



2008-09 Budget Options

June 19, 2008



Budget Option Summary

A

Incorporates budget reductions finalized by the Board of Education on May 12, 2008. Adds back the two days lost to support staff.

A1

Incorporates budget reductions finalized by the Board of Education on May 12, 2008. Makes no salary increases or recoveries in fiscal year 2008-09.

B

Incorporates budget reductions finalized by the Board of Education on May 12, 2008. Pays a cost-of-living adjustment (COLA) equal to the projected cost of operating the salary schedule so that each employee receives an increase of 1.67% (Line 17) in fiscal year 2008-09.

C

Incorporates budget reductions finalized by the Board of Education on May 12, 2008. Adds back the value of the two days lost to all employees (Line 18) in fiscal year 2008-09.

The Board of Education continues to bear the full burden of increased retirement costs as well as employee health, life, and dental premiums in all years.

Budget A

Advantages

- Maintains DESE-defined solvency through 2012-13 without a levy increase
- Creates lowest borrowing need and lowest borrowing cost of the options
- Delays the need for a levy increase and provides an opportunity to hear from our public
- Provides protection from budget fluctuations in both revenue and expenditures
- Maintains a full two months of expenses in the June 30, 2009, fund balance (meets payroll without borrowing)
- Complies with the budget parameters adopted by the Board on 12/10/07, maintaining the commitment made to voters
- Maintains the projected level of fund balances at or above 16% in 2008-09, as per the budget parameters adopted by the Board on 12/10/07
- Adds back two days to support staff

Disadvantages

- Reduces the level of competitive teacher salaries in relation to the 12 comparison districts
- Operates at a deficit of \$1,587,132

Budget A

	2007-08 (budgeted) June 2007	2007-08 (projected) June 2008	2008-09 (projected) May 2008	2008-09 (budgeted) June 2008	2009-10 (forecast)	2010-11 (forecast)	2011-12 (forecast)	2012-13 (forecast)	
1	Beginning combined fund balance	\$36,817,204	\$36,817,204	\$26,463,809	\$28,704,864	\$27,117,732	\$23,990,496	\$18,880,318	\$12,910,851
2	Revenue:								
3	Local	\$91,002,286	\$91,834,3047	\$91,002,286	\$93,636,107	\$93,636,107	\$98,342,912	\$102,301,629	\$106,418,694
4	Intermediate	\$1,789,901	\$1,761,995	\$1,807,800	\$1,749,693	\$1,767,190	\$1,784,862	\$1,802,710	\$1,820,738
5	State	\$51,815,212	\$51,895,652	\$51,815,212	\$52,245,398	\$52,245,398	\$53,255,398	\$54,374,398	\$55,599,398
6	Federal	\$8,910,844	\$8,876,077	\$8,999,952	\$8,883,344	\$9,061,011	\$9,242,231	\$9,427,076	\$9,615,617
