

Shrewsbury Public Schools

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To: School Committee

Subj: FIVE-YEAR FISCAL PROJECTION (2025-2029)

Overview

Attached you will find the Shrewsbury Public Schools Five-Year Fiscal Projection for Fiscal Year 2025 (FY25) through Fiscal Year 2029 (FY29), which covers the 2024-2025 school year through the 2028-2029 school year. This fiscal projection is a continuation of the Five-Year Fiscal Projection made by a team of School Committee Members and School Administration in December 2020, with their report attached [here](#) for reference.

This report contains a review of the December 2020 Projection with historical data to use past information to inform our current planning for the next five-year cycle. This allows us to review historical data trends in relation to Town appropriated budget percentage increases and fund allocations over time including Chapter 70 State Aid over time, as well as cost comparisons to state and comparable school districts as determined by the Department of Elementary and Secondary Education..

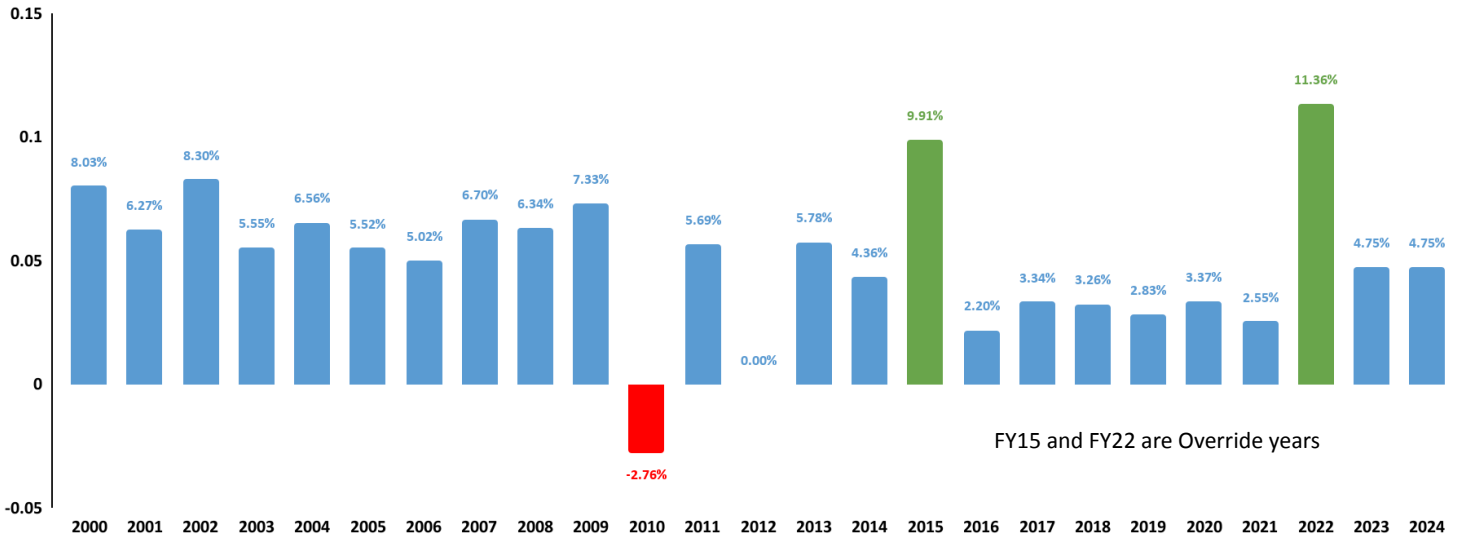
The report then shifts to planning for the next five year budget period factoring in known and upcoming major costs and expectations into the projection, including planning for the achievement of our [2023-2027 Strategic Priorities](#). Some mathematical projections are made based on the current override agreement between School Committee and Select Board using a variance of 4.25% to 4.75% average increase annually for the remainder of the five-year projection, with the intended variance to maintain level programming at 4.25% while making strategic investments with increased funds up to 4.75% pending revenue. A projection based on trends for student and program needs is also provided, which takes into account recent historical data and the context of school district resource needs in the current environment.

25 Year School Department History- Long Term History

The following graph represents the growth in the Town Appropriated Budget over a 25 year period from FY00 through FY24. The sustained percentage increases seen from FY00 through FY09 are a result of growth in Shrewsbury during those years coupled with a Chapter 70

funding formula that had yet to factor in local contribution as a component of the funding formula. Once growth began to moderate and the Chapter 70 State Aid formula changed to include local contributions in 2009, Shrewsbury experienced a funding shortfall. It is important to note the two successful Operational Override years in FY15 (9.91% increase) and FY22 (11.36% including \$2M in funding to open new Beal School.) The successful Override of FY22 also represents the agreement between the School Committee and the Select Board, which provides a baseline School Department annual budget increase of 4.25% with potential for increments beyond that up to a maximum of 4.75% pending additional revenue. This potential materialized in FY23 and FY24 with 4.75% increases for both fiscal years.

