

FY22 Budget Workshop

Joseph M. Sawyer, Superintendent

Patrick C. Collins, Asst. Superintendent for Finance and Operations

3 February 2021

FY22 Outlook

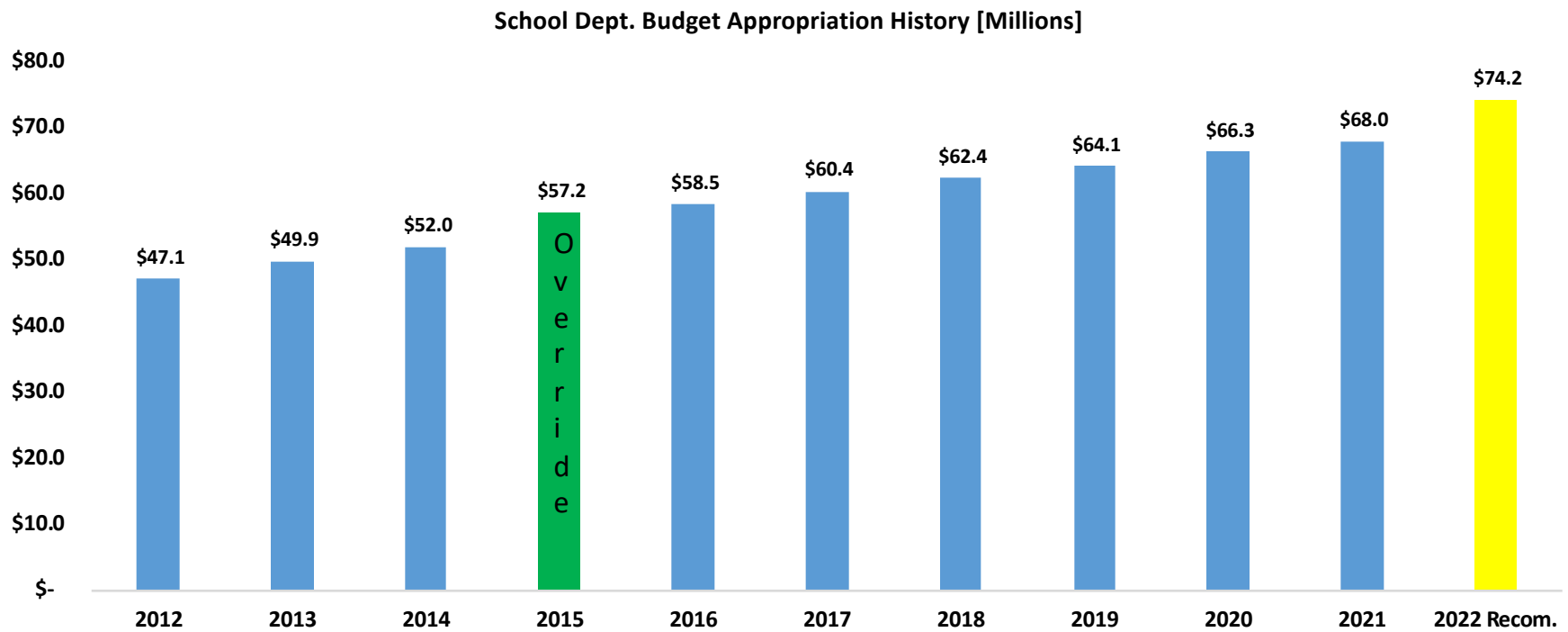
- A year in which we will:

“Confront the Brutal Facts – Yet never lose faith.”

