

Sustaining our Success...

Dear Board of Education Members, Elected Officials and Community Members:

I believe that the proposed budget continues both our commitment to maintain a high quality education for our students and our responsibility of judicious financial management. These commitments, which are reflected in the accompanying budget document, translate into a total investment of \$46,932,296, which is a 3.43% budget increase for FY17 over FY16. Of this increase, one line item accounts for \$956,847 or 2.10% of the overall budget increase of 3.43%. This line item is magnet school tuition. That means the remainder of the budget, including other fixed costs and contractual obligations, comprises only a 1.33% budget increase.

Many months of planning and conscientious effort by the administrative team went into producing this budget before presenting it to the Board of Education. In developing this FY17 plan, the administrative team used the Board's goals and budget assumptions and priorities to support the Waterford Public Schools' efforts to maintain current programs and offerings. With that said, this budget is driven by fixed costs and contractual increases. We were also guided by a thorough data analysis of spending trends, a needs-based approach and cost containment.

This proposed budget has been developed in the context of a demanding financial climate. There are factors that impact this year's budget that present a challenging scenario. The main factor driving this year's budget is a significant increase in regular education and special education magnet school tuition. Beyond magnet school tuition, fixed cost increases, and contractual obligations, the budget request this year is \$156,010 in order to support the Board of Education's goals, priorities, and initiatives.

Magnet school tuition, specifically at The Friendship School, will be a major driver in the FY17 budget request. The increase in tuition for The Friendship School will be \$860,586 or 1.90% increase to the overall Board of Education Budget. This is due to a variety of factors.

Factors for The Friendship School Tuition increase:

- Decrease in state Pre-K funding
- District's use of state funding for "district share" from FY13 and FY14 has now been expended - \$250K/year for last three years
- School has been operating at a significant deficit since at least 2013
- Increased costs for educating students with autism and other significant needs
- Magnet funding has remained level at \$7,900/student for last five years despite increased costs to educate students
- State statutory requirement that the school become accredited by the National Association for the Education of Young Children (NAEYC)

To put the increase of \$860,586 into perspective, the Board's contribution to The Friendship School in FY16 is \$102,700. With the increase of \$860,586, the Board's contribution in tuition to The Friendship School in FY17 will be \$963,286.

This proposed budget reflects a true "Needs-based Budget". This budget proposal reflects the cost of maintaining the current level of service in FY17. You can be confident that we scrutinized any and all cost efficiencies to each cost center. For example, expired contracts were put out to bid rather than just signing an automatic extension. In addition, we have renegotiated existing contracts and extensions for more favorable rates for next year and beyond.

This Executive Summary is an overview of the entire education budget that concisely provides a synopsis of key factors that contribute to this year's budget.

The proposed budget encourages teaching of the highest quality and provides for the necessary professional development to support

existing district initiatives. The Board is mindful that salary and benefits are a sizeable line item each year but we are also keenly aware of the research that cites quality teaching as having the single largest impact on student achievement. This year's budget represents level staffing of certified teachers and a slight increase in support staff of a half-time employee to provide clerical support for the IT/Building and Grounds Department.

We continue to place a high importance on the preventative maintenance of our schools. That is reflected in an increase of \$27,992 in maintenance supplies and repair costs. This is consistent with three-year spending trend data.

This proposal preserves class size and course offerings, a strong extracurricular program, an investment in professional development and curriculum renewal in order to maintain and advance the quality of programs and teaching. This proposal also includes funding to implement the district's new three-year technology plan.

Context of this year's budget:

Magnet School Tuition Increase – 2.10%

All Other Line Items – 1.33%

Total BOE request – 3.43%

BUDGET DRIVERS	
FIXED COST AND CONTRACTUAL OBLIGATIONS	
LEVEL FUNDING INCREASES	ADDITIONAL
Tuition	\$956,846
- The Friendship School - \$860,586	
Certified Salaries	496,289
Support Salaries	171,837
Health Insurance	157,997
FICA	25,195
Electricity	23,966
Workers' Compensation	18,960
Instructional Services – Contracted	11,404
Legal Services	4,168
Insurance	1,460
Sewer Service	1,150
TOTAL	\$1,869,272

There are requests that total \$123,615 to address the instructional and operational needs of the district. Some of these requests reflect increases based on spending trend data. The remaining accounts reflect modest increases which support Board goals and priorities.

NEEDS	
INCREASES TO THE BUDGET	ADDITIONAL
Professional Development	\$30,000
Maintenance Supplies/Repair	27,992
Professional/Technical Services	27,129
Instructional Supplies	26,170
Travel and Conferences	17,291
Software	16,531
Texts/Library Books/Other Supplies	6,027
Other Line Items	2,801
Equipment	2,069
TOTAL	\$156,010

Cost Containment Steps Taken in the 2016-17 Budget:

We continually explore ways to contain and reduce costs. Many approaches have been researched and we continue to scrutinize costs and will make changes wherever feasible. The list below outlines our efforts to date. Refer to Appendix N for the cumulative savings effect of the Board’s initiatives over the past four years, including the preparation of this FY17 budget.

CONTAINMENT/REDUCTIONS	SAVINGS
Student Transportation	-\$172,117
Sick Leave Payout	-153,321
Fuel Oil	-67,081
Propane	-20,707
Life and LTD Insurance	-17,955
Unemployment Compensation	-15,000
Retirement Incentive	-12,000
Natural Gas	-8,258
Communications	-1,976
TOTAL	-\$468,415

Other Notable Budget Information

The Waterford Board of Education budget has seen modest increases over the last three years, specifically when compared with similar districts. The cumulative increase to the budget, over the past three years was 2.63% leading up to FY17 (.73% in FY14, .55% in FY15 and 1.35% in FY16).

Conclusion

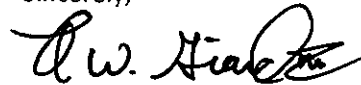
I would like to acknowledge the meticulous work of our team; including our principals, department heads, directors and supervisors, business office and central office staff, and our faculty. I particularly want to recognize the efforts of Craig Powers, Assistant Superintendent, whose background knowledge of the budget has been instrumental to me and the entire team. I extend a special note of appreciation to Robert Gourley, Interim Director of Finance, for his guidance and expertise during the budget process.

The FY17 Superintendent’s recommended budget represents our team’s conscientious effort to continue to provide a high quality education for the children of Waterford. As we all know, a high quality education encompasses not only academics, but providing for the social and emotional well-being of our children. When you take into consideration the fixed costs and contractual increases, with the largest driver being magnet school tuition, this is a responsible proposed budget given the current economic climate of declining federal and state funding. This recommended budget accurately reflects a “needs-based” approach.

We appreciate the community’s support that allows the Board of Education to sustain the outstanding academic, co-curricular, and athletic programs that ensure that all Waterford students receive a high quality education.

I look forward to your thoughtful review of this proposal. This budget proposal aims to maintain current curricular, co-curricular, and athletic programs, despite the fiscal challenges that exist. I encourage our elected officials, parents and families, and community members to carefully assess this budget request and offer input as we move forward. We share a mutual goal of “Sustaining our Success...” for the children of Waterford, even in the most challenging of times.

Sincerely,



Thomas W. Giard III
Superintendent of Schools