

FY23 Budget Workshop

8 December 2021

Topics

- Overview: FY23 Maximum Budget Cap Based on Agreement
- Key Factors and Assumptions
- Initial Budget Summary and Expense Categories
- In-District Enrollment Projection and Staffing
- Vocational Enrollment Projection and Tuition
- Special Education Tuitions and Circuit Breaker
- Covid Funding Plans
- Fee Levels
- Per Pupil Expenditures
- Timeline and Process

Key Factors and Assumptions: Expenses

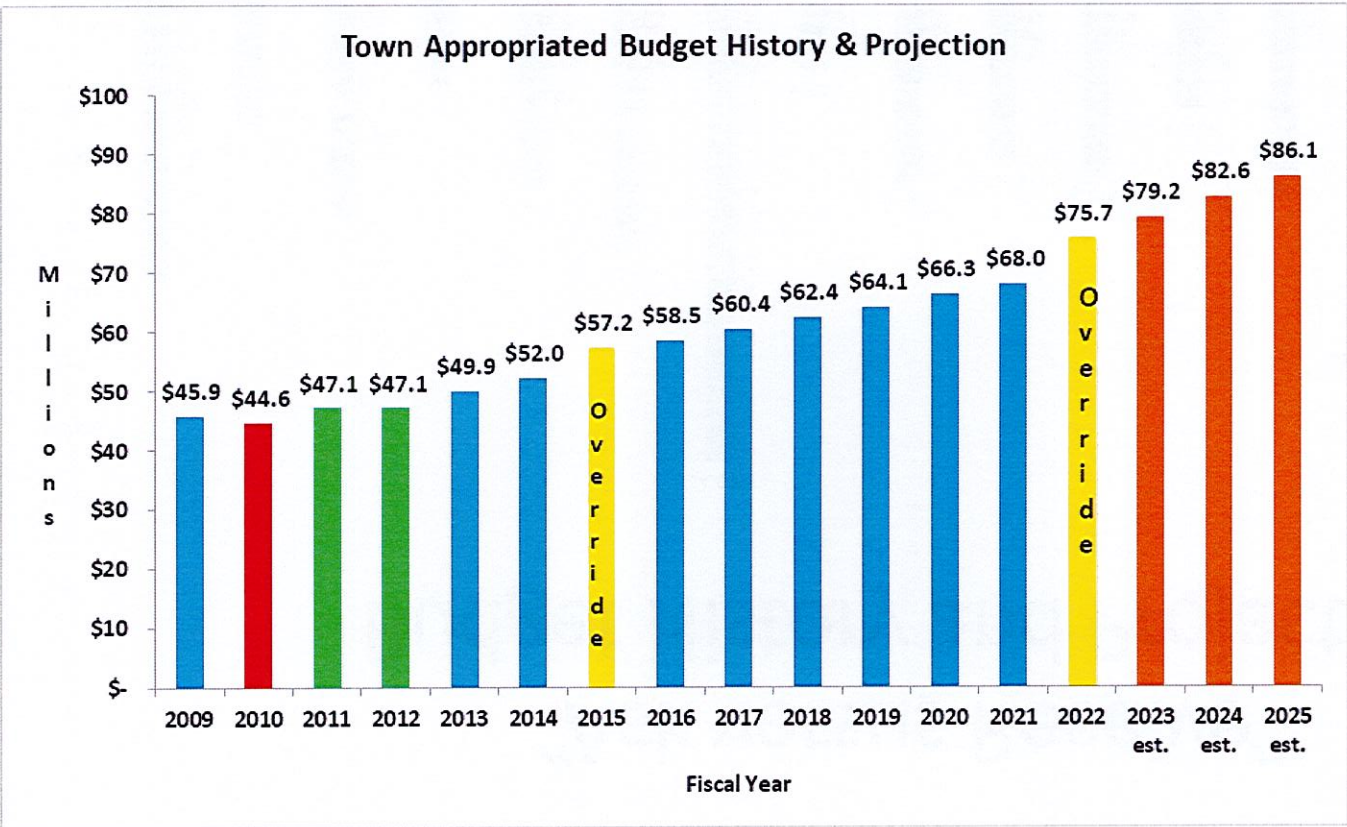
- SALARIES AND WAGES
 - All labor contracts are subject to negotiation.
- SUPPLIES
 - Majority of accounts are increased by 5% to account for inflation and the fact we have not increased these accounts for several years.
- TRANSPORTATION
 - Yellow bus rate up 2.8% from \$436 to \$449 per day per bus. FY23 is the last year of a five-year contract.
- SPECIAL EDUCATION OUT OF DISTRICT TUITIONS
 - Received a state-approved rate of 2.54%. Some special education tuition increases were budgeted for “cost reconstructions” if approved by the state.
- VOCATIONAL HIGH SCHOOL TUITIONS
 - Rate is estimated to increase 4.5% to \$17,838 per student
 - Budgeted enrollment is down 42 students.

