



# SCITUATE SCHOOL DEPARTMENT BUDGET PRESENTATION

*JOINT TOWN COUNCIL/SCHOOL COMMITTEE MEETING*

*TOWN HALL CHAMBERS*

*FEBRUARY 1, 2017*

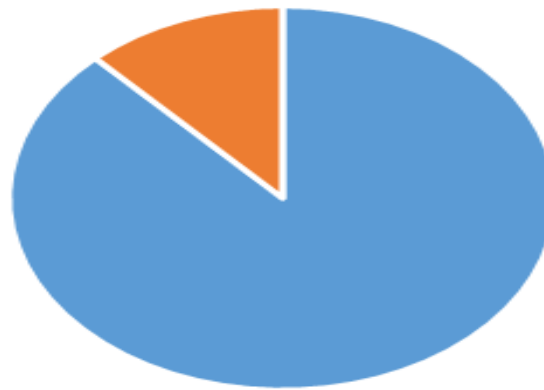
# OVERVIEW OF BUDGET PROCESS

- **Original 2017-18 budget presented at 1/11/17 School Committee Meeting was up 7.1% (\$1.6 million) from 2016-17**
- **School Administration then reduced the 2017-18 budget by 2.1% to reflect a 5% increase**
- **School Committee voted at its 1/24/17 Meeting to:**
  - *Add \$50,000 for a .50 technology educator & to increase the current spending in computer equipment buy/lease line item to reflect needed improvements in educational technology; and*
  - *Direct School Administration to further reduce the school budget within appropriate parameters to be reflective of a 4% overall increase*

# WHAT ARE OUR BUDGETARY OBLIGATIONS?

- *Contractual Obligation – Salaries/Benefits/Healthcare = \$18,151,501*
- *Contractual Obligation – Buses = \$1,591,866*
- *State Law – Out of District Placements (Spec Ed, CTE, Charter) = \$1,260,292*
- *Total Contractual Obligations = \$21,003,659 (88% of budget)*
- *All other school department operating costs = \$2,895,253 (12% of budget)*

