

CCRSD Operating FY2018 Budget Development Process

October 13, 2016

FY18 – CCRSD Cost Growth Analysis

- One of the first actions in budget development is calculation of contractual teacher salary changes.
- A snapshot of current year teacher scale and step placement is used to develop planning numbers.

FY17 CCTA Baselin@11:00 AM on August 2, 2016

	BACH	B+15	MAST	M+15	M+30	M+45	M+60	DOC		
Step 1	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Step 2	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Step 3	1.00	0.00	2.00	1.00	0.00	0.00	0.00	0.00	0.00	4.00
Step 4	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
Step 5	0.00	0.00	1.00	2.00	0.00	0.00	0.00	0.00	0.00	3.00
Step 6	0.00	0.00	1.00	1.75	0.00	0.00	0.00	0.00	0.00	2.75
Step 7	0.00	0.00	2.75	1.00	0.00	0.00	0.00	0.00	0.00	3.75
Step 8	0.00	0.00	0.50	0.00	0.00	0.00	4.00	0.00	0.00	4.50
Step 9	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Step 10	0.00	0.00	0.00	2.00	1.00	2.00	3.00	1.00	0.00	9.00
Step 11	0.00	0.00	2.75	1.00	0.00	1.00	1.50	0.00	0.00	6.25
Step 12	0.00	0.00	0.00	1.00	1.00	0.75	0.00	0.00	0.00	2.75
Step 13	0.00	0.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00	7.00
Step 14	0.00	0.00	0.00	1.50	2.00	0.00	0.00	2.00	0.00	5.50
Step 15	0.00	0.00	0.50	0.00	1.00	0.00	0.00	0.00	0.00	1.50
Step 16	0.00	1.00	8.00	9.50	12.90	10.50	19.00	5.50	0.00	66.40
	1.00	1.50	22.00	21.75	19.90	15.25	28.50	9.50	119.40	55.6%

FY18 – CCRSD Cost Growth Analysis

- The current year teacher step placement is advanced by one step to show FY18 projected cost growth due to step movement

FY18 CCTA Baselin@11:20 AM on August 2, 2016 -- FY18 Step Cost

	BACH	B+15	MAST	M+15	M+30	M+45	M+60	DOC		
Step 1										0.00
Step 2	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00		0.50
Step 3	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00		1.00
Step 4	1.00	0.00	2.00	1.00	0.00	0.00	0.00	0.00		4.00
Step 5	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00		1.00
Step 6	0.00	0.00	1.00	2.00	0.00	0.00	0.00	0.00		3.00
Step 7	0.00	0.00	1.00	1.75	0.00	0.00	0.00	0.00		2.75
Step 8	0.00	0.00	2.75	1.00	0.00	0.00	0.00	0.00		3.75
Step 9	0.00	0.00	0.50	0.00	0.00	0.00	4.00	0.00		4.50
Step 10	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00		0.50
Step 11	0.00	0.00	0.00	2.00	1.00	2.00	3.00	1.00		9.00
Step 12	0.00	0.00	2.75	1.00	0.00	1.00	1.50	0.00		6.25
Step 13	0.00	0.00	0.00	1.00	1.00	0.75	0.00	0.00		2.75
Step 14	0.00	0.00	2.00	1.00	1.00	1.00	1.00	1.00		7.00
Step 15	0.00	0.00	0.00	1.50	2.00	0.00	0.00	2.00		5.50
Step 16	0.00	1.00	8.50	9.50	13.90	10.50	19.00	5.50	67.90	56.9%
	1.00	1.50	22.00	21.75	19.90	15.25	28.50	9.50	119.40	

- The teacher step placement is advanced by one step to show FY18 cost growth due to step movement, multiplied by FY17 pay scale and the difference is the FY18 step cost growth, a \$176,003, or 1.54% increase in Teacher Staff Baseline cost.

