

Capacity Study Related to Budget

June 18, 2018

Focus for June 18, 2018 update

Review and analyze if grades 7 & 8 would fit into the current High School.

Conclusion to date

Can we fit Grades 7 - 12 into the current High School Building?

YES

Can we fit without any costs?

NO

What are the anticipated costs?

Areas of Cost for 7-12 in the High School

Storage

MS Science Rooms

Knowledge Commons (Future)

- Improve Media Center and Art programs

Southside Future Capital Projects

Southside Capital Projects Budget

2019-20		2020-21		2021-22	
Expenditures		Expenditures		Expenditures	
SS Shingle to Metal	357,369	SS Alpha Guard Flat Roof	292,436	SS Roof Top Unit Replace	160,000
SS Front Entrance	50,000	SS Fire Alarm	25,000		
SS Metal Wall Panels	108,076				
SS Cameras	30,000				
SS Window Hardware Repair	10,000				
Total Expenditures	555,445	Total Expenditures	317,436	Total Expenditures	160,000
Total Capital Costs:	1,032,881				

SS Operational Costs 5 year Historical Data

	2014-15	2015-16	2016-17	2017-18	2018-19
Disposal Services - ES - Southside	2,133	1,968	1,968	1,950	3,847
Water / Sewage - ES - Southside	23,400	19,800	21,600	23,100	23,100
Repair/Maint Svcs - ES - Southside	12,483	25,359	6,801	17,615	17,000
Rentals - ES - Southside	1,112	962	1,078	1,000	1,000
Extermination Svcs - ES - Southside	-	907	1,400	2,000	2,000
ES - Southside	3,671	1,042	2,086	4,160	3,000
Supplies - ES - Southside	18,311	13,598	28,021	8,500	8,500
B&G Small Project Supplies	-	-	-	-	400
Repair Supplies	-	-	-	5,500	5,500
Natural Gas - ES - Southside	31,148	21,013	16,825	24,000	24,000
Electricity - ES - Southside	59,425	62,060	63,290	62,000	63,000
	151,683	146,709	143,069	149,825	151,347

General Equipment - Maintenance Small project listing at SouthSide (\$36,500est. total)

Floor Scrubber - \$13,000

Mowing Tractor - \$16,000

Snow Removal Equipment - Portion of \$30,000

Cafeteria Equipment Cost Analysis

Cost of Equipment to purchase in the next 5 years if we keep four buildings operational

- \$84,961.43

Cost of Equipment if we use SS

- \$33,585

Savings of Equipment if we relocate from SS -

- \$51,372.90

Technology Equipment Cost Analysis at SouthSide

Cost of Equipment to purchase in the next 5 years if we keep SS open - (\$55,000)

- Server/Nimble Replacement - \$30,000 in 3 years
- New Badging system - \$6,000-7,000 for SS part of project
- Network Infrastructure upgrade - \$15,000 in 4 years
- Phone system update - \$4,000

Savings of Equipment if we relocate from SS -

- \$300 per month for WAN circuit - in 1 year will go to \$600 per month
- Elimination of the Nimble - \$4,000 per year maintenance
- Relocation of existing infrastructure will save \$10,000-\$20,000 in not having to replace older systems on the campus.

Snapshot of reductions since 2014

Budget Reduction Strategies Snapshot Since 2014

Reduction of Personnel/Staff

- Teaching Staff:
 - 2015-16 - 164 FTE
 - 2016-17 - 162 FTE
 - 2017-18 - 160 FTE
- Elementary Principal (SS) replaced with Assistant ES Principal
- Assistant to the Supervisor of Buildings & Grounds - Not Replaced
- Business office 4 positions to 3

Average cost per position (Salary only)

