:
 - New K-5 mathematics series, to maintain standards
 - Current staff plus 6 new teachers (2 for Wellington, 4 for Middle School), in part to address actual (FY13) and predicted (FY14) enrollment increases
 - Sustaining full implementation of new Educator Evaluation System
- Significant dollar increase would be necessary to provide “True Level Service” for FY14

FY14 Budget Proposal – Draft #1 (2/12/13)

Definition: Roll-Ahead of Existing Services (Base Budget)

- = Carrying forward current staffing levels, offerings, etc., *without* adjusting to changed conditions
- Does not add any new teachers
- For BPS in FY14, a Roll-Ahead Budget would:
 - require service reductions
 - require an increase in average class size
 - not provide a new mathematics series
- To fund a Roll-Ahead Budget for FY14 would require one-time draw-downs from various funds:
 - LABBB credits
 - fees from revolving funds
 - reduction in any carry-over from Circuit Breaker
 - possible access to SPED Stabilization Fund

FY14 Budget Proposal – Draft #1 (2/12/13)

Definition: Available Revenue Services Budget

- = Providing services with only the revenue available, regardless of service needs or changed conditions
- For BPS in FY14, an Available Revenue Budget would:
 - require service reductions
 - also require reductions in staffing levels (elimination of 7.75 teaching positions)
 - require cost mitigations
 - require a still greater increase in average class size
- An Available Revenue Budget would still require all the draw-downs noted in the Roll-Ahead scenario:
 - LABBB credits
 - fees from revolving funds
 - reduction in any carry-over from Circuit Breaker
 - possible access to SPED Stabilization Fund

FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: “True Level Services” Budget

<i>GENERAL FUND ONLY</i>	FY13 Base	FY14 True Level Service	Change (FY14- FY13)	Change (%)
Salaries	28,373,452	30,464,375	2,090,923	7.37%
Instructional Expenditures (supplies, materials, software)	1,256,966	1,859,467	602,501	47.93%
Operations (Central Office, IT, reg. ed. transport, maintenance, utilities, fringe)	8,823,209	9,245,734	422,525	4.79%
SPED (tuition, transport, expenses)	4,614,865	4,740,678	125,813	2.73%
Total	43,068,492	46,310,254	3,241,762	7.53%
Total Salary	28,373,452	30,464,375	2,090,923	7.37%
Total Non-Salary	14,695,040	15,845,879	1,150,839	7.83%
Grand Total	43,068,492	46,310,254	3,241,762	7.53%

FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: “Roll-Ahead Services” Budget

GENERAL FUND ONLY	FY13 Base	FY14 Roll-Ahead Budget	Change (FY14- FY13)	Change (%)
Salaries	28,373,452	30,109,875	1,736,423	6.12%
Instructional Expenditures (supplies, materials, software)	1,256,966	1,239,011	(17,955)	-1.43%
Operations (Central Office, IT, reg. ed. transport, maintenance, utilities, fringe)	8,823,209	9,129,516	306,307	3.47%
SPED (tuition, transport, expenses)	4,614,865	4,576,265	(38,600)	-0.84%
Total	43,068,492	45,054,667	1,986,175	4.61%
Total Salary	28,373,452	30,109,875	1,736,423	6.12%
Total Non-Salary	14,695,040	14,944,792	249,752	1.70%
Grand Total	43,068,492	45,054,667	1,986,175	4.61%

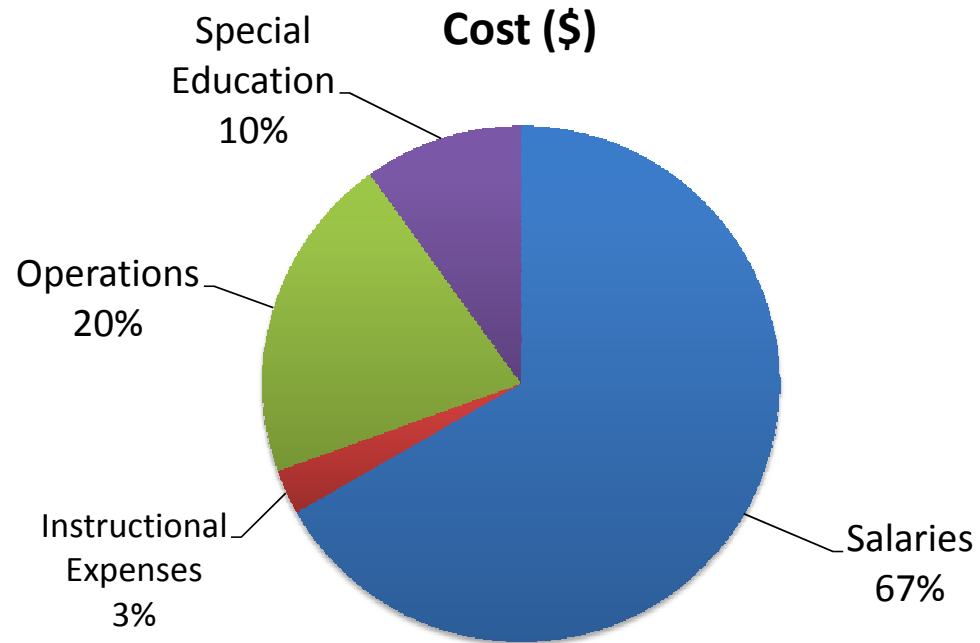
FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: “Available Revenue” Budget

