



**Proposed 2018 – 2019
Operating Budget**

2/20/18
V 3.0



Blue Hills Regional Community Members:

For the fiscal year beginning July 1, 2019, the Blue Hills District administration focused on building a budget that is responsible, realistic and responsive to student needs.

Responsible in the sense that it addresses the numerous and unique needs of the individual students in advancing the district toward its long-term goals and mission.

Realistic in the sense that it is built with the full knowledge and understanding of the economic factors that generate revenue for the member towns and the district.

Responsive in the sense that the foundation of the budget is built on the known needs of the students and with the full understanding of the tools that our teachers need to meet that need.

First off, we would like to thank all of the member communities for their support of the MSBA backed building renovation project. Thanks to the support of our member communities, the renovation is scheduled to begin in June of 2018 with a targeted completion date early in the fall of 2019. Critical to the district during the renovation phase is the need to continue to fully meet the educational needs of our students, as well as insuring the continuation of all of the extra-curricular activities that round out the development of the whole student, all while giving the building a much needed renovation. We believe that this budget along with the proposed renovation timeline can accomplish all of these critical goals.

This budget is also explicitly tied to the district strategic plan as well as the district's focused strategic goals for the next three years. The proposed budget provides the same high level of service to students in 2019, as is currently being provided, while keeping the budget increase to a modest 3%.

Technology continues to play a major role in the educational process at Blue Hills. Our 1 to 1 Chromebook initiative is now entering its 5th year. While our staff and students continue to maximize the Chromebook as a learning tool, the district continues to address the challenges of maintaining a digital learning environment. Last year, the district was a victim of a malicious web-based attack, so this year additional financial resources have been targeted for increased network protection and integrity. While the cost of providing a digital learning environment has increased, so has the capability of Blue Hills to leverage that environment to enrich the student experience.

Finally as part of the district's continued commitment to a responsible, realistic, and responsive budget, specific actions are proposed to address the Fiscal Year 2020 financial impact of the building renovation project.

The district appreciates the level of support it received from its member communities last year and will continue to work hard to present budgets that are focused on increasing our student's capabilities to achieve success in the 21st century.

Sincerely,

Jim Quaglia
Superintendent – Director

Steven Moore
Assistant Superintendent for Business and Personnel

MISSION STATEMENT

Blue Hills Regional Technical School's mission is to continue its history of academic achievement, technical training and character development through a curriculum that emphasizes the integration of cutting-edge technical programs and challenging academic courses while enabling its students to become competent, caring and productive people in a diverse and changing world.

DISTRICT GOALS

- Provide quality technical education programs to all students.
- Challenge each student to achieve their highest academic potential.
- Support the physical, social and emotional well-being of students.
- Provide a safe school environment.
- Cultivate a positive school climate.
- Provide quality professional development activities for faculty, support staff and administrators.
- Maintain or expand student enrollment.
- Maintain buildings, grounds and facilities.
- Foster linkages with the business community.
- Meet the diverse learning needs of all students within the regular education setting.

BLUE HILLS FOCUSED STRATEGIC GOALS 2017 - 2020

Strategic Goal Area 1: Learning Excellence

- a. Student achievement
- b. Academic and vocational programs
- c. Literacy across all disciplines

Strategic Goal Area 2: Use of Social Emotional Learning (SEL)

Strategic Goal Area 3: Technological Improvement

Strategic Goal Area 4: Increased Communications & Outreach

- a. Engagement of stakeholders
- b. Community and industry outreach
- c. Parent outreach
- d. Social media