FY23 Budget Cap Initial Calculation

[Subject to Change by Town Manager]

FY23 Budget Cap Calculation		Add'l Revenue Sharing Formula	
			per K. Mizikar Nov. 2021
FY22	\$ 75,722,168	Revenue Forecast for FY23 above March 2021	\$ 646,473
	4.25% \$ 3,218,192	25% Allocation: General Stabilization Account	\$ (161,618)
FY23 Baseline	\$ 78,940,360	10% Allocation: Override Stabilization Account	\$ (64,647)
Add'l Revenue Sharing Formula	\$ 252,124	Sub-Total Avail.	\$ 420,207
FY23 Final Budget Cap	\$ 79,192,485	60% of Remaining Balance to School Dept.	\$ 252,124
Dollars above FY22	\$ 3,470,317	40% of Remaining Balance to Municipal Budget	\$ 168,083
Percent above FY22	4.58%		\$ 420,207

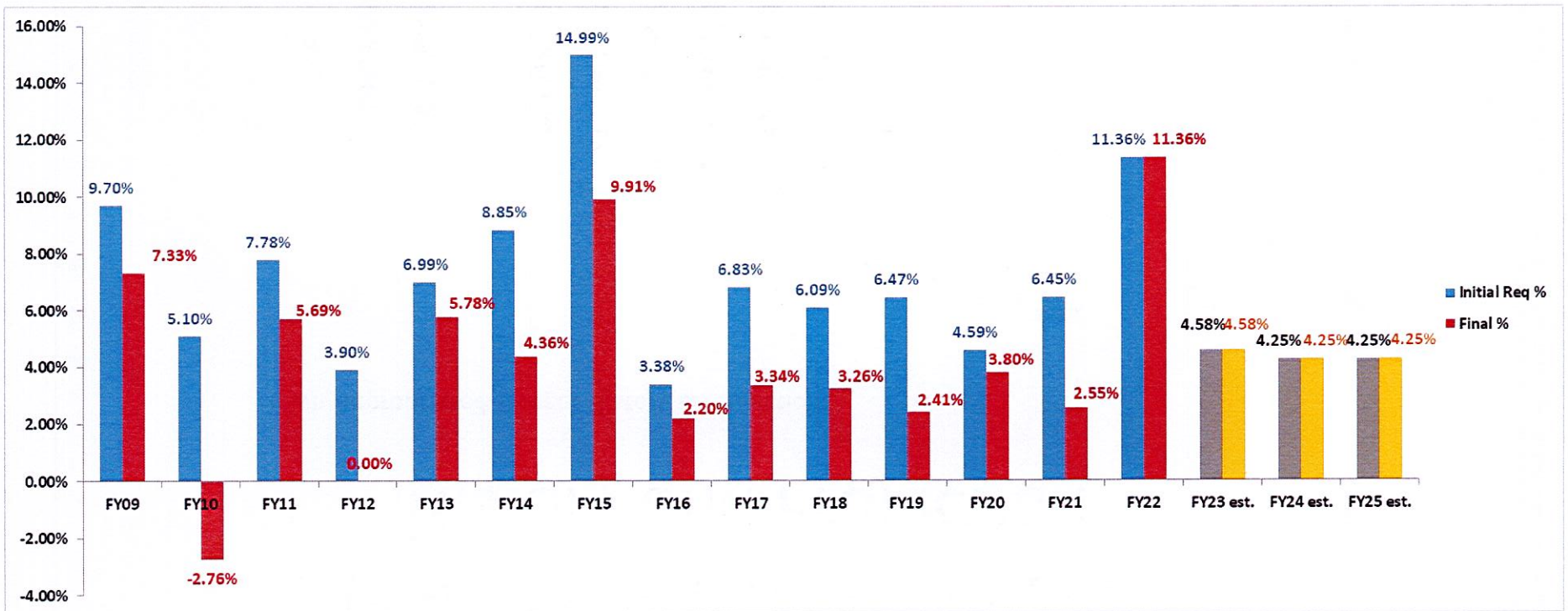
Town Appropriated Budget History and Projection



