

Hopkinton Central Office
Executive Summary
January 14, 2010

I. Budget Overview

The FY 11 Superintendent's proposed Central Office budget increased by a total of \$310,855 from the FY 10 budget, or +14.4%. Payroll increased by \$290,062 and expense by \$20,793. Payroll is attributable to the increase in the centralized salary reserve account and FY 10 salary increases. These are offset by reductions in the centralized teacher payroll accounts for early retirement, longevity, bonus, and intents. Expense increased primarily due to the request for replacement copiers offset by a reduction in transportation.

The minus 2.65% budget is \$392,850 lower than the Superintendent's proposed budget. This is \$81,995 lower than the FY 10 budget, or -3.8%. It eliminates the entire salary reserve, late buses, and 50% of the copiers. Other expense account changes are explained in detail below.

II. Personnel Summary

Superintendent's budget

- The FTE for personnel remains the same in FY 11 in either budget scenario. The one time 0.2 FTE added to the Business Office in FY 10 to cover the training of a new person for the transportation coordinator position was carried over to FY 11 (account 12). This is the result of a retirement date change by the incumbent. Training/overlap is required due to the unique nature and complexity of the position and software training required.
- Salary increases reflect raises for FY 10 transferred from salary reserve after the budget was set. This does not change in the minus 2.65% budget. Salary reserve (account 1392) contains a 1.5% raise for all personnel in the district in FY 11 as opposed to the 3% for non-union personnel only in FY 10. This much larger pool accounts for the significant increase of \$312,062. Salary increases are cut from the minus 2.65% budget. An additional \$7006 was added to account 10 for the Center School project secretary in anticipation of project funding running out. This does not change in the minus 2.65% budget.
- Teachers Intents Offset (account 1771) went from minus \$238,625 in FY 10 to minus \$269,279 in FY 11, a difference of \$30,654. The offset percentage was reduced from 65% in FY 10 to 62.5% in FY 11 to reflect experience. However, the amount of projected salary to be offset increased by over \$60k from the previous year. This centralized account adjusts for teacher salary increases related to lane changes (which may not be achieved) contained throughout the district budget. This does not change in the minus 2.65% budget.
- Accounts 51, 1551, and 1552, Early Retirement, Teacher Longevity and 5 Year Bonus were all reduced from FY 10 levels. This does not change in the minus 2.65% budget.

III. Expense Summary

Superintendent's Budget

- Account 259, Transportation- decreased \$122,717. This is the result of a minus 3.4% inflation adjustment, the reduction of five mid-day buses due to full day K, and a larger fuel credit. The regular fleet remains at 24 plus one HS/MS run bus only and four late buses. The late buses at a cost of \$22,992 are cut from the minus 2.65% budget.

- Account 319, Undistributed Equipment- increased by \$132,000. This amount replaces twelve copiers in the district and supports the cost saving initiative to move off of printers. The five year replacement cycle is now one year behind. This will put it back on track. Six of the copiers are cut in the minus 2.65% budget. Account 296, Copier Maintenance is increased by \$9500 in the minus 2.65% budget in anticipation of a higher rate for service due to the cut. The district would remain one year behind in the replacement cycle.
- Other changes to expense accounts are as follows: Account 23, Postage decreased \$5000 as a result of the green initiative, Account 1307, Asst Supt Office Supplies decreased \$440, Account 19, Advertising increased \$20,000 to cover the cost of key administrator searches, and Account 1831, Emergency Preparedness decreased \$2700 due to much of the equipment being purchased in prior years. Other miscellaneous accounts decreased by a net \$436. There are only minor changes to any of these in the minus 2.65% budget.

IV. Utilities

Utilities are part of the Buildings and Grounds budget but are managed by the Business Office.

Electricity is level funded in FY 11. The commodity price is locked in through June 2011. Although there are significant changes due to the efficiency projects at both the HS and MS, these savings are needed to pay off Hopkinton's share of the project cost over two years. Any additional savings from the solar project are needed as a hedge against the 2.3 year anticipated payback for the HS efficiency project (squeezed into 2 year schedule). This does not change in the minus 2.65% budget.

Natural Gas decreased by \$62,919, or -16.2% for FY 11. The commodity price was reduced by 20% through the TEC bid last fall for this coming July. This does not change in the minus 2.65% budget.

Telephone is level funded in FY 11. This does not change in the minus 2.65% budget.