



FY25 Budget Development Status Update

December 13, 2023

Status Update- General

- This budget development status update conforms with the FY25 School Committee Priorities and Guidelines approved on November 15, 2023
- Information will be refined over the coming months leading to Dr. Sawyer's initial budget presentation on February 7th and final budget in April
- Initial FY25 budget assumptions are working within a range of 4.25-4.75% increase per override agreement
- **All figures here are preliminary**

Expected Pressure Points

- Potential adjustments to town appropriation
- Unit D contract negotiations
- Loss of ESSER 3 grant funding
- Emergency Homeless grant funding
- Evolving student population needs

Other Notable Financial Factors

- Declining vocational student enrollment decreases tuition liability, however this limits access for Shrewsbury students
- Supplies and materials generally increase at 4.25% for inflation
- Information Technology systems require upgrades and contract renewals
- Transportation has a 6% annual increase over the 5 year contract term; 2 additional buses added to meet schedule requirements reflected; potential for greater offset from transportation fee account to moderate increase

FY25 Labor Costs

Unit A COLA= 2.25%

Unit B COLA= 3%

Unit D COLA= new contract negotiations underway

Non-represented groups= TBD

Preliminary/Draft Estimates- “Carry Forward Budget”

School Committee Recap Sheet	Description	FY23 Actual	FY24 Budget	FY25 Proposed	FY24 v. FY25 Change	% Change FY24 to FY25	Notes
A1	Administrative Central Office, Principals & Unit B	\$ 3,967,121	\$ 4,106,553	\$ 4,280,763	\$ 174,210	4.24%	Year 3 of Asst. Principal Unit B contract 3.0% increase plus steps; remaining portion of Asst. Supt. for Community Partnerships & Well-Being shifted from gift funds; total reflects override agreement baseline budget cap
A2	Unit A (Teachers & Nurses)	\$ 48,679,635	\$ 51,034,125	\$ 53,302,194	\$ 2,268,069	4.44%	Year 3 of teacher contract; 2.25% increase plus steps; includes business teacher position added after budget closed
A3	Aides/ABA/Paraprofessionals	\$ 8,159,929	\$ 9,437,957	\$ 9,839,070	\$ 401,113	4.25%	Paraprofessional contract under negotiation; 4.25% overall increase is only reflective of override agreement baseline budget cap and will change based on actual contract agreement re: compensation once agreement is reached
A4	Secretaries, Technology & Other Non-Represented	\$ 3,037,213	\$ 3,188,772	\$ 3,324,295	\$ 135,523	4.25%	Total reflects override agreement baseline budget cap
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 919,500	\$ 1,363,915	\$ 1,421,881	\$ 57,966	4.25%	
A6	Other Wages (See Note 1)	\$ 1,037,496	\$ 1,009,877	\$ 1,083,377	\$ 73,500	7.28%	Reflects increased costs of Special Education summer programming
A7	Employee Benefits	\$ 454,000	\$ 477,175	\$ 491,650	\$ 14,475	3.03%	
B1	Regular Education & Voke Transportation	\$ 3,100,904	\$ 3,163,993	\$ 3,447,129	\$ 283,136	8.95%	
B2	Special Education Transportation	\$ 1,092,216	\$ 1,138,340	\$ 1,285,471	\$ 147,131	12.93%	
C1	Net Special Education Tuitions	\$ 3,538,248	\$ 2,765,483	\$ 2,947,559	\$ 182,076	6.58%	Presumes FY24 Circuit Breaker Offset of \$3,649,910 on total tuitions of \$6,552,559
C2	Vocational Tuitions	\$ 1,474,526	\$ 1,023,219	\$ 469,089	\$ (554,130)	-54.16%	Projected decrease in enrollment due to continued impact of admissions policy change
D1	Administrative Contracted Services	\$ 625,768	\$ 728,072	\$ 759,015	\$ 30,943	4.25%	
D2	Educational Contracted Services	\$ 706,692	\$ 1,040,692	\$ 1,084,921	\$ 44,229	4.25%	
D3	Textbooks/Curriculum Materials	\$ 246,596	\$ 257,076	\$ 740,146	\$ 483,070	187.91%	includes \$500K for literacy curriculum materials
D4	Professional Development	\$ 168,820	\$ 176,719	\$ 183,348	\$ 6,629	3.75%	
D5	Educational Supplies & Materials	\$ 623,608	\$ 655,196	\$ 679,762	\$ 24,566	3.75%	
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 755,199	\$ 782,458	\$ 811,101	\$ 28,643	3.66%	
D7	Equipment	\$ 684,000	\$ 692,000	\$ 717,950	\$ 25,950	3.75%	
D8	Utilities - Telephone Exp.	\$ 47,500	\$ 45,000	\$ 84,000	\$ 39,000	86.67%	Necessary phone upgrade -- may increase further depending on requirements
	Total Budget:	\$ 79,318,971	\$ 83,086,622	\$ 86,952,721	\$ 3,866,099	4.65%	
	Total Recommended FY24 Budget			\$ 86,952,721	\$ 3,866,099	4.65%	