Administration - \$79,300

Teacher - \$49,600

Paraprofessional - \$15,565

Secretary (Ten Month) - \$22,540

Custodian - \$33,080

Cafeteria - \$10,620

Cafeteria (Head Cook) - \$19,450

Budget Reduction Strategies Snapshot Since 2014

- Health Care - Transition to QHDHP - 2018-19 rates are currently at 2014-15 rates
- Bond Refinancing - All Issues are currently refinanced. Next call date - 9/1/2019
- Energy - Lighting Upgrades; Fixed Price Contracts; Energy Audits
- RFPs Issued - Mowing, Actuarial Services, Auditing Services, Copier Supply & Services, Security Consulting, Fixed Assets Appraisal

Options to consider outside of **school closure** and
continued **tax increases**

Budget Reduction Strategies to Consider

- Realign Elementary buildings into Primary and Intermediate buildings to maximize staff and create equitable class sizes for elementary
 - Example K enrollment for 2018-19, ST (5) classes of 19-20, SS (3) class of 13
 - 3-4 Less Teaching staff anticipated for 2019-20 school year
 - Costs - \$150,000 - \$225,000
 - Not Furlough, utilize in educational capacity, when depart, assess position

Budget Reduction Strategies to Consider

- Reduction in staff
 - Currently have the following vacancies
 - 2 ELA (\$150,000)
 - Physics Vacancy (\$75,000)
 - Agriculture Education (\$80,000)
 - Biology/JANUS (\$75,000)
 - Director of Education (\$135,000)
 - Not replace for the 2018-19 school year (Leadership vs Management)

Budget Reduction Strategies to Consider

- Impact of reduction of staff - short term
 - Potential increase class size, curriculum, program offerings

- Programs/curriculum Eliminate/Reduce
 - HS STEM - Engineering Technologies HCCTC, No applicants 2018-19
 - HS Janus program (Will run without Biology replacement, Can't run without ELA replacement)
 - MS STEM (Can use to replace current ELA vacancy, will impact the program)

Budget Reduction Strategies to Consider

- Extracurricular Activities - \$55,000
 - Athletics - Reduce Sports Offerings
 - Review Cost per pupil data and provide recommendations
 - Recognize upcoming Baseball field conversation
- Field Trips - \$75,384
- Contracted Services
 - Cafeteria
 - Support Staff
 - Custodial

Bottom Line

We are in an environment that requires the consideration to raise taxes and make further cuts.

There are not any good options, nor easy options, but cuts need considered to sustain & fiscally operate the district for the foreseeable future.

SB2 (future support for vouchers), Charter school funding, PSERS and Health Care are just a few of the major costs that impact our ability to allocate funds for educational purposes.

Finally

Effects on Taxation Decision

Cumulative Effect of Not Raising Taxes for 1 school year over a 5 year period

Fiscal Year	Act 1 Millage	Lost Revenue	Accumulated Lost Revenue
2018-19	1.3338	\$ 299,553	\$ 299,553
2019-20	1.3338	\$ 299,553	\$ 599,107
2020-21	1.3338	\$ 299,553	\$ 898,660
2021-22	1.3338	\$ 299,553	\$ 1,198,213
2022-23	1.3338	\$ 299,553	\$ 1,497,767

