



HAMILTON-WENHAM
REGIONAL SCHOOL DISTRICT

FY18 Budget Recommendation
Joint Finance Committee Presentation
January 26, 2017

Prepared by:

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FY18 Budget

Superintendent's Recommendation

Level Service Budget

What Does “Level Service” Mean?

Level Service is a continuation of the current programs, services and staffing of the District.

For FY18, this represents (vs FY17B):

– An increase to our Gross Operating Expenses of \$1,051,297 or 3.48%

and

– An increase in the Total Assessment to the Towns of \$339,057 or 1.3%



FY18 Budget

Superintendent's Recommendation

Why “Level Service” for FY18?

- *Acknowledges the fiscal challenges of our Member Towns*
- *Emphasizes District-wide Curriculum Initiatives and related Professional Development efforts that don't translate into significant increases in funding needs*
- *Prioritizes the Master Plan*
 - *Working with an Architectural Design Firm to develop plans to redesign the HS/MS Library Media Center and the Elementary School Libraries.*
 - *With an overarching goal of creating “Future Ready” spaces that support inquiry, digital citizenship, project-based learning, collaboration, and allow students and faculty to create, share and perform.*



FY18 Budget: Level Service

Key Assumptions

- **Salary Costs**

- Incorporates a 2.5% COLA increase for all personnel.
- Incorporates all other contractual salary obligations (e.g. STEPs).
- Reduction of 4.0 FTE's and \$225K in salary costs.
- Incorporates Retirement and Other Staff Replacement salary savings of \$187K.
- Level funds all Grants as compared to FY17.

- **Operating Costs**

- No new Services or Programs.
- Level funds the majority of operating account categories.
- Exceptions to level funding include, most notably:
 - Out-of-District Tuition Costs increasing by 25.0% or \$513K
 - Special Ed Transportation Costs increasing by 15.5% or \$65K
 - Essex Retirement Pension Fund increasing by 7.5% or \$63K
 - Healthcare Premiums increasing by 5.0% or \$137K
 - OPEB Trust Fund increasing by 100% or \$50K
 - Capital Projects reducing by 35.8% or <\$112K>

- **Excess & Deficiency**

- \$570K in Certified E&D being used “to reduce the amount to be raised by assessment by the member Towns during the ensuing Annual Budget Process” (Policy D4021)



FY18 Budget – District Totals

Level Service Net Assessment Budget

Total Expenses					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
General Operating Expense (Before Offsets)	\$ 29,343,112	\$ 30,166,532	\$ 31,217,828	\$ 1,051,297	3.48%
Expense Offsets	\$ 1,013,510	\$ 1,016,500	\$ 1,016,548	\$ 48	0.00%
General Operating Expenses (After Offsets)	\$ 28,329,602	\$ 29,150,032	\$ 30,201,280	\$ 1,051,249	3.61%
Debt Service Expense	\$ 1,993,488	\$ 2,129,250	\$ 2,092,860	\$ (36,390)	-1.71%
TOTAL EXPENDITURES	\$ 30,323,089	\$ 31,279,282	\$ 32,294,140	\$ 1,014,859	3.24%
Total Funding Sources					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
<i>Revenues</i>					
Chapter 70-Base Aid	\$ 3,413,341	\$ 3,457,966	\$ 3,554,656	\$ 96,690	2.8%
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%
State Transportation Reimbursement	\$ 290,000	\$ 331,304	\$ 340,686	\$ 9,382	2.8%
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.0%
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%
Prior Year Unexpended Encumbrances	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Other Non-recurring Income (Including Transp)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 4,924,406	\$ 5,010,335	\$ 5,116,407	\$ 106,072	2.1%
<i>Transfers In From Other Funds</i>					
Excess and Deficiency	\$ 395,781	\$ 555	\$ 570,285	\$ 569,730	102593.6%
Total Transfers	\$ 395,781	\$ 555	\$ 570,285	\$ 569,730	102593.6%
Total Funding Sources	\$ 5,320,187	\$ 5,010,890	\$ 5,686,692	\$ 675,802	13.5%
Total Expenditures	\$ 30,323,089	\$ 31,279,282	\$ 32,294,140	\$ 1,014,859	3.2%
Less Total Funding Sources	\$ 5,320,187	\$ 5,010,890	\$ 5,686,692	\$ 675,802	13.5%
NET ASSESSMENT including Debt Service	\$ 25,002,902	\$ 26,268,391	\$ 26,607,448	\$ 339,057	1.3%
Total Town Assessments					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
Hamilton	\$ 16,991,972	\$ 17,494,749	\$ 17,401,271	\$ (93,477)	-0.5%
Wenham	\$ 8,010,930	\$ 8,773,643	\$ 9,206,177	\$ 432,534	4.9%
NET ASSESSMENT including Debt Service	\$ 25,002,902	\$ 26,268,391	\$ 26,607,448	\$ 339,057	1.3%

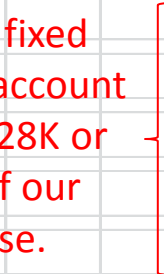


FY18 Budget – Primary Drivers

Level Service Gross Operating Expense Budget

Driver	Impact: FY18B vs FY17B	
	\$	Incr %
All Staff COLAs	\$ 480,000	1.6%
Teacher STEPS	\$ 216,000	0.7%
Teacher Degree Changes	\$ 40,000	0.1%
Essex Retirement Pension Fund Appropriation	\$ 63,000	0.2%
Out-of- District Tuitions	\$ 513,000	1.7%
Out-of- District Transportation	\$ 65,000	0.2%
Healthcare Premiums	\$ 137,000	0.5%
OPEB Trust Fund	\$ 50,000	0.2%
Net All Other Operating Expenses	\$ 14,000	0.0%
Subtotal Increases:	\$ 1,578,000	5.2%
Capital Projects	\$ (112,000)	-0.4%
Staff Replacement Cost Savings Carryover	\$ (61,000)	-0.2%
Staff Reductions (4.0 FTE)	\$ (225,000)	-0.7%
Anticipated Staff Retirement Replacement Savings	\$ (61,000)	-0.2%
Anticipated Staff Replacement Savings	\$ (65,000)	-0.2%
Subtotal Decreases:	\$ (524,000)	-1.7%
TOTALS:	\$ 1,054,000	3.5%

These fixed costs account for \$828K or 79% of our increase.





FY18 Budget

Timeline & Next Steps

- October 24, 2016: October 2016 Resident Enrollment Data Distributed to Towns
- November 17, 2016: FY18 Budget Meeting #1 with Finance Committees
- December 15, 2016: Superintendent's FY18 Budget Recommendation to SC
- December 19, 2016: Superintendent's FY18 Budget Recommendation Book to SC
- January 5, 2017: FY17 Budget Discussion Continued
 - Special Education
 - Maintenance, Custodial & Facilities
 - Technology
- January 5, 2017: School Committee Adopts Tentative FY18 Budget
- January 6, 2017: Mail Tentative FY18 Budget to Towns
- January 6, 2017: Advertise for FY18 Budget Public Hearing
- January 19, 2017: Conduct Public Hearing on FY18 Budget
- January 19, 2017: FY18 Budget Discussion Continued
 - Middle School
 - High School
 - Athletics
- January 26, 2017: FY18 Budget Meeting #2 with Finance Committees
- February 2, 2017: FY18 Budget Discussion Continued
- February 9, 2017: FY18 Budget Discussion Concluded
- February 9, 2017: School Committee votes to Adopt FY18 Budget
- April 1, 2017: Hamilton and Wenham Annual Town Meetings