

# Budget Workshop



- Questions to consider:

- We've presented a level services budget - are we prepared to reduce services to meet the request of towns for a reduced percentage increase to the annual assessment?
  - Should we change budget/operation strategy? Design program to budget as opposed to design program to serve students through best practice? (ex. class size / breadth of program / number of offerings)
- In light of the fact that we are utilizing reserves to manage the reserves, what is our multi-year plan for reserve utilization?
  - To what degree do we want to use reserves as a revenue source in the next few years?
    - Do we have an obligation to reduce these resources before requesting an override? Is it more responsible fiscal policy to maintain reserves for emergencies and request an override sooner?
  - What is the end game? When do we plan to ask for a correction?
    - What will the size of the correction be and what will purpose will it serve?
      - Reserve as revenue replacement
      - Replenish reserves
      - Reinstatement of lost positions/programs/capacity
      - Growth/Investment

# Budget Reduction Areas for Study

FY22 Budget	Reduction Benchmarks			
	\$275,000	\$570,000	\$900,000	
	Level Service	Essex Req.	W/out Reserve	
<b>Budget Estimate Revisions</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$130,000</b>	
Health Care Estimates (6-3%)	\$130,000	\$130,000	\$130,000	
<b>Operation Reductions</b>	<b>\$140,000</b>	<b>\$175,000</b>	<b>\$195,000</b>	
Defer or Fund Annual Facility Small Cap via Stabilization	\$40,000	\$60,000	\$60,000	
Eliminate Late Bus			\$20,000	
Utilize OPEB Contingency to offset Retiree Health Growth	\$100,000	\$100,000	\$100,000	
<b>Program Reductions</b>	<b>\$0</b>	<b>\$169,000</b>	<b>\$234,000</b>	
<b>Staffing Reductions</b>	<b>\$0</b>	<b>\$97,500</b>	<b>\$215,500</b>	
<b>Fee Increases</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
Savings from Cuts	\$270,000	\$571,500	\$774,500	
Budgeted Reserves	\$335,000	\$335,000	<b>\$126,000</b>	
<b>Total Gap (Reserves + Reduction)</b>	<b>\$605,000</b>	<b>\$906,500</b>	<b>\$900,500</b>	
FTE Reductions	<b>Educators</b>	1 FTE	3.5 FTE	4.5 FTE
	<b>Support Staff / Admin Sup.</b>		1.0 FTE	3.0 FTE

Cuts Made to Close Gap in FY19	FY18	FY19	FY20
	Actual	Actual	Budget
Tuition Prepay - FY17 Reserves	\$150,000		
Implement M5 Hire Cap	\$65,000	\$65,000	\$65,000
Reduce Building Based Expenses	\$40,000		
Cut Small/Cap Annual Budget	\$40,000	\$40,000	
<i>Defer EERB Pension Repay Set-Aside</i>	\$50,000	\$50,000	
Reduce OOD / Tuition Prepay	\$50,000		\$200,000
Staff Reduction through attrition		\$354,000	\$125,000
<i>50% Reduction Overtime/Summer work - all departments</i>		\$60,000	
Eliminate Late Buses		\$5,000	
HS Student Activity Cut		\$20,000	
IDEA Grant Reorganization		\$17,000	
<i>Curriculum/PD Small Cap Reduction</i>		\$20,000	\$0
Full Day K on Wednesdays/Eliminate Transportation Cost		\$8,000	\$0
<i>Reduce Custodial Supply Line</i>		\$7,500	\$0
Eliminate Crossing Guard Fund		\$4,500	\$0
<i>Retirement Replacement Offset</i>		\$5,000	
Reduce Nurse Substitute Line		\$3,000	\$0
Health Care Restructure			\$175,000
	\$395,000	\$659,000	\$565,000

**Total Cuts  
\$1,619,000**

**Increased Revenue**

School Choice Revenue Increase	\$15,000.00		
Solar Savings		\$10,000	
Essex Green Grant Upgrades		\$10,000.00	

Total Offsets	\$15,000.00	\$20,000.00	\$0.00
Total Reduction	\$410,000.00	\$679,000.00	\$565,000.00

**Total Reduction  
\$1,654,000.00**