FY18 – CCRSD Cost Growth Analysis

- The process then measures the FY18 cost growth due to increases in the pay scale

FY18 CCTA Baseline@11:20AM on August 2, 2016 – FY18 1% Planning Example

	BACH	B+15	MAST	M+15	M+30	M+45	M+60	DOC
Step 1								
Step 2	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Step 3	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
Step 4	1.00	0.00	2.00	1.00	0.00	0.00	0.00	0.00
Step 5	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00
Step 6	0.00	0.00	1.00	2.00	0.00	0.00	0.00	0.00
Step 7	0.00	0.00	1.00	1.75	0.00	0.00	0.00	0.00
Step 8	0.00	0.00	2.75	1.00	0.00	0.00	0.00	0.00
Step 9	0.00	0.00	0.50	0.00	0.00	0.00	4.00	0.00
Step 10	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00
Step 11	0.00	0.00	0.00	2.00	1.00	2.00	3.00	1.00
Step 12	0.00	0.00	2.75	1.00	0.00	1.00	1.50	0.00
Step 13	0.00	0.00	0.00	1.00	1.00	0.75	0.00	0.00
Step 14	0.00	0.00	2.00	1.00	1.00	1.00	1.00	1.00
Step 15	0.00	0.00	0.00	1.50	2.00	0.00	0.00	2.00
Step 16	0.00	1.00	8.50	9.50	13.90	10.50	19.00	5.50
	1.00	1.50	22.00	21.75	19.90	15.25	28.50	9.50



Salary Escalator 1% Planning Example

	BACH	B+15	MAST	M+15	M+30	M+45	M+60	DOC
Step 1	48,077	50,484	56,253	57,695	59,136	60,578	62,021	63,572
Step 2	50,000	52,500	58,501	60,003	61,504	63,003	64,503	66,113
Step 3	52,001	54,602	60,840	62,403	63,962	65,522	67,083	68,759
Step 4	54,082	56,786	63,278	64,899	66,523	68,142	69,765	71,510
Step 5	56,244	59,058	65,806	67,492	69,183	70,869	72,556	74,371
Step 6	58,494	61,420	68,439	70,195	71,947	73,704	75,458	77,346
Step 7	60,825	63,878	71,177	73,002	74,828	76,651	78,475	80,437
Step 8	63,266	66,432	74,023	75,922	77,821	79,719	81,617	83,657
Step 9	65,799	69,089	76,985	78,959	80,932	82,922	84,880	87,001
Step 10	68,433	71,851	80,065	82,118	84,170	86,225	88,274	90,481
Step 11	71,169	74,726	83,269	85,403	87,539	89,672	91,807	94,104
Step 12	74,017	77,714	86,599	88,818	91,038	93,258	95,480	97,868
Step 13	76,974	80,825	90,062	92,372	94,680	96,990	99,299	101,782
Step 14	80,055	84,058	93,662	96,066	98,467	100,870	103,270	105,853
Step 15	83,257	87,423	97,409	99,909	102,407	104,905	107,402	110,088
Step 16	87,863	92,256	102,798	105,437	108,071	110,704	113,343	116,176

- The step advanced teacher matrix is then multiplied by the FY18 planning scale and the difference is the FY18 scale growth, a \$117K, or 1.0% example increase in Teacher Staff Baseline cost.

FY18 – CCRSD Cost Growth Analysis

1. EMPLOYEE COSTS

For FY18 projected salary costs account for approximately 66%, \$18.4M of operating budget

- **FY18, FY19 and FY20 Teacher scale percentage increases are unknown**
- **Teachers are estimated at 2/3, \$13.4M of the \$18.4M**
- **Other Employees 1/3 of the \$18.4**
- **Contingency accounts for three CBU plus other salary escalation**

Known Costs

- **While FY18 teacher scale is unknown, we do know that a 1% increase equals \$117K plus step cost of \$176K plus \$60K for lane changes requires \$358K, or 1.3% above FY17 Operating Budget**
- **OPEB increase = \$145K or .5% increase in operating budget**
- **Medical Insurance & Retirement Assessment = \$142K, or .5%**
- **Contingency Accounts = \$111K, or .4%**