7	Other	\$163,500	\$182,599	\$163,500	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
8	Increase in Local Revenue			\$2,552,887		\$4,681,805	\$3,933,716	\$4,092,065	\$4,256,748
9	Increase in State Funding			\$322,437		\$710,000	\$819,000	\$925,000	\$1,031,000
10	New Prop C revenues			\$346,992		\$300,000	\$300,000	\$300,000	\$300,000
10	Increase in misc. revenues			\$62,993		\$25,000	\$25,000	\$25,000	\$25,000
11	Total Revenue	\$153,681,743	\$154,550,627	\$157,074,059	\$156,674,542	\$162,586,511	\$167,863,120	\$173,407,878	\$179,227,195
12	Expenditures:								
13	Salaries	\$107,649,739	\$106,693,087	\$107,649,739	\$102,362,899	\$102,723,543	\$106,424,831	\$110,671,159	\$114,400,937
14	Benefits	\$26,845,998	\$27,466,922	\$26,845,998	\$28,216,347	\$28,216,347	\$29,802,491	\$31,515,527	\$33,365,605
15	Increased costs for incr. retirement rates			\$492,152		\$531,524	\$574,046	\$619,970	\$669,567
16	Increased costs for increase in ins. premiums			\$976,500		\$1,054,620	\$1,138,990	\$1,230,109	\$1,328,517
17	Salary and benefit cost for ed. advancement			\$800,000		\$800,000	\$800,000	\$800,000	\$800,000
18	Operation of salary schedule					\$1,950,000	\$2,000,000	\$2,050,000	\$2,100,000
19	Services and supplies	\$29,539,401	\$28,502,958	\$29,539,401	\$27,321,784	\$27,321,784	\$29,486,426	\$30,786,612	\$31,610,803
20	Increases in fixed costs (utilities, transp., fuel)			\$754,252		\$776,880	\$800,186	\$824,192	\$848,917
21	Increases in salaries and benefits for new schools					\$414,700	\$260,000		
22	2008-09 budget reductions			\$(9,262,682)		\$887,762			
23	Add back budget reduction items 67, 68, 70, 76, 85, and 100				\$360,644				
24	Increase in op. and maint. budgets for new schools					\$500,000	\$500,000		
24	Increase of 1.3 FTE per 25 add'l enr. and requirements					\$536,588	\$1,186,328	\$879,778	\$1,266,408
25	Total Expenditures	\$164,035,138	\$162,662,967	\$157,795,360	\$158,261,674	\$165,713,748	\$172,973,297	\$179,377,345	\$186,390,756
26	Projected Excess (Deficit)	\$(10,353,395)	\$(8,112,340)	\$(721,301)	\$(1,587,132)	\$(3,127,237)	\$(5,110,178)	\$(5,969,467)	\$(7,163,561)
28	Projected Ending Combined Fund Balance	\$26,463,809	\$28,704,864	\$25,742,509	\$27,117,732	\$23,990,496	\$18,880,318	\$12,910,851	\$5,747,290
29	Fund balance as Percentage of Expenses July 1	16.13%	17.65%	16.31%	17.13%	14.48%	10.92%	7.20%	3.08%
30	Revenue needed to balance budget and maintain 16% reserve					\$2,523,704	\$8,795,410	\$15,789,525	\$24,075,231
31	Est. minimum levy increase to operate schedule and support 16% reserve					\$0.13	\$0.44	\$0.80	\$1.21
32	Est. Nov. 30 fund balance assuming continued spending patterns				\$(7,165,995)	\$(11,532,556)	\$(15,870,972)	\$(23,237,479)	\$(30,561,934)