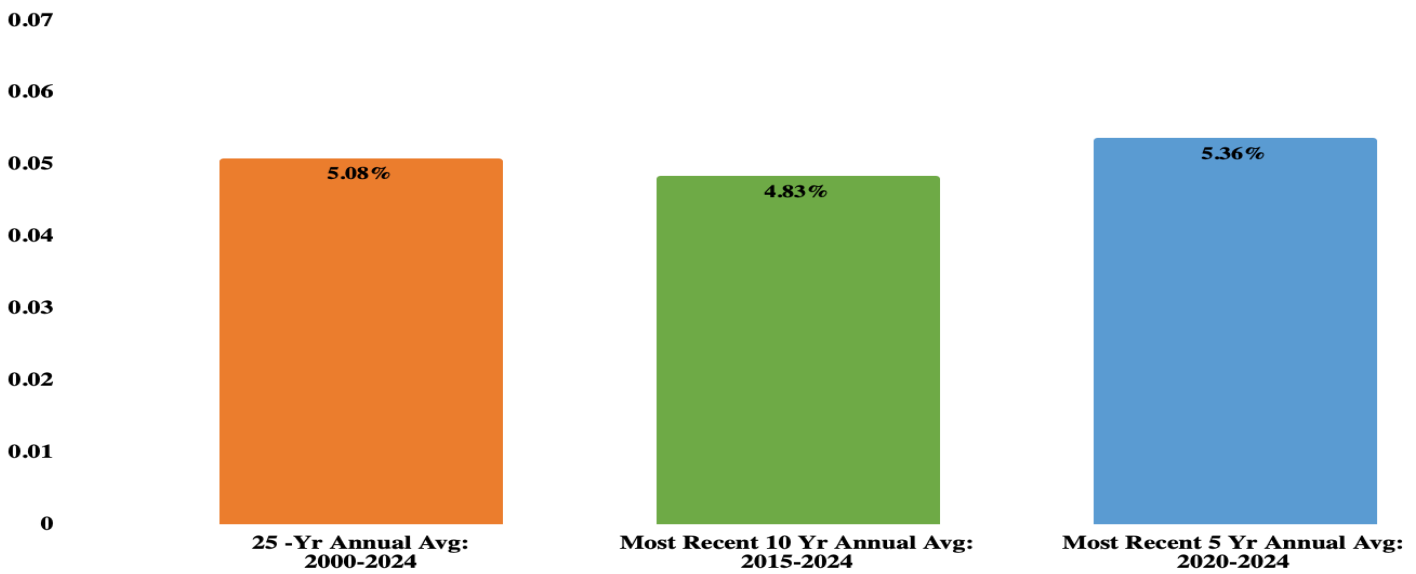
School Dept. Annual Budget Percent Increase by Fiscal Year



Percentage trends over time

The following graphs represent percentage trends over three time periods; 25-Yr annual average from 2000-2024, most recent 10-Yr average from 2015-2024, and most recent 5-Yr average from 2020-2024.

Trend Data: Percentage Increases, Multiple Time Periods



A review of the 25 year range of budget changes produces the highest budget percentage changes during the Override years, the highest being 11.36% in FY22. The lowest percent change was -2.76% in FY10; termed the Great Recession. **The median across the 25 year period is an annual increase of 5.52% with the mean being an annual increase of 5.08%.**

25 Year Range of Budget Changes

Fiscal Year	Percent Change		Notes
2022	11.36%	High	Override
2015	9.91%		Override
2002	8.30%		
2000	8.03%		
2009	7.33%		
2007	6.70%		
2004	6.56%		
2008	6.34%		
2001	6.27%		
2013	5.78%		
2011	5.69%		
2003	5.55%		
2005	5.52%	Median	
2006	5.02%		
2023	4.75%		
2024	4.75%		
2014	4.36%		
2020	3.37%		
2017	3.34%		
2018	3.26%		
2019	2.83%		
2021	2.55%		
2016	2.20%		
2012	0.00%		
2010	-2.76%	Low	Great Recession

How has the last forecast model performed?