Estimates:

- FY23= + 4.58%
- FY24= + 4.25%
- FY25= + 4.25%

“Ask versus Receive” Budget History and Projection



FY23 Initial Projection Summary

[Subject to Change]

Group	Category	FY22	FY23	Diff	% Change
A	Salaries and Wages	\$ 61,840,945	\$ 64,654,296	\$ 2,813,351	4.5%
B	Transportation Services	\$ 4,316,979	\$ 4,193,120	\$ (123,859)	-2.9%
C	Out of District Tuitions	\$ 6,174,246	\$ 4,906,573	\$ (1,267,673)	-20.5%
D	Supplies, Materials, Contract Services, etc...	\$ 3,389,998	\$ 3,804,201	\$ 414,203	12.2%
Totals		\$ 75,722,168	\$ 77,558,190	\$ 1,836,022	2.4%

Important note:

Due to class size and operational needs some additional staff that were not budgeted were hired in FY22 and their salaries are now reflected in the FY23 budget column and implicit in the overall percentage increase.

The Salaries and Wages column increase of 4.5% is not a direct reflection of pay increases. It does include costs for new staff and planned step increases, when applicable. It also reflects known personnel changes for June 2022 retirements and the cost of their replacements.

Salary and Wages will be continuously updated up through February 2022 as we learn about any additional personnel changes or completion of collective bargaining agreements.

K-12 Enrollment Projection: FY22 v. FY23 Comparison

	10/1/2021 Enrollment	Town Manager Projected for SY 22-23	Change: 10/1/21 to SY 22-23	NESDEC Projected for SY 22-23	Change: 10/1/21 to SY 22-23
K	343	301	-42	313	-30
Gr. 1	339	398	59	402	63
Gr. 2	417	351	-66	349	-68
Gr. 3	429	425	-4	432	3
Gr. 4	427	438	11	434	7
K-4	1955	1913	-42	1930	-25
Gr. 5	484	432	-52	432	-52
Gr. 6	469	489	20	492	23
Gr. 5 + Gr. 6	953	921	-32	924	-29
Gr. 7	481	471	-10	474	-7
Gr. 8	498	483	-15	482	-16
Gr. 7 + Gr. 8	979	954	-25	956	-23
Gr. 9	459	458	-1	464	5
Gr. 10	450	460	10	461	11
Gr. 11	464	446	-18	446	-18
Gr. 12	461	464	3	465	4
Gr. 9-12	1834	1828	-6	1836	2
Totals	5721	5616	-105	5646	-75

K-12 projected enrollment decrease of 1.3% to 1.8% for FY23.

S.H.S. Enrollment Projections

Projection #1

Grade	Current-Nov '21	Projected '22-23	Difference
9	459	464	5
10	450	461	11
11	464	446	-18
12	461	465	4
Totals	1834	1836	2

We do not expect to need to add any additional teachers at S.H.S. to maintain class sizes in our target ranges.

