

CSD

Cumberland
School
Department

Cumberland School Department

FY 2018

Budget Presentation

May 17, 2017

Major Changes FY17 to FY18 Revenues

FY17 Total Revenues	\$63,893,335
----------------------------	---------------------

Town Appropriation	\$1,676,172
--------------------	-------------

Town NON MOE Capital	\$385,764
----------------------	-----------

Town Appropriation National Grid Rebate	\$300,000
---	-----------

State Aid	\$1,308,145
-----------	-------------

Fund Balance (\$1,197,608 - FY17, \$450,000 - FY18)	-\$747,608
---	------------

Other One Time Revenues (Article 31/Literacy)	-\$285,245
---	------------

All Other	-\$77,077
-----------	-----------

Estimated FY18 Budget	\$66,453,486
------------------------------	---------------------

Major Changes FY17 to FY18 Appropriations

FY17 Total Appropriations	\$63,893,335
Salaries	\$1,794,262
Fringe Benefits (Health Claims)	\$1,000,000
Other Fringe Benefits (Pensions \$129K)	\$268,000
Special Ed Tuitions	\$200,000
Grade 6 Chromes	\$140,000
Technology (Replacements 5 Yr Plan)	\$100,000
Grades 1 - 8 Science & Math	\$121,460
Attrition	-\$200,000
All Other	<u>-\$129,608</u>
	\$67,187,449
Required SC Reductions	<u>-\$733,963</u>
Estimated FY18 Budget	\$66,453,486

Budget Drivers

Budget	<u>FY 2008</u>	<u>FY 2017</u>	<u>9 Year Average</u>
Salaries	\$29,409,000	\$35,818,000	2.42%
Pensions	\$3,658,000	\$5,640,000	6.02%
Utilities	\$1,278,000	\$1,241,000	-0.32%
Medical	\$6,487,000	\$6,968,000	0.82%
Special Ed Tuitions	\$2,341,000	\$1,100,000	-5.89%
Charters	\$125,000	\$3,852,000	331.29%
All Other	<u>\$8,114,000</u>	<u>\$9,274,000</u>	1.59%
TOTALS	\$51,412,000	\$63,893,000	2.70%
Excluding Charters And State Pensions	\$47,629,000	\$54,401,000	1.58%
Budget Growth	\$12,481,000		
Pensions Minus	-\$1,982,000		
Charters Minus	-\$3,727,000		
Net Increase	\$6,772,000	\$752,444/per year average	

Projected Future Deficits

**Actual
FY2017**

**Proposed
FY2018**

**Projection
FY2019**

**Projection
FY2020**

**Projection
FY2021**

**Projection
FY2022**

Revenues

\$63,893,335

\$66,453,486

\$64,916,866

\$64,583,062

\$64,194,669

\$63,906,703

Appropriations

\$63,893,335

\$66,453,486

\$68,251,783

\$70,110,098

\$72,086,474

\$73,793,980

Potential Gap

\$0

\$0

-\$3,334,917

-\$5,527,036

-\$7,891,805

-\$9,887,277

Additional Town Appropriation FY19

\$1,743,219

\$1,743,219

\$1,743,219

\$1,743,219

-\$1,591,698

-\$3,783,817

-\$6,148,586

-\$8,144,059

School Department Budget Gap FY18

Major Causes

Budget Gap (Major Causes of Budget Gap)

One Time Revenues	\$1,500,000
Healthcare Claims	\$1,000,000
CTA Two Year Contract Salary Increases	\$1,400,000
Teacher Steps By State Law	\$600,000
Pensions	\$100,000
Tuitions	\$200,000
MS Chromebooks	\$141,000
Computer Replacement Plan District Wide	\$100,000
Eureka Math (47), Science Kits (146), Computer/Chromebook Replacements	\$340,000
Unbudgeted Positions In FY17 (TA's, Itinerants, & .5 World Language)	<u>\$300,000</u>
	\$5,681,000

School Department Budget Gap FY18 Solutions

Significant Budget Solutions

Town 4% Increase in Supt Budget	\$1,676,000
State Aid	\$1,308,000
School Fund Balance	\$450,000
Town Fund Balance For Capital Projects/National Grid Funds	\$686,000
6 Departmental Defunded Positions	\$300,000
Durham Contract	\$290,000
Natural Gas & Electricity	\$100,000
Attrition/Breakage	<u>\$200,000</u>
	\$5,010,000

Additional Required Adjustments

10 Positions (Originally 34.5) 6 TA's 4 Certified	\$445,000
Other Adjustments	\$226,000

Fund Balance

“A financially sustainable corrective action plan for the Cumberland School Department must be a high priority for the organization... Reliance on a one time revenue solution, such as fund balance to support recurring expenses, is an **unsustainable financial path.**”

- Crystal Martin

Rhode Island Department of Education

May 2, 2017 letter to Superintendent Mitchell

Fund Balance Continued

“RIDE will continue to monitor Cumberland’s finances and maintain **a financial risk assessment level of high** for the School Department pending the receipt of a multi-year financial corrective action plan approved by all stakeholders in the Cumberland budgeting process.”

- Crystal Martin

Rhode Island Department of Education

May 2, 2017 letter to Superintendent Mitchell

What was included in our initial budget submission?

In our initial submission to the school committee we were anticipating the need to do the following to balance the budget:

- Cut 34.5 positions (13 support staff and 21.5) certified staff)
- ELL reorganization at Ashton School
- No new Chromebooks and carts
- No capital repairs

What has changed?

- We are receiving an additional \$450,000 in state aid (\$1.3 million).
- The town has promised the school department \$300,000 in energy savings from National Grid.
- The town has promised to make our master lease payments totalling \$400,000.
- As a result, we are anticipating eliminating 10 positions instead of the 35.3 we first anticipated.
- However, there is still a shortfall of approximately \$700,000.

Important Questions to Consider

- How does this budget continue the growth and innovation in the district?
- Who absorbs the work of our employees whose positions are being?
- Looking ahead, what happens when we have projected deficits in the millions over the next several years?
- What is the plan to increase funding to move us from having the lowest per pupil spending of any district in the state?

Next Steps

- **We will be making recommendations to the school committee to make up the \$700,000 shortfall.**
- **We will continue the 3 pronged approach that we set out to do at the beginning of the budget process:**
 - 1. Continue to look for efficiencies within the school department.**
 - 2. Work with the town on a long range plan to generate more funding for the school system.**
 - 3. Continue to work on legislation that will provide charter school tuition relief to Cumberland.**