FY18 – CCRSD Cost Growth Analysis

- FY18 Step Cost Growth is calculated at \$176,003
 - FY18 Scale Cost Growth example is calculated at 1.0% \$117,119
 - FY 18 Lane Change Cost Growth is estimated at \$60,000
- A. Total Teacher Baseline Cost Growth 1.3% of total operating budget or, \$353,122**

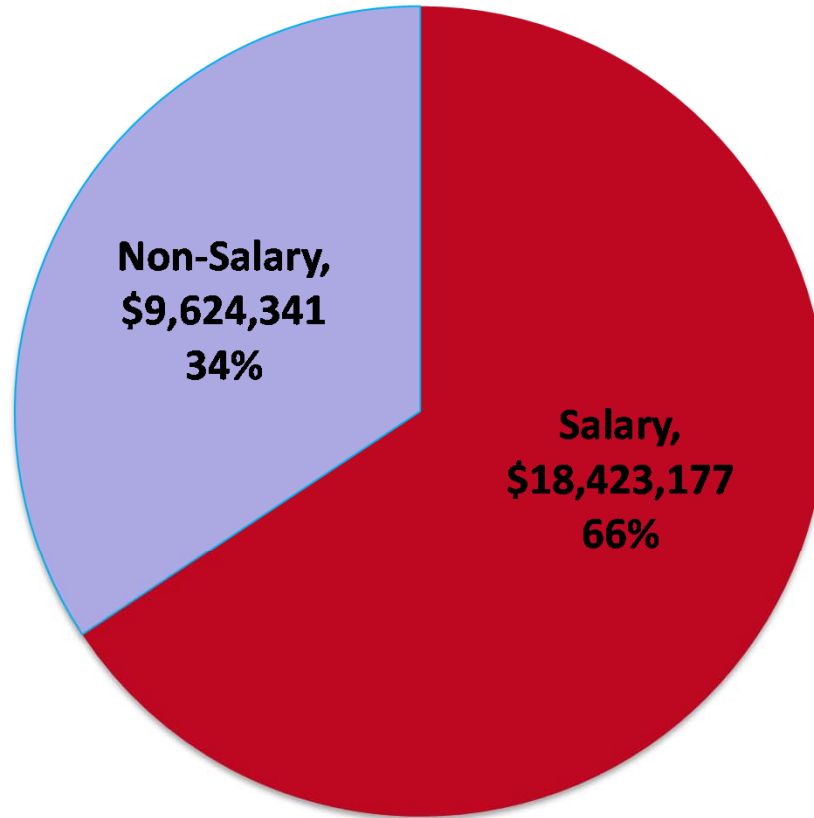
B. Other Employees

All other employees account for approximately 1/3 of salary budgets

Assuming an average non-CB 3% COLA equates to a **.7% to .9%** impact in yearly operating budget cost increase for FY18

Salary Growth Alone Requires a projected 2 – 2.5% Increase in the Region’s Operating Budget Using the 1% Example for Teacher Scale Change