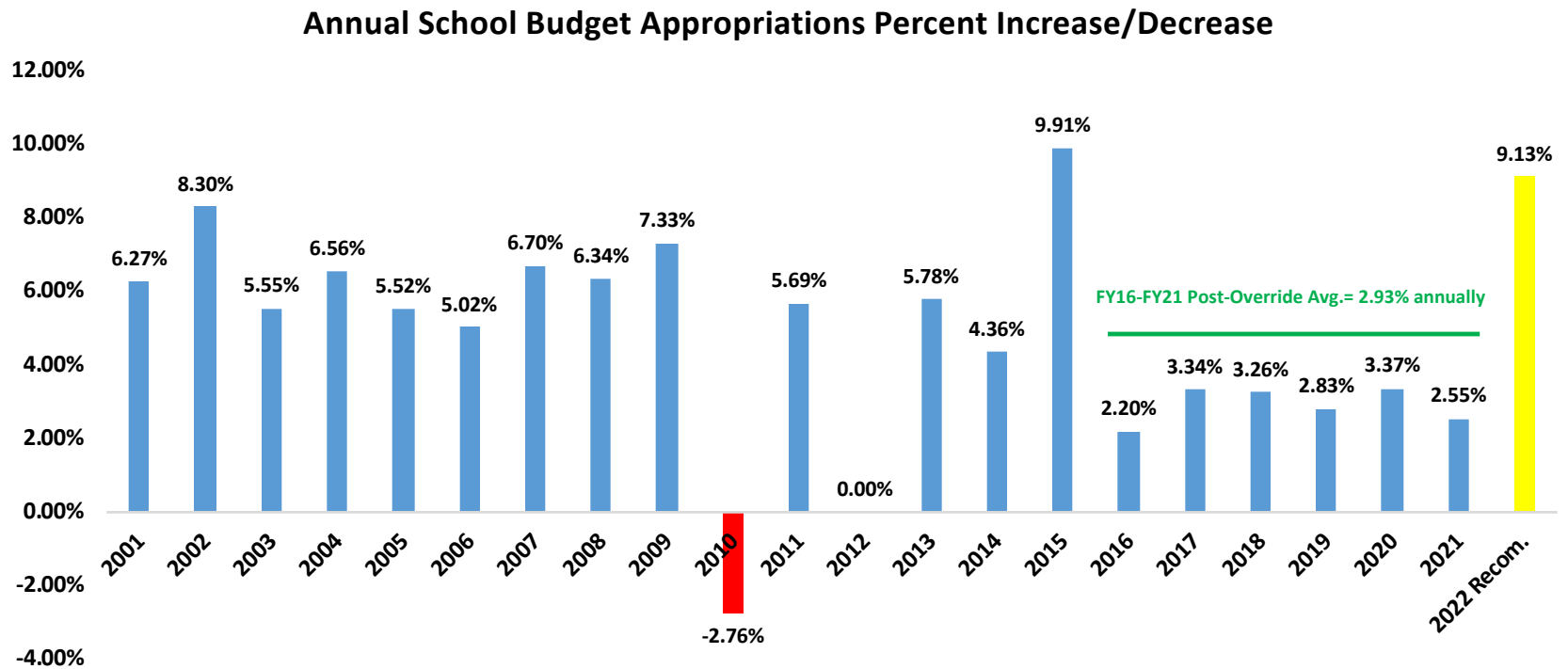
-Jim Collins, Author

Good to Great

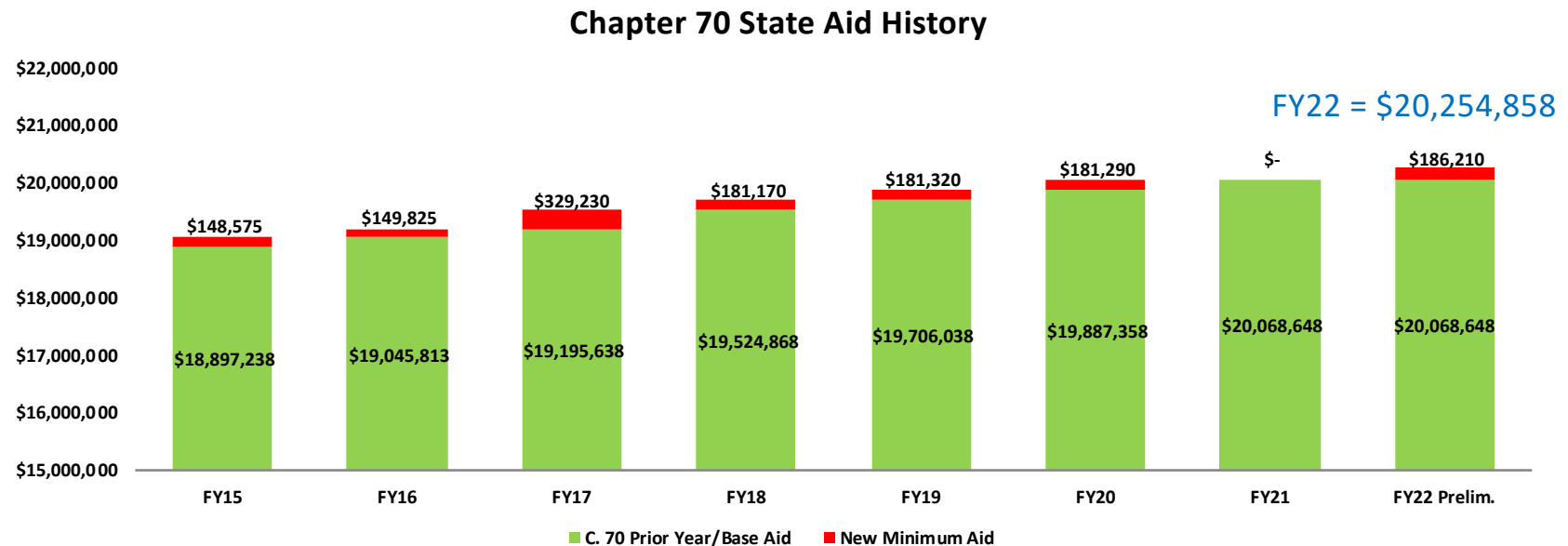
Budget Dollar History



Budget Percent History



FY22 Chapter 70 Aid Based on Gov. Baker Budget aka “House 1”



FY22 Budget Gap Forecasting

School Dept.	FY22	FY22	
FY21 Current	Projected Increase Using Recent 6-year Avg. % Increase	Likely Superintendent Recom. Status Quo	Estimated Gap Status Quo Only
\$ 67,995,283	\$ 69,987,545	\$ 74,204,376	
Dollar Inc.	\$ 1,992,262	\$ 6,209,093	\$ 4,216,831
Percent Increase	2.93%	9.1%	6.2%
		<i>Plus Opening Beal est.</i>	
		\$ 1,700,000	
	Projected Increase Using Recent 6-year Avg. % Increase	Total Combined FY22 Budget	Estimated Gap incl. Full Open of Beal
	\$ 69,987,545	\$ 75,904,376	\$ 5,916,831
	Dollar Inc.	\$ 7,909,093	
	Percent Increase	11.6%	

FY22 Projected Increase uses the most recent six-year average percent increase to forecast the amount allocated to the School Dept.

Status Quo Budget Projection

- Carries forward all existing budgeted staff
- The only added positions from FY21 at this point are three ABA Technician positions and two Child Specific Aide positions projected for mandated services. In addition,
- It expands the school year Transportation Coordinator to a full-year Asst. Business Manager position, with majority funding from bus fee account.
- It also restores the Paton Principal position and reflects reduced funding from Shrewsbury Federal Credit Union for the Asst. Superintendent for Community Partnerships and Wellbeing position.

