

U#46 FY'12 Budget

Budget Work Session – Jan 20, 2011

Overview



Essex High School (EHS) Budget

General Fund – Including Tax Implications

Capital Plan



Center for Technology, Essex (CTE) Budget

General Fund



Board Guidance

- **Maintain** the high level of educational quality presently found in the District.
- **Support** the essential elements of the School Action Plan analyzing current practices as well as unfunded requirements and adjusting as necessary for enrollment.
- **EHS Budget**
 - Be sensitive to the burden on taxpayers by providing an FY'12 budget with no net increase to education spending. In addition, we find the budget demonstrating \$365,729 in education spending reductions necessary for Challenges for Change.
- **CTE Budget**
 - Be sensitive to the burden on tax payers from sending districts by self-imposing a similar 'challenge' of \$126,161 and reducing tuition by 2% from \$15,100 to \$14,800.



At A Glance

■ EHS General Fund

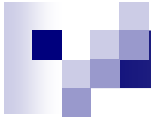
- Total budget = **\$21,741,244**
- Represents a **decrease** of \$441,258 or **-2.0%**
- Education Spending shows a **decrease** of \$390,789 or **-2.4%**
- **Exceeds** Challenges for Change (C4C) target of \$365,729
- Includes utilization of Federal Education Jobs Funds (EJF)

■ U#46 Capital Plan

- <=1% of the EHS General Fund budget = **\$217,412**

■ CTE Budget

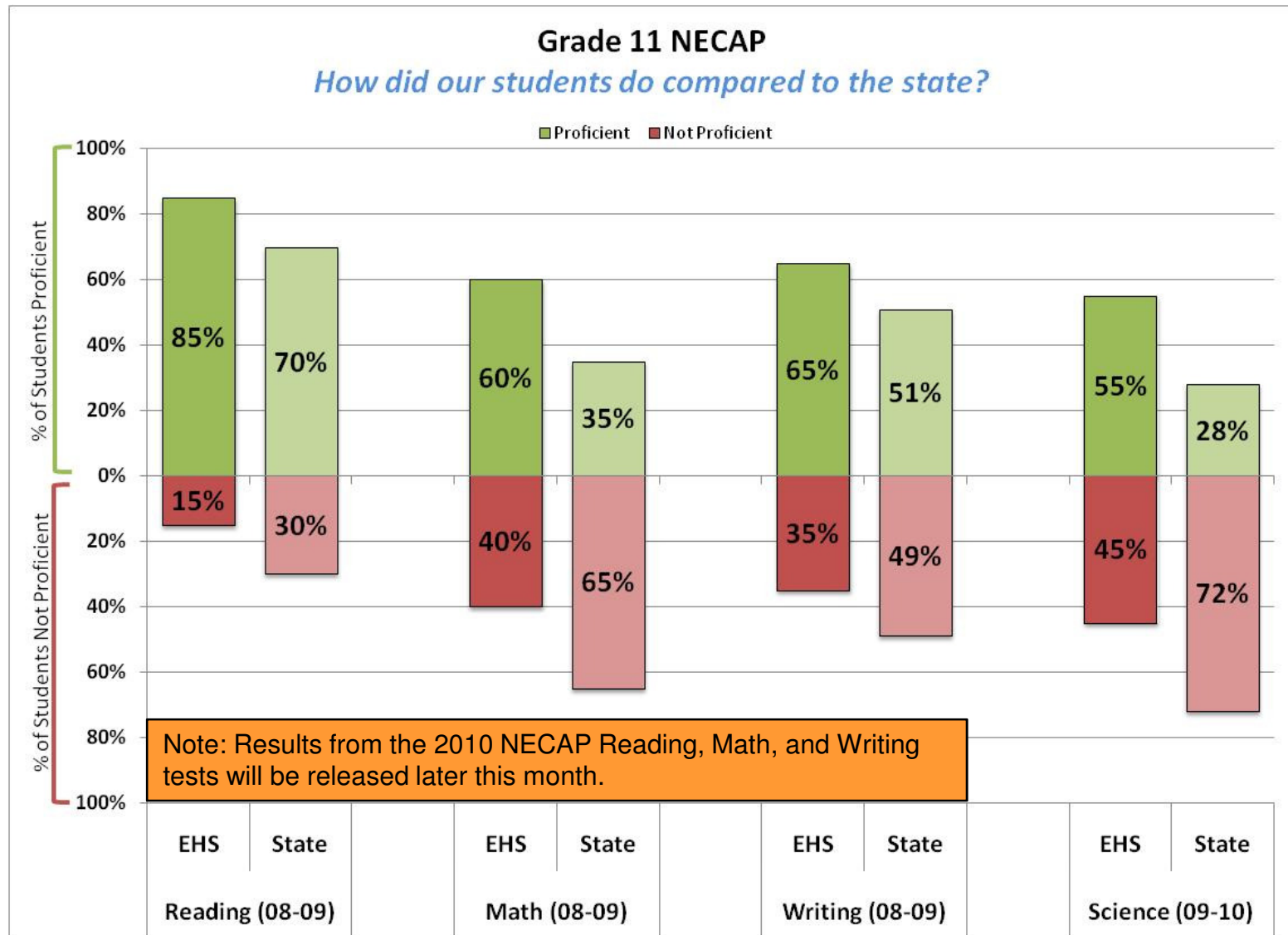
- Total budget = **\$8,292,889**
- Represents an **decrease** of \$156,339 or **-1.9%**
- **Tuition will be approximately \$300 lower** than FY'11 of **-2%**
- Meets Board's imposed 'Challenge'