<i>GENERAL FUND ONLY</i>	FY13 Base	FY14 Avail. Rev. Budget *	Change (FY14- FY13)	Change (%)
Salaries	28,373,452	29,483,418	1,109,966	3.91%
Instructional Expenditures (supplies, materials, software)	1,256,966	1,239,011	(17,955)	-1.43%
Operations (Central Office, IT, reg. ed. transport, maintenance, utilities, fringe)	8,823,209	9,099,516	276,307	3.13%
SPED (tuition, transport, expenses)	4,614,865	4,386,265	(228,600)	-4.95%
Total	43,068,492	44,208,210	1,139,718	2.65%
Total Salary	28,373,452	29,483,418	1,109,966	3.91%
Total Non-Salary	14,695,040	14,724,792	29,752	0.20%
Grand Total	43,068,492	44,208,210	1,139,718	2.65%
* Note: Based on available revenue estimates as of January 2013. Subject to change.				

FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: “Available Revenue” Budget (Chart)



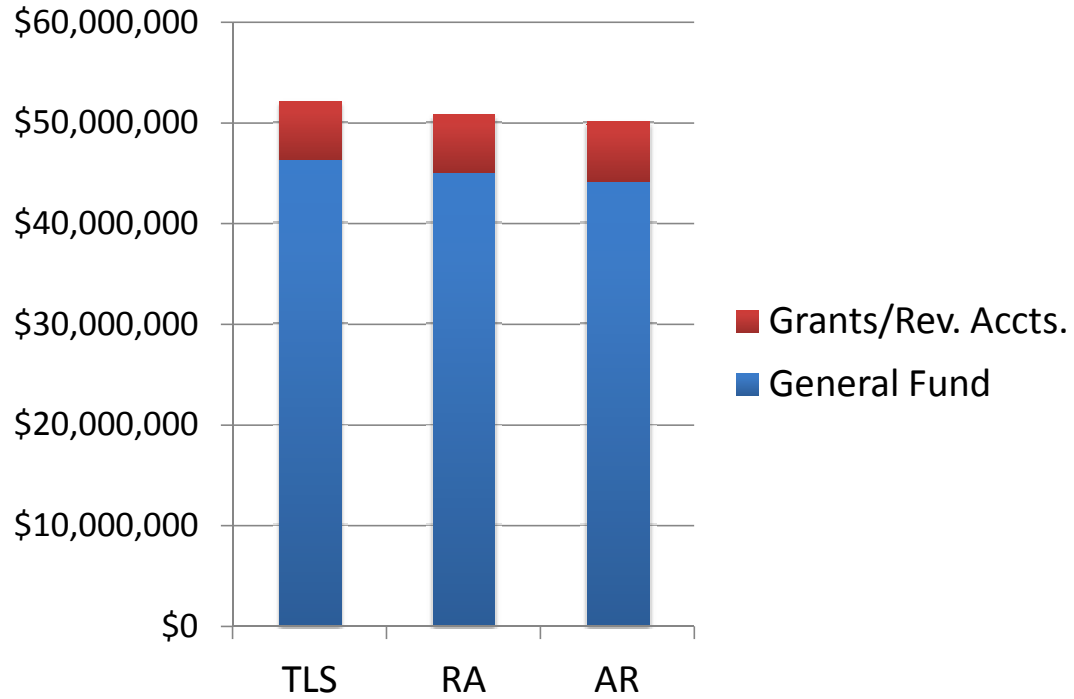
FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: Three Budget Levels, ALL Sources

<i>ALL FUNDS: incl. General Fund, Grants, Rev. Accts.</i>	FY14 True Level Service	FY14 Roll-Ahead Budget	FY14 Avail. Rev. Budget *
Salaries	32,566,178	32,211,678	31,785,221
Instructional Expenditures (supplies, materials, software)	2,265,150	1,644,694	1,644,694
Operations (Central Office, IT, reg. ed. transport, maintenance, utilities, fringe)	10,634,426	10,518,208	10,518,208
SPED (tuition, transport, expenses)	6,739,935	6,575,522	6,575,522
Total	52,205,689	50,950,102	50,523,645
Total Salary	32,566,178	32,211,678	31,785,221
Total Non-Salary	19,639,511	18,738,424	18,738,424
Grand Total	52,205,689	50,950,102	50,523,645
* Note: Based on available revenue estimates as of January 2013. Subject to change.			