Status Quo Budget Projection

- Continues all existing educational programs but does not “add back” staff and program reductions cut in prior years
- Estimates in district and out of district enrollments and associated tuitions, if applicable
- No targeted resources to fund Strategic Priorities

Initial FY22 Status Quo Budget Summary

School Committee Recap Sheet	Description	FY20 Actual	FY21 Budget	FY22 Budget	FY21-FY22 Difference	% Change	Notes
A1	Administrative Central Office, Principals & Unit B	\$ 3,253,425	\$ 3,255,790	\$ 3,646,306	\$ 390,516	11.99%	Restores Paton Principal, reflects planned decrease of SFCU grant for Asst. Super. For Community Partnerships and Well-being
A2	Unit A (Teachers & Nurses)	\$ 41,214,642	\$ 41,746,908	\$ 43,931,510	\$ 2,184,602	5.23%	Reflects contractual increase due for FY22, known retirees, and fact that teachers union agreed to sacrifice over \$1M in salary increases in FY21
A3	Aides/ABA/Paraprofessionals	\$ 6,849,363	\$ 7,306,915	\$ 7,490,341	\$ 183,426	2.51%	Reflects updated staff roster, step increases, and projected COLA
A4	Secretaries, Technology & Other Non-Represented	\$ 2,324,269	\$ 2,292,688	\$ 2,665,023	\$ 372,335	16.24%	Assume cost of new IT staff hired mid FY21 prev funded via Covid
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 598,061	\$ 900,900	\$ 900,900	\$ -	0.00%	No change budgeted
A6	Other Wages (See Note 1)	\$ 990,120	\$ 822,450	\$ 861,780	\$ 39,330	4.78%	Increased amount for Summer Special Education Program
A7	Employee Benefits	\$ 383,512	\$ 396,750	\$ 412,250	\$ 15,500	3.91%	Add'l projected Sick Leave sell-back from retirees
B1	Regular Education & Voke Transportation	\$ 2,512,710	\$ 2,996,624	\$ 3,013,769	\$ 17,145	0.57%	Plans for \$470K in bus fee revenue
B2	Special Education Transportation	\$ 735,707	\$ 1,291,750	\$ 1,303,210	\$ 11,460	0.89%	Add'l budgeted for rate increase for bus monitors
C1	Special Education Tuitions (See Note 2)	\$ 2,740,932	\$ 1,721,469	\$ 4,560,808	\$ 2,839,339	164.94%	Tuitions are up 5% overall but no surplus funds projected yet in FY21 to offset FY22 costs
C2	Vocational Tuitions	\$ 1,710,448	\$ 2,039,117	\$ 2,070,435	\$ 31,318	1.54%	Enroll forecast to increase by four students
D1	Administrative Contracted Services	\$ 574,587	\$ 599,028	\$ 610,278	\$ 11,250	1.88%	Most line items level funded
D2	Educational Contracted Services	\$ 476,627	\$ 646,910	\$ 657,510	\$ 10,600	1.64%	Most line items level funded
D3	Textbooks/Curriculum Materials	\$ 168,419	\$ 176,104	\$ 181,304	\$ 5,200	2.95%	Most line items level funded
D4	Professional Development	\$ 212,444	\$ 160,885	\$ 165,143	\$ 4,258	2.65%	Most line items level funded
D5	Educational Supplies & Materials	\$ 177,927	\$ 263,689	\$ 267,109	\$ 3,420	1.30%	Most line items level funded
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 736,161	\$ 705,966	\$ 808,021	\$ 102,055	14.46%	Add'l costs: software licenses, custodial supply, moving expense
D7	Equipment	\$ 565,132	\$ 593,340	\$ 613,679	\$ 20,339	3.43%	Add'l cost for technology hardware leasing
D8	Utilities - Telephone Exp.	\$ 77,556	\$ 78,000	\$ 45,000	\$ (33,000)	-42.31%	New system purchased so we can decrease
	Total:	\$ 66,302,042	\$ 67,995,283	\$ 74,204,376	\$ 6,209,093	9.13%	