GUIDING PRINCIPLES

- Relationships
- Relevance
- Rigor
- Results

2019 Proposed Blue Hills Operating Budget by DESE Account

SALARY ACCOUNTS	2018 Actual	2019 Request	Change from 2018 \$	Change from 2018 %
1000 DISTRICT LEADERSHIP AND ADMINISTRATION	772,288	788,995	16,707	2.2%
2000 INSTRUCTION	8,728,432	9,081,065	352,633	4.0%
3000 STUDENT SERVICES	430,481	446,506	16,025	3.7%
4000 OPERATIONS and MAINTENANCE OF PLANT	1,184,675	1,212,834	28,159	2.4%
TOTALS	\$11,115,876	\$11,529,400	\$413,524	3.7%
EXPENSE ACCOUNTS	2018 Actual	2019 Request	Change from 2018 \$	Change from 2018 %
1000 DISTRICT LEADERSHIP AND ADMINISTRATION	356,808	353,557	(3,251)	-0.9%
2000 INSTRUCTION	817,868	715,224	(102,644)	-12.6%
3000 STUDENT SERVICES	1,192,889	1,233,128	40,239	3.4%
4000 OPERATIONS and MAINTENANCE OF PLANT	1,344,890	1,432,190	87,300	6.5%
5000 FIXED CHARGES	4,213,119	4,876,449	663,330	15.7%
7000 CAPITAL PROJECTS	1,332,571	100,000	(1,232,571)	-92.5%
TOTALS	\$9,258,145	\$8,710,548	-\$547,597	-5.9%
TOTAL ALL ACCOUNTS	\$20,374,021	\$20,239,948	-\$134,073	-0.7%

2019 Proposed Blue Hills Operating Budget by DESE Account
 Normalized by removing one-time MSBA funds from 2018 Budget

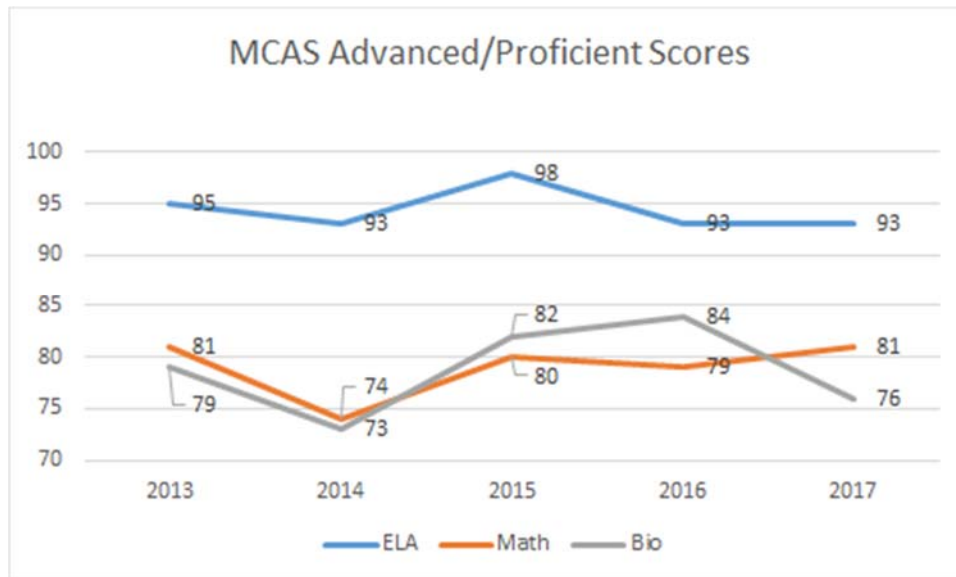
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5000 FIXED CHARGES	4,213,119	4,876,449	663,330	15.7%
7000 CAPITAL PROJECTS	600,000	100,000	(500,000)	-83.3%
TOTALS	\$8,525,574	\$8,710,548	\$184,974	2.2%
TOTAL ALL ACCOUNTS	\$19,641,450	\$20,239,948	\$598,498	3.0%

Addressing Student and Staff Needs through the 2019 Budget

In building the 2019 budget, the district once again is focusing on the high points of leverage in addressing student achievement. Those areas include maintaining effective class sizes for grades nine and ten, integrating writing and technology across the curriculum, implementing a social emotional learning curriculum, and improving practices associated with working with at-risk students. Additionally, faculty and staff have been attending in-service professional development sessions focused on project-based learning, technology integration, writing across the curriculum, MA Model Guidance Curriculum and working with difficult students.