EHS General Fund

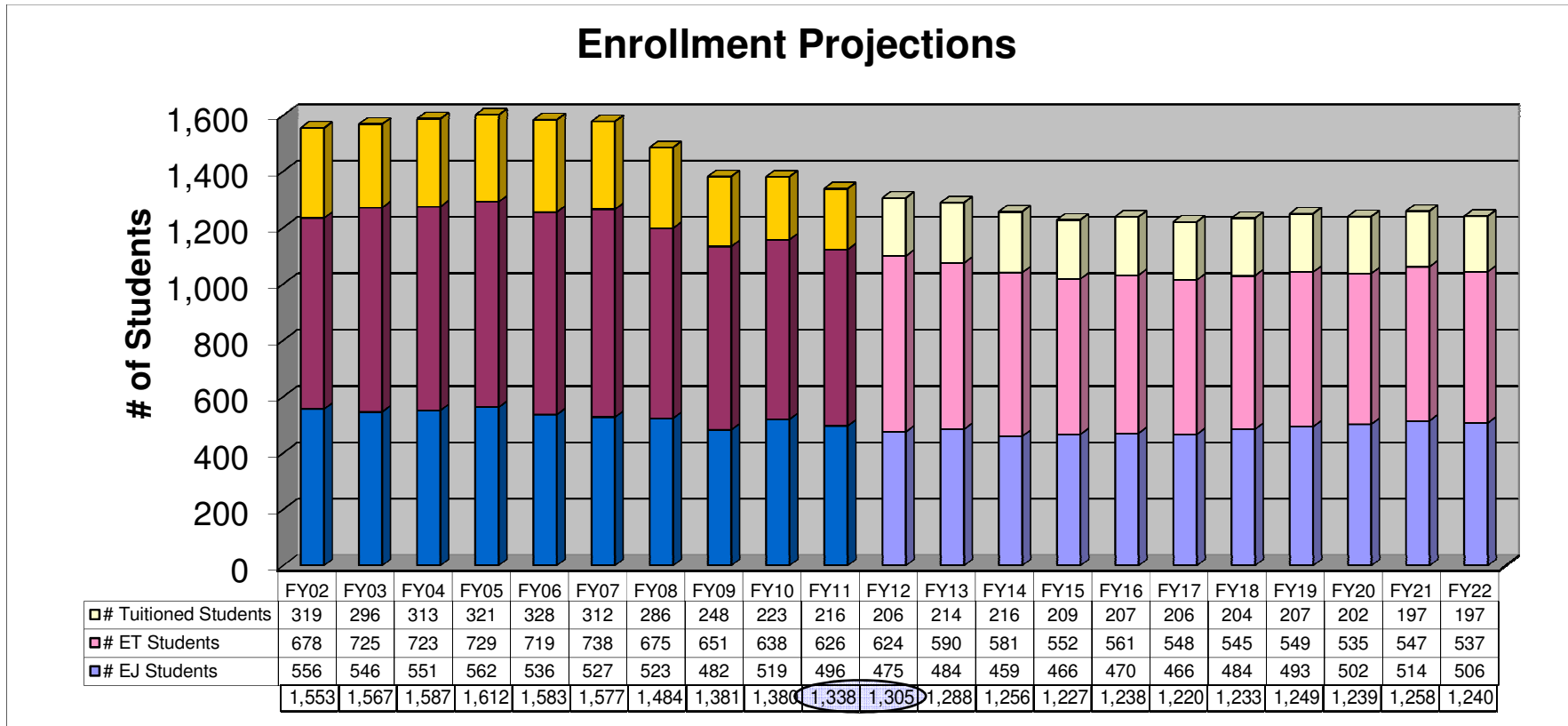


Educational Quality





Enrollment Projection



- **FY'11 projection was for 1,305 but the Oct 1 count was 1,338 (approx 2.5% variance)**
 - 216 vs 198 tuitioned students, 8 more ET & 7 more EJ
- **FY'12 projection shows a drop of 33 students from 1,338 to 1,305**
 - Tuitioned student estimate difficult with only one year of data concerning island bus
 - ET – one more year of stability prior to significant declines - settling at about 550
 - EJ – instability for the next few years prior to settling at about 500



EHS Overview

Description	FY11	FY12	Change	% Change
Total Expense Budget	\$22,182,502	\$21,741,244	(\$441,258)	-1.99%
- Non-Tax Revenue	\$5,958,842	\$5,903,960	(\$54,882)	-0.92%
+ Capital Budget	\$221,825	\$217,412	(\$4,413)	-1.99%
= Education Spending (ES)	\$16,445,485	\$16,054,696	(\$390,789)	-2.38%
÷ Equalized Pupil (EP) Count	1,246.65	1,228.00	(18.65)	-1.50%
= ES/EP	\$13,191.74	\$13,073.86	(\$117.89)	-0.89%
÷ Base Education Amount	\$8,544.00	\$8,544.00	\$0.00	
= District Spending Adj (ES/EP / Base Ed Amt)	154.398%	153.018%	-1.380%	

Amount to be voted on

Key factor in tax rate calculation

Comparable for C4C target

\$19M Federal Education Jobs Fund (EJF)

- Federal intent: To save or create education jobs
- State intent: To use funds as a bridge to achieve C4C targets
- EHS allocated \$275,214 – must be used for salary & benefit costs, but can free up money for other requirements
- Funds are available from now until September 2012 (FY'13)
- EHS met its C4C target without the EJF money
- Options for use of EJF money:
 1. Apply funds to FY'11 personnel costs and under-execute budget
 - Would increase FY'13 fund balance revenue, but causes a 'cliff' in FY'14
 2. Increase local revenues in the FY'12 (and/or FY'13) budget, but leave investments as is
 - Further decreases FY'12 tax rate, but causes a jump in FY'13 or '14 when revenue dries up.
 3. Increase local revenues in the FY'12 (and/or FY'13) budget, and increase investments for temporary requirements
 - No revenue cliff – investments will decrease along with revenue
 - FY'12 tax rate decreases slightly while guarding against a future increase



Application of EJF Money

- Applied \$202,386 of the \$275,214 in FY'12 for the following important, but temporary investments:
 1. Additional support for 9th Grade Core (\$99,177)
 - Increase Health, Art, & Business by 1.5 FTE
 2. Additional support for NEASC (\$31,937)
 - Increase paraeducator to provide supervisory release
 3. Provide comprehensive Prof Dev Plan (\$17,844)
 - For distributed leadership roles in Learning Communities Model
 - Costs for substitutes, conferences, & coaching/consultation
 4. Additional support for New High School Transformation (\$36,431)
 - 0.5 teacher FTE available for transition
 5. Restore administrative furlough (\$16,997)

