

BOE Budget Context 2018-19 Major Drivers



December 12, 2017



Budget Context

Overall Operating Dollars - \$68,125,170

	2015-16 data*	2016-17 data**
Simsbury's PPE	\$16,036	\$16,614
Rank in the State	98 th	93 rd
Rank in DRG B (21 towns)	12 th	11 th
Rank in Hartford area (27 towns)	12 th	9 th

Recent Budget Increases

2014-15	1.05%
2015-16	1.30%
2016-17	1.51%
2017-18	0.99%

Three years with a flat mill rate.

*audited

**unaudited



2017-18 Budget Recap

- ▶ Superintendent's Budget – 2.48% increase
- ▶ BOE Budget Reductions of \$1,000,000
- ▶ Reduction of 12.5 FTE
- ▶ Final BOE Budget – 0.99% increase



2018-19 Budget Context

Enrollment

October 1, 2017		Projected 2018-19	
Total K-6	1,976	Total K-6	1,974
Total 7-8	658	Total 7-8	614
Total 9-12	1,405	Total 9-12	1,408
	4,039		3,996

Total projected decline of 43 students

5 year history: Approximate 334 student decline



Budget Context

Three Board Meeting: Provide guidance to the BOS and BOE on budget development

1.75% Expenditure Cap

Important Factors to Consider:

- ▶ State deficit current year and future years
- ▶ Grand list growth of 1.5-2.0% expected
- ▶ Town reserve levels/contingency
- ▶ Health Insurance context



Known Major Drivers

Additions

Impact of negotiated teachers contract (estimated at settlement)	\$1,037,388	1.52%
Impact of negotiated administrators contract	\$65,494	0.10%
Impact of negotiated contracts - SFEP and NAGE	\$146,791	0.22%
Impact of contracts to be settled (Reserve)	\$176,000	0.26%
Health Insurance preliminary estimate	\$700,000	1.03%
Total Additions	\$2,125,673	3.12%

Reductions

6 known certified staff retirements	(\$150,000)	-0.22%
Total Reductions	(\$150,000)	-0.22%
Impact of Preliminary Requested Knowns	\$1,975,673	2.90%

Notes: Prior to final insurance, pension, and OPEB information

Does not include possible "cliff" from use of \$335,000 in non-lapsing funds



Health Insurance Challenges 2018-19

- ▶ Self-Insurance with the Town of Simsbury has been favorable over many years
- ▶ Internal Service Fund (ISF) reserves has been able to help offset budget pressures and stabilize rates
- ▶ BOF transferred \$3 million from ISF reserves to OPEB for 2015-16
- ▶ Reserves were used to offset rate increases for both 2015-16 and 2016-17
- ▶ Catastrophic claims for 2017-18 were up 25%
- ▶ 2018-19 initial rates of 7-10% increase cannot be mitigated by current reserves



Next Steps in the Budget Process

- ▶ January 9th Special Education/Revenues and Grants
- ▶ January 23th Enrollment and Staffing
- ▶ February 6th Budget Workshop
- ▶ February 13th Superintendents' Budget/Approval of Capital Plan
- ▶ February 27th Adoption of BOE Budget