Academic Achievement as Measured by MCAS

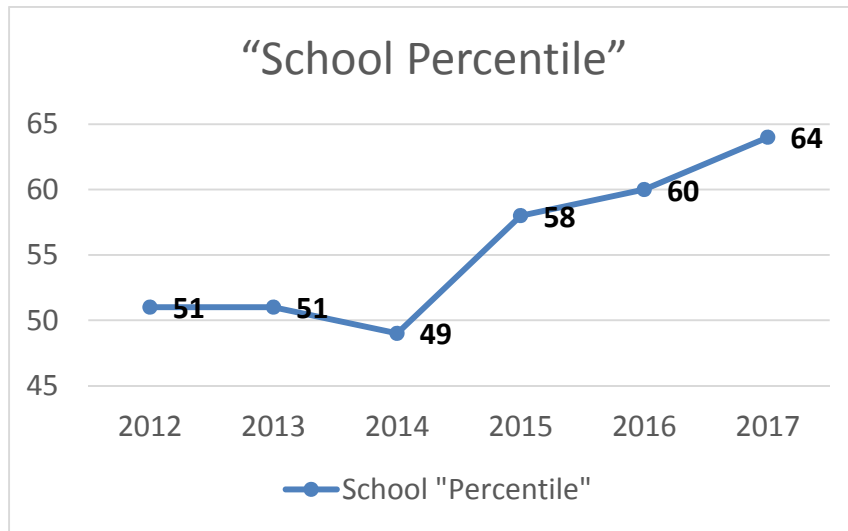
Over the past five years, Blue Hills has seen MCAS scores remain at high levels. Year-to-year comparisons can be misleading as student cohorts, the challenges posed by the test, and the content emphasized in the test vary from year to year. Therefore, a three-year average provides a better measure of a district's student performance when examining MCAS results. For Blue Hills the average percent of students in a three-year period that performed at advance or proficient levels has been consistently strong. Math – 81%, English Language Arts (ELA) – 95%, and Biology – 80%



Academic Achievement as Measured by School Percentile

Another measure of the district's effective use of funds to improve student achievement is a measurement of the performance of the school compared to all other high schools in the state. The term "School Percentile" is used to describe how a school compares to all other similar schools in the state (i.e., high schools are compared with other high schools.) Our "School

Percentile” score indicates how Blue Hills ranks among all other high schools, with 99 being the top ranking.



As shown in the chart above, Blue Hills received a “School Percentile” score of 64 in 2017. This score represents a 15 point improvement since 2014. Blue Hills’ School Percentile is currently higher than the two nearest Vocational Schools. Using the most recent score for each member district high school, the average “School Percentile” for the nine member district high schools is 62.

Continuing Efforts to Improve Student Outcomes

Improving student achievement outcomes is a never-ending process, and each year the district evaluates its student needs and staff capabilities and devises programs to help everyone continue to grow. To that extent the 2019 budget’s focus in regards to improved student achievement level contains the following efforts:

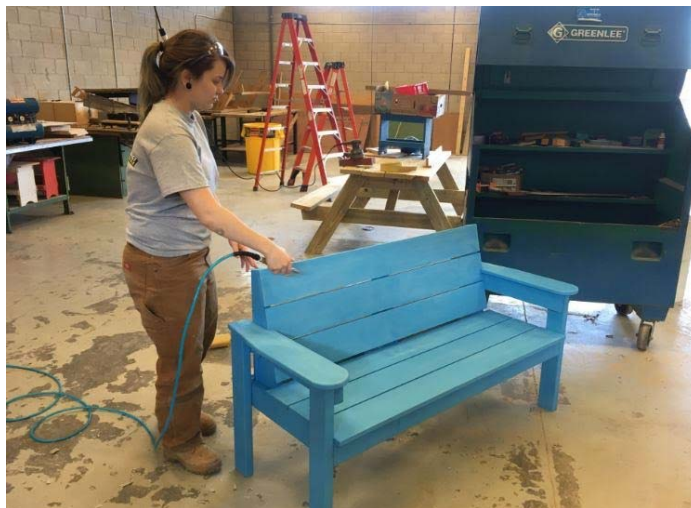
- Offering Grade 9 extended day support to below-proficient students in the fall in ELA and math
- Offering Grade 10 extended day support to students in preparation for all three MCAS exams
- Providing high-quality professional development to improve the staff’s ability to work with students with social and emotional needs as well as instructional strategies for reaching students with disabilities (Title IIA funded)

Additionally, Blue Hills will continue to expand academic offerings and higher level courses, expand Advanced Placement offerings as well as continue to address the whole student through expanded art, music, and athletic offerings.

Targeted Math Skills Classes for Sophomores

In 2018, the district added a target math program for students who could benefit from additional instructional hours in mathematics; while we don't have the results of that effort yet, we will continue the program.

In the spring of 2017, using MCAS data, classroom performance measures, teacher observations, and teacher recommendations, the administration identified 32 freshmen students who would need structured and consistent additional support in math instruction, particularly Algebra during their sophomore year. This support is being provided through the creation of a single credit, one period "Math Skills" class. Current research shows that time is one of the single most important factors to student learning. An increase in effective learning time equals an increase in student learning. This applies to the school year and school day, and by extension applies to the learning of specific subjects. This program will continue during the 2019 school year.



