

## **FAQ's on the District's Proposed budget for the 2017-18 School Year**

Enrollment is increasing only 1-2% but the budget is increasing by 7.65%. Why isn't the District attempting to level fund the budget as proposed by Governor Scott?

Every year the District attempts to deliver an educational product that will serve the needs of its students. And, to its credit, South Burlington's schools are consistently ranked at or near the top of schools in the state. We believe this budget will be able to deliver a program that will continue to serve the needs of its students, and, with an estimated tax rate increase of 2.10%, at a cost the community will support. It is relevant here to note that South Burlington is proposing a tax increase of only 2.10%, which is lower than those being considered in comparable areas such as Burlington, Colchester, and Winooski.

Level funding would require a cut to our programming and would have a direct negative impact on our students and their families. Over 80% of the District budget consists of staff related costs – primarily wages and benefits – that have been negotiated with our bargaining units. Contracted increases in wages and healthcare costs mean that the only way to level fund the budget would be to cut staff numbers and as a result, reduce opportunities for students.

At the same time, the needs of our students have been growing. Each year the District serves a greater number of students with increased needs, particularly learning disabilities and behavioral challenges. We are committed to meeting the needs of all students and continually assess whether we are using resources to meet those needs in an optimal way. This is why, for example, we have included in the 2017-18 budget a pilot program to meet the needs of students who have behavioral challenges as a result of having experienced trauma and other difficult life events. If we tried to level fund the budget this year, programs like this one, which should help us to reduce our expenses and improve our students' experiences in the future, would not be possible.

As noted above, one must also look at both sides of the budget – expense and revenue. While expenses are up over 7%, additional revenue (primarily additional income from tuition students and direct reimbursement for particular expenses related to special education) is up over 14%, which is why the expected impact to South Burlington's tax payers will be a tax rate increase of 2.10%. Level funding only the expense side of the budget without taking into account additional revenue that offsets those increases would negatively impact our student's educational opportunities in a significant way.

Are the current health plans up for renewal? How much total in premiums are paid by the District? What is the typical deductible? Is there any plan to have teachers pick up some of the cost of healthcare?

Health insurance for schools in the state of Vermont is changing during the next eighteen months. The health insurance plans we have offered our staff for that past twenty years will no longer be available. Instead, they will be replaced by 4 new plans. The District is currently in negotiations for new contracts with two of our three bargaining units (teachers and support staff). Included in those negotiations are the terms of health coverage and the sharing of costs

between the District and its employees. The district currently pays about six million dollars annually in premium costs. The 2017-2018 Budget includes an increase in health insurance costs of 5.1%, to cover additional staff, and anticipated changes in plan designs statewide.

The current teacher contract calls for the district to pay 83% of the premiums for the plans currently offered. Out of pocket expense averages per employee vary from \$400 to \$1,200 depending on plan chosen.

The district wants to add an administrator for \$90,000. Why is this necessary? Wouldn't the money be better spent on an educator to bring Diversity education to our students?

The new administrator will support new district initiatives and mandates, and help manage some support services areas such as transportation and food services. In addition the administrator will serve in part as a roving administrator, filling in when a principal must be away from the building.

As you know, our District operates three elementary schools. In many communities, schools the size of Marcotte Central School or Orchard would have an assistant principal, or a lead teacher, or some sort of additional administrative support. None of our District's three elementary schools operate with an assistant principal.

Administrative salaries are up 8.1% and teacher salaries are up 5% (according to page 5 of the budget book). Are these teacher and administrative wages on par with other schools in Chittenden County? Is the 5% teacher increase just a placeholder, since teacher negotiations are ongoing?

In accordance with the contract in place for union administrators, salaries are increasing by 1.75% for next year. The 8.1% increase reflects the addition of the administrator discussed in a prior question, as well as a reconfiguration of the athletic director and CAS (department head) for Physical Education at the High School. The 5% increase in teacher salaries reflects additional teaching staff proposed. Teacher salaries vary based on years of service, experience and degree attainment – As a result it is not entirely straightforward to answer the question if they if they are on par with other staff in Chittenden County.

What is included in the line item for Professional Services? Why is the number different in different places in the budget book (\$1.5 million on page 4, \$1 million on page 23)?

The District is obligated to comply with Federal and State rules regarding the classification of expenses. The "Professional Services" account includes a wide variety of contract services that can only be performed by "persons or firms with specialized skills and knowledge, such as architects, engineers, auditors, lawyers, therapists," and the like. In South Burlington this series of accounts covers everything from the cost of the District's auditor, legal fees, ice time and other athletic facility rental, referees and umpires, the costs of therapists (occupational therapists, physical therapists, speech therapists), fingerprinting, the MPV expenses noted in a prior question, and educational services for students with special needs that cannot be delivered by our own in-house staff.

