

# East Hampton Public Schools - Operating Budget Overview

## Fiscal Year 2017-18

Object Number	Object Description and Budget Assumptions	2015-16 Actual	2016-17 Budget	2017-18 Superintendent Recommended	Change from Current to 17-18	%
5111	<p><b>Certified Salaries:</b> This account represents the cost of salaries for 162 FTE certified teachers with 158 FTE in the general operating budget (2.94 supported by IDEA grant funding and 1FTE in program shared with another community). Seventy six percent of all teachers are at step 10 with the remaining 24% eligible for step increase. The general wage increase effective for certified teachers is 2.25% for 2017-18. Also included in this object are the salaries for administrators (Principals, Directors of Support Services and Curriculum, Superintendent) with the collectively bargained contract for the administrators providing a general wage increase of 2.75% plus step. The cost of athletic coaches, extracurricular stipends, and certified teacher stipends are also budgeted here. Reductions from 16-17 staffing levels include 1 <b>FTE through attrition, with six additional retirements with replacement, and 100,000 in unpaid long term leave</b> included in this line. As of March 1 only five of the assumed seven retirements are known.</p>	14,611,034	14,982,373	15,456,335	473,962	3.16%
5112	<p><b>Classified Salaries:</b> This account includes the hourly wages for full and part-time paraprofessionals, custodians, and secretaries, also salaries for technology, facilities, and business employees. The cost of providing substitutes in the classroom is recorded here. <b>Reductions for 2 full time staff are included. In 16-17, an outside consulting service was eliminated and replaced with a full-time Board Certified Behaviorist on our staff to direct the interventionist program. Collectively bargained contracts for all groups expire June 2017 and are subject to upcoming negotiations.</b></p>	3,738,286	3,944,216	4,123,246	179,030	4.54%
5210 and 5290	<p><b>Medical Insurance:</b> This account includes the employer share of providing medical and dental insurance to full time employees eligible for and selecting coverage. Open enrollment occurs annually but selections for the next budget year are not known until May 31. Only a high deductible medical plan is offered to all Board of Education employees. The current medical and dental insurance carrier is Cigna. The renewal rate increase continues to be under review via bidding/negotiation and is assumed at 20%, although significant variability is possible. <b>Deductibles increased by 33% from \$1,500/\$3,000 to \$2,000/\$4,000 for approximately 60% of covered employees in 2016-17</b>, this change reduces the expected cost. During the 16-17 school year employee coverage selections have trended to 58% family coverage from 54% in 15-16. Note: <b>Seventy two percent of Board of Education employees receive NO contribution towards the deductible from the employer, unique for Connecticut public sector employees</b>, generating valuable cost savings.</p>	3,536,556	3,874,660	4,678,587	803,927	20.75%

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5213	<b>Life Insurance:</b> This account represents the expense of providing life insurance and accidental death/disability insurance in accordance with contractual agreements. The cost is 11 cents per \$1,000 of covered salary. The insurance is provided by Anthem following open bidding and is in effect until June 2017. No increase in rate for 17-18 was assumed.	42,456	44,400	44,400	0	0.00%
5220	<b>Social Security:</b> This account represents the employer share of social security expense which is 6.2% of covered salary and wages. Teacher salary payments reported to Connecticut Teacher Retirement are not eligible for social security matching by the employer.	242,794	253,154	264,435	11,281	4.46%
5221	<b>Medicare:</b> This account represents the employer share of Medicare expense which is 1.45% of covered salary and wages. Certified teachers hired by the East Hampton prior to April 1986 are not eligible for Medicare and thus have no matching employer cost.	243,007	252,330	260,500	8,170	3.24%
5230-5235	<b>Pension:</b> This account represents the Board of Education share of the Town of East Hampton Retirement Income Plan, a defined benefit program. Eligible employees are determined by union contract and non-union classified staff hired before April 2013. Non-union employees hired after April 2013 are covered by a defined contribution plan requiring a 5% match (covered individual and Board of Education). The expense for the defined benefit plan is actuarially determined. Changes to the actuarial assumptions and staffing levels determine the cost, reducing the assumed investment return has had the greatest impact on increasing the required contribution in recent years. Town actuarial evaluation to be completed by end of April 2017, budget is based on preliminary estimates.	422,046	434,162	450,000	15,838	3.65%
5250	<b>Unemployment Compensation:</b> The Board of Education is recognized as a "reimbursable employer" by the Connecticut Department of Labor and is billed for eligible payouts to former employees. By Connecticut law, each employer who paid wages to a claimant in the base period of the claim is potentially chargeable for a portion of each benefit payment made to that claimant. Each employer's charge is based on the percentage of base period wages it paid to the claimant. Staff reductions described may lead to one or more individuals qualifying for unemployment benefits, creating some risk to this estimate for 2017-18.	36,569	8,000	8,000	0	0.00%