Based on Current Assessed Value & Not Raising Taxes for 2018-19 Budget

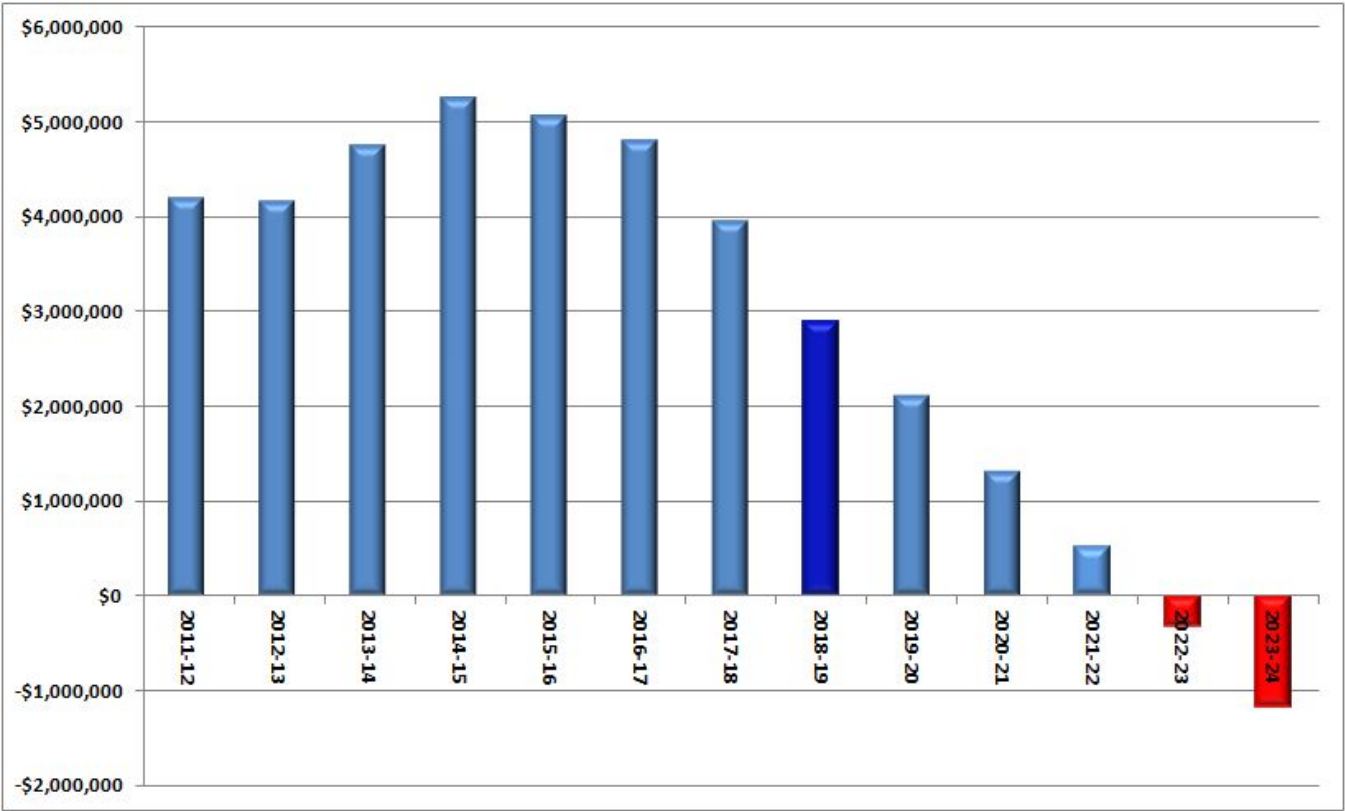
Cumulative Effect of Not Raising Taxes, 1 year impact