Budget Breakout by Contractual Obligation vs. Operations

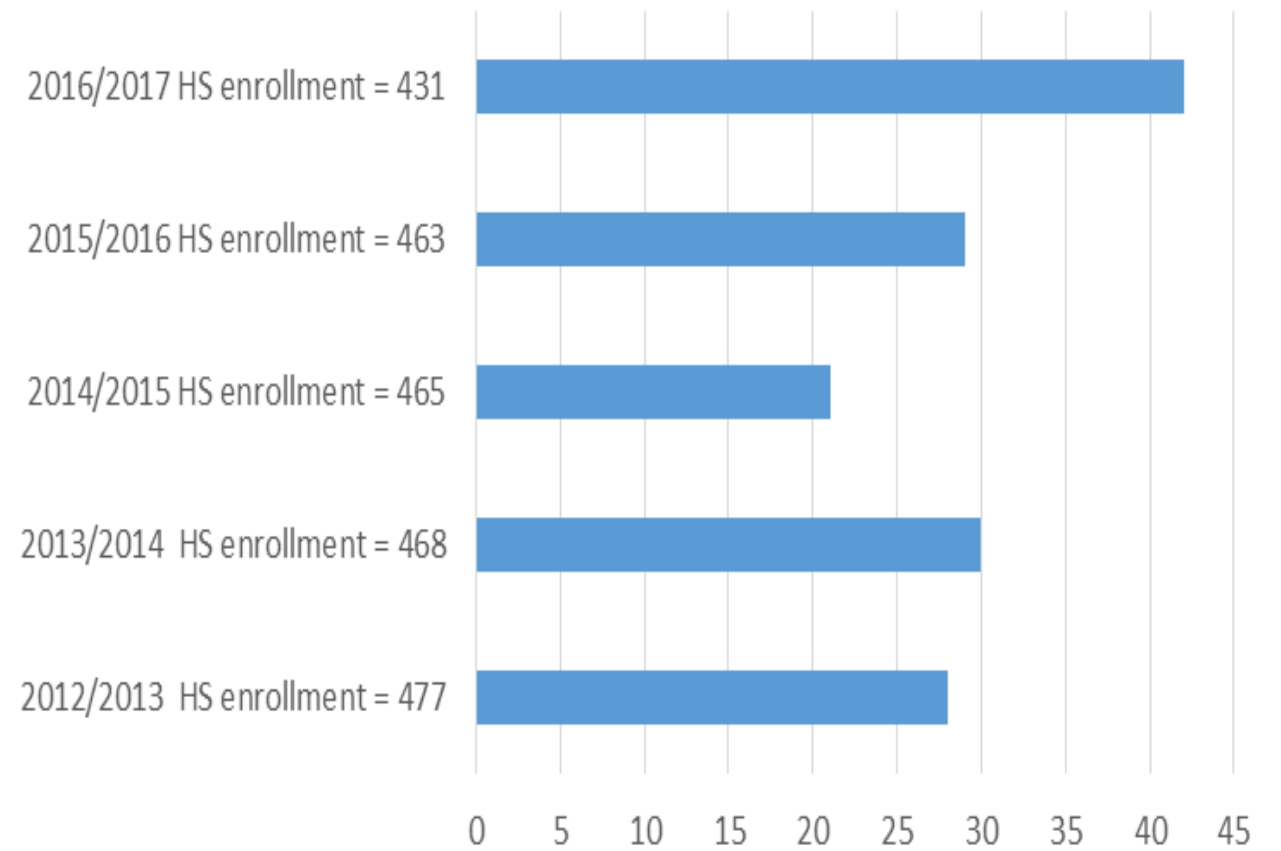


■ Total Contractual Obligations \$21,003,659  
■ All other School Department Operation functions \$2,895,253

# CTE ENROLLMENT HISTORY 2012-2017

- CTE Enrollment spiked in the last year.
- Prior to this, CTE numbers were pretty consistent
- Last year, the numbers spiked due to increase in students going to PHS and because state allowed CTE programs to accept 9<sup>th</sup> grade students when for years it was only 10<sup>th</sup> graders.

5-Year CTE Enrollment History



# WHERE DID THE SCHOOL DEPARTMENT FIND EFFICIENCIES?

- *Zeroed out the following budget line items: upkeep of grounds, repair of buildings, repair/replace mechanical equipment, and emergency repair to buildings/equipment. This totals **\$175,965** in reductions, with the monies to come from standing capital accounts. However, once those accounts are expended, the monies are gone and these line items will need to be replaced for ongoing capital improvement needs.*
- *Reduced 4 paraprofessionals: We reduced the paraprofessional staffing to be commensurate with the reduced student population. The estimated savings are **\$46,000**.*

# EFFICIENCIES CONTINUED

- Removed an additional **\$165,000** from teacher salaries (originally budgeted for contingent/unanticipated needs)
- Durham School Services assured us that they could potentially reduce an entire bus (including a bus monitor) for a **\$62,000** savings
- Reduced the out-of-district tuitions line by **\$181,000** (originally budgeted for contingent/unanticipated needs), which reduction is a gamble because if more students leave for CTE programs or we need to support a high need special education student(s), we will be underfunded in this line
- We reduced the new CTE program funding by **\$100,000**
- TOTAL BUDGET REDUCTIONS ON THE SCHOOL SIDE = **\$729,965**

# EFFICIENCIES CONTINUED

- OVER THE LAST 5 YEARS THE SCHOOL DEPARTMENT HAS REDUCED ITS TEACHING STAFF BY 7.5 FTEs (full time equivalents), WHICH COINCIDES WITH THE REDUCED STUDENT POPULATION AND TRANSLATES INTO APPROXIMATELY \$700,000+ IN SAVINGS
- SCHOOL DEPARTMENT ANNUALLY SELECTIVELY REDISTRICTS STUDENTS AT THE ELEMENTARY LEVEL TO AVOID INEFFICIENT USE OF STAFF AND OTHER ASSETS
- SCHOOL DEPARTMENT SCRUTINIZES EVERY COURSE AT THE MIDDLE/HIGH SCHOOL TO BE SURE THAT ALL CLASSES ARE PROPERLY POPULATED TO AVOID UNNECESSARY COSTS
- WE ARE, AND ALWAYS HAVE BEEN, A VERY LEAN SCHOOL DEPARTMENT AS EVIDENCED IN THE NEXT SLIDE

