

JANUARY 8, 2013

BOARD OF EDUCATION MEETING



2013-14 BUDGET PRESENTATION

DARIEN BOARD OF EDUCATION

Superintendent's Proposed 2013-2014 Budget

Budget Development Process

- Determine Staff and Enrollment Projections Based on Report for 10/1/12
- Calculate Major Non-Discretionary Accounts
Contract obligations, anticipated cost forecasts, and budget assumptions
- Prepare, Review and Prioritize School & Program Requests
RC Heads Present Requests; submissions were reviewed to assure necessity
- Re-examine and Prioritize Expenditures and Potential Reductions
Review of 2012-13 prior reductions
- Reduce Budget Submissions
Address reality of economic climate including significant anticipated revenue reduction

Proposed Expenditure Plan for 2013-2014

Developed by . . .

- ❑ Reviewing Current Expenditure Levels Extended into the Coming Year to Sustain Academic Excellence yet with few New Initiatives
- ❑ Prioritizing Current & Anticipated Needs to Accommodate Programs and Services; then Factoring in Realities of Current Economic Climate
- ❑ Supporting Student Learning through Maintaining a Current Level of Services in a very Challenging Economic Climate and by Identifying Areas for Potential Savings and Reductions
- ❑ Managing District Operations as Cost Effectively as Possible and Weighing the Impact of Potential Reductions
- ❑ Meeting Requirements of Contractual Obligations and Fixed Cost Increases

Board Goals

Collaboration

Working together produces the best learning and professional growth by encouraging individuals to take responsibility for their own learning in an environment which allows for risk-taking and reflection.

Learner -Centered Instruction

In our school environments, learners should be building on what they know and engaging in activities that develop their deep understanding of concepts, critical and creative thinking, and problem-solving skills through meaningful applications of content.

Communication

Understanding of our shared vision and expectations comes from clear, consistent, and comprehensive communication among all constituents.

Efficiency

Our limited resources must be allocated to produce the maximum benefit for our students.

Calculation of Major Accounts

- ❑ Salary (Each Employee Placed On Negotiated Scale)
- ❑ Transportation
 - Each Bus by Contracted Price (3.15%)
 - No Change to Number of Buses Needed
 - Contracted Price for Special Runs
- ❑ Out of District Placement Tuition
 - Examine each Student's current placement and determine next year's expected placement
- ❑ Fuel & Utilities – Bid Consortium and Rate Lock-ins
- ❑ Insurance and Benefits – Experience & Rates Managed
In View of Estimated Increases

Reasons for Budget Increase

- ❑ Salary Increases \$319,873
- ❑ Insurance & Retirement Increases \$ 1,569,283
 - ❑ Total Obligations (*Accounts for 58% of recommended increase*)
- ❑ Revenue Decreases \$299,800 (*9% of recommended increase*)
- ❑ Rebuild Infrastructure \$231,455 (*7% of recommended increase*)
- ❑ Total Operating \$835,053 (*26% of recommended increase*)

Operating

| | |
|--------------------------|------------|
| * Technology Plan | \$152,000 |
| * Software Maintenance | \$ 90,000 |
| * Teacher Evaluation R&D | \$ 80,000 |
| * Oil/Utilities | \$ 60,000 |
| * Textbooks | \$ 55,000 |
| * Transportation (Buses) | \$ 51,000 |
| * Maintenance | \$ 40,000 |
| * Facility Planning | \$ 40,000 |
| * Special Education | \$ 275,000 |

Enrollment Status

| <u>School</u> | <u>Actual 11-12</u> | <u>Actual 12-13</u> | <u>Projected 13-14</u> | <u>Net Change Actual to Predicted</u> |
|---------------|---------------------|---------------------|------------------------|---|
| Elementary | 2336 | 2381 | 2424 | +43 |
| Middle | 1155 | 1135 | 1125 | -10 |
| High | 1326 | 1330 | 1357 | +27 |
| Total | 4817 | 4846 | 4906 | +60 |

Reasons for Budget Increase



Proposed Staff Changes 2012-13

- * **Secondary Specialist(s) +1.0 (net) Language and Mathematics**
- * **Budget Control +4.0 Budget Control Certified Position**