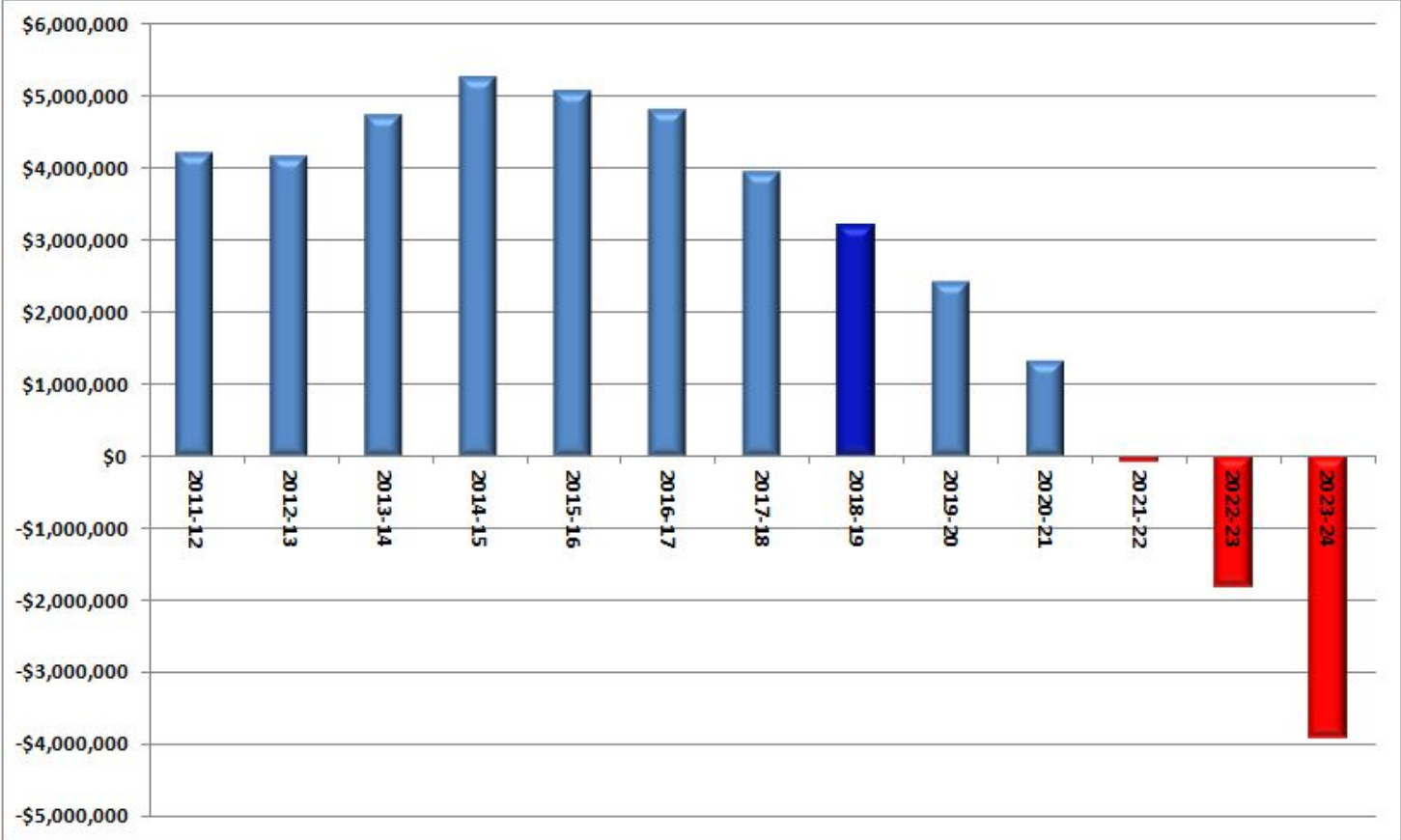
Fund Balance With No Tax Increase in 2018-19 Tax Increases in 2019-2024

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Budgeted	Budgeted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Total Revenues	27,262,482	28,021,169	28,656,077	29,148,341	29,673,319	30,212,988	30,754,271	31,296,278
Total Expenditures	27,530,398	28,871,499	29,701,982	29,929,431	30,472,436	31,019,993	31,594,546	32,158,966
Net Outcome	(267,916)	(850,330)	(1,045,905)	(781,090)	(799,117)	(807,006)	(840,275)	(862,689)
Fund Balance								
Beginning of Year	5,064,568	4,796,652	3,946,322	2,900,417	2,119,327	1,320,210	513,204	(327,071)
End of Year	4,796,652	3,946,322	2,900,417	2,119,327	1,320,210	513,204	(327,071)	(1,189,760)