FY2018 CCRSD Salary & Non-Salary



FY18 – CCRSD Cost Growth Analysis

MAJOR ESCALATION/COST DRIVERS		FY18 Preliminary Budget
	Program Area	INCREASED COSTS
STEPS	1010 -2410	\$ 176,003
LANES	1011 -2410	\$ 65,000
SCALE % - <i>To Be Negotiated - Each 1% equals</i>	1012 -2410	\$ 111,774
TEACHER SALARY ESCALATION	1.3%	\$ 352,777
SLBB & OTHER CONTINGENCY	2340	\$ 116,774
CO-CURRICULAR SALARIES	2330	\$ 43,326
PROFESSIONAL DEVELOPMENT	1160	\$ 28,918
SUBSTITUTES		\$ 9,915
OTHER CBU SALARIES	1010-4660	\$ 204,945
NON-CBU SALARIES	2350-4660	\$ 199,760
OTHER SALARY ESCALATION	2.3%	\$ 603,638
MUSIC EQUIPMENT	1150	\$ 10,000
INTERDEPARTMENTAL INSTRUCTION CONTRACTED SERVICES	1130	\$ 85,000
SCIENCE EQUIPMENT	1180	\$ 13,268
OTHER INSTRUCTIONAL MATERIALS	1090 & 1010	\$ 3,153
PROGRAMMATIC ADDITIONS - Coding FTE \$36.5K	1140	\$ 36,500
	0.6%	\$ 147,921
MEDICAL, WORKERS COMP. & OTHER INSURANCE	5810	\$ 100,442
RETIREMENT	5820	\$ 41,151
OPEB (\$850,000 Reserve - \$145,000 Net Increase)	5810	\$ 145,000
BENEFITS ESCALATION	1.1%	\$ 286,593
SPECIAL EDUCATION TRANSPORTATION SERVICES	4670	\$ 62,576
SPECIAL EDUCATION TRANSPORTATION ESCALATION	0.2%	\$ 62,576
INFORMATION TECHNOLOGY	4630	\$ 9,179
CAPITAL OUTLAY		\$ 47,500
1 BUS		\$ 100,000
BUILDING MAINTENANCE		\$ 121,799
OPERATIONS ESCALATION	1.0%	\$ 278,478
TOTAL INCREASES	6.5%	\$ 1,731,983

FY18 – CCRSD Cost Growth Analysis

MAJOR ESCALATION/REDUCTIONS		FY18 Preliminary Budget
Program Area		<u>DECREASED COSTS</u>
STATE ASSESSMENTS (\$22.5K), OTHER NET REDUCTIONS	5830 & Various	\$ (32,500)
TRANSPORTATION	4660	\$ (127,952)
UTILITIES (<i>Heating , Electricity, Water</i>)	4680 & 4690	\$ (132,714)
OPERATIONS & FIXED COSTS REDUCTION	-1.1%	\$ (293,166)
TOTAL REDUCTIONS	-1.10%	\$ (293,166)
TOTAL	5.41%	\$ 1,438,817