Projection #2: Adds 15 students to Grade 9 expecting fewer admitted to Assabet

Grade	Current-Nov '21	Projected '22-23	Difference
9	459	479	20
10	450	461	11
11	464	446	-18
12	461	465	4
Totals	1834	1851	17

Projected Class Sizes at Sherwood and Oak

		Sherwood Middle			Oak Middle				
Grade Level	Projected 22-23		Students	Sections	Avg.		Students	Sections	Avg.
Grade 5	432		432	20	22				
Grade 6	492		492	20	25				
Grade 7	474						474	20	24
Grade 8	483						483	20	24
			<i>School Avg./Class</i>		23		<i>School Avg./Class</i>		24
Totals	1881		924	40			957	40	

No change in Sherwood or Oak teaching levels for enrollment. Both schools are expected to see a slight drop in enrollment.

Elementary School Projections

PROJECTED 11.15.2021--KEEP ALL SECTIONS STATUS QUO

		Beal			Coolidge			Floral Street			Paton			Spring St.		
Grade Level		Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.
FDK	313	86	6	14	44	3	15	97	6	16	47	3	16	40	3	13
Grade 1	402	136	6	23	55	3	18	98	6	16	53	3	18	60	3	20
Grade 2	351	118	6	20	48	3	16	86	6	14	46	3	15	52	3	17
Grade 3	432	135	6	22	61	3	20	111	6	19	66	4	16	60	4	15
Grade 4	438	130	6	22	48	3	16	104	6	17	72	4	18	83	3	28
Total 1-4	1936	School Avg./Class		20.1	School Avg./Class		17.1	School Avg./Class		16.6	School Avg./Class		16.7	School Avg./Class		18.4
Totals	1936	604	30		256	15		497	30		284	17		295	16	
Enrollment Change FY22 to FY23		8			-6			-17			-29			-3		

PROJECTED 11.15.2021--REDUCE TEACHERS

		Beal			Coolidge			Floral Street			Paton			Spring St.		
Grade Level		Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.	Students	Clrms/Sect	Avg.
FDK	313	86	5	17	44	3	15	97	6	16	47	3	16	40	3	13
Grade 1	402	136	7	19	55	3	18	98	6	16	53	3	18	60	3	20
Grade 2	351	118	6	20	48	3	16	86	5	17	46	3	15	52	3	17
Grade 3	432	135	6	22	61	3	20	111	6	19	66	3	22	60	3	20
Grade 4	438	130	6	22	48	3	16	104	5	21	72	4	18	83	4	21
Total 1-4	1936	School Avg./Class		20.8	School Avg./Class		16.8	School Avg./Class		17.7	School Avg./Class		17.8	School Avg./Class		20
Totals	1936	604	29		256	15		497	28		284	16		295	15	

Potential teacher reductions--We can achieve these via attrition from known retirements/personnel changes.