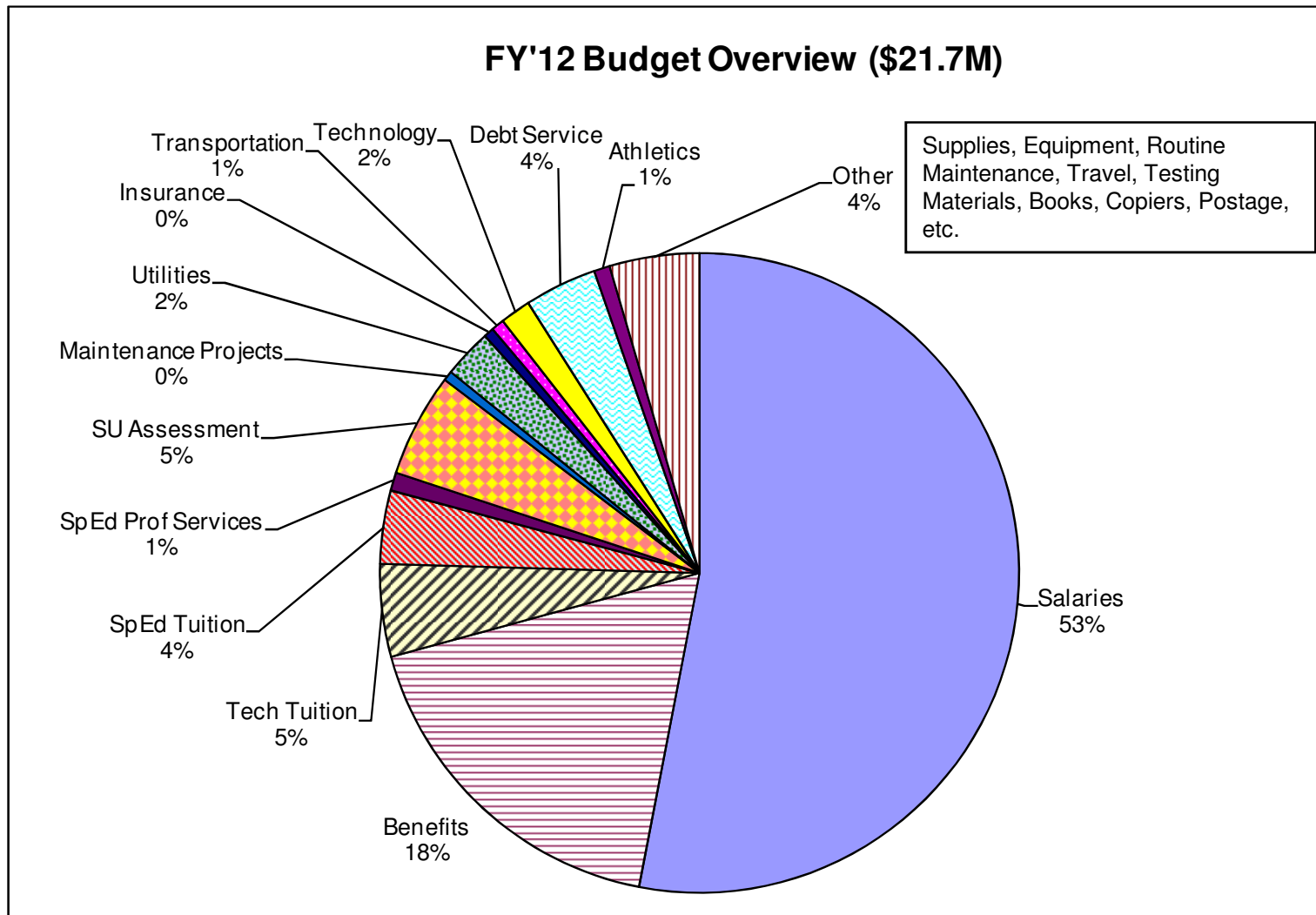
Challenges for Change (C4C)

Reduction Target	-	-\$365,729
Rev: Lower Fund Balance	+	+\$100,000
Salary & Benefit Assumptions	+	+\$49,257
Dept Head Restructuring	-	-\$82,934
Computer Tech Reduction	-	-\$29,389
Para-Educator Reduction	-	-\$61,548
Copier Savings	-	-\$12,000
Equipment	-	-\$57,138
Debt Service	-	-\$40,001
SpEd Transportation (net)	-	-\$18,271
Utilities	-	-\$25,953
Miscellaneous (incl SU Assessment)	-	-\$10,426
Federal Education Jobs Fund (EJF)	-	-202,386
Reduction in Education Spending	-	-\$390,789
SU Assessment (all but \$3,118)	+	+\$23,345
Reduction Realized	-	-\$367,444