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5260	<b>Worker's Compensation:</b> Connecticut employers must carry insurance for injuries determined to be work related. The Board of Education's workers compensation carrier is the Connecticut Interlocal Risk Management Agency (CIRMA). CIRMA is a member owned agency organized by the Connecticut Conference of Municipalities. Also expensed here is the unreimbursed share of salary and wage costs during the period of time the employee is receiving compensation from the insurance carrier as required per certain collectively bargained contracts. Preliminary increases have been quoted with significant increases, subject to negotiations as of March 1.	159,359	169,150	180,000	10,850	6.41%
5316	<b>Computer Consulting Services:</b> Includes the annual update costs for various software packages, site licensing, and other software services. These include the student data management system, web filters, accounting software shared with the town, the educator evaluation system (RANDA), and universal screens such as STAR assessments.	353,257	199,923	206,000	6,077	3.04%
5319	<b>Meetings/Conferences/Training:</b> This account represents the cost of all district training and professional development conducted by various outside providers to increase teacher effectiveness. State mandates require ongoing professional development for certified staff. Funds available from the Title II grant (\$24,600 in current year) supplement the operational budget for training.	27,929	44,700	25,000	-19,700	-44.07%
5330	<b>Professional/Technical Services:</b> <i>Special education services comprise 77%</i> of this line for contracted student services such as speech and occupational therapies, plus evaluation and autism support services. Some services are provided through CREC or individual consultants. Other services for the district include legal representation, negotiation services, and outside auditors. Anticipated reimbursement from Medicaid for services rendered to students are utilized a reduction to expenses in this line, \$75,000 is assumed. Negotiation services are anticipated lower in 2017-18 due to the timing of collectively bargained contracts, further reductions in special education services also assumed, but entail some risk to the estimates.	923,297	814,750	650,000	-164,750	-20.22%
5410	<b>Public Utilities:</b> Sewer and water use charges to the Town of East Hampton and the East Hampton Water Pollution Control Authority (WPCA). Fees payable to the WPCA for water use at Memorial and Center Schools and the Central Office increased approximately 175% in the recently completed fiscal year.	48,223	50,425	53,750	3,325	6.59%

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5430 to 5439	<b>Repairs and Maintenance:</b> These accounts include the costs or repairs and service contracts for all buildings and equipment including plumbing and electrical services, monitoring and maintenance of security systems, heating and ventilation repairs; additionally inspection and tests of fire alarm and fire suppression systems. Also includes refuse removal and recycling contracts. Modifications and improvements needed for safety and security upgrades included as well. Savings in 2017-18 are assumed from a project to replace the Center School boiler.	423,961	349,615	271,732	-77,883	-22.28%
5440	<b>Rental:</b> Copier lease, supplies, and services provided by the vendor is the primary expense here, 17-18 will be the final year of a 48 month lease, originally awarded by open bidding (ending August 2018). Other costs include leased postage machines.	96,741	102,001	99,884	-2,117	-2.08%
5510	<b>Pupil Transportation:</b> The 16-17 current five year contract with DATTCO (who assumed the Nichols Bus Company contract) expires June 2017. <b><i>The results of negotiations or bidding are to be determined early in 2017.</i></b> Continued sharing of one van with neighboring towns is assumed. Sixteen 71 passenger buses, 4 in town vans, other runs with differing rates: 2 Vinyl/Voag runs, 1 mini bus, and various out of town vans meeting student needs. In 2017-18 the mini-bus route was <b><i>eliminated</i></b> , consolidating passengers with other full-size buses. Elementary buses are operating at capacity level stretching satisfaction due to the length of rides and the impact of crowding on student behavior.	1,182,758	1,177,857	1,201,250	23,393	1.99%
5511	<b>Other Transportation:</b> Transportation to athletic events and various field trips, some expenses are offset by athletic participation fees.	43,303	33,004	33,004	0	0.00%
5520	<b>Property/Liability Insurance:</b> Insurance protection for the district in the event of lawsuits, property damage, and certain student accidents. Actual cost estimated, student athletic portion bid in June 2014. Increase from completion of High School building project ends and related coverage shifts from project to operating budget. The Town of East Hampton and Board of Education share the cost of a consultant who manages the bidding of these policies. Increase estimate for 2017-18.	112,566	129,150	145,000	15,850	12.27%

