

First Look at FY2019 General Fund Budget-November 15, 2017

This is the first of several presentations focusing on general fund expenditures. Preliminary revenue estimates and equalized pupils are released in mid-December. Therefore, the calculation of Education Spending and early tax rates will likely be presented on or about December 20th at the earliest.

November 15th Budget Presentation - Information/Agenda

- Student Enrollment Information
- Administrative Team Approach
- Overall Composition of Expenditure Budget – Where are we starting from
- Focus on Staffing
- Savings achieved from unification
- Educational Initiatives based on Administrative Proposals
- Preliminary Estimates on Total Expenditures
- Teacher Retirement Proposal for FY2019

Administrative Team Approach

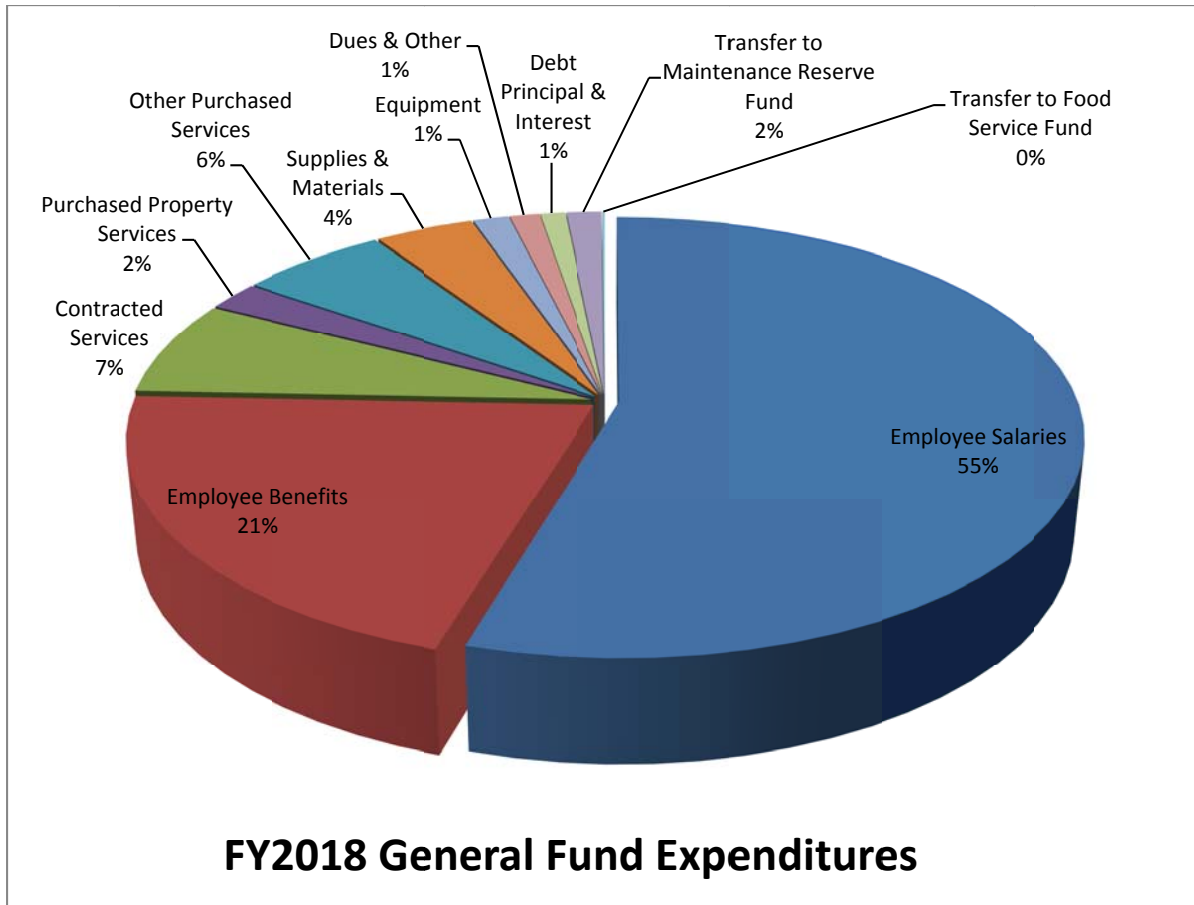
The Administrative Team, led by Superintendent Nease, met for multiple hours on September 11th, September 18th, October 2nd, October 16th, November 6th and November 9th to debate and discuss the proposals being put forth. All of the staffing changes being put forth, along with the new initiatives, have the support of the full HUUSD Administrative team.

The overall composition of expenditure budget- Where are we starting from

A review of the composition of the current budget (FY2018) seems a good way to kick off FY2019 budget discussions. Below is a summary of the current year budgeted expenditures.