Students fabricated this buddy bench for Lt. Peter Hansen Elementary School in Canton. The bench was made from materials left over from other projects.

Senior Projects across all Vocational Programs

Blue Hills Regional Technical School implemented a school-wide Senior Project to help students develop and showcase their academic and technical skills. This is a tremendous opportunity for our students to demonstrate mastery of the academic, technical, and interpersonal skills acquired during their high school years through a professional presentation in a professional way.

The Senior Project is broken down into four manageable components consisting of: a portfolio, research paper, development of a "career product", and a presentation of the complete project. Each component allows the student to grow both in their technical literacy as well as increase their English Language Arts capability through their career and technical content area.

Students begin with the development of an essential question to build a portfolio of their Senior Project experience. Students then research and write a paper. Next, they develop their career-related product and give an oral presentation in front of a panel of judges.

Bridge Program

Since one in every five U.S. adolescents has a serious mental health condition and 10 percent will experience extended absences from school, we know that for these students reentry can be overwhelming and that they are at high risk for academic failure. Therefore, we did some research and developed and implemented our Bridge Program.

The Bridge is a new program to transition students back into school and get them back on track with academic classes after extended prolonged absences due to conditions such as depression, anxiety disorders, and concussions. The Bridge Program helps these students re-enter school and provides needed counseling and academic support. The Bridge Program is a short-term intervention program to help students transition back to their regular academic schedule and stay in school. We provide a dedicated classroom staffed with a licensed teacher who functions as an aide/tutor. We also combine our services with referrals for counseling or crisis intervention. Program services include developing an academic plan, managing school work, basic tutoring, and family support through frequent communication with families.

Continue Technology Integration

Maintaining a 1:1 Chromebook school such as the one Blue Hills has comes with significant financial challenges. Network security, Chromebook repairs, replacement, and support have proven to be the most expensive of these challenges. The district suffered a malicious web-based denial of service attack in 2017. Steps have been taken at considerable cost to secure the network from similar attacks in the future. The school's IT department works hard to keep all student Chromebooks operational and will be getting support from the students in the Computer Tech program in 2019. Despite the challenges the 1:1 initiative has created many new learning opportunities for our students.

21st Century Learning

Imbedded within the district's strategic goals is a shift towards 21st century learning expectations for students and teachers. 21st century expectations can be found in all four of the District Focused Strategic Goals. Twenty-first century skills as defined by the New England Association of Schools and Colleges (NEASC) include the following:

- Personalizing instruction
- Engaging students in cross-disciplinary learning
- Engaging students as active and self-directed learners
- Emphasizing inquiry, problem-solving, and higher order thinking

- Applying knowledge and skills to authentic/reality based tasks
- Engaging students in self-assessment and reflection
- Integrating technology with all aspects of instruction

As in past budgets, the Blue Hills 2019 budget focuses on updating printed and online curriculum materials, keeping vocational equipment and practices current with industry trends, and increasing the use of electronic and online resources for both teaching and learning in academic and vocational classrooms. These changes not only require funding for materials and license fees, but also require increased professional development for teachers. Tools without training will not provide the desired achievement levels for our students.

Capital Budget / Renovation Project MSBA

The district appreciates the support that the member communities provided for the renovation project. The district funding proposal promised that the district would pay for the borrowing costs in fiscal year 2019. To that extent \$300,000 of capital dollars have been budgeted to cover the interest on BANS issued in February of 2018. Another \$200,000 has been budgeted to cover the first interest payment on the bonds issued in July of 2018.

The district will conclude all borrowing as of July of 2019 and will continue to use capital funds to reduce member community bonding assessments.

The district is including \$100,000 in its 2019 Budget to cover any capital needs that arise in fiscal year 2109 that cannot be covered by the project. Any unexpended capital funds will be returned to the E & D Account and used to offset future year bonding payments.



Electronics students and their electric car getting ready for the annual competition in Connecticut

Salary Accounts

In the fall of 2017, the district school committee settled all contracts with the major collective bargaining units. The 2018 budget was built with an assumed level of salary increase. Therefore, the increase between the 2018 budget and 2019 proposed budget on the charts below may not accurately reflect the true increase for all salary lines. However, the majority of them are a fair representation of the level of increase required by the district to meet its contractual obligations for the 2019 school year.

