

3. How does the staff's salary, the increment cost related to the teacher's salary guide, and healthcare benefits impact the District's budget and negotiations?

- The Board's biggest financial concerns involving the District's budget are:
 - operating under a 2% General Fund Tax Levy of \$462,902, with the staff's salary and benefits comprising 79% of the budget;
 - rising healthcare benefits costs projected to be \$576,246 for the 2019 calendar year;
 - a high increment cost of approximately 2.7% equaling \$326,251;
 - the impact of the Cadillac Tax in 2022 of \$412,008.

■ All of these expenses place the District over the 2% General Fund Tax Levy CAP of 462,902. Please see below for an explanation.

(Teacher increment cost + Healthcare Benefit Increase) – 2% General Fund Tax Levy CAP

	Three Financial Budgetary Components to the Budget	Dollars
1.	Projected Increase in Healthcare Costs for 2018-19	\$576,246
2.	Approximate Salary Increase (increment cost)	\$326,251
3.	Anticipated Cadillac Tax	\$412,008
	Total Projected Increase of Healthcare Benefits, Salary Increase (increment cost) and Cadillac Tax	\$1,314,525

Total Approximate Increase of Healthcare Benefits, Salary Increase (increment cost) and Cadillac Tax in Budget	\$1,314,525
Total 2018-19 - 2% General Fund Tax Levy Increase	<u>- \$462,902</u>
Total Projected Dollars Over 2% General Fund Tax Levy CAP	\$851,623

- If the Board cannot keep the General Fund Tax Levy CAP under 2%, then there will be reductions in the following items in the budget:
 - Security upgrades
 - Staff size forcing higher class sizes above the State average
 - Curriculum development and needs for the classroom
 - Keeping pace with technology
 - Capital projects – for example, air conditioning and new windows
 - Professional development programs

- Extra curricula funding – Pay-to-Play
- Funding Reserve accounts