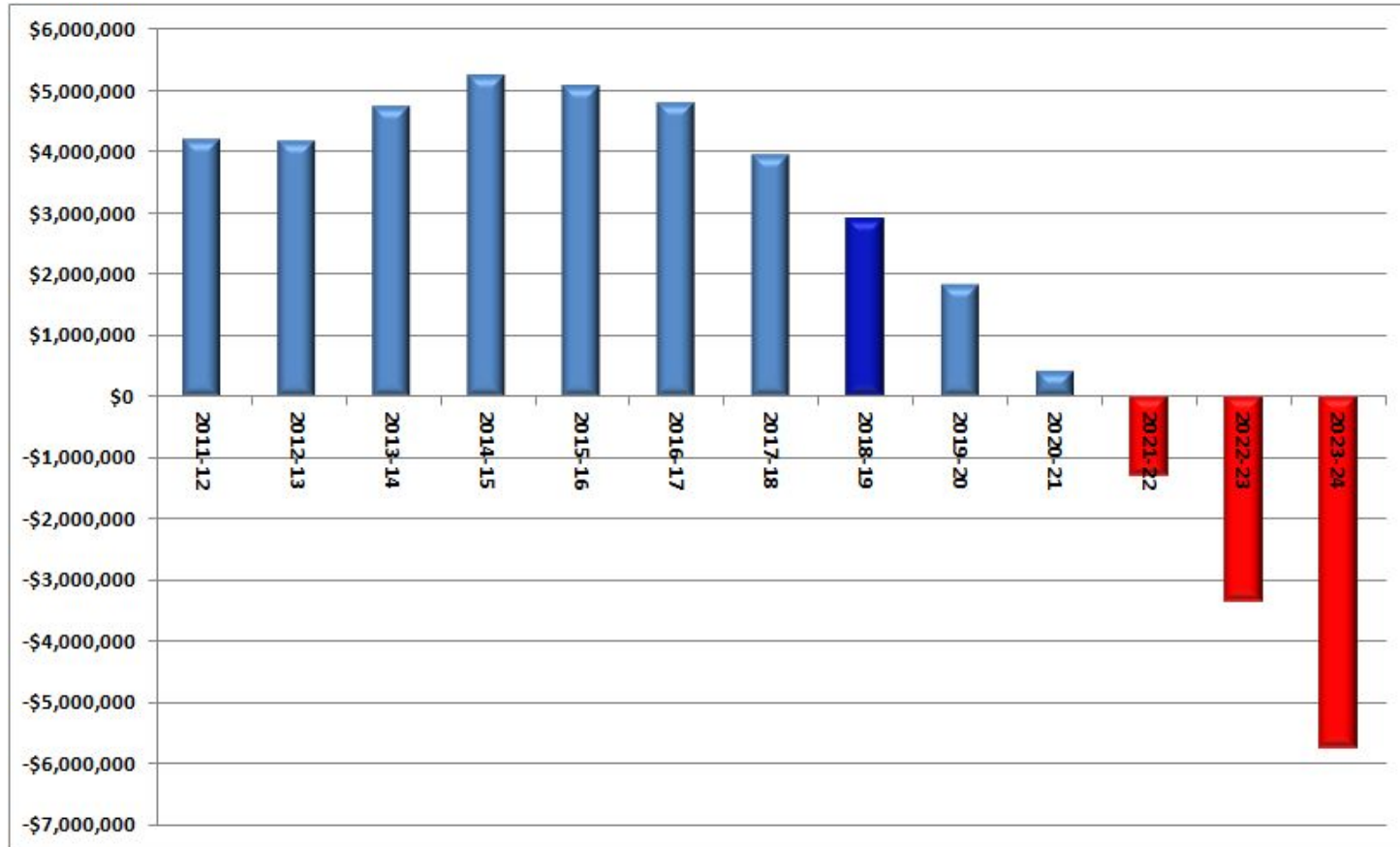
Fund Balance With No Tax Increase in 2018-19 Tax Increases in 2019-2024