While negotiating the 2018 to 2020 collective bargaining contract, the district committee made it a point of emphasis that the 2020 contractual year salary increase could not exceed 1% for any bargaining unit, as that is the year the first debt payments would be assessed to member communities. Eventually the committee settled contracts that had no more than a 6% increase over three years with 1% being the increase in FY 2020.

SALARY ACCOUNTS	2018 Actual	2019 Request	Change from 2018 \$	Change from 2018 %
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2000 INSTRUCTION	8,728,432	9,081,065	352,633	4.0%
3000 STUDENT SERVICES	430,481	446,506	16,025	3.7%
4000 OPERATIONS and MAINTENANCE OF PLANT	1,184,675	1,212,834	28,159	2.4%
TOTALS	\$11,115,876	\$11,529,400	\$413,524	3.7%

The chart below is a summary of the district’s staffing plan for FY 2019. The chart reflects the district action to leave the Technology Integration Specialist position vacant until a time funds are available.

For the first time in 3 years the district has not increased its staffing levels as overall enrollment in the district dropped by 18 students for the 2017-2018 school year.

Total Employees	2018	2019	Changes
Instructional Staff	101	100	-1
Facilities and IT Staff	23	23	0
Administrative Staff	11.7	11.7	0
Administrative Support Staff	13.1	13.1	0
Totals	148.8	147.8	-1

The following pages present the 2018 Proposed Operating Budget for salaries with explanation of significant changes in the budget.

1000 Series Salary

Description	2019 FTE	2018 Budget	2019 Proposed	Change \$	Change %
1110 District School Committee	1	\$66,145	\$67,559	\$1,414	2.1%
1210 Superintendent	2.5	\$259,556	\$261,713	\$1,049	0.4%
1410 Business Office	4.6	\$330,073	\$332,560	\$2,487	0.8%
1450 District Technology	2	<u>\$116,514</u>	<u>\$127,163</u>	<u>\$10,649</u>	<u>9.1%</u>
1000 Totals	10.1	\$772,288	\$788,995	\$16,707	2.2%

Notes: All lines reflect contractual increases. No change in staffing or services.

1110 to 1410 Lines – Wage increment adjustments budget 2018 vs. budgeted 2019.

1450 Line – Contractual adjustments and increased use of students as Help Desk Support personnel.



Blue Hills' students awarded Electrical Apprenticeships

2000 Series Salary

Description	2019 FTE	2018 Budget	2019 Proposed	Change \$	Change %
2210 School Leadership	4	\$342,776	\$348,593	\$5,817	1.7%
2220 Curriculum Leadership	10	\$706,863	\$734,815	\$27,952	4.0%
2305 Classroom Teachers	82.9	\$6,869,504	\$7,160,704	\$291,200	4.2%
2310 Teacher Specialist		\$16,000	\$16,000	\$0	0.0%
2315 Team Leaders		\$17,817	\$18,000	\$183	1.0%
2325 Substitutes	3	\$125,083	\$118,815	-\$6,268	-5.0%
2330 Instructional Support	4	\$71,990	\$0	-\$71,990	0.0%
2340 Library Media Specialist	1	\$72,947	\$77,762	\$4,815	6.6%
2353 Professional Development		\$20,000	\$20,000	\$0	0.0%
2357 Prof. Development Stipends		\$9,000	\$9,067	\$67	0.7%
2710 Guidance	5	\$352,675	\$370,815	\$18,140	5.1%
2800 Psychological Services	2.6	<u>\$123,777</u>	<u>\$206,494</u>	<u>\$82,717</u>	<u>66.8%</u>
2000 Totals	113	\$8,728,432	\$9,081,065	\$352,633	4.0%

Notes: All lines reflect contractual increases. No change in staffing or services except where noted.

2210 & 2220 Lines – Wage increment adjustments budget 2018 vs. budgeted 2019.

2305 Line – Not filling the vacant Technology Integration Support Position until funds become available. Includes all contractual step and anticipated lane adjustments.

2325 Line – Increase use of permanent building substitutes to cover teacher absences has decreased the need for and cost of bring in daily substitutes.

2330 Line – Funding for all instructional support positions has been moved to Federal IDEA grant while any teacher positions previously funded by the grant have been removed from the grant. This action provides the district with an increased allocation for grant funded activities. See Line 2800.