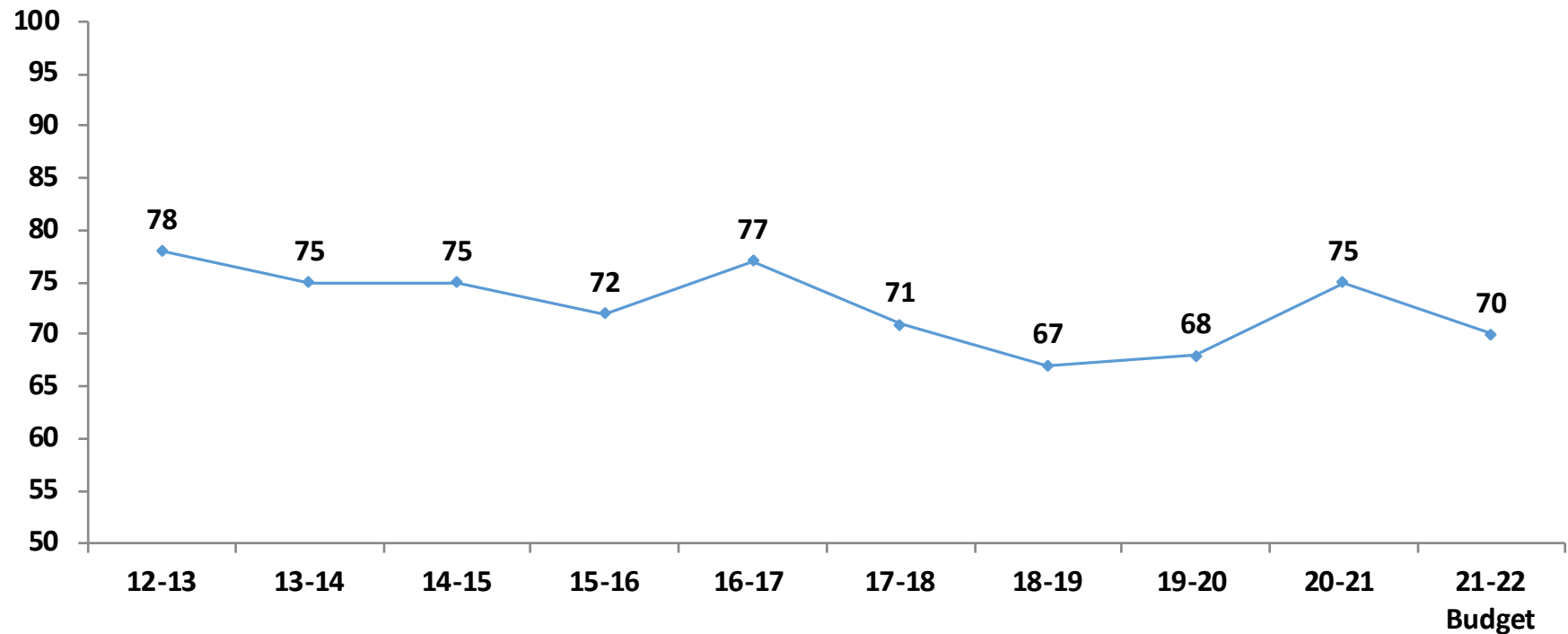
Key Factors and Assumptions: Expenses

- SALARIES AND WAGES
 - Labor Units A [teachers], B [Asst. Principals], and D [paraprofessionals]: salaries and wages budgeted per actual or projected contract settlements
 - Non-union salaries and wages with assumed 2% COLA
- SUPPLIES
 - Level-funded, no increase
- TRANSPORTATION
 - Yellow bus rate up 2.9% from \$424 to \$436 per day per bus
- SPECIAL EDUCATION OUT OF DISTRICT TUITIONS
 - Received a state-approved rate of 2.26%. Higher special education tuition increases were budgeted for “cost reconstructions” if approved by the state.
- VOCATIONAL HIGH SCHOOL TUITIONS
 - Rate is estimated to increase 2.5% to \$16,743 per student
 - Budgeted enrollment is up 4 students.