Employee Salaries	\$ 19,827,925
Employee Benefits	\$ 7,628,411
Contracted Services	\$ 2,533,144
Purchased Property Services - Services to operate/maintain building and grounds	\$ 770,613
Other Purchased Services - Bus Transportation, Insurance, Advertising, etc.	\$ 2,168,997
Supplies & Materials	\$ 1,469,858
Equipment	\$ 522,909
Dues & Other	\$ 433,450
Debt Principal & Interest	\$ 363,947
Transfer to Maintenance Reserve Fund	\$ 533,959
Transfer to Food Service Fund	\$ 41,100
Total General Fund Expenditures	\$ 36,294,313

The current FY2018 expenditure budget is \$36,294,313, which is 3.2% over the previous years combined school district and SU budgets. Employee salaries and benefits total \$27,456,336, or 76% of the total expenses, for 212.20 FTE teachers, 15 school administrators, 74.96 instructional support staff, 20.68 maintenance support staff, 8 technology staff, 15.79 food service staff, 21.40 administrative support staff and 2 athletic staff for a total of 370.03 FTE's serving 1,947 students.



This first budget presentation focuses on proposed staffing changes and educational initiatives for FY2019.

Savings achieved from unification

A total of \$130,950 is reduced in the FY2019 budget due to unification. Savings are achieved from having only one financial audit instead of eight, bulk purchasing of fuel oil, a change in disability insurance carrier covering all staff, and a reduction of board expenses associated with local school district boards. The cost of the Granville bus is also reduced as savings were achieved by combining with an existing Warren route.

FY2019 Budget Initiatives

The proposed budget also includes two proposals previously presented to the HUUSD board by Administration for [World Language instruction](#) (4/2017) and [Pre-Kindergarten programs](#). (6/2017).

A new math program for grades K through 5 will be implemented as well and the cost for the literacy and mathematics assessment system, a universal screening tool used for grades K-10, Measures of Academic Progress (MAP), implemented this year, is included in the budget.

Focus on Staffing

The administrative team has spent a substantial amount of time together thoroughly reviewing all PK through Grade 12 teacher to student ratios in the classroom, all special education time studies for special education staff and a discussion of intervention services. This comprehensive review has yielded a number of staffing changes the administration is proposing for FY2019.

K-6 Classroom Teachers – Based on the estimated student enrollment presented the proposal is to reduce K-6 classroom teachers by 2.4 FTE’s; 1.4 FTE’s at Fayston Elementary School and a 1.0 FTE at Warren Elementary School. This reduction of classroom teachers is proposed solely on the anticipated size of classrooms next school year. This change aligns most classrooms in all grade levels to the optimal average range per grade cluster per the chart from the AOE below.

Model Class-Size Chart (Minimum, Optimal and Maximum)				
Grade Cluster	Instructional Area	Minimum Average per Grade Cluster	Optimal Average Range per Grade Cluster	State Board Maximum Average per Grade Cluster per SBE Rule 2120.8.2
K-2	All	14	14-18	20
3-4	All	14	14-18	20
5-6	All	14	14-20	25
7-8	All (except PE)	14	14-22	25
7-8	PE	14	14-22	30
Grade Cluster	Instructional Area	Minimum Average per Course/Content Area	Optimal Average per Course/Content Area	Maximum Average per Course/Content Area per SBE Rule 2120.8.2
9-12	All	13	13-22	25
9-12	PE	13	13-22	30
9-12	Music	13	13-22	30
Note: Above numbers may be altered due to irreconcilable space limitations and/or equipment needs. *Not to exceed 150 total students per teacher (composition only); not to exceed 100 total students per teacher for English classes. Remedial courses and independent study classes may be exempt from this minimum average.				

Interventionists – Based on a review of the number of Interventionists providing Tier II support in each school, the proposal is to add a 3.0 FTE licensed Intervention teachers; 1.0 FTE at Moretown Elementary, 1.0 FTE at Waitsfield Elementary and 1.0 FTE at Fayston Elementary. This will bring relative equity across the district by grade level in terms of the ratio of licensed intervention teachers to students creating sustainable delivery of Tier II services in all schools.