FY2018 CCRSD

Budget Development Status

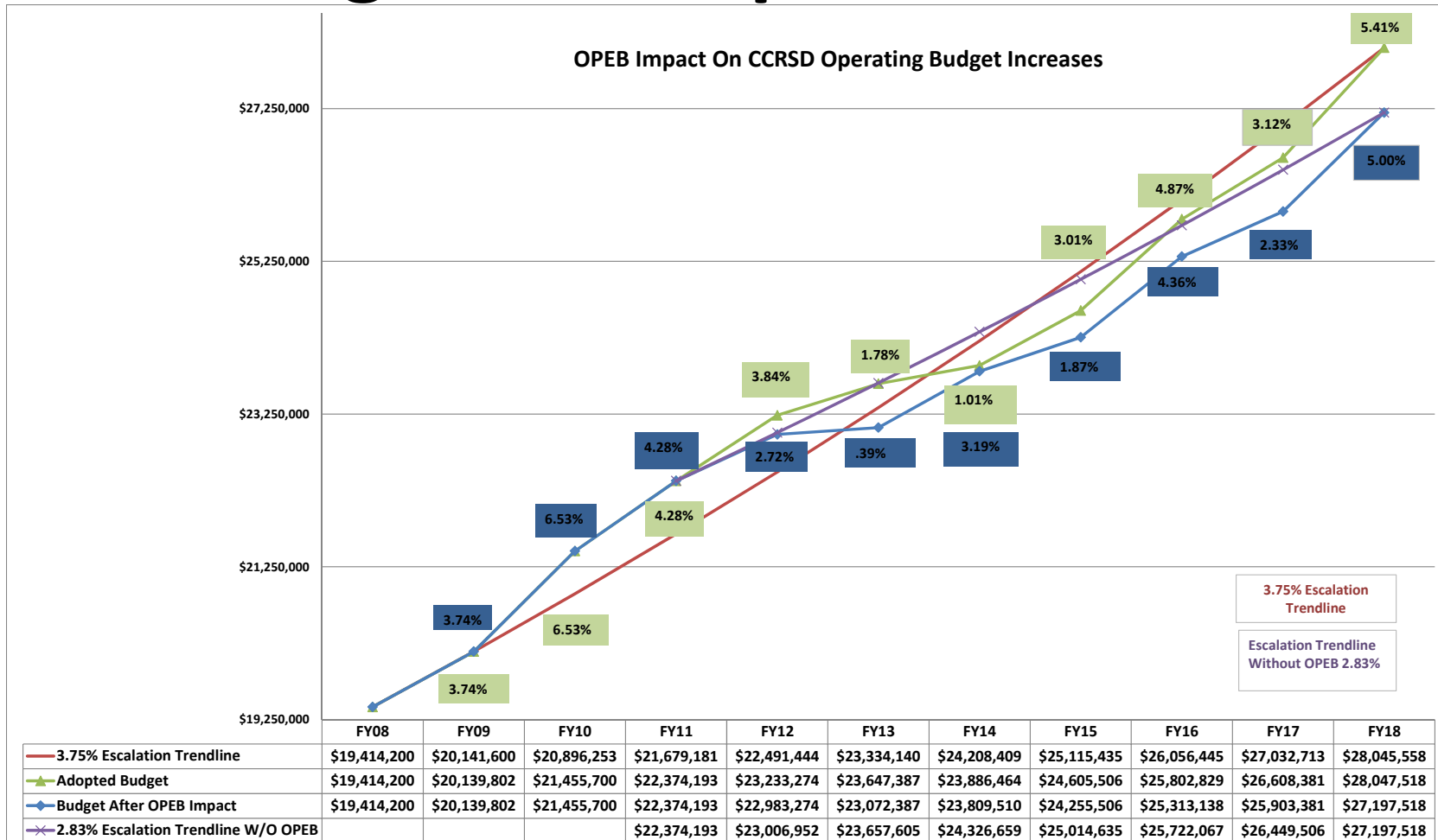
An area of focus in this year's regional budget process will be the impact of OPEB on operating budget increases

In FY12 OPEB contributions started and there has been focus on the incremental yearly change