Target over-achieved by \$1,715

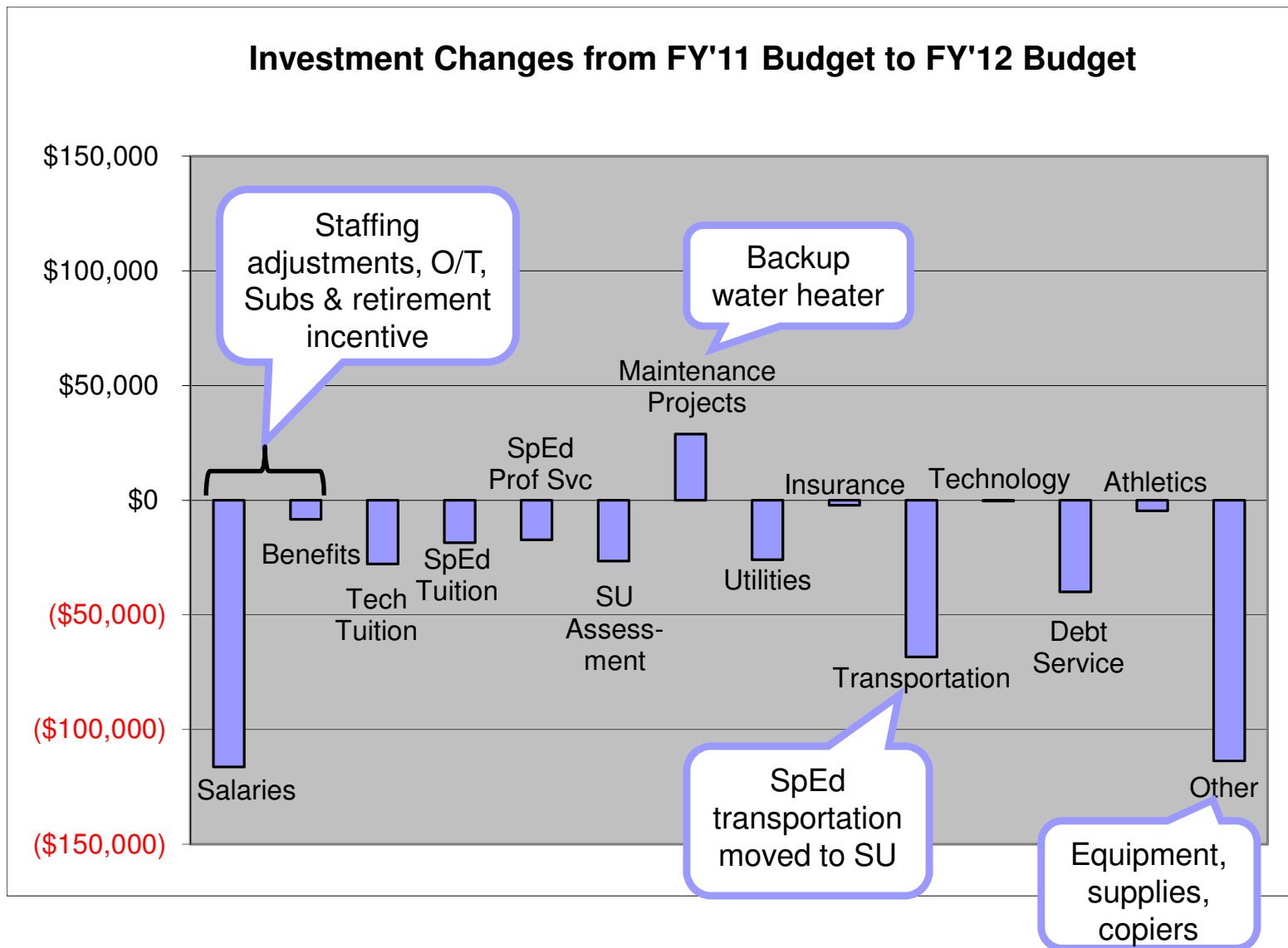


EHS Overview





EHS Overview





Significant Budget Changes

Revenues:

Total Decrease of \$441,258

	FY'11	FY'12	Change
Education Spending Grant	\$15,699,485	\$15,325,150	(\$374,335)

➤ Balances revenues with investments. **A decrease means less taxes are needed.**

	FY'11	FY'12	Change
Education Jobs Fund (EJF)	\$0	\$202,386	\$202,386

➤ Majority of the \$275K allocated to EHS. Used for critical, one-time requirements

	FY'11	FY'12	Change
Special Education Revenues	\$2,753,535	\$2,525,094	(\$228,441)

➤ Anticipated decrease in student needs (and associated costs) result in a lower level of SpEd revenues from the State and from sending districts for excess costs.

	FY'11	FY'12	Change
IDEA-B	\$212,730	\$162,730	(\$50,000)

➤ Realigned SpEd transportation to CCSU. Reduced costs by \$68K.



Significant Budget Changes

	FY'11	FY'12	Change
Regular Education Tuition	\$2,029,500	\$2,152,500	\$123,000

➤ The FY'11 revenue budget is understated because we have more tuitioned students than anticipated – likely due to the addition of a bus route to the islands. FY'12 revenue is based on current enrollment projections.

	FY'11	FY'12	Change
Fund Balance	\$600,000	\$500,000	(\$100,000)

➤ Fortunate to once again have a surplus to roll forward as a revenue. If we didn't end FY'10 under budget, this number would be \$0.



Significant Budget Changes

Investments:

Total Decrease of \$441,258

Salary & Benefit Investment

	FY'11	FY'12	Change
Salaries	\$11,646,646	\$11,530,319	(\$116,327)
Benefits	\$3,864,856	\$3,856,569	(\$8,287)
Salaries & Benefits	\$15,511,502	\$15,386,888	(\$124,614)

- Since Salary and Benefit costs make over 70% of the budget, even inflationary adjustments such as pay raises or health rates cause significant budget increases. However, this situation was greatly diminished in the past three years due to staffing adjustments.
- Staffing Adjustments **(\$47K)** – Prior to applying Education Jobs Fund (EJF) money, staffing adjustments were responsible for a decrease of over \$210K. However, we applied about \$170K for one-time, critical staffing requirements which will not be needed when the revenue source goes away. See next slide.
- Substitute and Overtime Salaries **(\$24K)** – Reduced based on historical spending.
- Certified Staff Retirement **(\$32K)** – FY'11 was the last year for the prior incentive program and only one employee applied for the new program.
- Tuition Reimbursement **(\$18K)** – Reduced based on historical spending.



Staffing Adjustments

Budget Adjustment	Position	FTE Adj.	Budget Impact	Comments
C4C - Class Size	PE/Health and Family & Consumer Science	-0.813	(\$59,060)	
C4C - Dept Head	Various	-0.875	(\$82,934)	New Learning Community Leader structure
C4C - IT	Computer Tech	-0.500	(\$29,389)	
C4C - Para	Mainstream TA	-2.000	(\$61,548)	Based on student need
SpEd Model Shift	Shift from Mainstream TAs (Support Staff) to Special Educators (Certified Staff)	-3.900	\$0	Better support Gr 9 Core through a professional model
Registration Uncertainties	To be determined	0.250	\$18,216	
EJF - 9th Grade Core	Health (0.875 FTE), Business (0.375 FTE), and Art (0.25 FTE)	1.500	\$99,174	Increase Health & Business to clear backlog, and Art for new course
EJF - NEASC	Classroom TA	1.000	\$31,937	Supervisory release for key participants in NEASC review
EJF - New Learning Model	To be determined	0.500	\$36,431	Uncertainties related to initiating High School transformation model
Staffing Adjustment Total		-4.838	(\$47,173)	

Decrease of \$214.7K prior to application of EJF dollars



Significant Budget Changes

Tech Tuition Investment

	FY'11	FY'12	Change
State Portion w/ Offsetting Rev	\$524,175	\$512,134	(\$12,041)
Local Portion from Tax Dollars	\$521,745	\$505,996	(\$15,749)
Total Tech Tuition	\$1,045,920	\$1,018,130	(\$27,790)

- Tech tuition paid for EJ and ET students attending technical centers (largely CTE).
 - The EHS six-semester average decreased by 1.6 from 70.5 to 68.9.
 - **CTE decreased tuition by \$300/student.**

Special Education Investment

	FY'11	FY'12	Change
SpEd Tuition	\$823,476	\$804,872	(\$18,604)
SpEd Professional Services	\$217,577	\$200,250	(\$17,327)
SpEd Tuition & Prof Services	\$1,041,053	\$1,005,122	(\$35,931)

- SpEd tuition is driven by necessary outside placements – the decrease is 2%.
- Professional Service costs are driven by student need in areas such as psychological, autism, social worker, and OT/PT – the decrease is nearly 8%.
- SpEd revenues are also decreasing.