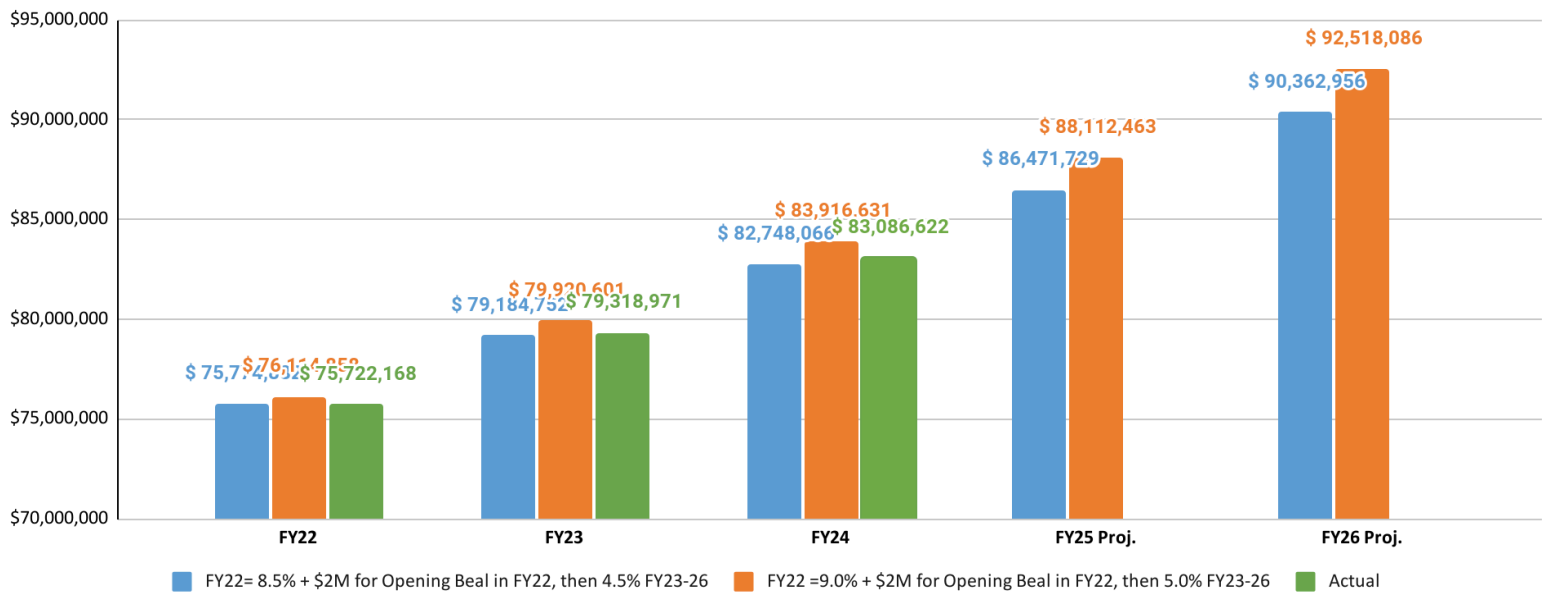
The December 2020 forecast model made projections prior to the successful FY22 Operational Override that were within the range of actual annual budget appropriations. The projections made in December of 2020 uses a range of:

Low: 8.5% increase from Override + \$2M for opening Beal in FY22, then 4.5% annual increase FY23-26

High: 9.0% increase from Override + \$2M for opening Beal in FY22, the 5.0% annual increase in FY23-26.

The following graph shows these two ranges compared to the actual annual Town Appropriation during the first three Override years. The actual increase included the \$2M for opening Beal, as well as an 11.36% increase in FY22, followed by 4.75% increases in FY23 and FY24.