Assabet Valley Vocational Technical High School Enrollments

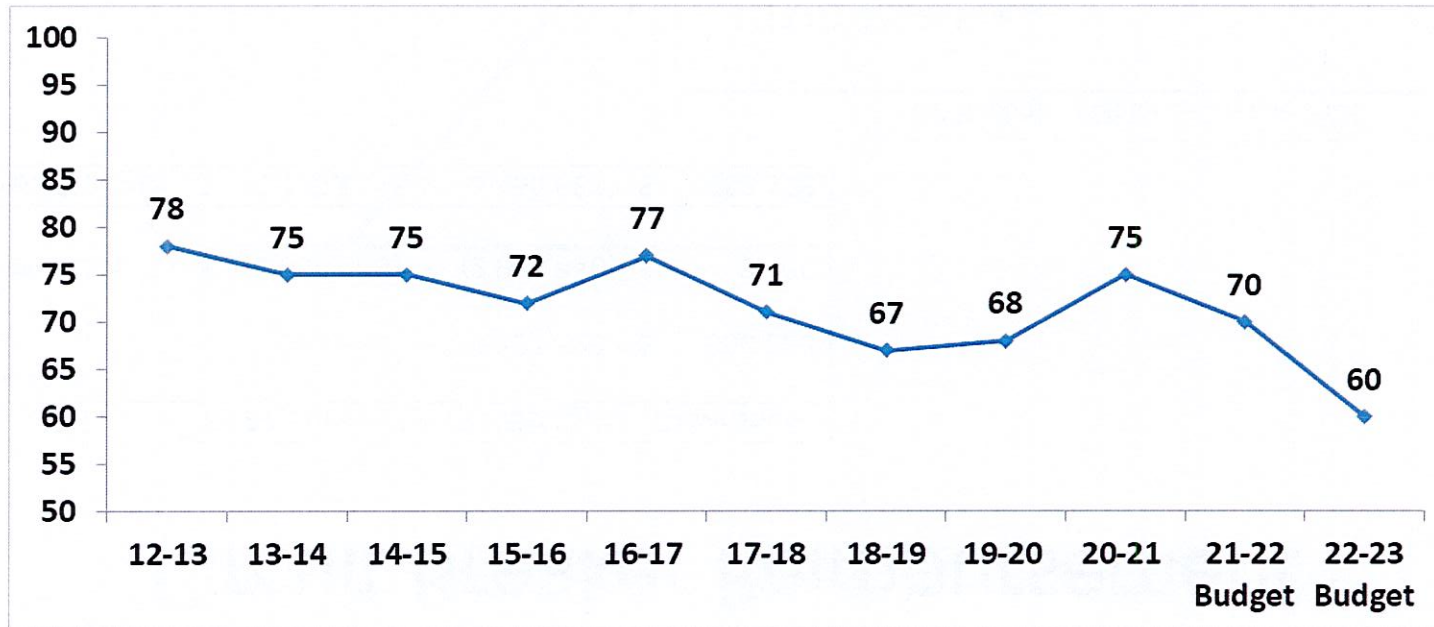
	School Year														
	Actuals										Current	Estimate #1	Estimate #2		
	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23 Est.#1	22-23 Est.#2		
Grade 9	40	28	37	35	37	18	28	33	25	35	12	12	0		
Grade 10	29	36	29	37	25	31	20	26	33	22	34	12	12		
Grade 11	38	31	37	25	35	24	28	18	26	31	20	34	34		
Grade 12	25	32	28	37	24	35	22	25	18	25	30	20	20		
Total	132	127	131	134	121	108	98	102	102	113	96	78	66		

The change in admissions policy took effect this Fall 2021. Included above for FY23 are two estimates for Grade 9: one with 12 students admitted and a second estimate with 0 students admitted.

Vocational Tuition Budget Calculation

	FY22		FY23 Draft		Budgeted Enrollment Difference	Budget Cost Difference
	<i>Students</i>	<i>Tuition</i>	<i>Students</i>	<i>Tuition</i>		
Budget	123	\$ 2,059,389	81	\$ 1,444,878	(42)	\$ (614,511)
Actual	96	\$ 1,638,720				
Difference	27	\$ 420,669				

Out of District Tuition Student Count



Special Education Tuitions & Circuit Breaker Reimbursement

	FY22 Budget	FY23 Budget	Difference
Out of District Special Education Tuition	\$ 7,053,811	\$ 6,397,523	\$ (656,288)
Less Circuit Breaker Use	\$ (2,950,000)	\$ (2,946,840)	\$ 3,160
Net Appropriation Budget	\$ 4,103,811	\$ 3,450,683	\$ (653,128)

CB Budgeting Method--Change FY23	
\$ 2,529,420	6.30.21 Balance
\$ 3,217,420	FY22 Reim Published by DESE 9.28.2021
<u>\$ 5,746,840</u>	Subtotal
\$ (2,950,000)	Less FY22 Budgeted Use
<u>\$ 2,796,840</u>	6.30.2021 Projected Available for FY23 Budget
\$ 150,000	Add'l Planned Use of FY23 CB Reim. to Stay under CB Cap
<u>\$ 2,946,840</u>	Net Use for FY23