Lines 2340 to 2700 – Salary increase includes steps and lanes.

Line 2800 – Exchanged 1.0 FTE Psychologist previously funded by Federal IDEA Grant with Instructional Support positions to avoid 8% MTRS surcharge on teachers funded through federal grant programs. See Line 2330

3000 Series Salary

Description	2019 FTE	2018 Budget	2019 Proposed	Change \$	Change %
3100 Attendance		\$5,048	\$5,060	\$12	0.2%
3200 Health Services	1	\$82,799	\$84,842	\$2,043	2.5%
3510 Athletics		\$208,527	\$218,228	\$9,701	4.7%
3520 Other Student Activities		\$37,695	\$35,313	-\$2,382	-6.3%
3600 School Security	1.2	<u>\$96,412</u>	<u>\$101,563</u>	<u>\$5,151</u>	<u>5.3%</u>
3000 Totals	2.2	\$430,481	\$446,506	\$16,025	3.7%

Notes: All lines reflect contractual wage adjustments.

Line 3510 – Addition of rugby as interscholastic sport.

Line 3520 – No reduction in offerings, prior year budget based on unsettled contract.

Line 3600 – Contractual adjustment for weekend and holiday security guards.

4000 Series Salary

Description	2019 FTE	2018 Budget	2019 Proposed	Change \$	Change %
4110 Custodial Services	9	\$474,782	\$487,740	\$12,958	2.7%
4210 Maintenance of Grounds	14	\$654,893	\$670,094	\$15,201	2.3%
4220 Maintenance of Buildings		<u>\$55,000</u>	<u>\$55,000</u>	<u>\$0</u>	<u>0.0%</u>
4000 Totals	23	\$1,184,675	\$1,212,834	\$32,159	2.4%

Notes: All lines reflect contractual increases. No change in staffing or services.

Expense Accounts

The 2018 expense budget included \$732,571 in one-time capital costs. So the decrease of \$547,597 shown on the chart below is not a true representation of the change in the expense budget's bottom line. When the \$732,571 is removed and the budget normalized by excluding the one-time funds, the actual change in the expense budget is an increase of \$184,974.

Being cognizant of the coming renovation project assessments, the district worked at keeping budget growth to a minimum despite necessary increases in some areas (explained in the budget detail pages). Chief among these increases were necessary network security improvements, as well as increases in the fixed costs and benefit lines. While many lines will show budget reductions, great care was taken to see that student and staff performance would not be significantly impacted. Overall the district is still capable of offering high-quality programs while building a strong budget foundation in anticipation of increased member town assessments in 2020 due to the renovation project.

EXPENSE ACCOUNTS	2018 Actual	2019 Request	Change from 2018 \$	Change from 2018 %
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5000 FIXED CHARGES	4,213,119	4,876,449	663,330	15.7%
7000 CAPITAL PROJECTS	1,332,571	100,000	(1,232,571)	-92.5%
TOTALS	\$9,258,145	\$8,710,548	-\$547,597	-5.9%

A further breakdown of the expense lines provide more clarity on exactly where the individual increases lie. The increase in the All Other Lines category reflects the impact of the technology network security upgrade.

Analysis of major budget line items	FY 18	FY 19	Change	%
Employee Wages - excluding athletics and student activities	10,768,194	11,167,736	399,542	3.7%
Employee Insurance & Benefits	4,039,604	4,171,108	131,504	3.3%
Heat and Utilities	825,000	856,600	31,600	3.8%
Day Transportation	981,789	1,009,040	27,251	2.8%
Instructional Materials	817,868	715,224	-102,644	-12.6%
Student Activities and Athletic Programs	450,322	470,629	20,307	4.5%
Capital Improvements	1,332,571	100,000	-1,232,571	-92.5%
Debt (Interest and Principal)	0	500,000	500,000	100.0%
All Other Lines	1,158,673	1,249,611	90,938	7.8%
TOTAL	20,374,021	20,239,948	-134,073	-0.7%

1000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
1110 District School Committee	\$56,000	\$57,400	\$1,400	2.5%
1210 Superintendent	\$87,658	\$91,200	\$3,542	4.0%
1410 Business Office	\$32,600	\$31,350	-\$1,250	-3.8%
1430 Legal Services	\$60,000	\$45,000	-\$15,000	-25.0%
1450 District Technology	<u>\$120,550</u>	<u>\$128,607</u>	<u>\$8,057</u>	<u>6.7%</u>
1000 Totals	\$356,808	\$353,557	-\$3,251	-0.9%

Notes:

1110 Line – Budget increase for audit fees and professional memberships – Reductions in contracted support services.

1210 Line – A \$9,000 increase in mailing costs for admissions programs is offset by reductions in supplies, travel, and public relations efforts.