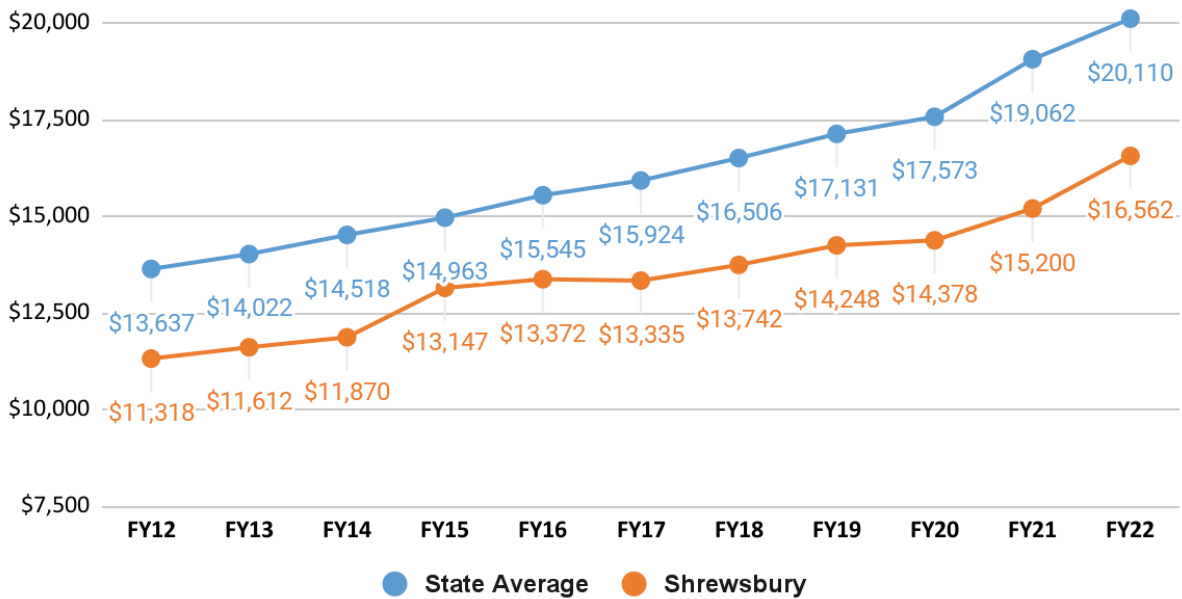
Budget Forecasts vs. Actuals



Spending efficiency in context of relevant comparison groups

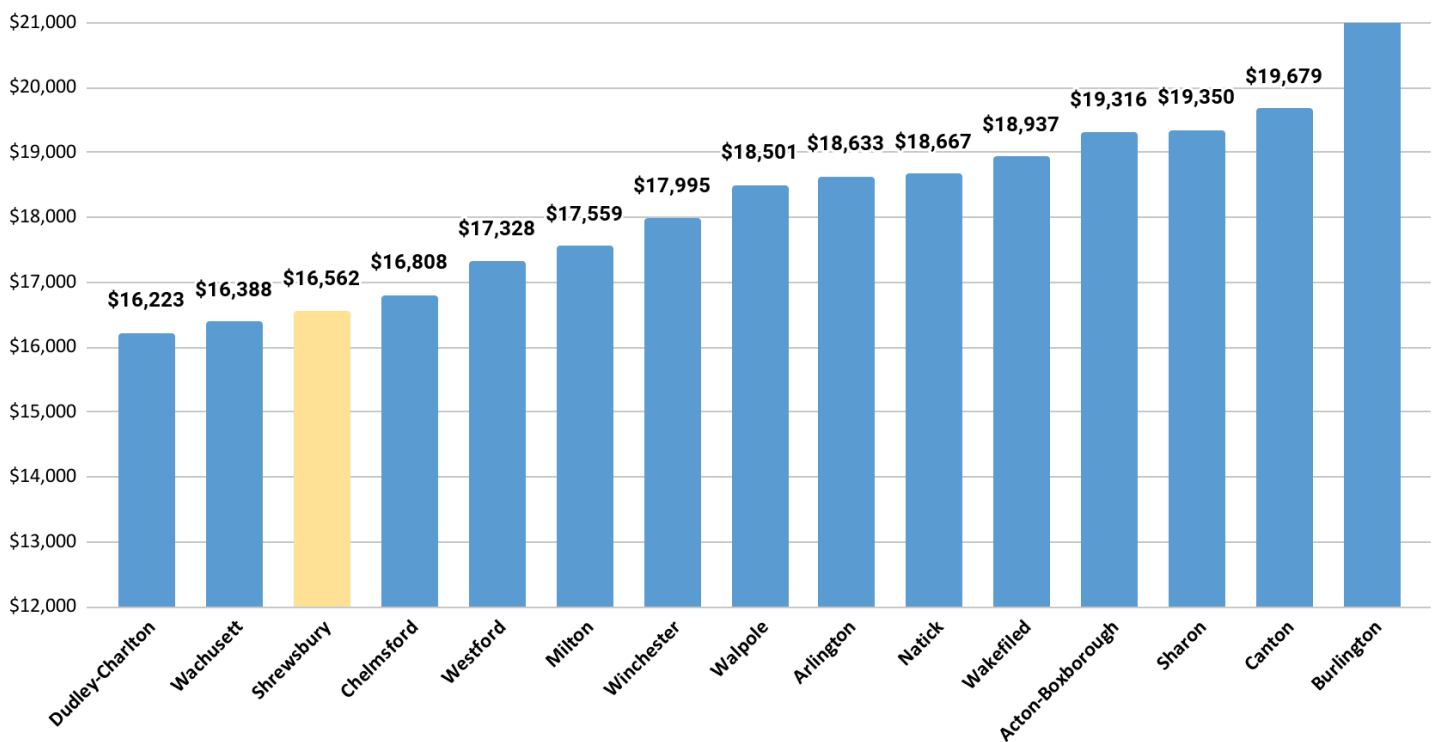
A factor that is used to compare expenditure trends is the Per Pupil Average, which is the formula that provides the cost to educate one student in a given school district. In FY22, which is the most recent data provided by the Massachusetts Department of Elementary and Secondary Education, the state average to educate one student was \$20,110. The total per pupil cost for Shrewsbury in FY22 (which includes the 11.36% Override increase) was [\\$16,562](#). The graph below show the per pupil comparison between the state average and Shrewsbury Public School since FY13.