Special Education Tuitions & Circuit Breaker Reimbursement

- FY23 can mark a more formal shift in budgeting and managing annual Circuit Breaker Reimbursement Funds.
- The new strategy is to maintain close to one year of Circuit Breaker funding on account at year end. The maximum allowable amount to carry over on June 30th is the amount received in that fiscal year.
- For example, in FY22 MA DESE has published that we will receive \$3,217,420 so that is the total amount that can be carried into FY23.

Special Education Tuitions & Circuit Breaker Reimbursement

- This new strategy is one used by some other school districts as well because it provides several benefits:
 - It provides budget certainty since it relies not on forecasting what the state legislature will do on an annual basis to fund Circuit Breaker but rather looks what is already on account.
 - It provides a one-year “warning signal” for successor year budget development. If reimbursement is down due to decreasing costs or lower state appropriation, then there is time to plan for this.
 - It provides mid-year budget stability by having a ready funding source for unanticipated costs whether it be related to special education volatility or some other reason.

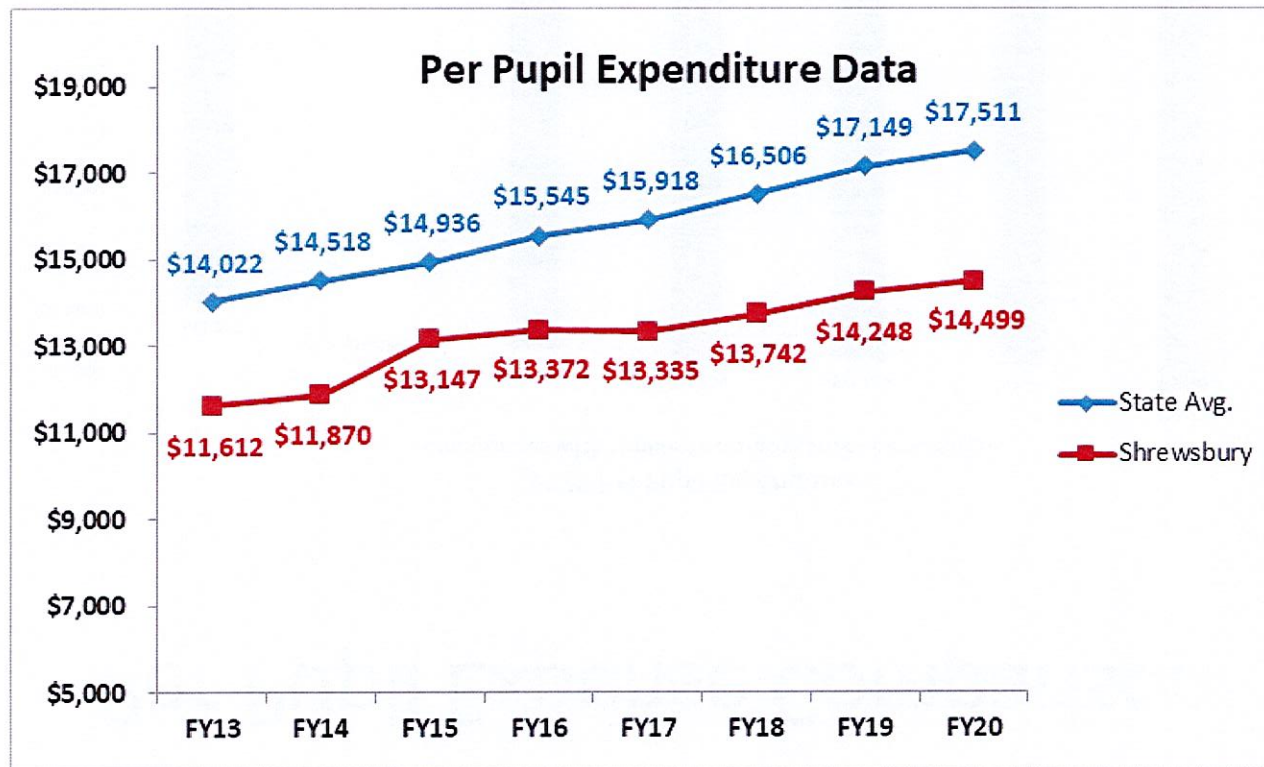
Covid Grant Funding-Status Update