Background on Salary and Insurance

- ❑ **Negotiated Teacher Salary Increases**
 - Second Year of Teacher Contract (1/2 Step Movement)
- ❑ **Benefits and Other Insurances**
 - Health Insurance \$1,327,098
 - FICA/Medicare \$77,171
 - Municipal Retirement \$84,957

Step Movement

- * Teacher at MA Step 4 in 2011-12 \$52,866
- * Year 1 (2012-13) of Contract ½ Step \$ 54, 057 (+\$1,191)
- * Year 2 (2013-14)of Contract ½ Step \$ 55,248 (+\$1,191)
- * Year 3 (2014-15 of Contract 1 Step \$ 58,024 (+\$2,776)

Noteworthy Budget Points

Special Education

- * Budget remains relatively flat after change in In-District Transportation
- * Reflects having classroom instruction closest to students in the general education setting to the extent possible
- * Modest adjustment to Excess Cost Projections

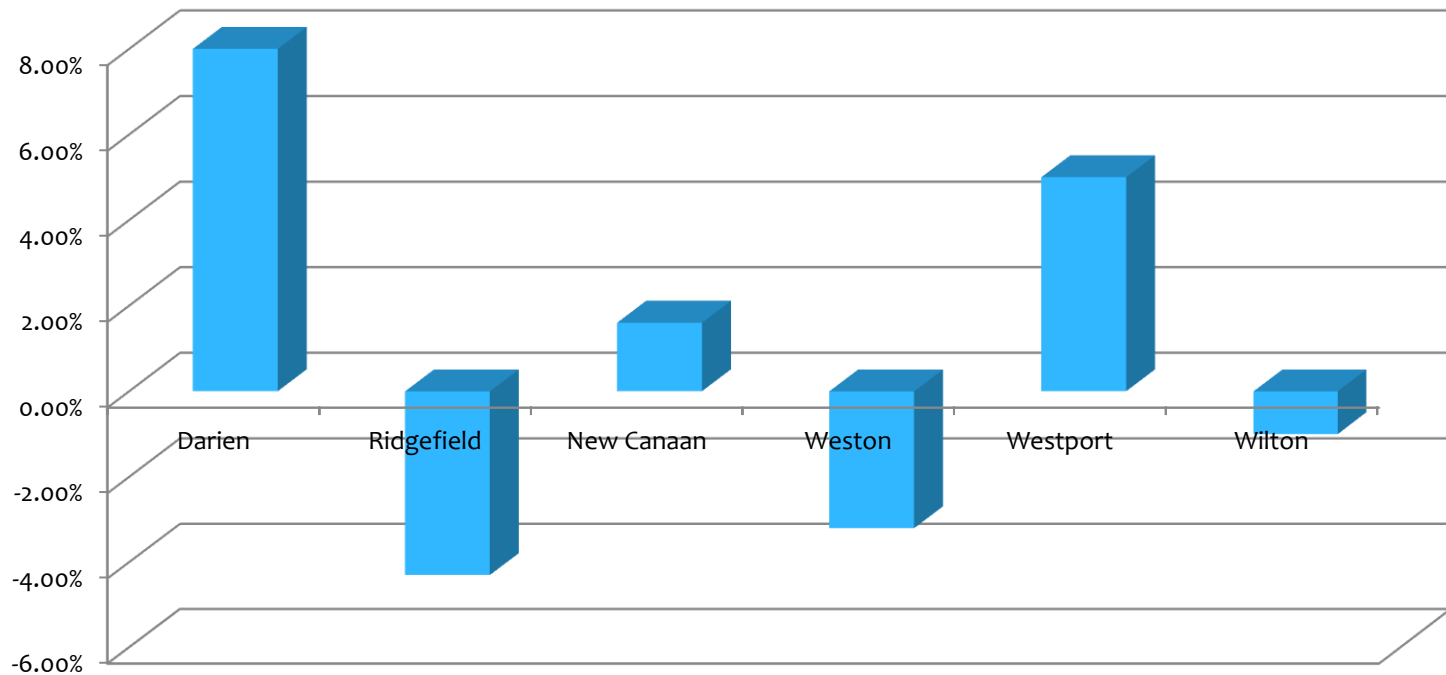
Reliance on Revenues

- * Excess Cost, Summer School, Tuition, Fees
- * Represent approximately 5% of budget
- * Not timely