Budget A1

Advantages

- Maintains DESE-defined solvency through 2012-13 without a levy increase
- Creates lowest borrowing need and lowest borrowing cost of the options
- Delays the need for a levy increase
- Provides best protection from budget fluctuations in both revenue and expenditures
- Maintains a full two months of expenses in the June 30, 2009, fund balance
- Complies with the budget parameters maintaining the promise made to voters
- Maintains the highest projected level of fund balance above 16% in 2008-09, as per the budget parameters adopted by the Board on 12/10/07

Disadvantages

- Reduces the level of competitive teacher salaries in relation to the 12 comparison districts
- Operates at a deficit of \$1,436,988

Budget A1

	2007-08 (budgeted) June 2007	2007-08 (projected) June 2008	2008-09 (projected) May 2008	2008-09 (budgeted) June 2008	2009-10 (forecast)	2010-11 (forecast)	2011-12 (forecast)	2012-13 (forecast)	
1	Beginning combined fund balance	\$36,817,204	\$36,817,204	\$26,463,809	\$28,704,864	\$27,267,876	\$24,290,784	\$19,330,750	\$13,511,427
2	Revenue:								
3	Local	\$91,002,286	\$91,834,3047	\$91,002,286	\$93,636,107	\$93,636,107	\$98,342,912	\$102,301,629	\$106,418,694
4	Intermediate	\$1,789,901	\$1,761,995	\$1,807,800	\$1,749,693	\$1,767,190	\$1,784,862	\$1,802,710	\$1,820,738
5	State	\$51,815,212	\$51,895,652	\$51,815,212	\$52,245,398	\$52,245,398	\$53,255,398	\$54,374,398	\$55,599,398
6	Federal	\$8,910,844	\$8,876,077	\$8,999,952	\$8,883,344	\$9,061,011	\$9,242,231	\$9,427,076	\$9,615,617
7	Other	\$163,500	\$182,599	\$163,500	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
8	Increase in Local Revenue			\$2,552,887		\$4,681,805	\$3,933,716	\$4,092,065	\$4,256,748
9	Increase in State Funding			\$322,437		\$710,000	\$819,000	\$925,000	\$1,031,000
10	New Prop C revenues			\$346,992		\$300,000	\$300,000	\$300,000	\$300,000
10	Increase in misc. revenues			\$62,993		\$25,000	\$25,000	\$25,000	\$25,000
11	Total Revenue	\$153,681,743	\$154,550,627	\$157,074,059	\$156,674,542	\$162,586,511	\$167,863,120	\$173,407,878	\$179,227,195
12	Expenditures:								
13	Salaries	\$107,649,739	\$106,693,087	\$107,649,739	\$102,362,899	\$102,573,399	\$106,274,687	\$110,521,015	\$114,250,793
14	Benefits	\$26,845,998	\$27,466,922	\$26,845,998	\$28,216,347	\$28,216,347	\$29,802,491	\$31,515,527	\$33,365,605
15	Increased costs for incr. retirement rates			\$492,152		\$531,524	\$574,046	\$619,970	\$669,567
16	Increased costs for increase in ins. premiums			\$976,500		\$1,054,620	\$1,138,990	\$1,230,109	\$1,328,517
17	Salary and benefit cost for ed. advancement			\$800,000		\$800,000	\$800,000	\$800,000	\$800,000
18	Operation of salary schedule					\$1,950,000	\$2,000,000	\$2,050,000	\$2,100,000
19	Services and supplies	\$29,539,401	\$28,502,958	\$29,539,401	\$27,321,784	\$27,321,784	\$29,486,426	\$30,786,612	\$31,610,803
20	Increases in fixed costs (utilities, transp., fuel)			\$754,252		\$776,880	\$800,186	\$824,192	\$848,917
21	Increases in salaries and benefits for new schools					\$414,700	\$260,000		
22	2008-09 budget reductions			\$(9,262,682)		\$887,762			
23	Add back budget reduction items 70, 76, 85, and 100				\$210,500				
24	Increase in op. and maint. budgets for new schools					\$500,000	\$500,000		
24	Increase of 1.3 FTE per 25 add'l enr. and requirements					\$536,588	\$1,186,328	\$879,778	\$1,266,408
25	Total Expenditures	\$164,035,138	\$162,662,967	\$157,795,360	\$158,111,530	\$165,563,604	\$172,823,153	\$179,227,201	\$186,240,612
26	Projected Excess (Deficit)	\$(10,353,395)	\$(8,112,340)	\$(721,301)	\$(1,436,988)	\$(2,977,093)	\$(4,960,034)	\$(5,819,323)	\$(7,013,417)
28	Projected Ending Combined Fund Balance	\$26,463,809	\$28,704,864	\$25,742,509	\$27,267,876	\$24,290,784	\$19,330,750	\$13,511,427	\$6,498,010
29	Fund balance as Percentage of Expenses July 1	16.13%	17.65%	16.31%	17.25%	14.67%	11.19%	7.54%	3.49%
30	Revenue needed to balance budget and maintain 16% reserve					\$2,199,393	\$8,320,955	\$15,164,925	\$23,300,488
31	Est. minimum levy increase to operate schedule and support 16% reserve					\$0.11	\$0.42	\$0.76	\$1.17
32	Est. Nov. 30 fund balance assuming continued spending patterns				\$(7,165,995)	\$(11,532,556)	\$(15,870,972)	\$(23,237,479)	\$(30,561,934)

Budget B

Advantages

- Increases base salary over Budget A1 for all employees by 1.67%

Disadvantages

- Creates DESE-defined insolvency (distressed) fund balance levels in 2012-13 without levy increase
- Creates highest borrowing need and highest cost of borrowing and longest amount of time in borrowing
- Maintains 1.89 months of expenditures in the June 30, 2009 fund balance
- Reduces projected fund balance to below 16% in 2008-09
- Eliminates ability to respond to revenue and expenditure fluctuations
- Operates at a deficit in 2008-09 of \$3,386,988