The District's regular operating budget has two major components, the general fund, and the special revenue fund. The special revenue fund is supported solely by federal and state grants: IDEA, IDEA preschool, Title I, Title II, Title III, and others. The presentation on page 4 shows both the general and special revenue funds combined. The presentation on pages 23 to 25 segregates the general fund accounts from the special revenue fund accounts.

Is the school district over budget in 2016-17?

The budget consists of an expense side and a revenue side:

2016-2017 expenses for the district are running 1.37% higher than planned. This was reported to the board at the 12/21/16 public meeting as part of the "run-rate" analysis of the current year budget and how it impacts next year's budget. It is also shown in the budget book on page 25 (subtract the projected year end from the budget to see it.) This change to the District's planned expenses is a result of addressing unanticipated student needs. The two major areas of expense are about \$570,000 in additional staff costs (FTEs) and out-of-district tuition expense running about \$140,000 over budget. These numbers are estimates, and the District may be able to reduce this overage as the year goes on. (Much of this additional expense is eligible for reimbursement under the State's Special Education Expense Reimbursement grant program – see below).

2016-2017 revenue for the District is running 2.24% higher than planned. About \$350,000 of the additional expense listed above related to FTE costs is eligible for reimbursement under the State's Special Education Expense Reimbursement grant program. We also expect about \$700,000 of tuition income above budget.

As a result, between revenue and expenses—we expect the District will end the year with a favorable fund balance.

How much has the district spent on consultants related to the Master Planning and Visioning process? Fifth grade move to the middle school? Other activities over the past few years? How much is budgeted for consultants this year?

Changes in how we configure our schools can have significant impacts on both cost and educational performance. During the last three years we engaged in study efforts, with the help of consultants, to determine if closing schools, building new schools, or reconfiguring grade levels, would be advantageous. The immediate impetus for that study was related to ensuring our students are being served in the best way possible within our facilities with a highlighted awareness of external factors such as potential changes in and around our schools (City Center, discussion around noise concerns, and safety). The information the analysis gave the District will be important in future years and provides key inputs that help the District plan for both the short term and the long term. The District expended a total of \$133,963 for those studies over the past three years.

During FY18 we have included in the budget \$75,000 to do an in-depth mechanical and structural study of the high school and middle school to determine what specific improvements or renovations should be considered for those two buildings.

For further context; the District operates seven buildings that we estimate have a “replacement value” of well over 100 million dollars. All the information collected in the upcoming study along with the prior analyses and an analysis of the gaps in academic programming, will allow the District to refine its long-term strategic plans so that the community can have a predictable roadmap for our District.

How much will it cost to change the Rebel name? How much is already part of the budget? How much additional funding would be required?

The District’s current analysis of the costs related to retiring the rebel name are:

<b>Rebel name change expenses</b>	
SBHS Uniforms/Supplies - Need to compete <sup>1</sup>	(79,949)
SBHS Uniforms/Supplies - Nice to have <sup>2</sup>	(47,875)
FHTMS Uniforms/Supplies	(10,350)
Signage	(31,230)
<b>TOTAL EXPENSES</b>	<b>\$ (167,953)</b>
<b>Previously scheduled budget items for 2017-2018</b>	
Gym Floor (signage)	25,100
SBHS Uniforms/supplies	41,065
FHTMS Uniforms/supplies	7,450
<b>TOTAL PREVIOUSLY SCHEDULED BUDGET ITEMS</b>	<b>\$ 73,615</b>
<b>FUNDING GAP - ALL EXPENSES</b>	<b>\$ (94,338)</b>
<b>FUNDING GAP - NEED TO COMPETE</b>	<b>\$ (46,463)</b>

<sup>1</sup> Need to compete (game uniforms and such)

<sup>2</sup> Nice to have (names on practice jerseys and the like.)

Some portion of uniforms and supplies are replaced each year. Changing the Rebel name will require that some expenses that would have been budgeted in later years will need to be moved up 1-2 years. The refinishing of the gym floor, which is the largest expense in terms of signage, had already been included in the long-term stewardship budget before the decision to retire the Rebel name. Approximately \$6,130 of signage that would have been replaced in later years will need to be replaced in the 2017-18 fiscal year in order to change the Rebel name.