Per Pupil Expenditure- State Average vs. Shrewsbury



Shrewsbury also has comparison districts called DART Districts, which are determined by the Massachusetts Department of Elementary and Secondary Education year based on similar profiles. Again, the total per pupil cost for Shrewsbury in FY22 (which includes the 11.36% Override increase) was \$16,562, which was the third lowest compared to the 10 DART districts identified by DESE.

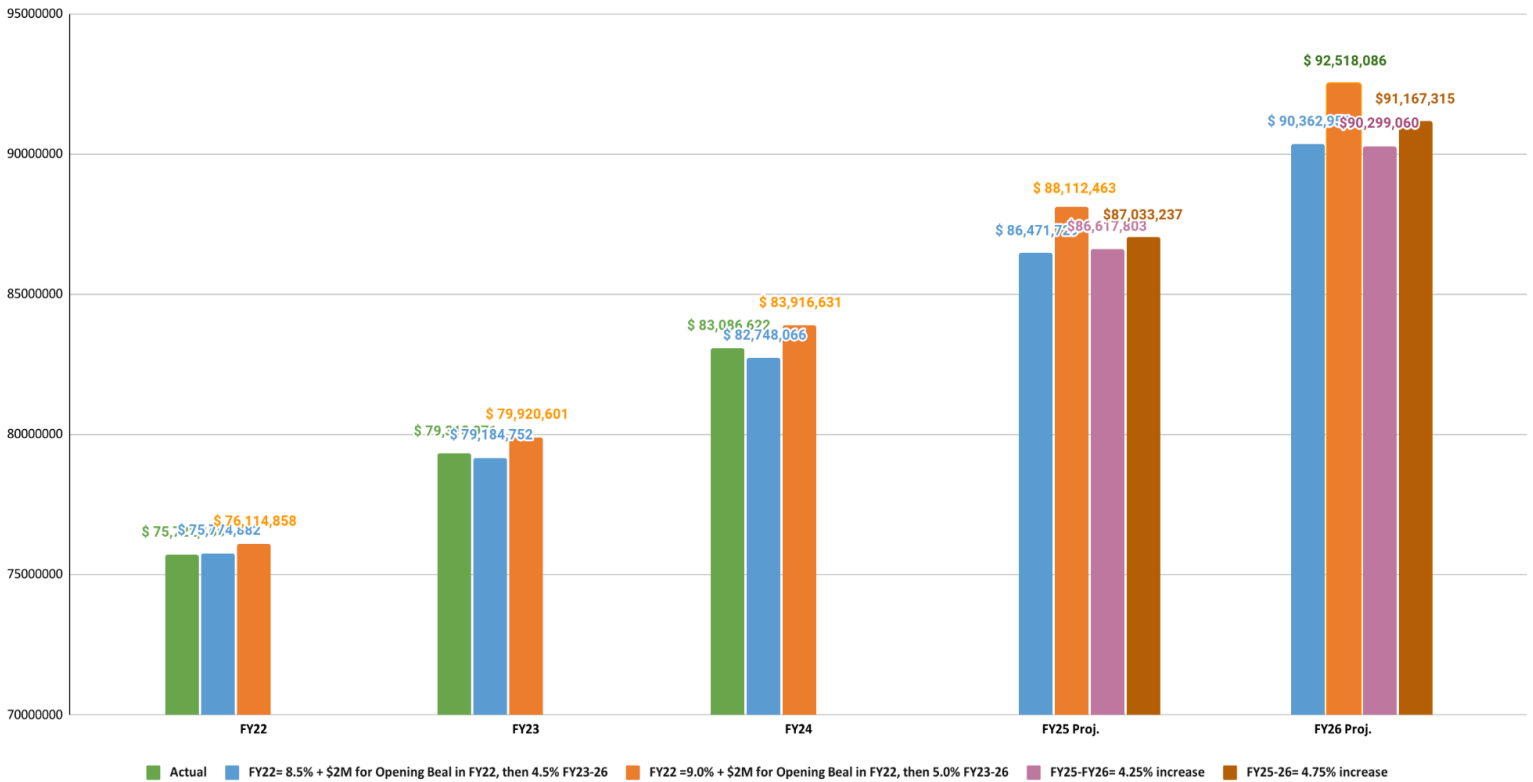
Per Pupil Expenditure- Shrewsbury DART Districts