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5530-5550	<b>Communications, printing, newspaper advertising:</b> Fiber optic internet is budgeted here and represents approximately 25% of this category. All telephone and fiber expenses are budgeted net of E-rate reimbursement. East Hampton Schools applies for "ERate" reimbursement for eligible services, reimbursement rates are declining by 50% each year (was 40% in 2014-15 for most services). ERATE is administered through the Universal Service Administrative Company (USAC) an independent, not-for-profit corporation designated by the Federal Communications Commission (FCC) as the administrator of the universal service fund (USF).	79,118	96,625	82,000	-14,625	-15.14%
5560	<b>Tuition-RESC:</b> Tuition as required for currently identified special education students.	504,766	497,797	402,642	-95,155	-19.12%
5561	<b>Tuition to Agencies W/In CT:</b> Tuition as required for currently enrolled students in VOAG and adult ed services. Number of students attending VO-Ag currently at 13, compared to just 3 in 2014-15.	174,064	198,618	196,631	-1,987	-1.00%
5563	<b>Tuition to Private Schools:</b> Tuition as required for currently identified special education students. Budgeted expenditures in 2016-17 and 2017-18 are NOT REDUCED BY EXCESS COST see subtraction below, excess cost is netted in this line within the Town/School finance system	390,500	424,454	297,414	-127,040	-29.93%
5566	<b>Magnet School Tuition:</b> Moderation in rate of growth following our implementation of full day kindergarten and completion of the High School renovation.	265,801	192,500	230,000	37,500	19.48%
5580	<b>Staff Travel:</b> Per collectively bargained contracts including reimbursement of inter-building travel at IRS mileage rates.	10,126	13,965	12,000	-1,965	-14.07%
5590	<b>Other Purchased Services:</b> Athletic officials, building inspection services, and services supporting professional development activities.	53,807	40,584	35,000	-5,584	-13.76%
5611	<b>Supplies, Materials, and Minor Equipment:</b> Includes copy paper, other daily used instructional materials, and custodial supplies to clean, service, and maintain facility (27% of total 2017-18 budget).	550,122	416,155	320,000	-96,155	-23.11%

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5620 and 5621 and 5623	<b>Natural Gas and Heating Oil:</b> July 2016 the schools became 100% heated by natural gas with cost estimates provided by CNG. Only the Learning Center facility will remain on oil. Without any experience history, 2017-18 is an estimate subject to risk.	129,084	143,180	160,850	17,670	12.34%
5622	<b>Electricity:</b> Electricity is split into two different billed and bid services: Transmission and distribution (or delivery) service, provided by Eversource. Electrical supply service or generated electricity: electrical supply service consists of multiple components, including electricity, capacity, and various ancillary costs, this is provided by Transcanada, bid collaboratively with the Town and is committed until December 2018.	310,801	326,900	328,900	2,000	0.61%
5627	<b>Motor Fuel:</b> Supplies for transportation vehicles, 34,300 gallons diesel at \$2.11 (current bid \$2.223 for diesel 19,025 gallons of gas at \$1.833 Bid coordinated with the town, diesel on fiscal year bid cycle until June 2017, gasoline on calendar bid cycle through December 2017 with estimates for remaining period.	119,017	120,907	107,251	-13,656	-11.29%
5641	<b>Textbooks/Workbooks:</b> Purchases to support implementation of district curriculum	144,670	38,160	38,160	0	0.00%
5642	<b>Books/Periodicals:</b> Purchases to support implementation of district curriculum	53,103	31,052	25,000	-6,052	-19.49%
5690	<b>Other Supplies/Materials:</b> Primarily items utilized in administrative technology support	49,708	53,665	38,000	-15,665	-29.19%
5743	<b>Furniture &amp; fixtures:</b> Substantial items required to improve student learning , operating budget support eliminated, <i>capital funds available as of March 1, 2017: \$3,924</i>	0	0	0	0	

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5744	<b>Computer Equipment:</b> Substantial items required to maintain/upgrade network and provide technology as required for student use	164,910	75,000	35,000	-40,000	-53.33%
5810	<b>Dues and Fees:</b> Various professional organizations including CABE, CAPSS, and additionally athletic organizations such as: Shoreline Conference	52,002	51,608	88,000	36,392	70.52%
	<b>Total</b>	29,295,741	29,585,040	30,547,971	962,931	3.25%
	<b>LESS: Excess cost reimbursement:</b> In accordance with past agreements with the Town Finance Director and Board of Finance, the East Hampton Board of Education's budget is reduced for estimated funding from the State Department of Education for high cost students or excess cost reimbursement. In accordance with state statute section 10-76 the town is obligated to credit the Board of Education only when the Board of Education's expenditures for excess special education costs exceed the budgeted estimates of such expenditures. Beginning with the year ending June 2016 the reimbursement reduces education expenditures by "netting" against tuition costs.	538,013	526,755	400,000	-126,755	-24.06%
	<b>TOTAL</b>	28,757,728	29,058,285	30,147,971	1,089,686	3.75%
	<b>CONTINGENCY FOR STATE BUDGET UNCERTAINTY</b>	0	0	1,600,000	1,600,000	
	<b>FINAL TOTAL</b>	28,757,728	29,058,285	31,747,971	2,689,686	9.26%