Budget B

	2007-08 (budgeted) June 2007	2007-08 (projected) June 2008	2008-09 (projected) May 2008	2008-09 (budgeted) June 2008	2009-10 (forecast)	2010-11 (forecast)	2011-12 (forecast)	2012-13 (forecast)	
1	Beginning combined fund balance	\$36,817,204	\$36,817,204	\$26,463,809	\$28,704,864	\$25,317,876	\$20,390,784	\$13,480,750	\$5,711,427
2	Revenue:								
3	Local	\$91,002,286	\$91,834,3047	\$91,002,286	\$93,636,107	\$93,636,107	\$98,342,912	\$102,301,629	\$106,418,694
4	Intermediate	\$1,789,901	\$1,761,995	\$1,807,800	\$1,749,693	\$1,767,190	\$1,784,862	\$1,802,710	\$1,820,738
5	State	\$51,815,212	\$51,895,652	\$51,815,212	\$52,245,398	\$52,245,398	\$53,255,398	\$54,374,398	\$55,599,398
6	Federal	\$8,910,844	\$8,876,077	\$8,999,952	\$8,883,344	\$9,061,011	\$9,242,231	\$9,427,076	\$9,615,617
7	Other	\$163,500	\$182,599	\$163,500	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
8	Increase in Local Revenue			\$2,552,887		\$4,681,805	\$3,933,716	\$4,092,065	\$4,256,748
9	Increase in State Funding			\$322,437		\$710,000	\$819,000	\$925,000	\$1,031,000
10	New Prop C revenues			\$346,992		\$300,000	\$300,000	\$300,000	\$300,000
10	Increase in misc. revenues			\$62,993		\$25,000	\$25,000	\$25,000	\$25,000
11	Total Revenue	\$153,681,743	\$154,550,627	\$157,074,059	\$156,674,542	\$162,586,511	\$167,863,120	\$173,407,878	\$179,227,195
12	Expenditures:								
13	Salaries	\$107,649,739	\$106,693,087	\$107,649,739	\$102,362,899	\$102,523,399	\$106,224,687	\$112,471,015	\$116,200,793
14	Benefits	\$26,845,998	\$27,466,922	\$26,845,998	\$28,216,347	\$28,216,347	\$29,802,491	\$31,515,527	\$33,365,605
15	Increased costs for incr. retirement rates			\$492,152		\$531,524	\$574,046	\$619,970	\$669,567
16	Increased costs for increase in ins. premiums			\$976,500		\$1,054,620	\$1,138,990	\$1,230,109	\$1,328,517
17	Salary and benefit cost for ed. advancement			\$800,000		\$800,000	\$800,000	\$800,000	\$800,000
18	Operation of salary schedule (or similar cost COLA)				\$1,950,000	\$1,950,000	\$2,000,000	\$2,050,000	\$2,100,000
19	Services and supplies	\$29,539,401	\$28,502,958	\$29,539,401	\$27,321,784	\$27,321,784	\$29,486,426	\$30,786,612	\$31,610,803
20	Increases in fixed costs (utilities, transp., fuel)			\$754,252		\$776,880	\$800,186	\$824,192	\$848,917
21	Increases in salaries and benefits for new schools					\$414,700	\$260,000		
22	2008-09 budget reductions					\$887,762			
23	Add back budget reduction items 70, 76, 85, and 100				\$210,500				
24	Increase in op. and maint. budgets for new schools					\$500,000	\$500,000		
24	Increase of 1.3 FTE per 25 add'l enr. and requirements					\$536,588	\$1,186,328	\$879,778	\$1,266,408
25	Total Expenditures	\$164,035,138	\$162,662,967	\$157,795,360	\$160,061,530	\$167,513,604	\$174,773,153	\$181,177,201	\$188,190,612
26	Projected Excess (Deficit)	\$(10,353,395)	\$(8,112,340)	\$(721,301)	\$(3,386,988)	\$(4,927,093)	\$(6,910,034)	\$(7,769,323)	\$(8,963,417)
28	Projected Ending Combined Fund Balance	\$26,463,809	\$28,704,864	\$25,742,509	\$25,317,876	\$20,390,784	\$13,480,750	\$5,711,427	\$(3,251,990)
29	Fund balance as Percentage of Expenses July 1	16.13%	17.65%	16.31%	15.82%	12.17%	7.71%	3.15%	-1.73%
30	Revenue needed to balance budget and maintain 16% reserve					\$6,411,393	\$14,482,955	\$23,276,925	\$33,362,488
31	Est. minimum levy increase to operate schedule and support 16% reserve					\$0.32	\$0.73	\$1.17	\$1.68
32	Est. Nov. 30 fund balance assuming continued spending patterns				\$(7,978,495)	\$(14,295,056)	\$(20,583,472)	\$(29,899,979)	\$(39,174,434)

Budget C

Advantages

- Replaces two days compensation dollars for all employees
- Maintains projected fund balance above 16% in 2008-09, as per the budget parameters adopted by the Board on 12/10/07

Disadvantages

- Creates DESE-defined insolvency (distressed) fund balance levels in 2012-13 without levy increase
- Increases need for borrowing and cost of borrowing
- Maintains 1.96 months of expenditures in the June 30, 2009 fund balance
- Reduces ability to respond to revenue and expenditure fluctuations
- Operates at a deficit in 2008-09 of \$2,604,248