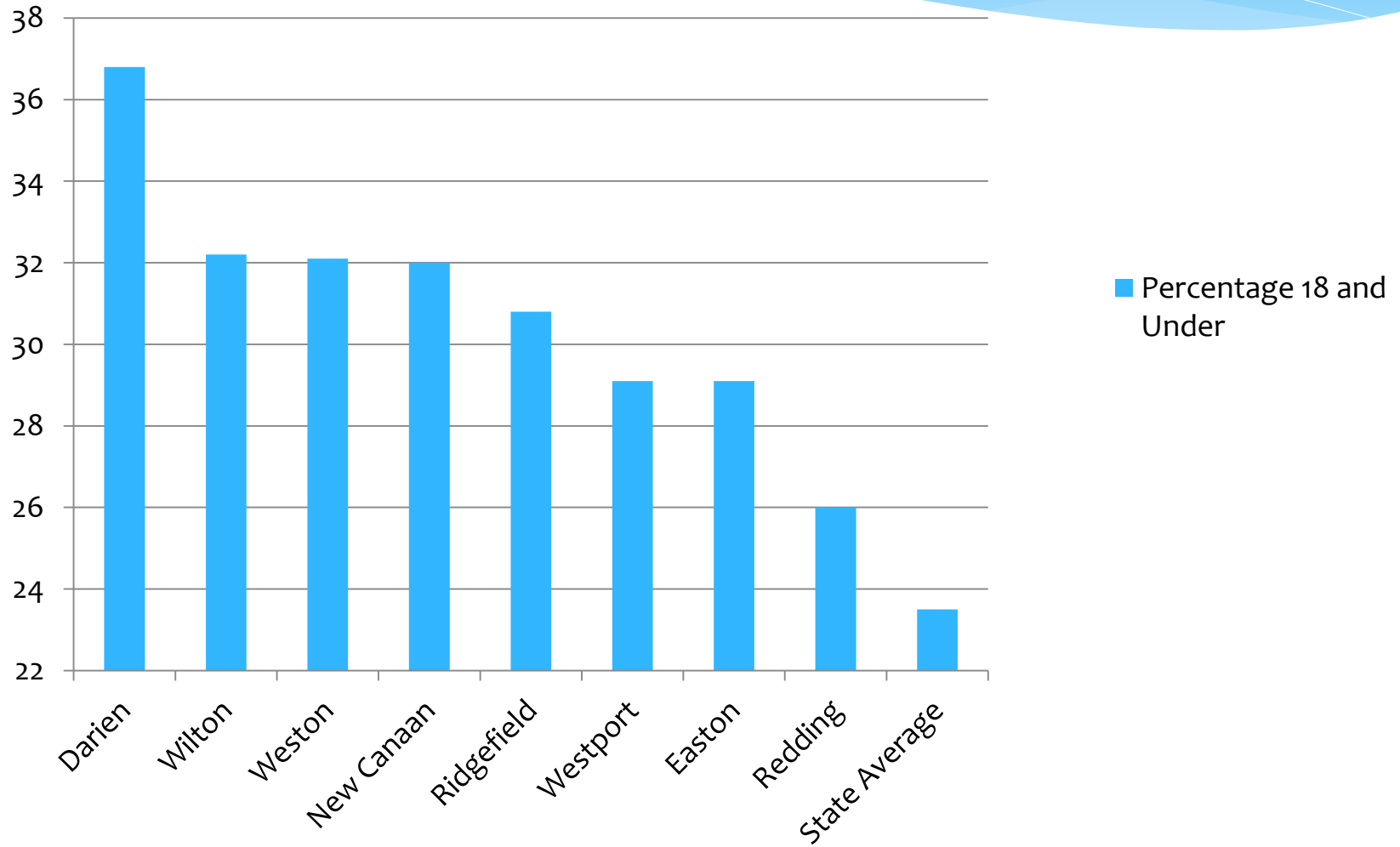
Equipment \$ 219,919

- * Reflects purchases deferred