Significant Budget Changes

	FY'11	FY'12	Change
Utilities	\$562,624	\$536,671	(\$25,953)

➤ Natural gas rates were much lower than anticipated in FY'11. The FY'12 estimate was calculated using our three year average usage and inflating current rates by 4%. The electricity requirement is fairly stable.

	FY'11	FY'12	Change
Student Transportation	\$208,896	\$140,625	(\$68,271)

➤ SpEd transportation is now being accomplished in-house by CCSU. Expenses decreased approximately \$68K while IDEA-B revenues only decreased by \$50K.

	FY'11	FY'12	Change
Building Improvements	\$53,033	\$81,449	\$28,416

➤ Includes several projects such as energy efficiencies related to installation of a back-up instantaneous hot water system (\$28K), replacement of overhead garage doors (\$21K), and HVAC upgrades (\$13K).



Significant Budget Changes

	FY'11	FY'12	Change
Debt Service	\$837,031	\$797,030	(\$40,001)

➤ Most of this cost relates to long term debt for the OneCampus project. The interest portion of the debt drops each year.

	FY'11	FY'12	Change
SU Assessment	\$1,166,485	\$1,140,022	(\$26,463)

➤ Efficiencies such as bringing the financial system in-house lead to ***a decrease in the assessment paid to CCSU.***

	FY'11	FY'12	Change
Other	\$1,099,908	\$986,151	(\$113,757)

➤ Equipment requirements for items such as desks, chairs and tables were down approximately \$57K. The Supply line was reduced by about \$22K to align with actual expenses and to reflect ***savings from joining a buying consortium*** for custodial supplies. ***Copier costs also came down by \$12K*** due to negotiating a new lease and service contract.



Tax Calculations – Worst Case

Local Spending Adjustment

Description	FY11	FY12	Change	% Change
Total Expense Budget	\$22,182,502	\$21,741,244	(\$441,258)	-1.99%
- Non-Tax Revenue	\$5,958,842	\$5,903,960	(\$54,882)	-0.92%
+ Capital Budget	\$221,825	\$217,412	(\$4,413)	-1.99%
= Education Spending (ES)	\$16,445,485	\$16,054,696	(\$390,789)	-2.38%
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= ES/EP	\$13,191.74	\$13,073.86	(\$117.89)	-0.89%
÷ Base Education Amount	\$8,544.00	\$8,544.00	\$0.00	0.00%
= District Spending Adj (ES/EP / Base Ed Amt)	154.398%	153.018%	-1.380%	

DOE recommendation – no inflation; Set by Legislature

Spending Adjustment is down even with less students & flat BEA

Property Rate

Calculation of Gr 9-12 Homestead Rate	Essex Junction	Essex Town
Base Homestead Tax Rate	\$0.870	\$0.870
× U#46 District Spending Adj	153.018%	153.018%
U#46 Estimated Equalized Homestead Rate	\$1.3313	\$1.3313
× % of Equalized Pupils in Gr 9-12	35.890%	36.010%
Gr 9-12 Est Equalized Homestead Rate	\$0.4778	\$0.4794
÷ Common Level of Appraisal	99.44%	99.78%
Gr 9-12 Est Actual Homestead Rate	\$0.4805	\$0.4804

If all students in EJ & ET were Gr 9-12

EJ down from 36.09%
ET down from 36.50%

EJ up from 98.58%
ET up from 98.23%

➤ **Note: Tax Commissioner's recommendation was \$0.86, DOE recommends \$0.87, but the Legislature will ultimately set the rate. The Base Education Amount could be set higher.**

Income Rate

Income Sensitivity Rate	Essex Junction	Essex Town
Base Rate	1.80%	1.80%
× U#46 District Spending Adj	153.018%	153.018%
U#46 Income Sensitivity Rate	2.75%	2.75%
× % of Equalized Pupils in Gr 9-12	35.890%	36.010%
Gr 9-12 Income Sensitivity Rate	0.99%	0.99%



Tax Rate Comparisons/Implications

Essex Junction	FY11	FY12	Incr/Decr
Equalized Homestead	\$0.4792	\$0.4778	(\$0.0014)
Actual Homestead	\$0.4861	\$0.4805	(\$0.0056)
Income Sensitivity	1.00%	0.99%	-0.01%
Essex Town	FY11	FY12	Incr/Decr
Equalized Homestead	\$0.4846	\$0.4794	(\$0.0052)
Actual Homestead	\$0.4934	\$0.4804	(\$0.0129)
Income Sensitivity	1.01%	0.99%	-0.02%

(\$5.62)

(\$5.00)

Impact per \$100K in property

Impact per \$50K in salary

(\$12.92)

(\$10.00)

Impact per \$100K in property

Impact per \$50K in salary

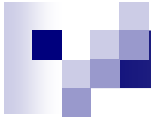
➤ *Must wait for Essex Junction & Essex Town School District budget deliberations to calculate overall preK-12 tax estimates.*



Summary

■ EHS General Fund

- Attempted to reduce costs to the maximum extent possible without impacting educational quality
- Made staffing adjustments in line with new models and student enrollment decline
- **Exceeded** Challenges for Change (C4C) Target
- Utilized EJP money for critical, but temporary requirements and guarded against a revenue 'cliff'
- **Overall budget decrease of over \$440K with Education Spending decrease of over \$390K (-2.4%)**
- **Lower tax rates**