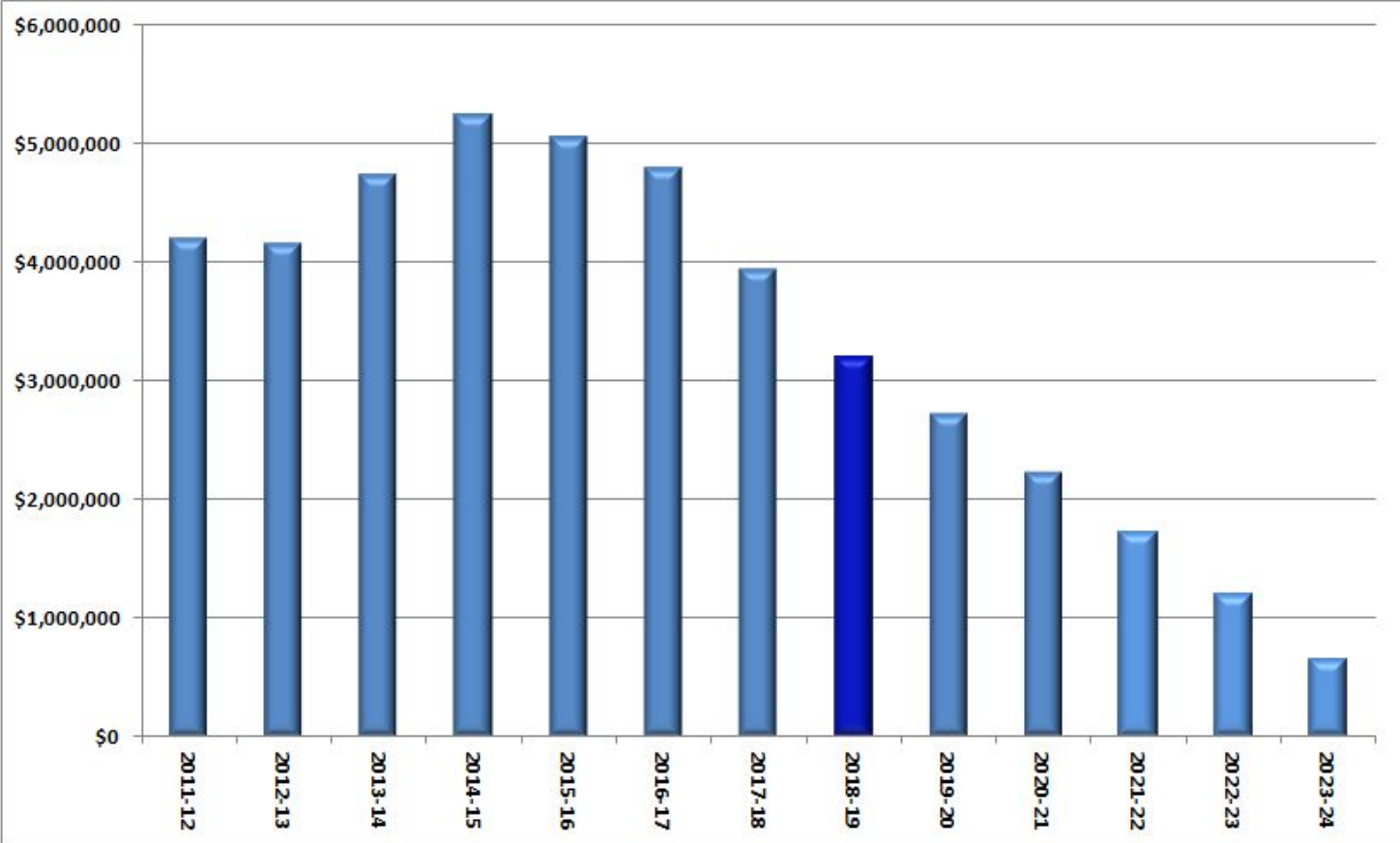
Fund Balance With Tax Increase in 2018-19 Only