in past years

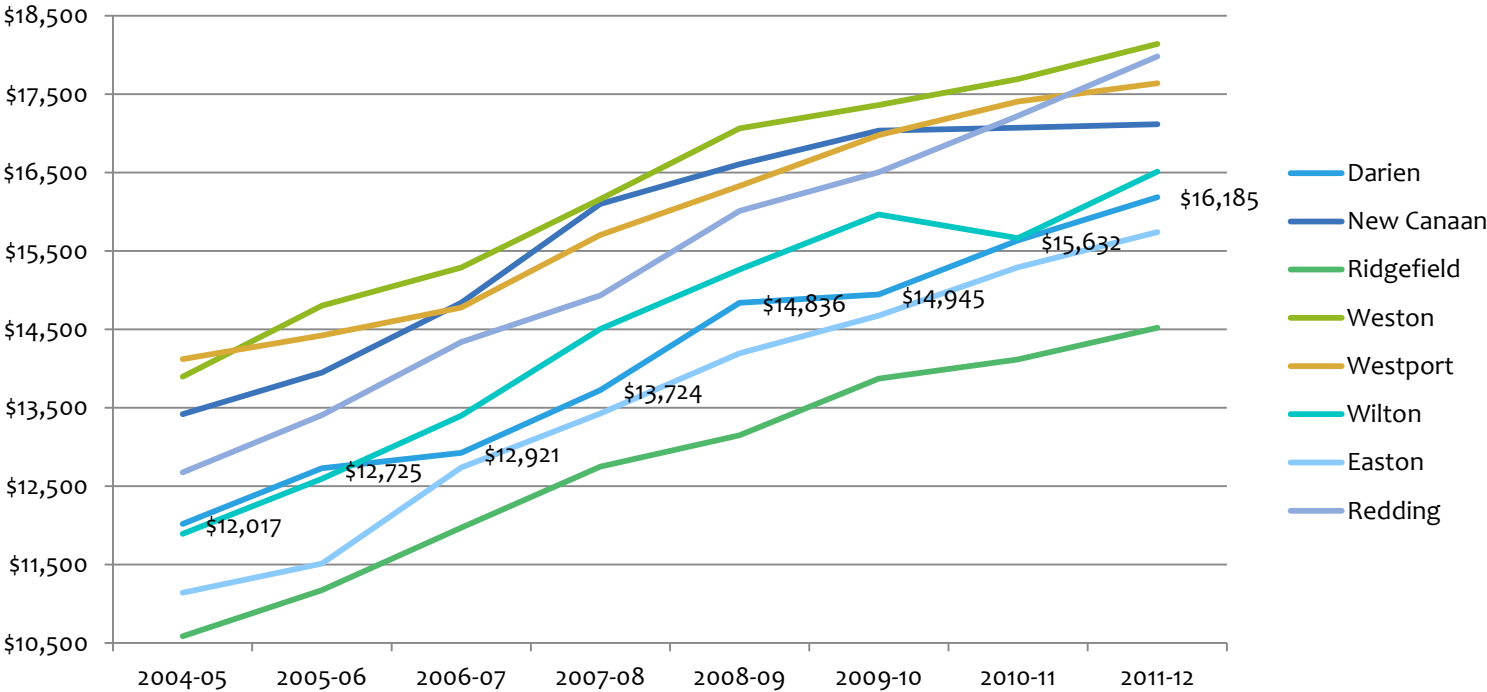
Enrollment Changes Since 05-06