U#46 Capital Plan

U46 Capital Plan



Category	Item	FY10	FY11	FY12	FY13	FY14	FY15
Life Safety & Security	Safety/Security	\$6,000	\$6,000	\$8,412	\$6,500	\$6,750	\$7,000
	Doors	\$52,000				\$13,000	\$7,000
Life Safety & Security Total		\$58,000	\$6,000	\$8,412	\$6,500	\$19,750	\$14,000
Accessibility Improvements	Bathrooms - ADA Compliance Improvements	\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Accessibility Improvements Total		\$20,000	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Preventative & Routine Capital Maintenance	Re-Sand Gym Floor	\$15,000	\$20,000				
	Auditorium (Curtains & Lighting)	\$21,000					
	Replacement Vehicles	\$25,000		\$15,000	\$28,000		\$29,000
	Repair Track		\$35,000				
	Replace Kitchen Floor			\$35,000	\$30,000	\$35,000	
	Heat Plant Maintenance			\$10,000	\$25,000	\$25,000	\$25,000
	Roof Repair/Replacement					\$30,000	\$50,000
Preventative & Routine Capital Maintenance Total		\$61,000	\$55,000	\$60,000	\$83,000	\$90,000	\$104,000
Environment Enhancements/Efficiencies	Information Technology - Hardware/Software/Infrastructure	\$55,000	\$55,000	\$50,000	\$50,000	\$50,000	\$50,000
	Food Service/Cafeteria Improvements	\$13,000					
	Re-lamping (replacement of bulbs throughout Ed Center)			\$24,000			\$25,000
	Nat'l Resource/Bldg Trades Improvements	\$13,000			\$30,000	\$20,000	
	Stadium Lighting		\$4,825	\$20,000	\$20,000	\$10,000	
	Room Dividers		\$15,000	\$30,000			
	ProFoods Classroom/Freezer		\$66,000				
Environment Enhancements/Efficiencies		\$81,000	\$140,825	\$124,000	\$100,000	\$80,000	\$75,000
Grand Total		\$220,000	\$221,825	\$217,412	\$214,500	\$214,750	\$218,000

- Safety & Security:** Set aside for replacement/repair of security cameras/system or any necessary additional security equipment (new server)
- ADA Bathroom Improvements:** Two near auditorium, two near elevator on 1st floor & two on 2nd floor (estimate \$12.5K ea), Boys locker room
- Replacement Vehicles:** Vehicle for security & mail courier in FY'12; allowance for other replacements in FY'13 ('98 Chevy salt truck) and FY'15
- Replace Kitchen Floor:** To resolve problems related to degraded concrete sub-floor (broken tiles & hollow spots)
- Heat Plant Maintenance:** For re-tube, fire brick, and maintenance of boilers
- Information Technology:** Funding for infrastructure and computer replacement cycle - eight (8) switches in FY'12
- Re-Lamping:** Required every three years
- Stadium Lighting:** New lighting - brighter and more efficient; Utilizing existing poles
- Room Dividers:** Replace walls with room dividers to allow space for interdisciplinary, project-based learning

Limited to 1% of EHS General Fund budget

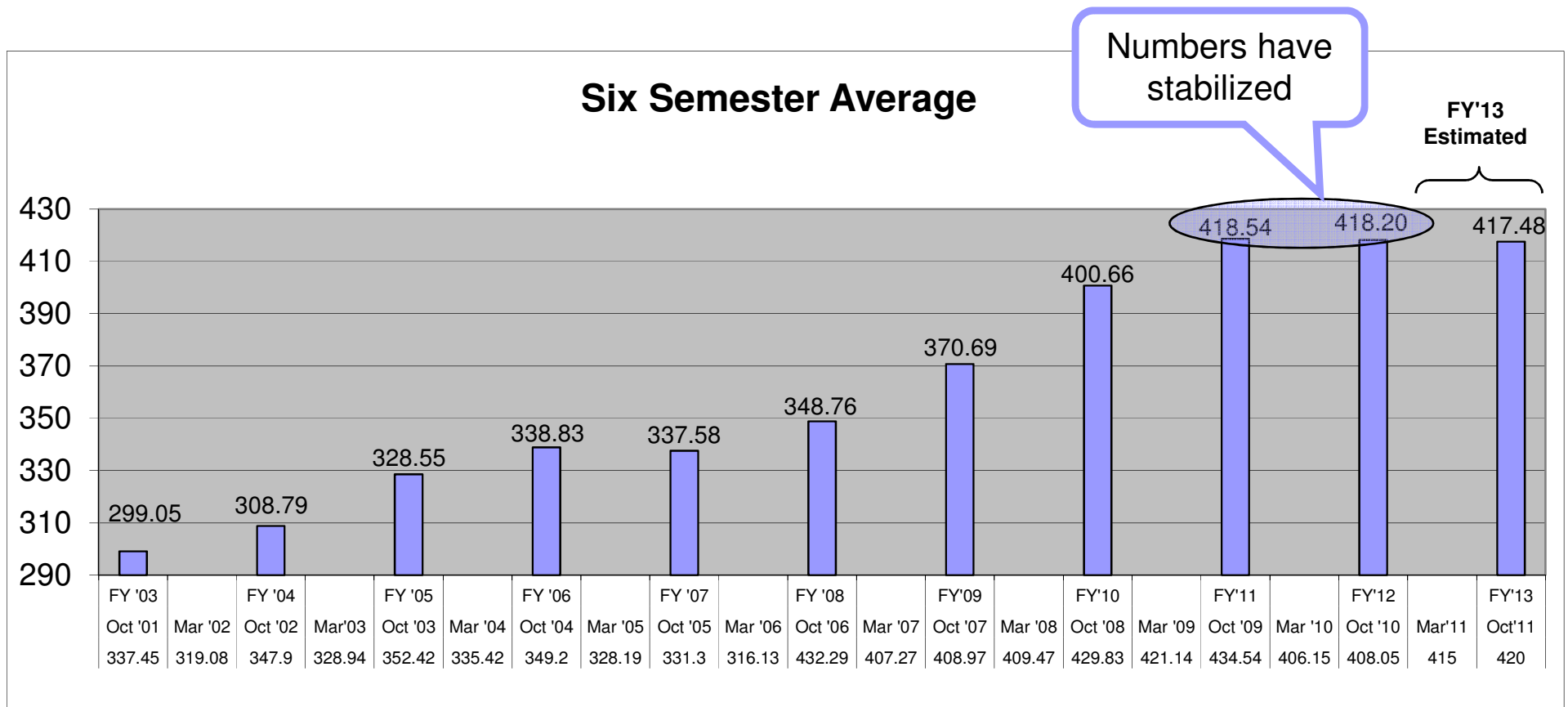


CTE General Fund





Six Semester Average



- Actual amounts may differ slightly from DOE due to rounding.



