

## Acton-Boxborough Regional School District

- o Five year financial forecast
- o Fiscal Years Ending 2016 to 2020

Clare Jeannotte  
Finance Director  
October 16, 2014

1

## Purpose and Limitations

- o Provide an early outlook of the anticipated costs for our two towns at current service levels – begin conversation
- o Limitations- due to level of assumptions and unknowns
- o All years based off FY15 budget- first expanded regional budget
- o No programmatic changes embedded

2

## Significant Uncertainties

- o Revenues forecast
- o OPEB funding level
- o Middlesex combined assessment
- o Future Contract negotiations FY'18-20
- o Future Transportation delivery model
- o Ability to fund long-term capital needs identified through a future 5 year plan

3

## Major assumptions – see memo in packet

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>o Salaries settled to 2017</li> <li>o Health Ins +6% all years</li> <li>o Middlesex Retirement +5%</li> <li>o Medicare tax +3.5%</li> <li>o Workers' Comp +2.5%</li> <li>o Debt Service –scheduled only</li> <li>o OPEB Contributions – estimates impact of APS; Blanchard employees not included yet.</li> <li>o Capital Spending in budget +\$100K per year</li> </ul> | <ul style="list-style-type: none"> <li>o Transportation- Regular Ed –no change to service level</li> <li>o Unemployment and Legal-increased to possible levels</li> <li>o Special Ed tuitions and transportation +3%, level caseload to FY15 projection</li> <li>o Utilities –Gas &amp; Electric +3%</li> <li>o Diesel –Level funded</li> <li>o All other – Level funded</li> <li>o General fund only; assumes other funds continue same levels of support</li> </ul> |
|---|---|

4

## Total Increases-All costs

### Total Cost Increase:

|       |      |             |
|-------|------|-------------|
| FY'16 | 4.9% | \$3,722,499 |
| FY'17 | 3.4% | \$2,735,842 |
| FY'18 | 3.1% | \$2,571,930 |
| FY'19 | 3.4% | \$2,861,652 |
| FY'20 | 3.5% | \$3,091,453 |

## Budget Drivers-OPEB & Middlesex Retirement

- o OPEB and Middlesex Retirement for expansion of Region not fully included in FY15 Budget. Estimated Increase for FY16 in the model:
- o OPEB: from \$506K FY15 to \$933K FY16
- o Middlesex Retirement from \$1,305K FY15 budget to \$1,844K FY16
- o IMPACT: \$966K = 1.27% (FY16 increase would be 3.47% without this)

6

## Salaries

### Teaching

### Non-Teaching

- o Overall Increases:
  - o FY16      3.5%
  - o FY17      3.0%
  - o FY18      3.0%
  - o FY19      3.5%
  - o FY20      3.5%
- o 2.5% all years

7

## Special Education Tuitions

- o FY16 increase \$300K (on \$5.2M) and add 3% per year
- o CASE new assessment methodology introduces changes and risks
- o OSD Published inflation rate for FY16 is 1.43% for out of district tuitions subject to approval

8

## Transportation

- o Special Education
  - o – Increasing 3% per year
- o Regular Education
  - o – Assumes no change in model to single tier
  - o - Removes contract bus service and reflects new leases for expanded region
  - o - All other costs of department are level funded

9

## Debt Service

- o Only “inside debt” is Lower Fields – 100% in appropriated budget
- o Budget by year per new schedule after refunding of JH & SH debt FY14.
- o Prior Acton and Boxborough Town issued debt is not in the Regional budget, and is credited to their assessment via adjustment in Table 6

10

## Other notes

- o Legal – Increase from \$128K to \$150K
- o Unemployment – Increase from \$25K to \$50K
  
- o Trends vary by year and circumstances.

11

## Other Level funded areas

- o In the aggregate are \$3.7M (1% = \$37K):
  - o Supplies
  - o Instructional Library, Texts, Supplies
  - o Travel and conferences
  - o Sewer & telephone
  - o Maintenance of Buildings and Equipment