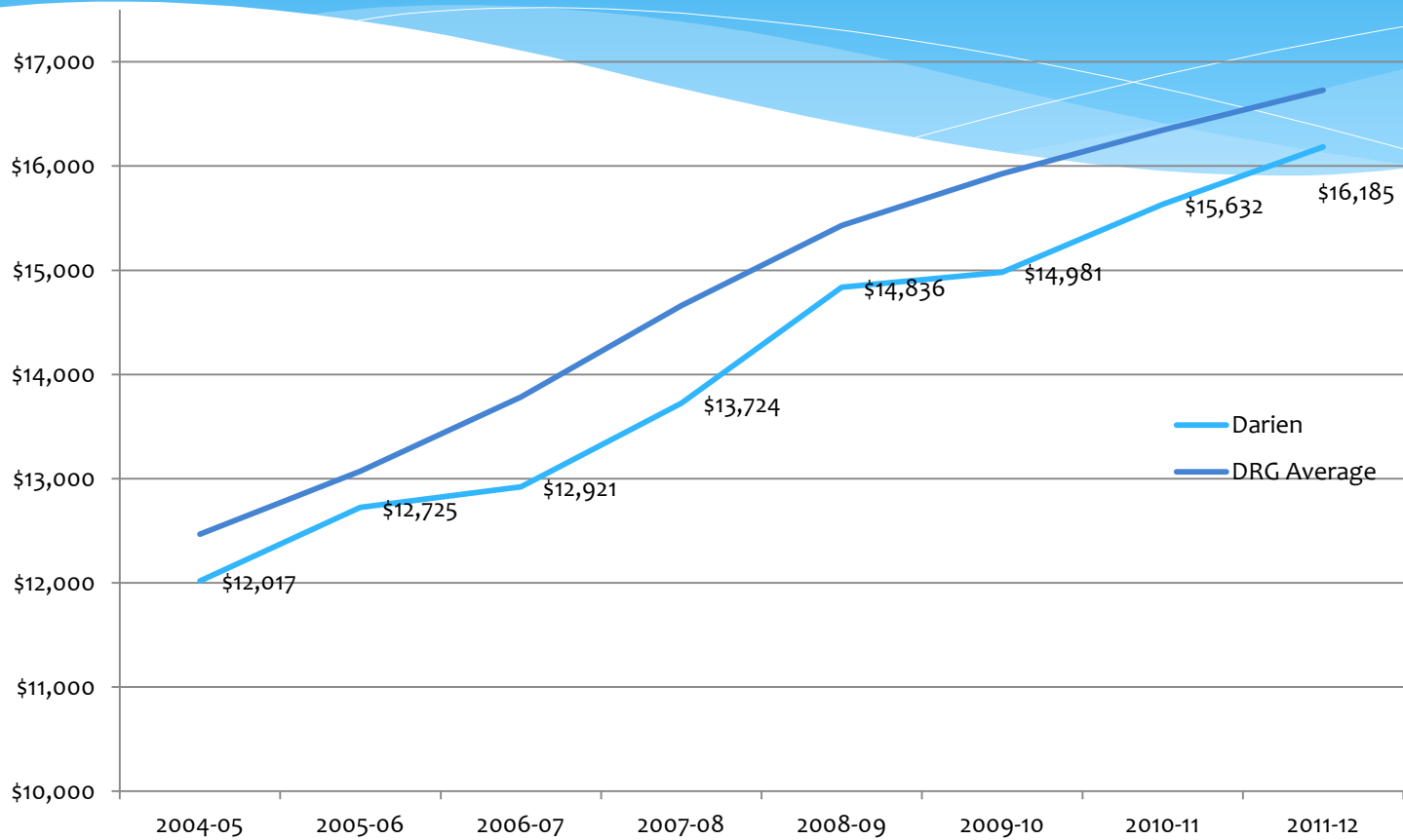
Percentage of Population 18 and Under in 2009