# WHAT ARE WE LEFT WITH AND WHAT IS CONTAINED IN THE 4.1% INCREASE?

**4.1% = \$931,429 increase**

**\$448,502 of \$931,429 is non-discretionary:  
Scituate must pay out-of-district tuitions per  
RI law**

**\$261,000 of \$931,429 must be allocated to create a  
competing CTE pathway program to retain & educate  
Scituate students in Scituate**

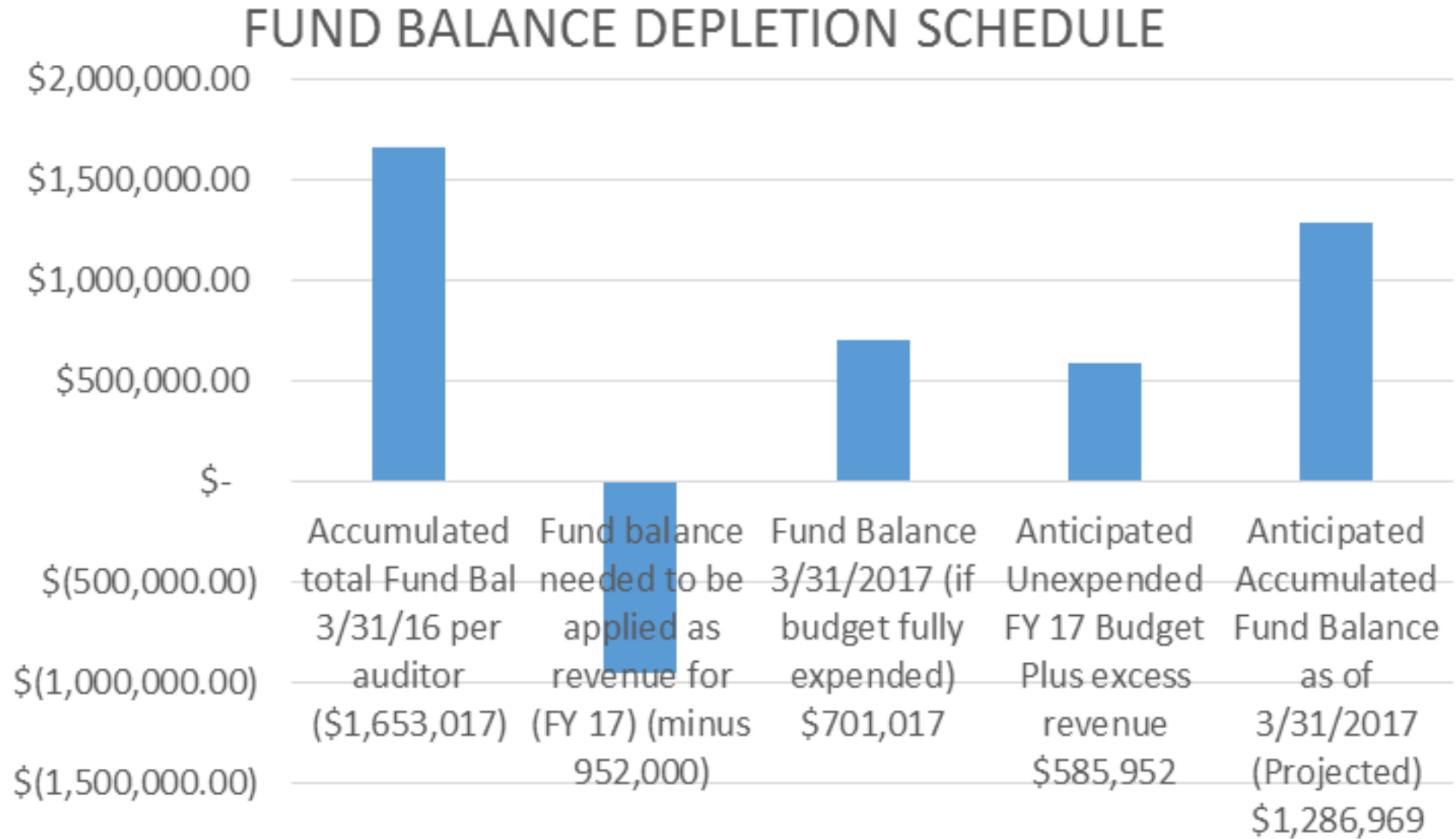
**Without the out-of-district tuition mandate per RI law, and the  
dire need to fund our CTE program, the budget increase would  
be just \$221,927 (1%)**