Per Pupil Expenditure- Shrewsbury DART Districts as of FY22 (updated by DESE, January 2024)

Planning for the FY25 Town Appropriated Budget

Planning for the FY25 Budget factors includes known and upcoming major costs and expectations into the projection, as well as investing for the achievement of our [2023-2027 Strategic Priorities](#). Using the current override agreement as a model, the range of town appropriated funds for FY25 would fall between \$86.6M at 4.25% and \$87.0M at 4.75%. The following chart shows actual town appropriations from FY22 through FY24, with projections for FY25 and FY26 using the same funding formula.



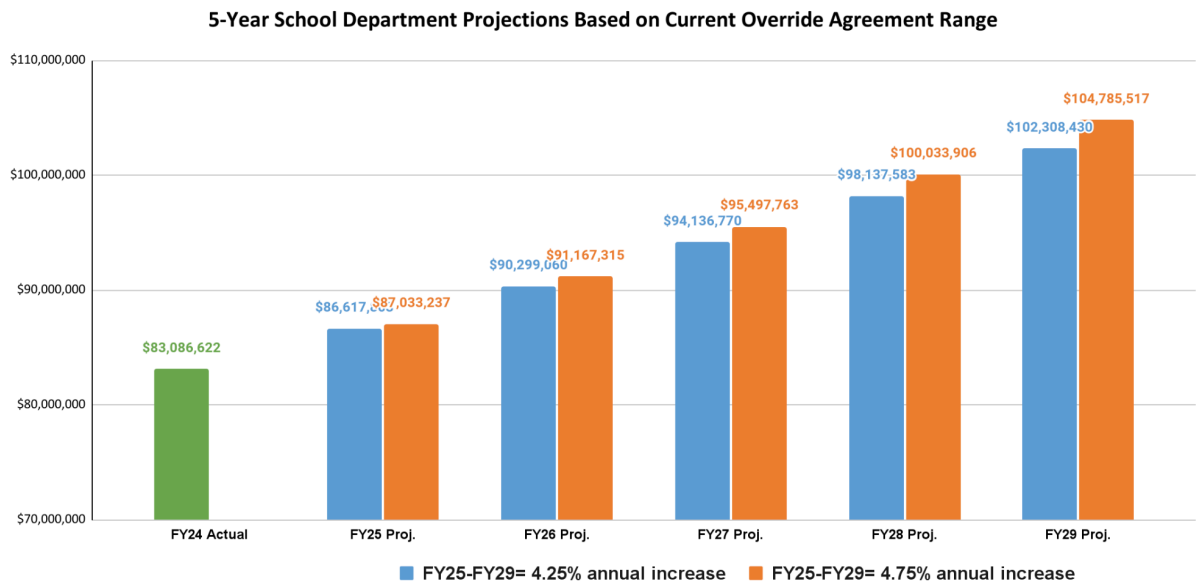
5-Year Forecast Assumptions:

The current override agreement is that the School Department town appropriation will increase each year by a minimum 4.25% and a maximum of 4.75%, depending on available revenue.

The following slide shows a five-year projection model illustrates the growth of the School Department appropriated budget from FY25 through FY29 as follows:

1. **4.25%**- maintain level programming at an average of 4.25% annually
2. **4.75%**- maintain programming and make some strategic investments each year up to 4.75% annually, depending on available revenue.

The following graph displays the range of annual projection increases between 4.25% and 4.75% on average annually for the remainder of the five-year projection, with the actual increase in funds for each model:



5-Year Projections Based on Trends for Student & Program Needs

The projection illustrated on pages 12 and 13 of this document is based on trends for student and program needs, which takes into account recent historical data and the context of school district resource needs in the current environment. The assumptions for the 5-Year Projections are as follows:

- FY25 presumes 4.75% maximum cap increase under override agreement
- **Important:** This projection does not reflect potential future changes in collective bargaining agreements; compensation assumptions use recent years plus trends for additional staffing needs
- No additional funds for strategic priorities are presumed in this model
- Staffing increases for FY25 reflect assumptions based on history, not potential need for mandated services
- Additional professional level English language education, special education, and student services staffing to meet mandated services: 4.0 FTE in FY25 and then 3.0 FTE per year
- Additional paraprofessional staffing to meet IEP requirements for complex students remaining within the district: Move grant-funded literacy tutors to budget in FY25 and then 3.0 FTE per year
- In-district transportation contract is in effect at 6% annually through FY28; FY25 reflects addition of \$175K late bus cost from grant and additional homeless transportation costs
- In-district transportation for FY26 assumes moving 2 buses from revolving account to appropriated budget and reduction of 1 vocational bus
- Special education transportation currently out to bid through our collaborative; initial estimated increase in FY25 and future years may change based on bid
- Special education out-of-district tuitions projected 5% increases year-over-year based on historical increases to appropriated budget portion of funding (net of state Circuit Breaker reimbursement funding)

- Vocational tuitions significantly reduced in FY25 and FY26 due to Assabet admissions change, then stabilize
- Textbooks/Curriculum/Hardware/Software reflects K-6 literacy program adoption in FY25 and increased costs for digital curriculum, digital assessment software, etc.

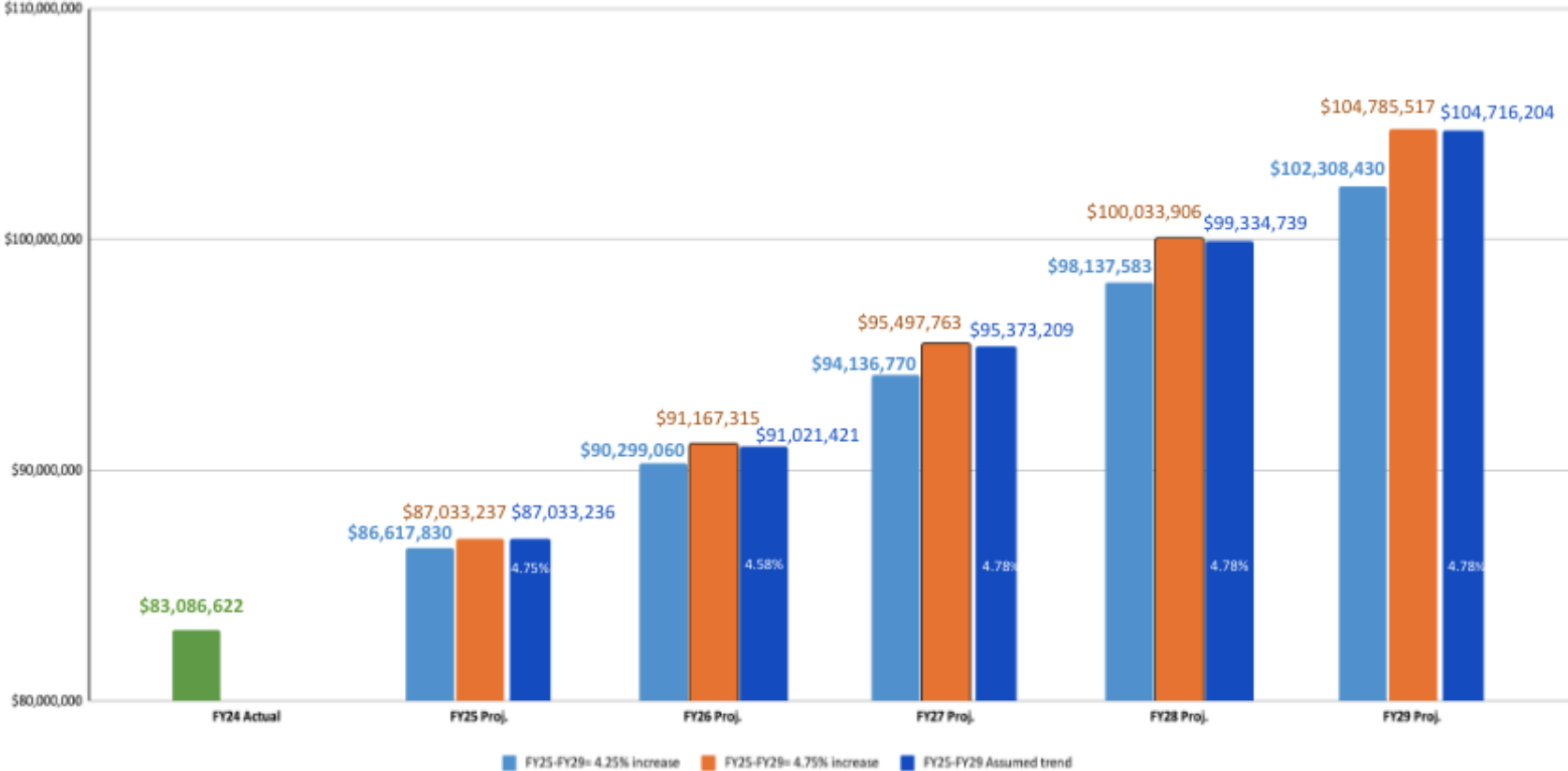
Key Points:

- This is an **estimated projection** based on various assumptions
- The Superintendent's FY26 Budget Recommendation that will be presented on February 7 may vary from this projection
- The projections made in 2020 have been on target:
 - An assumption of 4.5% yearly increases on average to maintain programming
 - An assumption of 5.0% yearly increases on average to maintain programming and make some strategic investments each year.
- The 4.75% increases in FY23 and FY24 have allowed us to maintain programming and make modest additions for strategic investments for key needs

Conclusion

Making future projections is an exercise in using the past to inform the future, factoring in known and upcoming major costs and expectations, and planning for the achievement of strategic priorities. This five year projection uses the December 2020 5-Year Projection model to understand the past, a set of assumptions to address current and evolving program needs, and the 2023-2027 Strategic Plan to guide future investments.

FY25-FY29 Five-Year Projection with Assumed Trend



School Department Budget FY25 - FY29 Five-Year Projection Based on Trends for Student & Program Needs

School Committee Recap Sheet	Description	FY24 Budget	Year 1: FY25		Year 2: FY26		Year 3: FY27		Year 4: FY28		Year 5: FY29	
			FY25 Est	FY25 est	FY26 est	FY26 est	FY27 est	FY27 est	FY28 est.	FY28 est.	FY29 est.	FY29 est.
A1	Administrative Central Office, Principals & Unit B	\$ 4,106,553	4.08%	\$ 4,274,034	4.25%	\$4,455,680	4.25%	\$4,645,047	4.25%	\$4,842,461	4.25%	\$5,048,266
A2	Unit A (Teachers & Nurses)	\$ 51,034,125	5.03%	\$ 53,602,194	4.67%	\$56,105,287	4.67%	\$58,725,404	4.67%	\$61,467,881	4.67%	\$64,338,431
A3	Aides/ABA/Paraprofessionals	\$ 9,437,957	4.83%	\$ 9,894,070	5.16%	\$10,404,568	5.20%	\$10,945,606	5.20%	\$11,514,777	5.20%	\$12,113,546
A4	Secretaries, IT Staff & Other Non-Represented	\$ 3,188,772	8.17%	\$ 3,449,295	5.69%	\$3,645,527	4.25%	\$3,800,462	4.25%	\$3,961,982	4.25%	\$4,130,366
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 1,363,915	4.25%	\$ 1,421,881	3.75%	\$1,475,202	3.75%	\$1,530,522	3.75%	\$1,587,917	3.75%	\$1,647,463
A6	Other Wages [Summer and Stipends]	\$ 1,009,877	7.28%	\$ 1,083,377	4.25%	\$1,129,421	4.25%	\$1,177,421	4.25%	\$1,227,461	4.25%	\$1,279,628
A7	Employee Benefits	\$ 477,175	3.03%	\$ 491,650	3.25%	\$507,629	3.25%	\$524,127	3.25%	\$541,161	3.25%	\$558,748
B1	Regular Education & Voke Transportation	\$ 3,163,993	8.74%	\$ 3,440,669	8.80%	\$3,743,283	6.00%	\$3,967,880	6.00%	\$4,205,953	6.00%	\$4,458,310
B2	Special Education Transportation	\$ 1,138,340	11.99%	\$ 1,274,856	6.00%	\$1,351,347	6.00%	\$1,432,428	6.00%	\$1,518,374	6.00%	\$1,609,476
C1	Net Special Education Tuitions	\$ 2,765,483	5.00%	\$ 2,903,757	5.00%	\$3,048,945	5.00%	\$3,201,392	5.00%	\$3,361,462	5.00%	\$3,529,535
C2	Vocational Tuitions	\$ 1,023,219	-54.16%	\$ 469,089	-62.07%	\$177,929	4.00%	\$185,046	4.00%	\$192,448	4.00%	\$200,145
D1-D8	Textbooks, Curriculum Materials, Hardware, Software Supplies, Equipment, Contracted Services, Other	\$ 4,377,213	8.02%	\$ 4,728,364	5.25%	\$4,976,603	5.25%	\$5,237,875	5.25%	\$5,512,863	5.25%	\$5,802,289
	Total	\$ 83,086,622	4.75%	\$ 87,033,236	4.58%	\$91,021,421	4.78%	\$95,373,209	4.78%	\$ 99,934,739	4.78%	\$104,716,204