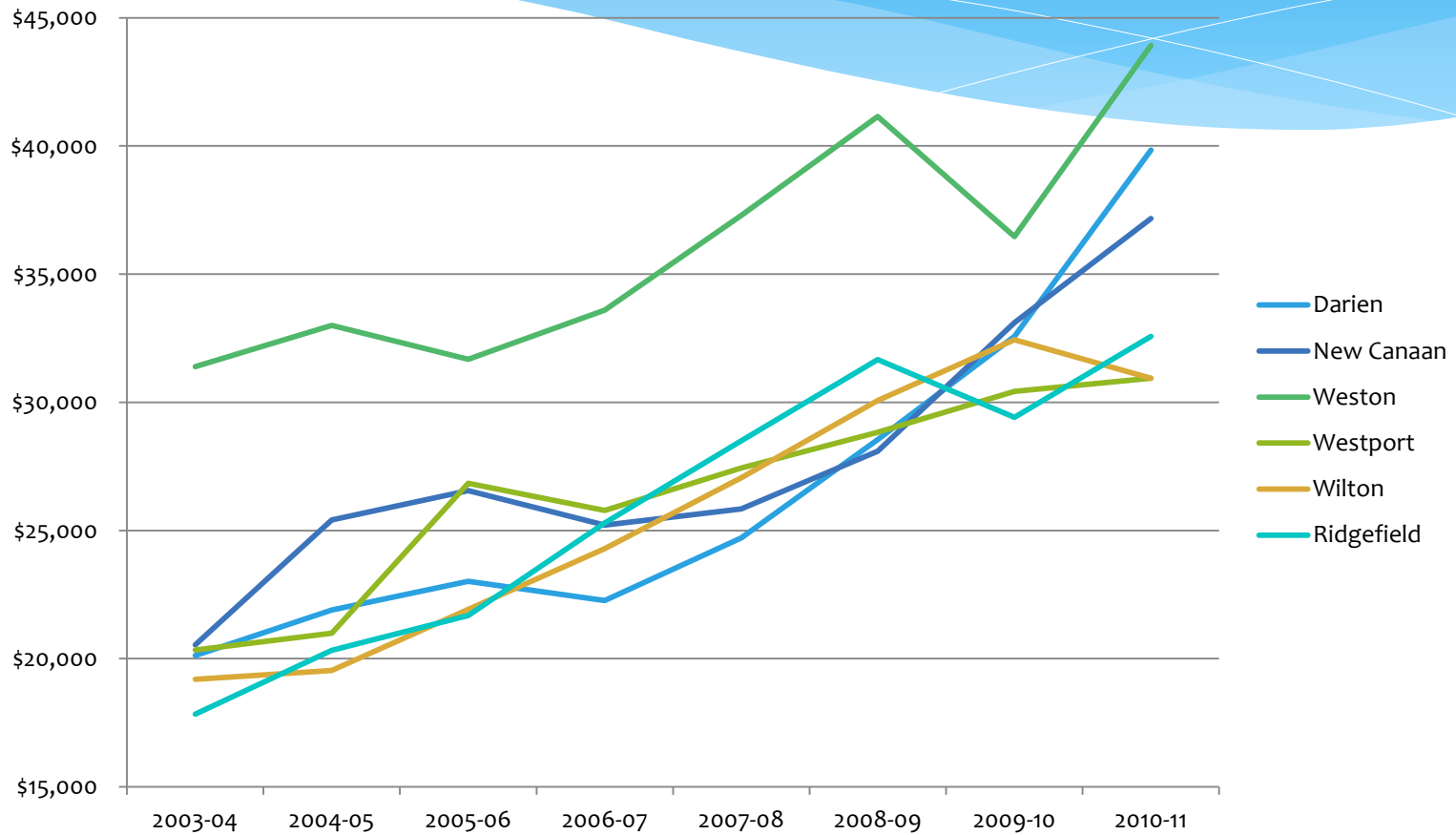
Per Pupil Spending DRG



Per Pupil Spending – DRG Average



Per Pupil Special Education



Increase Summary

- * 3.54% over 2012-13 Budget in Expenses
- * Total of Revenue Decreased by \$299,800
- * 4.07% Total Increase

Summary of Budget Increase 2012-13 to 2013-14

| Account | Increase | Percentage Difference |
|----------------------|------------------|------------------------------|
| Total Personnel | 319,873 | 0.57% |
| Total Operating | 1,351,313 | 14.25% |
| Total Equipment | 231,455 | 68.83% |
| RC 25 Fixed Expenses | <u>1,053,023</u> | <u>5.88%</u> |
| SubTotal | 2,955,644 | 3.54% |
| Revenue | 299,800 | 8.41% |
| Totals | 3,255,464 | 4.07% |

