

Spencer-East Brookfield Regional School District

Fiscal Year 2019 Budget Presentation

March 13, 2018

Overview:

The fiscal year 2019 operating budget has increased 2.42% over the current year. Although there were 12.5 new positions requested by Administration, only 7 remain in the final budget being presented. In addition, there are 2 employees retiring at David Prouty High School and those positions are not being replaced. All of the new positions in the final budget presentation are special education positions necessary to address the increasing needs of our special education student population. **All new positions will be paid for with School Choice funds.**

In addition to the increase in special education staffing, there are budgeted increases for Tuitions to Private Schools as well as Collaborative Tuition. The District has seen a dramatic increase in the number of students requiring special education services which we are unable to provide in-district.

The School Committee voted to establish a Special Education Stabilization Fund. The fiscal 2019 budget includes \$20,000 for the initial contribution. This fund could be used to offset future special education costs. Expenditure of these funds will require approval from the School Committee as well as the Selectmen in each community.

District Administration recognized the need to address literacy concerns throughout the District. This budget reflects the additional cost (\$125,000) of a literacy curriculum program to tackle these concerns. **\$80,000 of this cost is being funded with School Choice funds.**

Health insurance costs continue to rise at, what appears to be, an unsustainable rate (16.48% for FY 2019). The School Committee addressed retiree health care costs last year by increasing the contribution rate for retired employees and their spouses. The School Committee recognizes the need to gain better control over active employee health costs as well. Several years ago the contribution rate for active employees was changed to 30% from 25%. This year, the District is seeking to add deductibles to the active employee health plan. The addition of deductibles should help minimize the projected increases in premium rates in future years.

Lastly, the District lost approximately 30 students to charter schools during fiscal 2018. This resulted in a net increase to the budget of approximately \$150,000.

Aside from the above mentioned items, the fiscal 2019 budget remains a level-service budget as compared to fiscal 2018. There are cost of living increases and step advancements for employee salaries and wages as well as retirement and other costs built into this budget, but no new programs or initiatives outside of what has been discussed.

The final total for the fiscal 2019 operating budget is \$25,993,184. **The District is applying \$180,000 of Excess and Deficiency Funds to offset the deficit loan payment as well as the Special Education Stabilization contribution.** In total, **the District is funding \$349,910 of new spending with School Choice funds.** After budgeting for State and District Revenue, the assessment for the **Town of East Brookfield has increased by 6.2% (\$132,781) and 4.86% for the Town of Spencer (\$410,141).**