Vocational Budget Projection

	FY21			FY22 Draft			Budget Difference
	<i>Students</i>	<i>Tuition</i>		<i>Students</i>	<i>Tuition</i>		
Budget	119	\$ 2,028,117		123	\$ 2,059,389		\$ 31,272
Actual	113	\$ 1,845,855					
Difference	6	\$ 182,262					

Special Education Out of District Projection



Special Education Out of District Tuitions

			FY21 v. FY22	
	FY21	FY22 Prelim.	\$\$ Difference	% Difference
Total Tuitions	\$ 6,963,830	\$ 7,260,808	\$ 296,978	5%
Less Estimated Circuit Breaker Reim.	\$ (3,165,736)	\$ (2,700,000)	\$ 465,736	-16%
Less CB Funds On Account Carryover	\$ (451,000)	\$ -	\$ 451,000	-50%
Less Prior Year Budget Surplus	\$ (1,625,625)	\$ -	\$ 1,625,625	-129%
Net Cost to Appropriations Budget	\$ 1,721,469	\$ 4,560,808	\$ 2,839,339	209%
** All FY22 figures are estimates as of 2.3.2021 subject to change prior to the final budget recommendation.				

\$500,000 is kept “on reserve” each year in the Circuit Breaker fund in event of an unexpected spike in Out of District Tuition costs. This practice affords a measure of budget stability and ability to mitigate or avoid mid-year crises.

Circuit Breaker Reimbursement History and Initial Projection

	Students	Total Adj. Claim	Change	Foundation	Change	Net Claim	Change	Reim Amount	Reim Percent	Annual Change
FY22 Forecast		\$ 9,100,000		\$ 5,005,000		\$ 4,095,000		\$ 2,700,000	66%	\$ (237,610)
FY21	111	\$ 9,235,533	\$ 752,364	\$ 5,318,720	\$ 602,144	\$ 3,916,813	\$ 150,220	\$ 2,937,610	75%	\$ 112,663
FY20	104	\$ 8,483,169	\$ (926,618)	\$ 4,716,576	\$ (487,932)	\$ 3,766,593	\$ (438,686)	\$ 2,824,947	75%	\$ (307,091)
FY19	119	\$ 9,409,787	\$ 379,218	\$ 5,204,508	\$ 636,544	\$ 4,205,279	\$ (257,326)	\$ 3,132,038	74.4%	\$ (85,299)
FY18	107	\$ 9,030,569	\$ (85,117)	\$ 4,567,964	\$ 198,284	\$ 4,462,605	\$ (283,401)	\$ 3,217,337	72.1%	\$ (254,682)
FY17	104	\$ 9,115,686	\$ 463,633	\$ 4,369,680	\$ 343,056	\$ 4,746,006	\$ 120,577	\$ 3,472,019	73.2%	\$ 2,947
FY16	97	\$ 8,652,053	\$ 465,083	\$ 4,026,624	\$ (93,472)	\$ 4,625,429	\$ 558,555	\$ 3,469,072	75.0%	\$ 477,430
FY15	100	\$ 8,186,970	\$ 919,912	\$ 4,120,096	\$ 453,760	\$ 4,066,874	\$ 466,152	\$ 2,991,642	73.5%	\$ 291,096
FY14	91	\$ 7,267,058	\$ 623,582	\$ 3,666,336	\$ 377,934	\$ 3,600,722	\$ 245,648	\$ 2,700,546	75.0%	\$ 197,769
FY13	91	\$ 6,643,476	\$ 299,151	\$ 3,288,402	\$ 151,092	\$ 3,355,074	\$ 148,059	\$ 2,502,777	74.5%	\$ 220,911

The FY22 estimated Net Claim is based upon analysis and extrapolation of prior years data trend. The Special Education Office will do a draft Circuit Breaker claim for FY22 in Feb. 2021 after the "Extraordinary Relief" file is released.