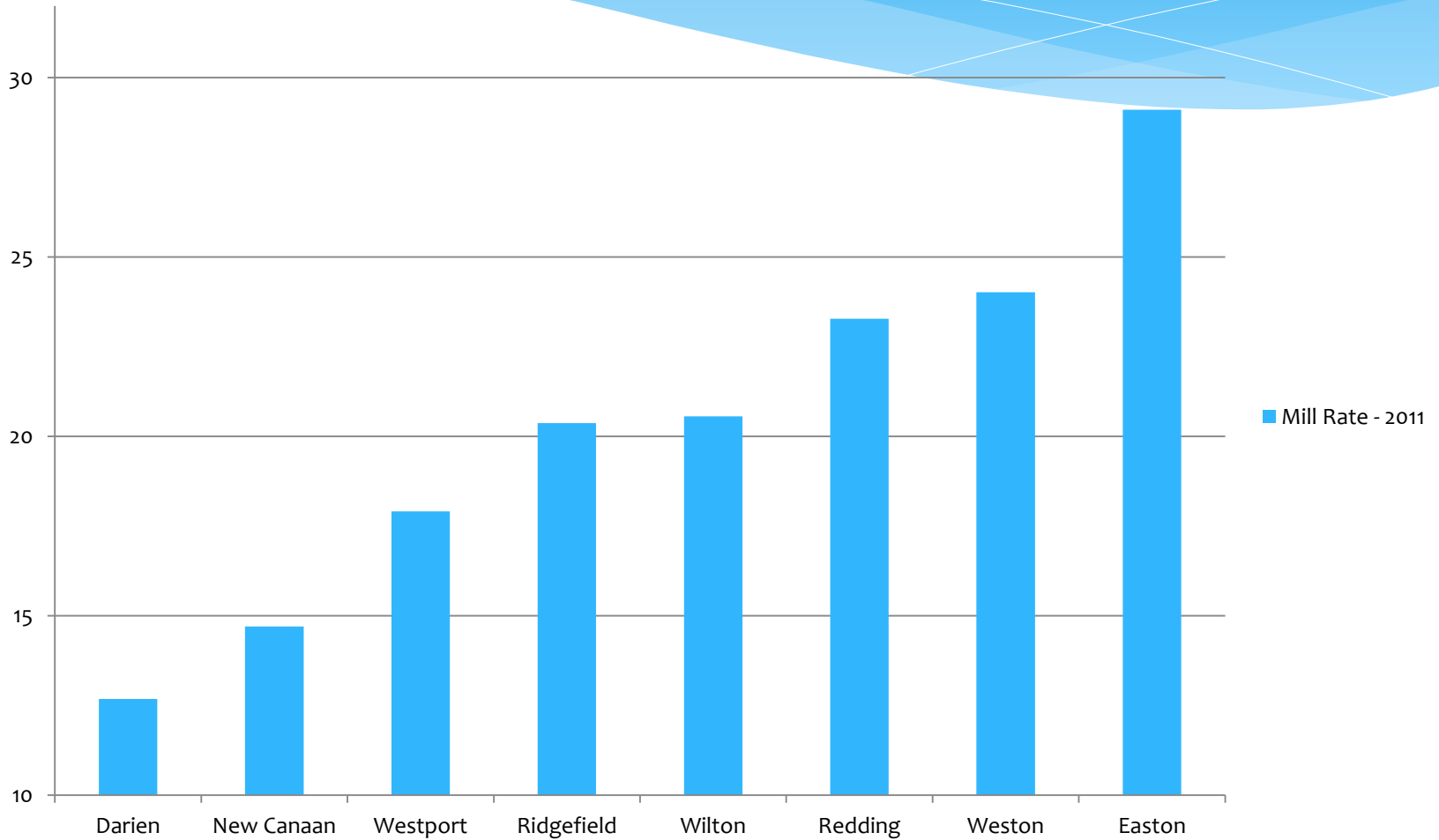
Deferrals Revisited

- * Professional Development
- * Furniture
- * Literacy Libraries
- * Textbook Replacement
- * Teaching Supplies
- * Athletics
- * Participation Fees

Addressing Safety, Security, and Priority Capital Needs

- ❑ Generators (\$1.19M)
- ❑ Oil Tanks
- ❑ Exterior P.A. Systems

Mill Rate – 2011



Proposed Budget is a Carefully Modified Plan

- A Product of the Detailed Work of all RC heads, of Administrators, and of the Director of Finance
- Based Upon Best Available Information at this Time
- Guided by Needs which can be Justified, and then Subjected to Significant Cost-Cutting Reductions
- Supports our Students toward Achieving Excellence & High Level Accomplishments within the Realities of the Recent Economic Downturn

Why Darien?

- * Excellent Schools
- * Housing Opportunities
- * Access to Metro North Railroad
- * Community Activity
- * Reasonable Taxes (Mill Rate)
- * Return on Investment
- * Customer Service (Accessibility)



Concluding Thoughts

- * Schools exist for children
- * Though some aspects of the budget are predictable, we are working in an environment of uncertainty (federal and state funding, litigation, spending patterns)
- * Increased levels of transparency
- * Community return on Investment