Preliminary Budget Estimates- Percentage Comparisons

Percentage Models		
FY 25 vs 4.25%		
FY25 projected	\$ 86,952,721	4.65%
FY25 at 4.25%	\$86,617,803	
Difference	\$ (334,918)	
FY 25 vs 4.50%		
FY25 projected	\$ 86,952,721	4.65%
FY25 at 4.5%	\$86,825,520	
Difference	\$ (127,201)	
FY 25 vs 4.75%		
FY25 projected	\$ 86,952,721	4.65%
FY25 at 4.75%	\$87,033,237	
Difference	\$ 80,515	

District Enrollment Projection

- Overall 'flat' enrollment is projected with some variations by grade level
- A detailed enrollment projection report will be made prior to launching the FY25 budget in February
- The October 1, 2023 (FY24) PreK-12 enrollment was **5,891**. As a point of reference, the 10/1/2022 (FY23) enrollment was **5,892**
- The projection we use is a hybrid between the Town Manager's projection and NESDEC projection, with reference to the McKibben report produced in 2022. These projections indicate a PreK-12 enrollment of **6014** for the start of the 2024-2025 school year (FY25)

Vocational Tuition Budget

	FY24			FY25 Draft			Budgeted Enrollment Difference	Budget Cost Difference
	<i>Students</i>	<i>Tuition</i>		<i>Students</i>	<i>Tuition</i>			
Budget	54	\$ 1,023,219		20	\$ 469,089		(34)	\$ (554,130)
Actual	47	\$ 896,113						
Difference	7	\$ 127,106						

Special Education Out of District Tuitions



The Commonwealth of Massachusetts
 Executive Office for Administration and Finance
Operational Services Division
 Maura Healey, Governor
 Kim Driscoll, Lieutenant Governor
 Matthew Gorzkowicz, Secretary

Gary J. Lambert
 Assistant Secretary for Operational Services

To: Matthew Gorzkowicz, Secretary
 Executive Office for Administration and Finance

Commonwealth Superintendents

From: Gary J. Lambert, Assistant Secretary for Operational Services
 Operational Services Division

Date: October 2, 2023

Re: **Estimated Rate of Inflation for Fiscal Year 2025**

The Operational Services Division is required by M.G.L. Chapter 7, Section 22N, to submit an "estimated rate of inflation for social service programs" to the Secretary of the Executive Office for Administration and Finance by October 1st of each year for consideration in preparation of the Governor's annual budget recommendation.

The Operational Services Division is also required by the above statute to notify Commonwealth Superintendents of this estimated rate of inflation for their use in planning for increases to Approved Private Special Education programs.

Attached is the Operational Services Division's analysis which results in an estimated rate of inflation of 4.69% for Fiscal Year 2025.

Should you or your staff require further information regarding the estimated rate of inflation, please contact Jacqueline Brown at (617) 720-3371.

cc: Chris Marino, Assistant Secretary for the Budget and Fiscal Operations, Executive Office for Administration and Finance
 Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance
 Rick Mikulis, Chief Financial Officer
 Mark Fine, Assistant Secretary of Administration

	FY24 budget	FY25 preliminary	Difference	Percent Difference
Total Tuitions	\$6,220,481	\$6,552,559	\$332,078	5.34%
Circuit Breaker Offset	-\$3,500,000	-\$3,649,910	-\$149,910	4.28%
Net Amount in Town Appropriation	\$2,720,481	\$2,902,649	\$182,168	6.70%

4.69% estimated rate of inflation increase for FY25 per Operational Services Division

(Tuition totals are subject to change as budget process develops)