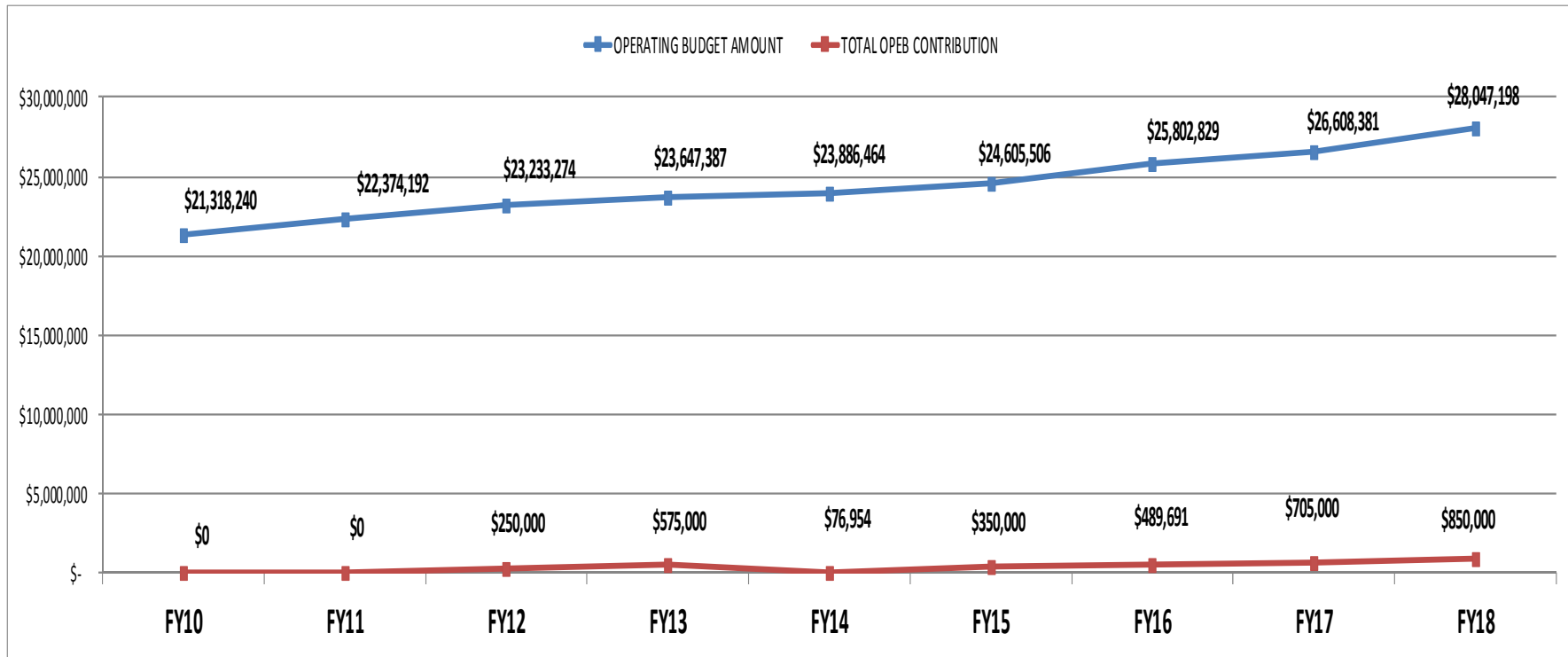
With 5 years of actual contributions we can now examine the impact of the total OPEB contribution

DESCRIPTION	FY12 SC Adopted Budget	FY13 SC Adopted Budget	FY14 SC Adopted Budget	FY15 SC Adopted Budget	FY16 Adopted Budget	FY17 Adopted Budget	FY18 Preliminary Budget
NET OPERATING BUDGET	\$ 23,233,274	\$ 23,647,387	\$ 23,886,464	\$ 24,605,506	\$ 25,802,829	\$ 26,608,381	\$ 28,047,518
OPERATING BUDGET % INCREASE	3.84%	1.78%	1.01%	3.01%	4.87%	3.12%	5.41%
<i>5 Year Operating Average w/o OPEB Incremental Increases</i>			3.82%	2.92%	2.90%	2.76%	3.48%
OPEB Actual & Planned Contributions							
	\$250,000	\$575,000	\$76,954	\$350,000	\$489,691	\$705,000	\$850,000
OPERATING INCREASE - net of total OPEB Contributions	2.72%	-0.69%	0.69%	1.54%	2.88%	0.39%	2.21%
<i>5 Year Operating Average Increase net of total OPEB contribution</i>					1.43%	0.96%	1.54%