12

# Expenditures 1 of 2

| Acton-Bosborough Regional School District<br>Five Year Outlook-For Discussion only<br>16-Oct-14 |                      |                 |                 |                 |                 |                 |
|---|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Character Code Totals   | FY15<br>Voted Budget | FY16 Projection | FY17 Projection | FY18 Projection | FY19 Projection | FY20 Projection |
| Salaries, Teaching - 01   | 31,937,613           | 33,055,429      | 34,047,092      | 35,068,505      | 36,295,903      | 37,566,259      |
| Salaries, Principals - 02   | 2,109,446            | 2,162,162       | 2,216,237       | 2,271,643       | 2,328,434       | 2,386,645       |
| Salaries, Central Administration - 03   | 1,048,045            | 1,074,246       | 1,101,102       | 1,128,630       | 1,156,846       | 1,185,767       |
| Salaries, Support Staff - 04  | 8,401,365            | 8,611,399       | 8,826,684       | 9,047,351       | 9,273,535       | 9,505,373       |
| Salaries, Athletics - 05  | 514,614              | 527,479         | 540,666         | 554,163         | 568,038         | 582,239         |
| Salaries, Buildings - 06  | 654,370              | 577,916         | 591,595         | 605,616         | 619,987         | 634,718         |
| Salaries, Custodial - 07  | 1,640,433            | 1,681,444       | 1,723,480       | 1,766,567       | 1,810,731       | 1,855,999       |
| Salaries, Home Instruction - 08   | 17,044               | 17,044          | 17,044          | 17,044          | 17,044          | 17,044          |
| Salaries, Miscellaneous Pupil Services - 09   | 1,456,651            | 1,484,097       | 1,512,210       | 1,541,035       | 1,570,581       | 1,600,865       |
| Salaries, Subs Miscellaneous - 11   | 186,093              | 190,745         | 195,514         | 200,402         | 205,412         | 210,547         |
| Salaries, Subs Instructional - 12   | 524,516              | 537,629         | 551,070         | 564,846         | 578,968         | 593,442         |
| Salaries, Overtime - 13   | 242,855              | 248,926         | 255,150         | 261,528         | 268,066         | 274,768         |
| Stipends, Curriculum/Instruction - 14   | 152,275              | 152,275         | 152,275         | 152,275         | 152,275         | 152,275         |
| Fringe, Course Reimbursement - 15   | 56,000               | 56,000          | 56,000          | 56,000          | 56,000          | 56,000          |
| Fringe, Health Insurance - 16   | 7,600,159            | 8,056,169       | 8,539,539       | 9,051,911       | 9,595,026       | 10,170,727      |
| Fringe, Health Insurance, Retiree - 17  | 905,443              | 959,770         | 1,017,356       | 1,078,397       | 1,143,101       | 1,211,687       |
| Fringe, Life/Disability Insurance - 18  | 31,020               | 33,760          | 33,760          | 33,760          | 33,760          | 33,760          |
| Fringe, Unemployment Insurance - 19   | 25,000               | 50,000          | 50,000          | 50,000          | 50,000          | 50,000          |
| Fringe, Workers Compensation - 20   | 339,446              | 347,932         | 356,630         | 365,546         | 374,685         | 384,052         |
| Fringe, Middlesex County Retirement System - 21   | 1,304,911            | 1,844,018       | 1,936,219       | 2,033,030       | 2,134,682       | 2,241,416       |
| Fringe, Medicare - 22   | 817,453              | 846,064         | 875,676         | 906,325         | 938,046         | 970,878         |

# Expenditures 2 of 2

|                                     |                   |                   |                   |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contributions, OPEB Trust Fund - 23 | 506,000           | 933,333           | 1,133,333         | 1,133,333         | 1,133,333         | 1,133,333         |
| Instruction Supplies - 24           | 822,909           | 822,909           | 822,909           | 822,909           | 822,909           | 822,909           |
| Instruction Textbooks - 25          | 340,613           | 340,613           | 340,613           | 340,613           | 340,613           | 340,613           |
| Instructional, Library - 26         | 58,924            | 58,924            | 58,924            | 58,924            | 58,924            | 58,924            |
| Other, Capital Outlay - 27          | 648,166           | 745,166           | 846,166           | 946,166           | 1,046,166         | 1,146,166         |
| Other, Debt Service - 29            | 1,847,734         | 2,039,860         | 2,074,635         | 2,041,435         | 2,022,835         | 2,009,435         |
| Other, Property/Casualty - 30       | 98,924            | 98,924            | 98,924            | 98,924            | 98,924            | 98,924            |
| Other, Maint Buildings/Grounds - 31 | 580,248           | 580,248           | 580,248           | 580,248           | 580,248           | 580,248           |
| Other, Maintenance Equipment - 32   | 211,406           | 211,406           | 211,406           | 211,406           | 211,406           | 211,406           |
| Other, Legal Service - 34           | 128,650           | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           |
| Other, Admin Supplies - 35          | 744,274           | 744,274           | 744,274           | 744,274           | 744,274           | 744,274           |
| Other, Athletic Supplies - 36       | 53,666            | 53,666            | 53,666            | 53,666            | 53,666            | 53,666            |
| Other, Custodial Supplies - 37      | 145,984           | 145,984           | 145,984           | 145,984           | 145,984           | 145,984           |
| Other, Student Transportation - 38  | 1,340,411         | 1,380,623         | 1,422,042         | 1,464,703         | 1,508,644         | 1,553,904         |
| Other, Sped Transportation - 39     | 1,165,457         | 907,338           | 907,338           | 924,309           | 949,309           | 1,091,929         |
| Other, Travel, Conferences - 40     | 58,046            | 58,046            | 58,046            | 58,046            | 58,046            | 58,046            |
| Other, Sped Tuition - 41            | 5,213,514         | 5,722,634         | 5,947,028         | 6,178,153         | 6,416,212         | 6,661,413         |
| Other, Utilities - 42               | 1,730,472         | 1,782,386         | 1,835,858         | 1,890,933         | 1,947,661         | 2,006,091         |
| Other, Telephone - 43               | 148,285           | 148,285           | 148,285           | 148,285           | 148,285           | 148,285           |
| Other, Sewer - 44                   | 287,191           | 287,191           | 287,191           | 287,191           | 287,191           | 287,191           |
| <b>GRAND TOTAL</b>                  | <b>76,003,826</b> | <b>79,726,325</b> | <b>82,462,168</b> | <b>85,034,097</b> | <b>87,896,750</b> | <b>90,987,203</b> |
| Increase \$                         |                   | 3,722,499         | 2,735,842         | 2,571,930         | 2,861,652         | 3,091,453         |
| Increase %                          |                   | 4.90%             | 3.43%             | 3.12%             | 3.37%             | 3.52%             |

## Next Steps

- Affirm/Revise assumptions
- Develop Revenue outlook
- Develop Table 6 Assessments
  
- FY'16 Budget process

15