Circuit Breaker Guideline Recommendation

	Circuit Breaker (CB) Year End Balance Models				Circuit Breaker Balance as a Percent of Operating Budget					
	100%	75%	50%	25%	Est Budget Amount	Est. Oper Budget Increase	100% CB as Percent of Operating budget	75% CB as Percent of Operating budget	50% CB as Percent of Operating budget	25% CB as Percent of Operating budget
FY24	\$3,500,000	\$2,625,000	\$1,750,000	\$875,000	\$83,086,622	4.75%	4.2%	3.2%	2.1%	1.1%
FY25 est.	\$3,650,000	\$2,737,500	\$1,825,000	\$912,500	\$86,617,803	4.25%	4.2%	3.2%	2.1%	1.1%
FY26 est.	\$3,723,000	\$2,792,250	\$1,861,500	\$930,750	\$90,299,060	4.25%	4.1%	3.1%	2.1%	1.0%
FY27 est.	\$3,797,460	\$2,848,095	\$1,898,730	\$949,365	\$94,136,770	4.25%	4.0%	3.0%	2.0%	1.0%
FY28 est.	\$3,873,409	\$2,905,057	\$1,936,705	\$968,352	\$98,137,583	4.25%	3.9%	3.0%	2.0%	1.0%
	superior	strong	adequate	inadequate			superior	strong	adequate	inadequate

ESSER-3 Grant Funds

All ESSER-3 funds must be expensed/encumbered by September 30, 2024

Impact on:

- Late bus program
- Staffing and literacy tutoring
- Summer Academy academic recovery program

ESSER-3 Grant Funds

ESSER-3 Funded - Current Plan		FY24 [Last year of Funding]
Instructional/Prof Staff Salaries	SHS Counselor	\$76,229
Support Staff Wages	Reading/Literacy Tutors	\$55,000
Stipends	Summer Academy	\$108,000
Other	Late Bus Service	\$ 174,424
	Amount needed to carry forward to FY25	\$413,653
If continued the Town Appropriated budget or other sources (e.g., other grant funds) must be used		

Process Forward

- Refining and validating all budget line items
- Adjusting FY25 personnel budgets based on additional staff turnover, adding positions to meet program needs
- Monitoring state funding for homeless shelter population for FY25

Shrewsbury Public Schools
Fiscal Year 2025 Budget Development Calendar

	School Department	Town Manager/ Select Board/ Finance Committee
October 2023		
	Administration discusses budget timeline with leadership and staff	
	Administration begins internal revenue and expense estimates	
10/18/23	FY25 Priorities and Guidelines with School Committee Finance Subcommittee	
10/25/23	Draft FY25 Priorities and Guidelines presented to School Committee	
10/25/23	Draft FY25 Budget Calendar presented to School Committee	
November 2023		
11/15/23	Vote to approve FY25 Priorities and Guidelines	
11/15/23	Vote to approve FY25 Budget Calendar	
December 2023		
	Administration completes initial draft budget	
early Dec	School Committee Budget Subcommittee meet prior to 12/13/23 School Committee Workshop	
12/13/23	School Committee Budget Workshop #1	
January 2024		
1/3/24	Administration completes updated enrollment forecast by school and grade	
1/3/24	School Committee Budget Workshop #2	
TBD	School Committee Budget Subcommittee Meeting	
TBD	Joint Meeting #1 with Select Board on Fiscal Outlook	
late January	Governor Healy releases her state budget plan – state aid figure included	
1/31/24	School Committee Budget Workshop #3	
February 2024		
TBD	Joint meeting #2 with Select Board on Fiscal Outlook	Joint Meeting #2 with Select Board on Fiscal Outlook
2/7/24	Superintendent's Budget Recommendation Presented to School Committee	
2/16/23		Town Manager publishes ""Fiscal Projection #1"
March 2024		
3/13/14	Public Budget Hearing at School Committee	
3/13/24	Curriculum, Technology, and Special Education Budget presentations at School Committee	
3/20/24	School Committee Budget Workshop #4 ahead of Finance Committee Meeting	
3/23/24	Annual Presentation to the Finance Committee	Finance Committee Meeting (Saturday morning)
3/27/24	School Committee vote on any adjustments to FY25 fees/ tuitions (no later than)	
April 2024		
4/3/24	Hold for potential final budget workshop	
mid-April	State House of Reps. Ways and Means Committee releases their state budget	
4/19/23		Town Manager publishes his ""Fiscal Projection #2"
4/10/24 or 4/24/24	School Committee votes final budget	
May 2024		
5/2023		Annual Town Meeting – presentation and vote to approve FY25 Budget