



*FY24 Superintendent's Budget Recommendation  
School Committee Presentation  
February 15, 2023*

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# FY24 Budget

## *Superintendent's Recommendation*

### Level Service

In its final year of funding, the ESSER III Grant will continue to be leveraged to provide additional supports from both an educational and operational perspective.

#### What Does “Level Service” Mean?

*Level Service is a continuation of the current services, programs, and operations of the District.*

For FY24, our Recommendation reflects an increase in Operating Expenses of \$2,580,731 (or 6.9%) and an increase of \$1,919,634 (or 6.3%) in Operating Assessment versus the FY23 Budget.

# FY24 Budget – Assessment Overview

Total Expenditures	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted FY23</i>	<i>Proposed FY24</i>	<i>Chg \$</i>	<i>Chg %</i>
General Operating Expenses (before Offsets)	36,065,385	37,536,315	38,530,480	39,770,354	42,861,710	3,091,356	7.8%
Less Expense Offsets	1,376,118	1,675,330	1,809,991	2,195,972	2,706,597	510,625	23.3%
General Operating Expenses (after Offsets)	34,689,267	35,860,985	36,720,489	37,574,382	40,155,113	2,580,731	6.9%
Capital Costs including Debt Service Expense	2,368,200	1,587,250	1,582,000	792,750	630,950	(161,800)	-20.4%
<b>Total Expenditures</b>	<b>\$37,057,467</b>	<b>\$37,448,235</b>	<b>\$38,302,489</b>	<b>\$38,367,132</b>	<b>\$40,786,063</b>	<b>\$2,418,931</b>	<b>6.3%</b>
Total Funding Sources	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted FY23</i>	<i>Proposed FY24</i>	<i>Chg \$</i>	<i>Chg %</i>
<b>State Aid</b>							
Chapter 70	\$5,182,999	\$5,254,659	\$5,253,339	\$5,304,129	\$5,403,219	\$99,090	1.9%
Transportation Reimbursement	630,388	633,886	588,428	669,987	701,863	31,876	4.8%
MSBA Debt Service Reimbursement	1,291,498	1,291,498	1,291,498	1,291,498	-	(1,291,498)	-100.0%
Charter School Tuition Reimbursement	10,255	4,444	12,385	5,978	15,714	9,736	162.9%
<b>Local Receipts</b>							
Interest Income	64,000	60,000	48,000	12,000	12,000	0	0.0%
Fees Collected	34,000	34,000	34,000	34,000	34,000	0	0.0%
Miscellaneous Receipts	20,000	10,000	10,000	10,000	10,000	0	0.0%
Excess and Deficiency	0	199,131	361,567	551,844	1,171,395	619,551	112.3%
Fund Transfers In	645,278	724,155	747,901	566,655	467,500	(99,155)	-17.5%
<b>Federal Aid</b>							
Medicaid Reimbursement	55,000	30,000	24,000	33,933	33,933	0	0.0%
E Rate Reimbursement	2,000	0	0	0	0	0	#DIV/0!
<b>Total Funding Sources</b>	<b>\$7,935,418</b>	<b>\$8,241,773</b>	<b>\$8,371,118</b>	<b>\$8,480,024</b>	<b>\$7,849,624</b>	<b>(\$630,400)</b>	<b>-7.4%</b>
Net Assessment including Deb Service	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted FY23</i>	<i>Proposed FY24</i>	<i>Chg \$</i>	<i>Chg %</i>
Total Expenditures	37,057,467	37,448,235	38,302,489	38,367,132	40,786,063	2,418,931	6.3%
Less Total Funding Sources	(7,935,418)	(8,241,773)	(8,371,118)	(8,480,024)	(7,849,624)	(630,400)	-7.4%
<b>Total Net Assessment including Debt</b>	<b>\$29,122,049</b>	<b>\$29,206,462</b>	<b>\$29,931,371</b>	<b>\$29,887,107</b>	<b>\$32,936,439</b>	<b>\$3,049,332</b>	<b>10.2%</b>
<b>Operating Assessment</b>	<b>\$28,045,347</b>	<b>\$28,910,709</b>	<b>\$29,640,869</b>	<b>\$30,385,855</b>	<b>\$32,305,489</b>	<b>\$1,919,634</b>	<b>6.3%</b>
<b>Capital Assessment including Debt Service</b>	<b>\$1,076,702</b>	<b>\$295,751</b>	<b>\$290,502</b>	<b>(\$498,748)</b>	<b>\$630,950</b>	<b>\$1,129,698</b>	<b>226.5%</b>