Budget C

		2007-08 (budgeted) June 2007	2007-08 (projected) June 2008	2008-09 (projected) May 2008	2008-09 (budgeted) June 2008	2009-10 (forecast)	2010-11 (forecast)	2011-12 (forecast)	2012-13 (forecast)
1	Beginning combined fund balance	\$36,817,204	\$36,817,204	\$26,463,809	\$28,704,864	\$26,100,616	\$21,956,264	\$15,828,970	\$8,842,387
	Revenue:								
2	Local	\$91,002,286	\$91,834,3047	\$91,002,286	\$93,636,107	\$93,636,107	\$98,342,912	\$102,301,629	\$106,418,694
3	Intermediate	\$1,789,901	\$1,761,995	\$1,807,800	\$1,749,693	\$1,767,190	\$1,784,862	\$1,802,710	\$1,820,738
4	State	\$51,815,212	\$51,895,652	\$51,815,212	\$52,245,398	\$52,245,398	\$53,255,398	\$54,374,398	\$55,599,398
5	Federal	\$8,910,844	\$8,876,077	\$8,999,952	\$8,883,344	\$9,061,011	\$9,242,231	\$9,427,076	\$9,615,617
6	Other	\$163,500	\$182,599	\$163,500	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
7	Increase in Local Revenue			\$2,552,887		\$4,681,805	\$3,933,716	\$4,092,065	\$4,256,748
8	Increase in State Funding			\$322,437		\$710,000	\$819,000	\$925,000	\$1,031,000
9	New Prop C revenues			\$346,992		\$300,000	\$300,000	\$300,000	\$300,000
10	Increase in misc. revenues			\$62,993		\$25,000	\$25,000	\$25,000	\$25,000
11	Total Revenue	\$153,681,743	\$154,550,627	\$157,074,059	\$156,674,542	\$162,586,511	\$167,863,120	\$173,407,878	\$179,227,195
	Expenditures:								
12	Salaries	\$107,649,739	\$106,693,087	\$107,649,739	\$102,362,899	\$103,740,659	\$107,441,947	\$111,688,275	\$115,418,053
13	Benefits	\$26,845,998	\$27,466,922	\$26,845,998	\$28,216,347	\$28,216,347	\$29,802,491	\$31,515,527	\$33,365,605
14	Increased costs for incr. retirement rates			\$492,152		\$531,524	\$574,046	\$619,970	\$669,567
15	Increased costs for increase in ins. premiums			\$976,500		\$1,054,620	\$1,138,990	\$1,230,109	\$1,328,517
16	Salary and benefit cost for ed. advancement			\$800,000		\$800,000	\$800,000	\$800,000	\$800,000
17	Operation of salary schedule					\$1,950,000	\$2,000,000	\$2,050,000	\$2,100,000
18	Add back dollars for days lost (26, 27, 28, 65-68)				\$1,167,260				
19	Services and supplies	\$29,539,401	\$28,502,958	\$29,539,401	\$27,321,784	\$27,321,784	\$29,486,426	\$30,786,612	\$31,610,803
20	Increases in fixed costs (utilities, transp., fuel)			\$754,252		\$776,880	\$800,186	\$824,192	\$848,917
21	Increases in salaries and benefits for new schools					\$414,700	\$260,000		
22	2008-09 budget reductions			\$(9,262,682)		\$887,762			
23	Add back budget reduction items 70, 76, 85, and 100				\$210,500				
24	Increase in op. and maint. budgets for new schools					\$500,000	\$500,000		
25	Increase of 1.3 FTE per 25 add'l enr. and requirements					\$536,588	\$1,186,328	\$879,778	\$1,266,408
26	Total Expenditures	\$164,035,138	\$162,662,967	\$157,795,360	\$159,278,790	\$166,730,864	\$173,990,413	\$180,394,461	\$187,407,872
27	Projected Excess (Deficit)	\$(10,353,395)	\$(8,112,340)	\$(721,301)	\$(2,604,248)	\$(4,144,353)	\$(6,127,294)	\$(6,986,583)	\$(8,180,677)
28	Projected Ending Combined Fund Balance	\$26,463,809	\$28,704,864	\$25,742,509	\$26,100,616	\$21,956,264	\$15,828,970	\$8,842,387	\$661,710
29	Fund balance as Percentage of Expenses July 1	16.13%	17.65%	16.31%	16.39%	13.17%	9.10%	4.90%	0.35%
30	Revenue needed to balance budget and maintain 16% reserve					\$4,720,675	\$12,009,496	\$20,020,737	\$29,323,550
31	Est. minimum levy increase to operate schedule and support 16% reserve					\$0.24	\$0.60	\$1.01	\$1.48
32	Est. Nov. 30 fund balance assuming continued spending patterns				\$(7,652,353)	\$(13,186,174)	\$(18,691,850)	\$(27,225,617)	\$(35,717,332)