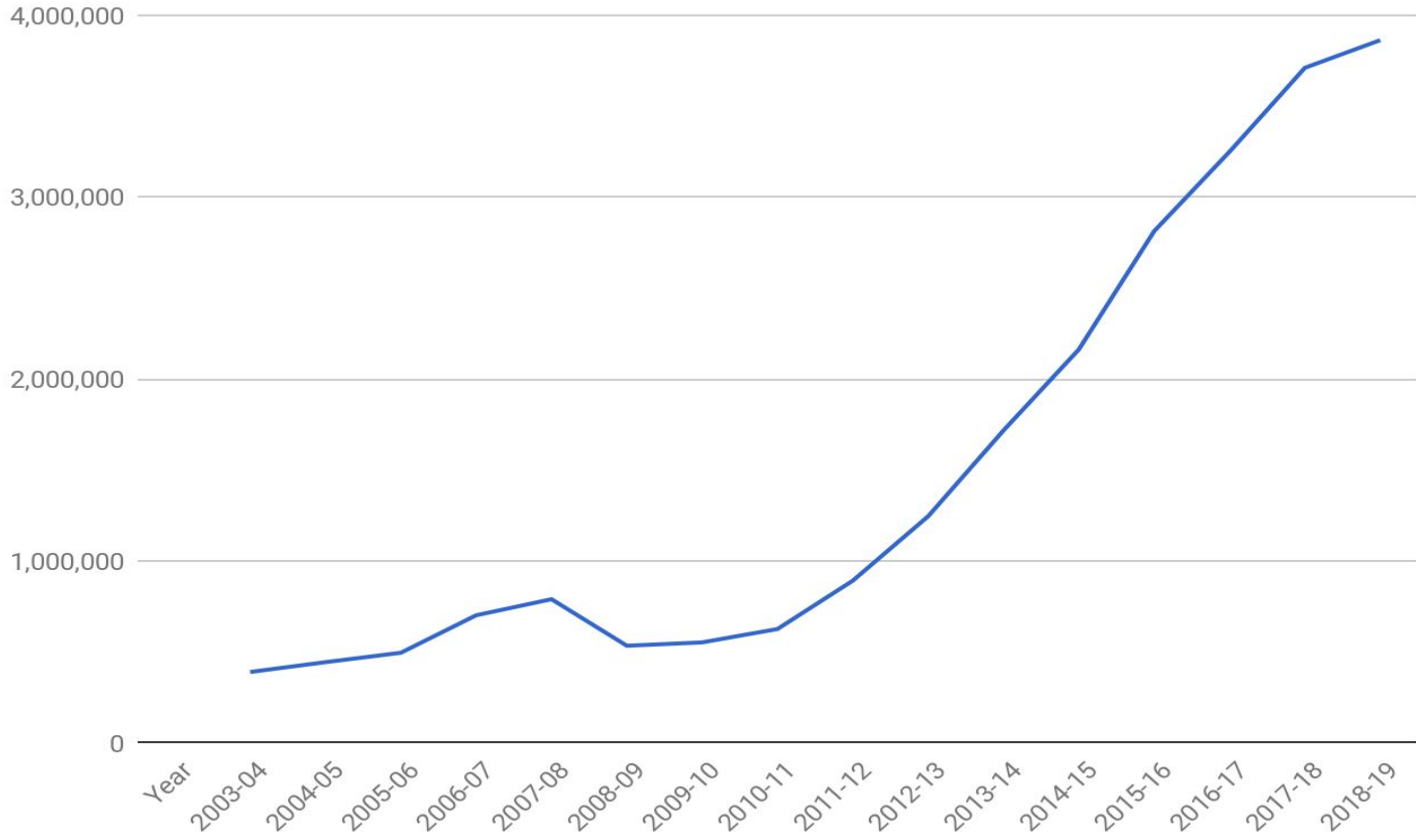
Fund Balance With No Tax Increases 2018-2024



Fund Balance With Tax Increases in All Years 2018-2024



PSERS Contributions



2018-19 Budgeted PSERS Expense 3,862,000

Capital Reserve Fund Forecast

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Budgeted	Budgeted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted	Forecasted
Total Revenues	33,879	13,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Expenditures	106,775	568,854	590,445	317,436	160,000	30,000	0	0	1,277,500
Balance									
Beginning of Year	3,226,427	3,153,531	2,597,977	2,008,232	1,691,796	1,532,796	1,503,796	1,504,796	1,505,796
End of Year	3,153,531	2,597,977	2,008,232	1,691,796	1,532,796	1,503,796	1,504,796	1,505,796	229,296