Key Factors and Assumptions: Revenues that the School Dept. Forecasts & Controls

- Federal and state grants are budgeted for “level-funding” **except**:
 - We are not planning for continuation of state Coronavirus Relief grants
- Full Day Kindergarten tuition is eliminated
- Special Education Circuit Breaker Reimbursement with assumed rate of 66% at this point. Based on Governor’s Budget calling for a 6.5% statewide increase, I expect to increase my assumption which will lower our town-appropriation

Key Factors and Assumptions: Covid-related Costs

- Some of the recent federal stimulus dollars will be available for use in FY22. State grants for Covid must be fully expended by end of this fiscal year, June 30, 2021.
- There are no dollars budgeted in the School Dept. town-appropriated operating budget to manage Covid-related costs.
- It is assumed that current and hopefully future Covid funding will cover our Covid-related costs.

Full Day Kindergarten Tuition

- We've been on a step-down pathway towards free, universal Full Day Kindergarten with the opening of the new Beal School.
 - Annual Tuition Rate- recent history
 - FY18 = \$4,000
 - FY19 = \$3,600
 - FY20 = \$2,400
 - FY21 Original Budget Assumption= \$2,025, subsequently waived due to hybrid model
- Data on MA districts that charge tuition for FDK
 - 2014-2015 school year= 72 out of 313 [23%] districts offering FDK charge tuition
 - 2020-2021 school year= 23 out of 316 [7%] districts offering FDK charge tuition

FY22 Process- Proposing A Different Pathway

- Present a “Status Quo” budget on February 10th. The Town Manager will release his initial budget on February 23rd.
- On February 24th , begin presenting our budget reduction plans to close the gap. *[Dispense with providing detailed reports on Curriculum, Technology, Special Education, and Transportation.]*
- The preliminary data we have strongly indicates that we will:
 - Not have sufficient funding to conduct redistricting and fully open the New Beal School
 - In addition, we will need to reduce our Status Quo operations by approximately \$4.2M, unless additional revenue comes our way and/or we experience some FY21 budget savings

Upcoming Dates/Process Overview

Date	Event
Jan. 27 th	School Committee Meeting: Superintendent's State of the District Annual Report forewarned coming budget crisis for FY22
Feb. 10 th	School Budget Meeting: Superintendent's Initial Budget Recommendation
Feb. 23 rd	Town Manager Releases "Fiscal Projection #1", his initial balanced budget
Feb. 24 th	School Committee Meeting: Begin Reduction Plan Communications
March	Continue with Budget Reduction Plans and Communications
Mar. 27 th	Finance Committee Budget Hearing
April	Budget Reduction Plan Vote
May	Annual Town Meeting

Closing the Gap

- Two main methods:

1. Reduce staff and programs

2. In March, review current-year budget and assess if any surplus is projected

**Increasing user fees will only have a *de minimus* impact and place further burden on families with schoolchildren

Next Steps

- Continue to refine the FY22 Status Quo budget as new information emerges
- Continue dialogue and advocacy with the Board of Selectmen, Finance Committee, and Town Manager on FY22 outlook

Next Steps

- But most importantly, we need a “quick pivot” to our most likely operational plan based on the information and data we have on hand
- We cannot make plans based on wishful thinking for an FY22 override nor a “bailout” from the state or federal government
- Why do this?
 - Because there is an enormous amount of planning, communication, and coordination to be completed in a short period of time to realistically prepare ourselves for the 2021-2022 school year while at same time we are still managing through the pandemic
 - Secondly, it will quantify the loss/reduction to our elected officials and constituents which is what they are asking for

Next Steps

- It is recommended we shift our usual strategy of using school committee meeting time for in-depth presentations to a direct move to communicating a series of phased reduction plans

Next Steps

- Information for Superintendent's Initial Budget Recommendation
 - Printed book by end of week/early next week and we will post on website as PDF
 - Upload line item detail file into *ClearGov* and that will generate some summary charts with drill-down capacity