FY2018 CCRSD Budget Development Status

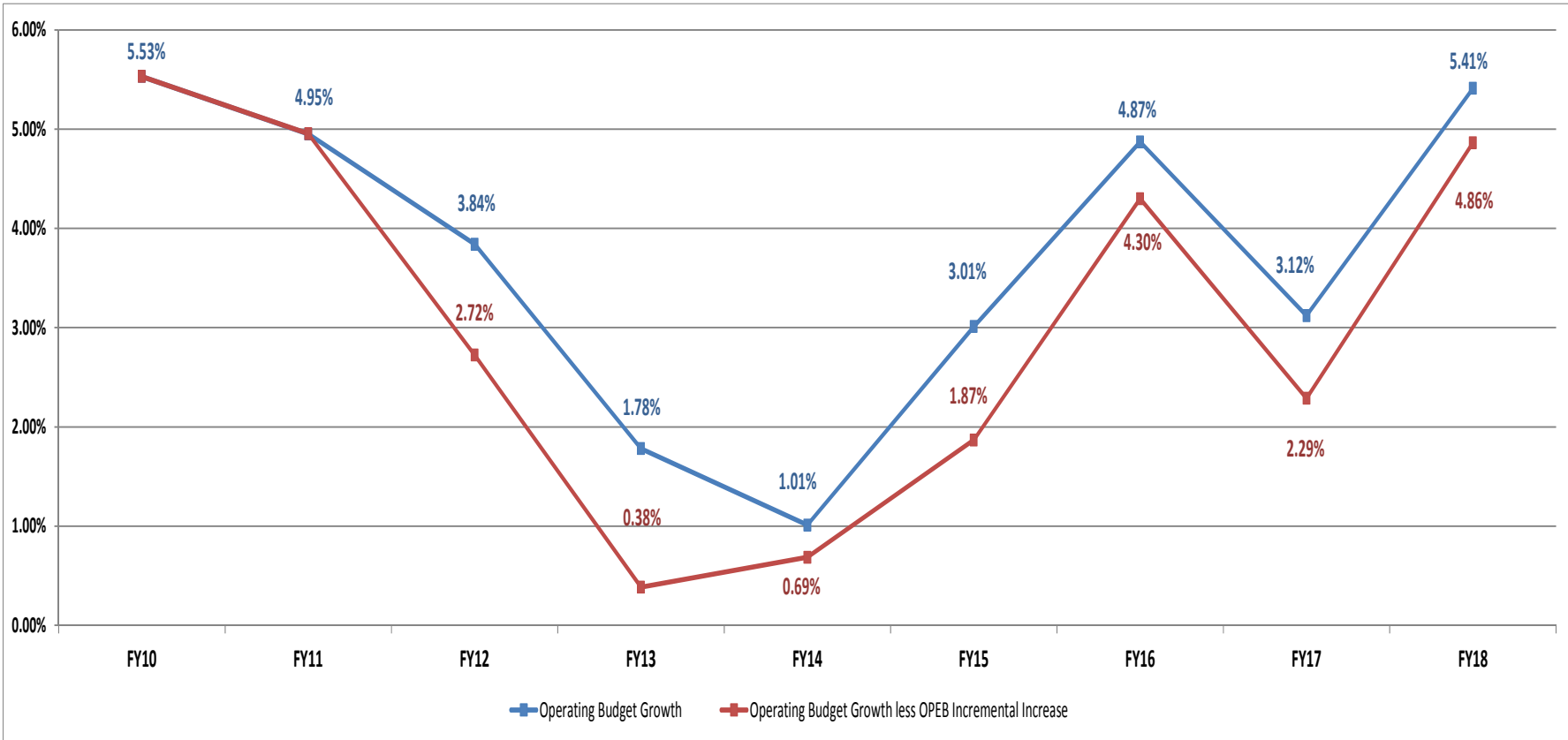


FY2018 CCRSD Budget Development Status



FISCAL YEAR	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
OPERATING BUDGET AMOUNT	\$21,318,240	\$22,374,192	\$23,233,274	\$23,647,387	\$23,886,464	\$24,605,506	\$25,802,829	\$26,608,381	\$28,047,198
TOTAL OPEB CONTRIBUTION	\$0	\$0	\$250,000	\$575,000	\$76,954	\$350,000	\$489,691	\$705,000	\$850,000
OPEB as a % of Operating Budget	0.00%	0.00%	1.08%	2.43%	0.32%	1.42%	1.90%	2.65%	3.03%

FY2018 CCRSD Budget Development Status



FY2018 CCRSD Budget Development Status