FY14 Budget Proposal – Draft #1 (2/12/13)

Budget Estimate: Three Budget Levels, ALL Sources



FY14 Budget Proposal – Draft #1 (2/12/13)

Major Differences Among Budget Scenarios

	FY14 True Level Service	FY14 Roll-Ahead Budget	FY14 Avail. Rev. Budget *
Includes all existing positions	✓	✓	✗
Adds positions to address increased enrollment	✓	✗	✗
Avoids use of one-time revolving funds and LABBB credit for recurring expenses	✓	✓	✗
Includes inflationary increase for instructional materials	✓	✗	✗
Includes inflationary increase for Special Education tuitions	✓	✗	✗
Includes new K-5 Math Series	✓	✗	✗
* Note: Based on available revenue estimates as of January 2013. Subject to change.			

FY14 Budget Proposal – Draft #1 (2/12/13)

Technical Budget Assumptions:

Allocations (as of 2/12/13)

- Level Funding of Chapter 70
- Governor's Proposals Not Included at this Time
- Town Allocation: 58% to Schools; 42% to Town Departments
- All Grant Funds Remain Same as FY13
- Athletic Fee-Based Fund Transfers to General Fund Remain at 60%
- Discretionary Fees Neither Increase Nor Decrease

FY14 Budget Proposal – Draft #1 (2/12/13)

Technical Budget Assumptions:

Primary Cost Drivers

- Contractual Salary Obligations (constitute 2/3 of budget)
- Town pension benefit obligations to increase 6.7%
- Health care benefits will increase 9% (with 4.5% schools' factor)
- Costs of mandated special education services generally rise 3-7% per year
- A new K-5 Math Series would cost \$250,000
- Student enrollment is increasing markedly:
 - up 96 students in FY13
 - predicted to increase by 103 students in FY14

FY14 Budget Proposal – Draft #1 (2/12/13)

Technical Budget Assumptions:

Adjustments to Expenditures to Meet Available Revenue

- Under available funds, there must be major service cuts
- Materials and supplies held to FY13 levels
- Department will draw-down one-time funds by:
 - applying available LABBB Credits (\$190,000)
 - using all available Circuit Breaker (CB) funds
 - transferring available fees and revolving funds
- Contractual obligations currently to be met in full
- Special Education expenditures will remain relatively stable, offset by LABBB credits/CB funds – and by accessing Stabilization Fund if major unanticipated costs
- SPED compliance review: no major expenditures likely
- New K-5 Math Series will not be included in budget
- Reducing a teaching position = net savings of \$55,000
- Balancing the budget requires eliminating 7.75 positions

FY14 Budget Proposal – Draft #1 (2/12/13)

Adjustments Involved in Meeting Available Revenue

Allocations as of 2/4/13		
Initial Allocation	43,971,000	
Cherry Sheet Adjustment from Projected	25,076	
Real Estate Adjustment	7,430	
From Capital Budget	116,000	
Minuteman Reduced Assessment	74,583	
State Charges – 1% Increase	14,121	44,208,210
Total FY14 Roll-Ahead Budget Cost		45,054,667
<i>Shortfall after allocations</i>		(846,457)
Additional Identified Funding Sources		
One-Time LABBB Credit	190,000	
One-Time Revolving Fund Chargebacks	230,000	420,000
<i>Shortfall after add'l revenues</i>		(426,457)
Reduction of 7.75 Positions @ 55,026/position		426,457

FY14 Budget Proposal – Draft #1 (2/12/13)

What Available Revenue Budget Cannot Provide

- Maintaining all existing professional positions
- Additional support staff (counselors, administrators etc.)
- School Resource Officer(s)
- Reduction of class sizes
- Funding for materials to meet increasing enrollments and align with new state standards
- New elementary mathematics series
- Revisions as recommended by advisory group for extra-curricular stipends
- Funding for additional extracurricular programming
- Reduction of any fees
- Costs of a superintendent search

FY14 Budget Proposal – Draft #1 (2/12/13)

Next Steps

- SC votes to receive School Department Draft Budget and to transmit document to Warrant Committee
- SC Finance Subcommittee, and WC Ed. Subcommittee, review proposed budget in detail
- All School Committee members review proposed budget
- Several public meetings held to gather input on budget from citizens, parents, etc.
- School Department revises budget as new information is available (changes in costs/revenues, state budgets, etc.)
- School Committee votes to adopt final version
- Presentations for Town Meeting members
- Town Meeting votes on General Fund allocation to schools

FY14 Budget Proposal – Draft #1 (2/12/13)

Thank You