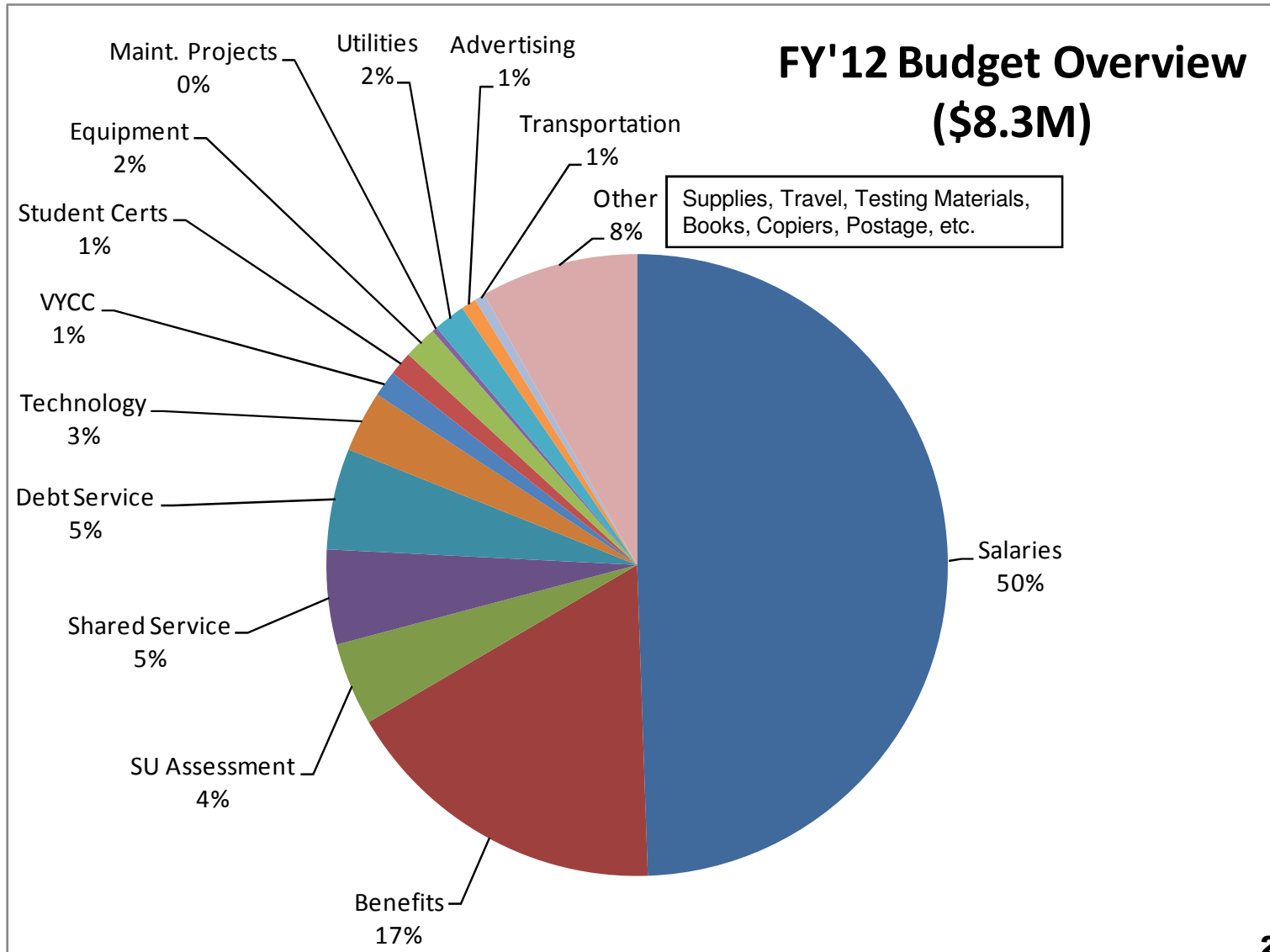
CTE Overview

Description	FY'11	FY'12	Change	% Change
Total Expenses	\$8,449,228	\$8,292,889	(\$156,339)	-1.85%
State Revenues	(\$4,637,210)	(\$4,566,736)	(\$70,474)	-1.52%
Six Semester Average	418.28	418.22	(0.06)	-0.01%
Tuition	\$15,100	\$14,800	(\$300)	-1.99%
State On-Behalf	\$7,433	\$7,433	\$0	0.00%
Amt Charged to Sending Districts	\$7,667	\$7,367	(\$300)	-3.92%