Source	Grant	Amount	Uses*	End date	Status
State	Coronavirus Prevention Fund	\$ 218,950	Direct Covid costs, PPE	6/30/2021	Expended
Fed.	Food Service Fund Relief	\$ 10,909	Support school food service operations	12/30/2020	Expended
Fed.	Pooled Testing Sevices	\$ 73,433	Covid pooled testing services	4/18/2021	Expended
Fed.	Coronavirus Relief Fund	\$ 1,390,050	Logistics, Reopening staff planning, Covid- Asst. staffing, Nursing, PPE etc..	12/31/2021	Expended
Fed.	Pandemic EBT Reimbursement	\$ 5,526	Reim. Costs for identifying reporting students receiving state meal benefits	6/30/2022	Expended
Fed.	ESSER-1	\$ 162,060	Warehousing, café cleaners, PPE	9/30/2022	Partially Expended
Fed.	ESSER-2	\$ 557,280	Café cleaner staff, contact-tracing, substitute costs, PPE	9/30/2022	Partially Expended
Fed.	American Rescue Plan-Special Education	\$ 388,999	Start-up costs for 18-22 y.o. transitions program	9/30/2023	In Process
Fed.	American Rescue Plan-Early Childhood Svcs	\$ 34,608	Communication technology devices and program consulting	9/30/2023	In Process
Fed.	American Rescue Plan- Homeless Children	\$ 5,118	Supporting homeless children	6/30/2024	In Process
Fed.	ESSER-3	\$ 1,229,980	Summer and after school academic programs, late bus services, counselors	9/30/2024	Partially Expended
Total Funding		\$ 4,076,913			