School	Intervention Staff	Number of Students K-12	Intervention Staff/Student Ratio
Fayston Elementary School	.60 FTE Currently, Propose 1.0 for FY2019	81	1:81
Moretown Elementary School	No FTE Currently, Propose 1.0 for FY2019	106	1:106
Waitsfield Elementary School	No FTE Currently Propose 1.0 for FY2019	109	1:109
Warren Elementary School	.50 FTE Teacher and 1.0 FTE Support Staff Currently, Propose 1.0 Teacher and .5 FTE Support for FY2016	128	1:85
Thatcher Brook	4.0 FTE Teachers Currently, Maintain for FY2019	357	1:89
Crossett Brook	2.0 FTE Teachers Currently, Maintain for FY2019	281	1:140
HUHS	3.0 FTE Teachers Currently, Maintain for FY2019	645	1:215

Instructional Assistants - Based on the review of staff time studies at all schools and anticipated class sizes a net reduction of 3.1 FTE Instructional Assistants is proposed for FY2019, a reduction of 1.0 FTE at Crossett Brook, 0.6 FTE in Fayston, and a 1.5 FTE at Warren. Moretown Elementary is also reducing Instructional Assistants by 1.5 FTEs, however these were unbudgeted positions added this year for incoming students, and therefore not a budget reduction.

Other Staffing Changes Proposed

- Retain 1.0 FTE Assistant Principal at Thatcher Brook added this year
- Return to 2.0 FTE Co-Principal Model at HUHS as budgeted
- Increase Data Management by .40 FTE Data Manager in order to meet requirements for reporting longitudinal data to the AOE and to manage use of multiple data programs across the district (PowerSchool, V-Hub, Jumprope, MAP, SBAC, Tyler, etc.)
- Increase Technology Integration by .20 FTE at Moretown aligning them with Waitsfield and Warren
- Increase Guidance .20 FTE (from .40 FTE to .50 FTE) at Fayston Elementary and Moretown Elementary aligning these schools closer to Waitsfield and Warren who each have a .60 FTE Guidance Counselor

-There may also need to be an addition of a 0.50 FTE Nurse based on the needs of a student, the situation is currently being evaluated.

The total expenditure associated with these proposed staffing changes is \$90,452, or 0.2% of the total expenditure budget.

Long Term Debt Service – Long Term Debt Service is changing with the addition of the \$127,500 principal associated with the \$2.55M Warren Elementary Bond; FY2019 is year 1 of a 20 year term. In addition debt service is expiring for the Warren Classroom Note in the amount of \$26,517. The Thatcher Brook PS, Moretown and Harwood Union bond payments and a number of water loans are reducing in expense annually per the amortization schedules. The net change in debt in FY2019 is \$72,208.

Preliminary Estimates effect on total Expenditures

When taken together, the savings, educational initiatives, proposed staffing changes, changes in debt service, increases associated with contractual agreements for staff and health insurance benefits and the Act 85 recapture result in an expenditures increase of 3.6%.

HUUSD FY2019 Round #1 Expenditure Budget Summary - Preliminary Estimated Expenditures		
FY2018 General Fund Expenditures		\$ 36,294,313
	\$ Change	% Change
<u>Savings Achieved totaling \$130,950</u>		-0.4%
Annual Financial Audit	\$ (9,700)	
Heating Oil based on bulk purchase - 74,000 gals @ \$2.75/gallon	\$ (67,750)	
Granville Bus	\$ (17,000)	
Disability Insurance, change in insurance carrier	\$ (15,000)	
Board Treasurer, Stipends, etc. associated with local school boards	\$ (21,500)	
<u>Educational Initiatives</u>		
Alignment of Pre-K Programs per Administrative proposal	\$ 30,500	0.1%
World Language Changes Per Administrative Proposal	\$ 183,400	0.5%
Year #2 Implementation of Science Curriculum - Project Lead the Way (Year \$1 115,150, Year #2 is \$17,540)	\$ (97,610)	-0.3%
Purchase and Implementation of a Math Program (Grades K-5), Initial Estimate	\$ 150,000	0.4%
MAPS Evaluations	\$ 25,000	0.1%
Proposed Staffing Changes	\$ 90,452	0.2%
Salary Increases per negotiated agreement(s)	\$ 592,500	1.6%
Changes in health insurance cost estimated based on enrollment in new plans and estimated HRA expense	\$ 285,000	0.8%
Change in Long Term Debt Service	\$ 72,208	0.2%
Act 85 Re-capture for HUUSD	\$ 102,772	0.3%
Total Change FY2018 to FY2019 - Version #1	\$ 1,303,272	3.6%
FY2019 General Fund Expenditures Draft #1 November 15, 2017		\$ 37,597,585

Given this preliminary budget information, it is important for administration to understand the board's parameters for an FY2019 budget increase in order to continue the work on the proposed FY2019 budget for the next budget discussion on November 29th.

Teacher Retirement Proposal (Discussion)

Details to be presented in upcoming budget presentations

- Operations and Maintenance and Long Term Maintenance
- Special Education
- Information on Current Solar Service Contracts (TB, CB, Waitsfield and Warren)
- Food Service Programs and meal prices
- Technology
- Child Care Programs
- Transportation – The contract with First Student expires on June 30, 2018
- Field Trips
- Professional Development
- Fund Balance