# FY24 Budget

## Major Expense Category Analysis (after Offsets)

Expense Category	FY24 Budget		FY23 Budget		VS PR YR	
	Tot \$	% of Tot	Tot \$	% of Tot	Chg \$	Chg %
Salaries	\$ 23,713,102	59.1%	\$ 23,052,526	61.4%	\$660,577	2.9% ✓
Insurance Benefits (Active and Retired)	\$ 5,156,818	12.8%	\$ 4,815,971	12.8%	\$340,847	7.1%
Out-of-District Tuition	\$ 3,625,603	9.0%	\$ 2,913,540	7.8%	\$712,062	24.4% ✓
Maintenance & Security (non-salary)	\$ 1,610,562	4.0%	\$ 1,519,098	4.0%	\$91,464	6.0%
Transportation - Regular Ed	\$ 1,332,855	3.3%	\$ 1,155,561	3.1%	\$177,294	15.3%
Retirement Contribution	\$ 1,262,086	3.1%	\$ 1,209,050	3.2%	\$53,036	4.4%
MIS & Instructional Technology (non-salary)	\$ 551,431	1.4%	\$ 528,923	1.4%	\$22,508	4.3%
Transportation - Special Ed	\$ 507,981	1.3%	\$ 288,060	0.8%	\$219,921	76.3% ✓
Athletics (non-salary)	\$ 458,349	1.1%	\$ 433,158	1.2%	\$25,191	5.8%
Student Services Consultants & Svc Providers	\$ 364,949	0.9%	\$ 250,840	0.7%	\$114,109	45.5% ✓
Property, Liability & WC Insurance	\$ 246,486	0.6%	\$ 205,317	0.5%	\$41,169	20.1%
School Choice & Charter School Sending Tuition	\$ 153,076	0.4%	\$ 135,576	0.4%	\$17,500	12.9%
Unemployment	\$ 24,000	0.1%	\$ 24,000	0.1%	\$0	0.0%
All Other	\$ 1,147,816	2.9%	\$ 1,042,762	2.8%	\$105,054	10.1%
<b>Totals:</b>	<b>\$ 40,155,113</b>	<b>100.0%</b>	<b>\$ 37,574,382</b>	<b>100.0%</b>	<b>\$2,580,731</b>	<b>6.9%</b>



# FY24 Budget

## Major Expense Category Discussion

### Maintenance & Security (\$1,610,562; +\$91,464)

- \$62,545 (9.7%) increase in Utility costs (Electric & Gas)
  - Incorporates a 20% increase in the Delivery rates for both Electric (+\$23K) and Gas (+\$39K)
  - Fixed rate Supply contracts are in place for Electric & Gas through FY24
- \$13,000 (2.7%) increase in Year 4 of Janitorial Contract
- \$9,912 increase in WWTF operating costs
  - \$2,412 (3.0%) increase for Plant Operator, Plant Monitoring, and Sewage Removal
  - \$7,500 (100%) increase for new quarterly inspection of RBC (new MA DEP requirement)

### Transportation – Regular Ed (\$1,332,855; +\$177,294)

- \$173,478 (15.3%) contractual increase in Year 1 of new Contract w/ NRT
  - +5.1% Year 2, +5.0% Year 3, +5.0% Year 4. +4.9% Year 5
- \$3,672 (18.9%) contractual increase for late buses 2 days/week
  - +5.6% Year 2, +4.4% Year 3, +5.1% Year 4. +4.8% Year 5



# FY24 Budget

## Major Expense Category Discussion

### Retirement Contribution (\$1,262,086; +\$53,036)

- \$41,921 (4.9%) increase from Essex Retirement Board
- \$1,890 (4.8%) increase in 403B Employer Match
  - Increase in the number of participants
- \$9,225 (3.0%) increase in Employer Paid Medicare Tax
  - Increases proportionally with salary
  - Employer tax rate is 1.45%

### MIS & Instructional Technology (\$551,431; +\$22,508)

- \$9,117 (38.1%) increase in Aruba Wireless Maintenance and Licensing costs
- \$1,431 (6.8%) increase in Internet Service Provider costs (Comcast & Verizon)
- \$4,993 (3.8%) increase in the licensing costs of 19 software applications
- \$4,095 (6.2%) increase in durable/consumable supply costs primarily driven by the increased cost of replacement Laptops & VoIP phones