# THE FUND BALANCE

- THE FUND BALANCE NEEDS TO BE THOUGHT OF AS A BANK ACCOUNT
- JUST LIKE YOUR HOME BANK ACCOUNT, IF YOU EXPEND MONEY AND DO NOT REPLACE IT, YOUR BANK ACCOUNT WILL EVENTUALLY FALL TO \$0, WITH NO ABILITY TO FUND UNANTICIPATED EXPENSES IN THE FUTURE
- THE CHART ON THE NEXT SLIDE INDICATES THE CURRENT AND PROJECTED STATE OF THE FUND BALANCE
- IF WE DO NOT MODESTLY INCREASE OUR FUNDING IN 2017-18 AND BEYOND, WE WILL QUICKLY DEplete OUR FUND BALANCE AND THERE WILL BE NO “BANK ACCOUNT” IN JUST 3 YEARS

# FUND BALANCE DEPLETION SCHEDULE



## FUND BALANCE DEPLETION SCHEDULE

\$2,000,000.00

\$1,500,000.00

\$1,000,000.00

\$500,000.00

\$-

\$(500,000.00)

\$(1,000,000.00)

\$(1,500,000.00)

Accumulated total Fund Bal 3/31/16 per auditor

(\$1,653,017)

Fund balance needed to be applied as revenue for (FY 17) (minus 952,000)

Fund Balance 3/31/2017 (if budget fully expended) \$701,017

Anticipated Unexpended FY 17 Budget Plus excess revenue \$585,952

Anticipated Accumulated Fund Balance as of 3/31/2017 (Projected) \$1,286,969

# OUTSIDE PRESSURES

- WE ARE LOSING STUDENTS AND WE NEED TO KEEP AND EDUCATE THEM HERE, WITH SERIOUS CONSEQUENTIAL EFFECTS ON STATE AID
- BECAUSE OUR “ADM” (AVERAGE DAILY MEMBERSHIP) IS DOWN FROM LAST YEAR, PROJECTED STATE AID TO SCITUATE (AS INDICATED IN THE GOVERNOR’S BUDGET) IS DOWN APPROXIMATELY \$157,000 FROM LAST YEAR
- IF WE DON’T SUPPORT THE CTE PROGRAM TO KEEP OUR STUDENTS HERE, WE ARE LOOKING AT A \$157,000 DECREASE IN STATE AID AT LEAST FOR THE NEXT 4 YEARS
- WE MUST ACT NOW TO RETAIN AND EDUCATE STUDENTS IN SCITUATE, AS WELL AS ATTRACT OUT-OF-DISTRICT STUDENTS TO ENROLL IN OUR OWN CTE PROGRAMS
- EVEN WITH A 4.1% INCREASE, THE OPERATIONS BUDGET IS SO LEAN THAT WE WILL MOST LIKELY SPEND OUR ENTIRE FUND BALANCE AND IN 12 MONTHS FROM TODAY WE COULD BE OPERATING IN A DEFICIT SITUATION WHICH HAS NEVER HAPPENED IN SCITUATE IN THE PAST.



THANK YOU!