Expenses reduced enough
to reduce tuition rate by
\$300 or 2%

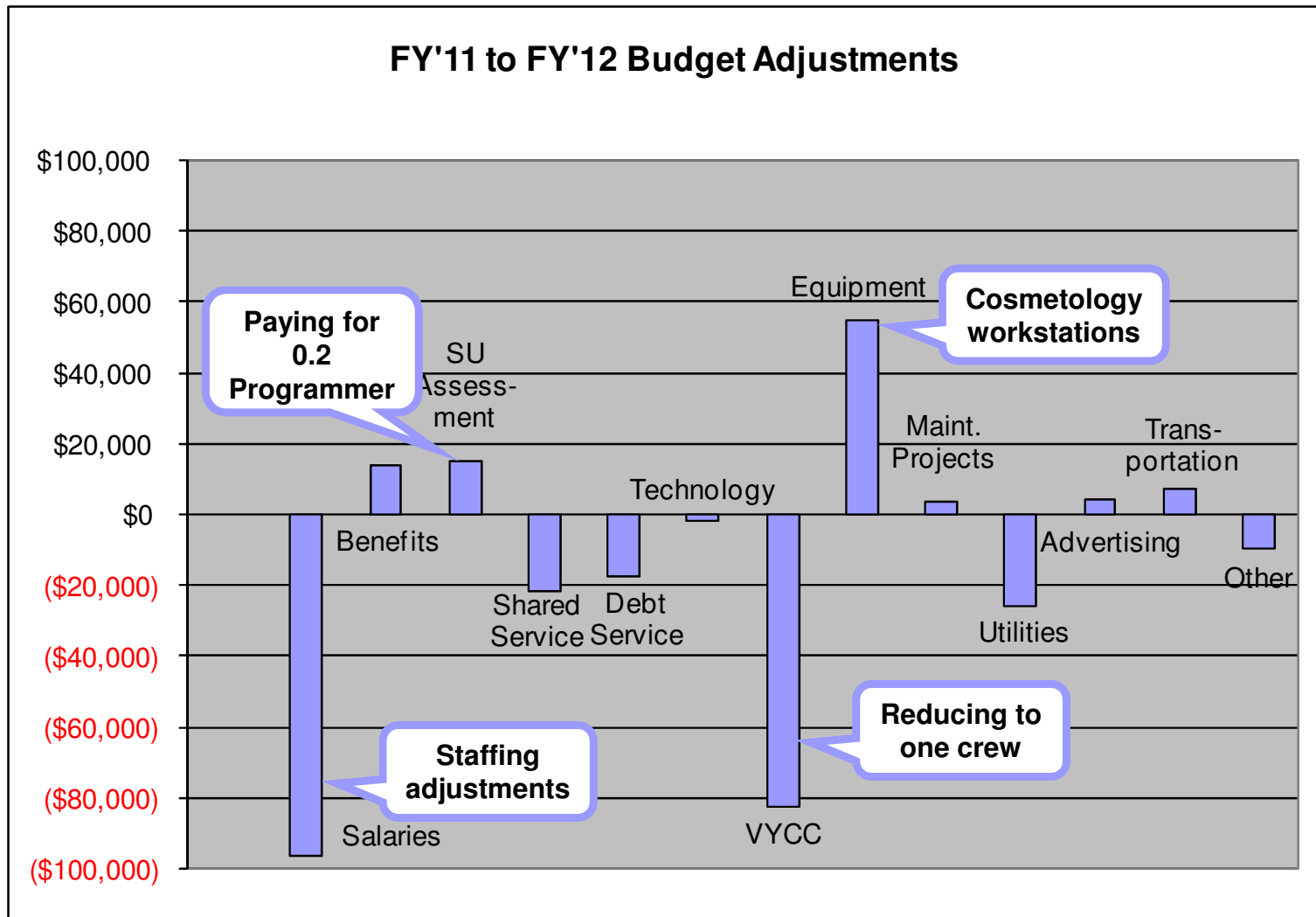


CTE Overview





CTE Overview





Significant Budget Changes

Revenues:

Total Decrease of \$156,339

	FY'11	FY'12	Change
Tuition From Sending Districts	\$3,143,586	\$3,080,861	(\$62,725)

➤ Driven by the tuition reduction of \$300 per student. EHS portion is \$468.5K.

	FY'11	FY'12	Change
Adult Program Grants	\$37,289	\$0	(\$37,289)

➤ These State grants have been greatly reduced and any amount received in FY'12 will be provided to SkillTech for evening programs.

	FY'11	FY'12	Change
Fund Balance	\$125,000	\$68,000	(\$57,000)

➤ Fortunate to once again have a surplus to roll forward as a revenue – though not quite as high as last year. If we didn't end FY'10 under budget, this number would be \$0.



Significant Budget Changes

Investments:

Total Decrease of \$156,339

Salary & Benefit Investment

	FY'11	FY'12	Change
Salaries	\$4,197,360	\$4,100,862	(\$96,498)
Benefits	\$1,406,027	\$1,419,973	\$13,946
Total Salary & Benefits	\$5,603,387	\$5,520,835	(\$82,552)

- The FY'11 budget included funding for 1.4 teacher FTEs which were not filled. These positions are not part of the FY'12 budget. See next slide for staffing adjustments.
- Health insurance premiums increased by 3% and some individual coverages changed.



Staffing Adjustments

Budget Adjustment	Position	FTE Adj.	Budget Impact	Comments
C4C - Academic Teachers	Various	-1.946	(\$140,115)	FY'11 unhired FTE & Teacher - Legislator
C4C - Classroom Aide	TA - Automotive & CAWD	-2.000	(\$65,002)	Based on student need
Shared Personnel	To be determined	0.375	\$30,843	
Staffing Adjustment Total		-3.571	(\$174,274)	



Significant Budget Changes

	FY'11	FY'12	Change
Other Prof Services	\$196,136	\$113,624	(\$82,512)

➤ The majority of this expense relates to the Vermont Youth Conservation Corps (VYCC). The number of participants is projected to decrease from 22 to 12 students.

	FY'11	FY'12	Change
Equipment	\$89,185	\$143,750	\$54,565

➤ This line includes several requirements such as new Cosmo 1 work stations, a Pre-Tech dust collection system, a Dental mannequin, and Building Trades power tools.

	FY'11	FY'12	Change
Utilities	\$161,927	\$136,251	(\$25,676)

➤ Natural gas rates were much lower than anticipated in FY'11. The FY'12 estimate was calculated using our three year average usage and inflating current rates by 4%. The electricity requirement is fairly stable.

	FY'11	FY'12	Change
Debt Service	\$453,270	\$435,626	(\$17,644)

➤ Most of this cost relates to long term debt for the OneCampus project. The interest portion of the debt drops each year.



Tax Implications

- CTE receives revenue from:
 - Federal & State Grants
 - Tuition from sending districts
 - Local revenues from programs such as Culinary, Child Care and Printing

- The only tax implications to Essex Town and Essex Junction residents is the amount reflected for tuition in the EHS budget



Summary

■ CTE General Fund

- Attempted to reduce costs to the maximum extent possible without impacting educational quality
- Six-semester average has caught up to the actual number of students served – receiving the right amount of revenue
- Achieved Board's self-imposed target of decreasing budget and tuition rate to align with C4C
- ***Overall budget decrease of over \$156K with tuition rate dropping to \$14,800 (-2.0%)***



U#46 Budget – The Road Ahead

Feb 7 Board Meeting w/ Budget Focus
(full presentation – dry run for
informational hearing)

April 11 Informational Hearing

April 12 Budget Vote



Don't Forget to Vote

Tuesday, April 12, 2011

7:00 a.m. – 7:00 p.m.

- Essex High School
(Village Residents)
- Essex Middle School
(Town Residents)

Art by Caitlin Safford, Grade 12