# FY24 Budget

## Major Expense Category Discussion

### Athletics (\$458,349; +\$25,191)

- \$1,085 increase in outsourced Athletic Trainer costs (3.0%)
- \$686 increase in cost of Game Officials (1.0%)
- \$1,500 increase in Ambulance costs for Varsity Football (75.0%)
- \$2,320 increase in Uniform Replacement Program (8.5%)
  - FY24 Program to include Volleyball , Boys & Girls Ice Hockey, Girls Lacrosse
- \$2,400 increase in Ice Time for Hockey (4.75%)
- \$1,000 increase for HUDL subscription (10.5%)
- \$15,330 increase in Transportation Costs (12.9%)
  - 17.3% increase for Year 1 of Contract
    - +10.2% Year 2, +10.3% Year 3, +10.3% Year 4. +9.3% Year 5
  - \$4,825 decrease for Wrestling Team (Essex Tech co-op host)



# FY24 Budget

## Major Expense Category Discussion

### Property, Liability & WC Insurance (\$246,486; +\$41,169)

- \$41,169 (32.1%) increase for P&L Insurance
  - P&L Insurance was put out to bid again for FY23 resulting in no bidders based on unfavorable claims history (e.g., lightning strike and flood). As a result, District remains with existing provider (Glatfelter) at an actual cost of \$25,777 over FY23 Budget. For FY24, our Underwriter has advised a 10% (+\$15,392) placeholder increase over FY23 actual.
- No increase for WC Insurance



# FY24 Budget

## Budget Topics for Future Meetings

- **February 27<sup>th</sup> Meeting:**
  - Budget Subcommittee Meeting w/ Department Heads (5:30 PM)
  - Rescheduled from January 25th
- **March 1<sup>st</sup> Meeting:**
  - Public Hearing
  - Adjustments to Budget Recommendation
    - Final Health & Dental Premiums, Certified E&D, and Retirement Salary Savings
  - Review the last of the Major Expense Categories:
    - Insurance Benefits
    - All Other
    - Salaries (revisited)
- **March 6<sup>th</sup> Meeting: Needed?**
- **March 8<sup>th</sup> Meeting:**
  - Adjustments to Budget Recommendation
    - Governor's Budget
  - Requests Not Included in Our Recommendation
  - FY25 Forecast
  - Circuit Breaker



# FY24 Budget Calendar - Revised

SEPTEMBER 30, 2022	DISTRICT SUBMITS JULY 1, 2022 E & D TO MA DOR FOR CERTIFICATION
OCTOBER 6, 2022	FY24 BUDGET KICK-OFF MEMO DISTRIBUTED TO MRSD BUDGET HOLDERS
OCTOBER 28, 2022	DISTRICT DISTRIBUTES OCTOBER 3, 2022 RESIDENT STUDENT ENROLLMENT TO TOWNS
JANUARY 18, 2023*	FY24 BUDGET RECOMMENDATION PRESENTED TO THE SCHOOL COMMITTEE
JANUARY 25, 2023	BUDGET SUBCOMMITTEE MEETING w/ DEPARTMENT HEADS (5:00 PM) - POSTPONED
FEBRUARY 1, 2023*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS
FEBRUARY 8, 2023	BUDGET SUBCOMMITTEE MEETING w/ TOWN BOARDS (6:30 PM)
FEBRUARY 15, 2023	DISTRICT MAILES TENTATIVE FY24 BUDGET TO TOWN OFFICIALS
FEBRUARY 15, 2023*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS
FEBRUARY 27, 2023 (Mon)*	BUDGET SUBCOMMITTEE MEETING w/ DEPARTMENT HEADS (5:30 PM) - RESCHEDULED
MARCH 1, 2023*	SCHOOL COMMITTEE HOLDS FY24 BUDGET PUBLIC HEARING
MARCH 1, 2023*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS
MARCH 6, 2023 (Mon)*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS (IF NEEDED)
MARCH 8, 2023*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS (IF NEEDED)
MARCH 15, 2023*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS
MARCH 15, 2023*	SCHOOL COMMITTEE ADOPTS FINAL FY24 BUDGET
APRIL 14, 2023	DISTRICT TREASURER CERTIFIES FY24 BUDGET WITH TOWNS
MAY 2023	ANNUAL TOWN MEETINGS
<b>* Denotes Regular School Committee Meeting Dates.</b>	