1410 – Small reductions across all accounts to cover the funding for the 2018 OPEB Valuation Report.

1430 – Reduction in anticipated legal cost as no collective bargaining contract needs to be negotiated in 2019.

1450 – Increase cost of software licenses for administrative applications.



Blue Hills Students attend State Skills USA Conference where our students earned 2 Gold Medals, 4 Silver Medals, and 8 Bronze Medals

2000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
2210 School Leadership	\$12,000	\$11,500	-\$500	-4.2%
2220 Curriculum Leadership	\$30,500	\$30,000	-\$500	-1.6%
2250 Building Technology	\$25,000	\$15,000	-\$10,000	-40.0%
2357 Prof. Development Stipends	\$43,000	\$28,000	-\$15,000	-34.9%
2410 Text and Instruct. Material	\$114,121	\$76,244	-\$37,877	-33.2%
2415 Other Instructional Materials	\$281,793	\$275,008	-\$6,785	-2.4%
2420 Instructional Equipment	\$203,454	\$138,472	-\$64,982	-31.9%
2430 General Supplies	\$25,000	\$24,000	-\$1,000	-4.0%
2440 Other Instructional Services	\$2,000	\$2,000	\$0	0.0%
2451 Instructional Technology	\$70,000	\$103,000	\$33,000	47.1%
2710 Guidance	\$6,000	\$7,000	\$1,000	16.7%
2720 Assessment	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>0.0%</u>
2000 Totals	\$817,868	\$715,224	-\$102,644	-12.6%

Notes:

2210-2220 – Small reductions in travel expenses.

2250 – Reduction in building-wide technology to offset increase in instructional technology line. No loss of service or materials to staff or students

2357 – Reduction reflects the conclusion of the initial period of professional development associated with the district’s student success and retention efforts.

2410 – Annual text replacement cycle includes replacement or addition of a new anthology series in English, new psychology texts, and various replacement texts for other academic programs. Vocational programs scheduled to get new / replacement texts include Computer Technology, Cosmetology,

Culinary, Drafting, Early Childhood, Graphics, Health Assisting and Metal Fabrication. 2018's replacement cycle cost are less than previous year's. This line will vary each year based on needs.

2415 Line – In 2019, all vocational programs had their budgets decreased by 2%. The reduction can be offset through increased shop revenues, so there would be minimal impact on staff or student needs. The vocational accounts were reduced to help reduce the impact of increases in other instructional and student service lines.

2420 Line – This line saw a significant increase in 2018 (\$87,050). The district has been working to improve / increase the existing equipment and infrastructure that supports the vocational programs for the past few years. Understanding that in the initial MSBA project year's budget increases for expensive equipment is unlikely as borrowing costs will impact the district's ability to grow the budget through the first part of the next decade. For 2018, the district has begun to back off on increasing this line.

2430, 2440, 2710 & 2720 – No significant changes.

2451 Line – Much like the 2420 line the district has been working to stay ahead on Chromebook purchases, so in any one year there is not a big increase for the replacement of Chromebook or other educational technology.

3000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
3200 Health Services	\$7,000	\$7,000	\$0	0.0%
3300 Transportation	\$981,789	\$1,009,040	\$27,251	2.8%
3510 Athletics	\$175,100	\$188,088	\$12,988	7.4%
3520 Other Student Activities	<u>\$29,000</u>	<u>\$29,000</u>	<u>\$0</u>	<u>0.0%</u>
3000 Totals	\$1,192,889	\$1,233,128	\$40,239	3.4%

Notes:

3300 Line – Contractual increase in School Bus Contract – Year 1 of 3

3510 Line – Increased wages for coaching as well as introduction of rugby as interscholastic sport

4000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
4110 Custodial Services	\$63,000	\$60,000	-\$3,000	-4.8%
4130 Utility Services	\$825,000	\$856,600	\$31,600	3.8%
4210 Maintenance of Grounds	\$35,000	\$32,000	-\$3,000	-8.6%
4220 Maintenance of Buildings	\$298,000	\$270,300	-\$27,700	-9.3%
4225 Maintenance of Security Sys.	\$10,000	\$6,000	-\$4,000	-40.0%
4230 Maintenance of Equipment	\$88,590	\$78,090	-\$10,500	-11.9%
4400 Network Infrastructure	<u>\$25,300</u>	<u>\$129,200</u>	<u>\$103,900</u>	<u>400.0%</u>
4000 Totals	\$1,344,890	\$1,432,190	\$87,300	6.5%

Notes:

4110 Line – Targeted reduction for supplies.

4130 Line – Increases tied to increase cost for water and reduction in E-rate reimbursement for telecommunications. In the fall of 2017, the district entered into a solar net metering credit agreement for 70% of its electricity, so no increase was budgeted for electricity in 2019 with an eye toward a reduction in electricity costs for 2020.

4220 Lines – With the renovation project scheduled to occur in 2019, the district reduced maintenance costs for the construction period. The new building once opened in 2020 could require fewer dollars to be spent on maintenance, but increase dollars could be required for operational costs.

4225 & 4230 Lines – Anticipated cost reductions related to operations during renovation period.

4400 Line – Network security operation costs will multiply by 400% in 2019, as the cost of securing the district’s network from malicious attacks exceeds \$100,000 annually for hardware, software, and monitoring services related to network integrity. This is not an item that could have been rolled into the building project.

5000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
5100 Employee Retirement	\$662,819	\$701,441	\$38,622	5.8%
5200 Insurance Programs	\$1,859,486	\$1,946,888	\$87,402	4.7%
5250 Insurance for Retired Emp.	\$1,517,299	\$1,522,779	\$5,480	0.4%
5260 Other Non-Emp. Insurance	\$128,000	\$159,500	\$31,500	24.6%
5300 Rental Lease of Equipment	\$45,515	\$45,841	\$326	0.7%
5450 Debit Service (BANS)	\$0	\$500,000	\$500,000	100.0%
5000 Totals	\$4,213,119	\$4,876,449	\$663,330	15.7%

Notes:

5100 Line – Increase in assessment by retirement board.

5200 Line – Reflects an anticipated 5% increase over 2018 budget amount for active employee health insurance costs.

5250 Line – Reflects a 0.4% increase over 2018 budget amount in benefit costs for retired employees.

5260 Line – In 2018, our property insurer increased the valuation of the building (based on MSBA project costs). The increased coverage for the new valuation is the primary driver of the budget increase for this line.

5300 Line – Cost of copier leases.

5450 Line – Anticipated cost of interest repayment on MSBA project BANS and Bonds in 2019. There is no principal payments in 2019.

7000 Series Expense

Description	2018 Budget	2019 Proposed	Change \$	Change %
7000 Improvement of Buildings	<u>\$1,332,571</u>	<u>\$100,000</u>	<u>-\$1,232,571</u>	<u>-92.5%</u>
7000 Totals	\$1,332,571	\$100,000	-\$1,232,571	-92.5%

Note:

7000 Line – Decrease in funds allocated for the self-funding of the renovation project’s design phase. This budget increase in 2018 was funded through the one-time use of E & D funds. With those funds no longer available the budget is being reduced. \$100,000 is being budgeted for unanticipated capital needs during the 2019 fiscal year.

2019’s Allocation of the District’s Capital Budget & Capital Stabilization Funding

For the past many years the district has carried a \$600,000 capital budget. In 2019, the district has reduced the amount targeted for capital needs and allocated the balance to cover the renovation projects. Any funds not expended in 2019 will return to E & D the following year.

BAN and Bond Interest	\$ 500,000
Capital needs reserve	<u>\$ 100,000</u>
Total 2019 Capital Budget Allocation	\$ 600,000

Capital Stabilization Assessment

As part of the 2019 budget, the district is budgeting \$300,000 to fund the Stabilization Fund created a number of years ago. This action will make these funds eligible to help further reduce the future impact on member communities created by the debt payments associated with the project. These funds in the future can only be used to pay borrowing costs. This budget line is being supported by using \$300,000 in additional E & D to offset member community assessments. Bottom line is this action is being done at no additional cost to member communities.

This assessment does not show up in the operating budget as it is a stand-alone assessment and additional information can be found on pages 7 & 8 of the Assessment Book.

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