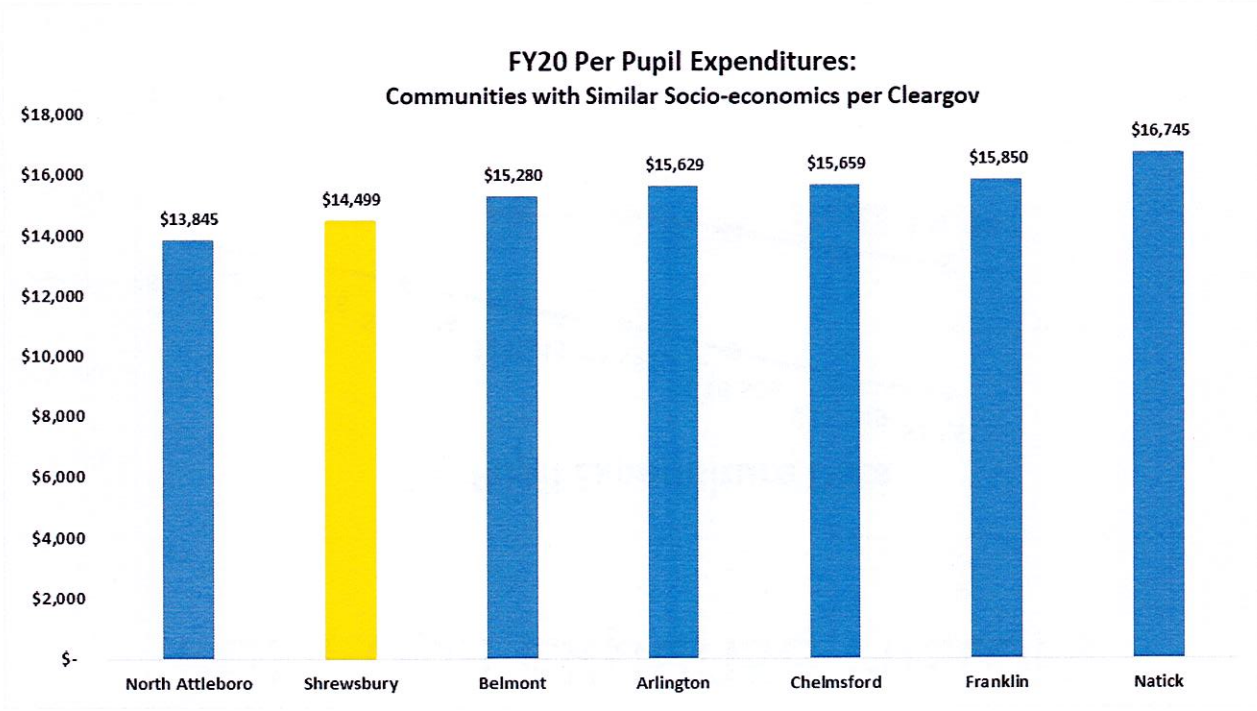
Fees

- Given the magnitude of the override and our current and relatively high fee levels, we believe, at this point in the budgeting process, it's best to hold steady on all fees and tuitions with the exception of Extended School Care which is TBD at this time.

Per Pupil Expense History



Per Pupil Expense Comparison



Budget Process Change

- Given the override agreement and the subsequent calculation of additional available revenue per the agreement, we now have a very high degree of budget certainty for FY23, contingent upon Town Meeting approval.
- The Superintendent's initial recommendation will be within/at the maximum cap.
- Unlike prior years, we do not expect to have to make reductions from the Superintendent's Recommendation.

More Work and Refinement Ahead

- We will continue to refine budget estimates based on new information we gain between now and February when the Superintendent makes his recommendation.
- We need to engage the School Leadership Team [SLT] and District Leadership Team [DLT] to solicit more input.
- We expect the initial recommendation will be higher than the current budget figures included here but still within the overall maximum cap.

Budget Timeline

	SCHOOL DEPT.	TOWN MANAGER/BOARD OF SELECTMEN/FINANCE COMMITTEE
October 2021		
10/20/2021	Discuss Priorities & Guidelines and the Budget Calendar Administration discusses budget timeline with leadership and staff Administration begins internal revenue & expense estimates	
November 2021		
11/9/2021	—————→	Town Mgr.: Qtr#1, FY22 Financial Update and Presentation of FY23 Revenue Manual
11/10/2021	Vote Priorities & Guidelines and the Budget Calendar	
11/17/2021	Administration completes update enrollment forecast by school and grade	
11/23/2021	—————→	Town Mgr.: Presentation of Five-Year Financial Forecast. Review & Revise Financial Policies
		<i>We expect that per the Selectmen and School Committee agreement that there will be two public meetings to discuss budget and likely occurring early in the budget process. Schedule TBD.</i>
December 2021		
	Administration completes initial draft budget	
12/8/2021	School Committee Budget Workshop#1	
January 2022		
1/26/2022	Governor Baker releases his state budget plan. State aid figures included.	
1/26/2022	School Committee Budget Workshop#2	
February 2022		
2/11/2022	—————→	Town Manager publishes his "Fiscal Projection #1"
2/16/2022	Superintendent's Budget Recommendation	
March 2022		
	Public Hearing Curriculum, Technology, and Special Education Budget presentations School committee vote of all fees/tuitions	
3/26/2022	Finance Cmtee Meeting [Saturday morning]	
	SCHOOL DEPT.	TOWN MANAGER/BOARD OF SELECTMEN/FINANCE COMMITTEE
April 2022		
Mid April	State House Ways & Means Committee releases their state budget	
4/13/2022	School Committee votes final budget	
May 2022		
Date TBD	Pre Town Meeting	
Date TBD, Could be Saturday May 14th or Monday May 16th	Annual Town Meeting	

We are here.

