



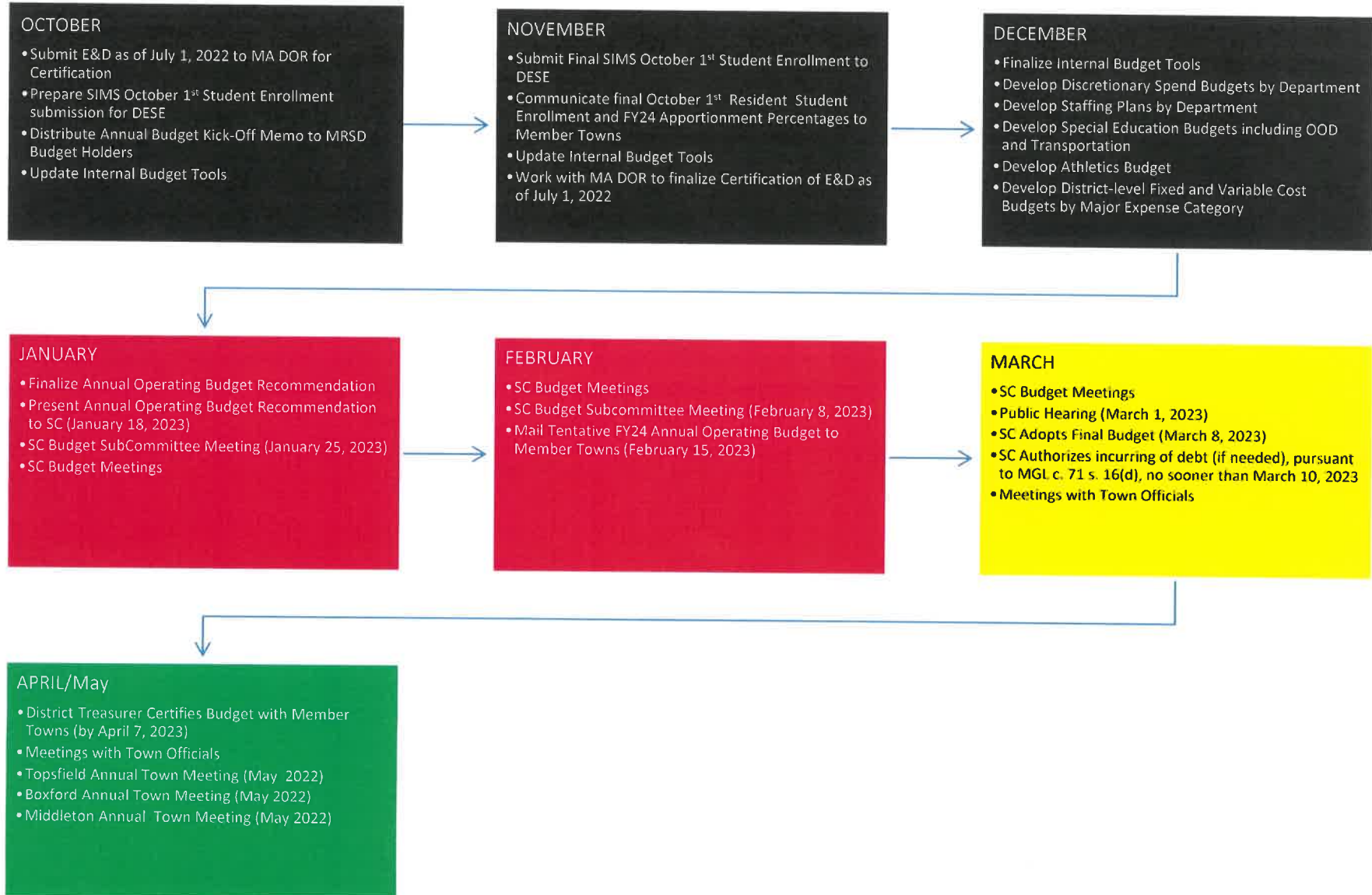
*FY24 Superintendent's Budget Recommendation  
School Committee Presentation  
January 18, 2023*

Prepared and Presented by:

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Michael M. Harvey, Superintendent of Schools



# MRSD FY24 Budget Process Overview





# 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

## *Key Assumptions - Highlights*

- Revenues

- Chapter 70, Transportation Reimbursement, and Charter School Tuition Reimbursement reflect Final FY23 Cherry Sheet figures; Chapter 70 also includes the statutory minimum increase of \$30 per student for FY24. Our Budget Recommendation will be updated in March 2023 once the Governor's FY24 Budget and Preliminary FY24 Cherry Sheets become available.
- The FY23 Budget reflects the final reimbursement from the MSBA. All Building Project debt will be retired in FY23 (current year).
- Excess & Deficiency reflects the anticipated amount to be Certified by MA DOR for FY22 which exceeds 4% of the district's operating & capital budget for the succeeding fiscal year.
- No change to Athletic and Co-Curricular Fees in FY24.

- Salary Costs

- No new staff
- No staff reductions
- Incorporates contractual salary and stipend increases specified in Teacher, Paraprofessional, MPFT, Professional Administrator, and Support Staff CBAs.
- Incorporates all other contractual salary obligations specified in CBAs (e.g. STEPs and Degree Changes).



# FY24 Budget

## *Key Assumptions - Highlights*

- **Operating Costs**

- No new Services or Programs.
- Incorporates Level Service Discretionary expense requests from Principals, Department Heads, and Operational Unit Directors.
- Incorporates contractual service contract increases for major expenses areas including Student Transportation (+15%), Janitorial (+3%), etc.
- Includes a 5% increase in the annual appropriation from the Essex Regional Retirement Board.
- Includes all known OOD Placements (Tuitions) and related OOD Transportation Costs.
  - Reflects a 14% increase (OSD estimate) in tuition rates for approved private special education programs
  - Reflects an increase of 12 (22%) student OOD placements as compared to FY23B
- Includes a \$492K increase in our Circuit Breaker “Offset” to lessen the impact of Budgeted increases in ODD Tuitions (see above).
- Integrates increases in a wide range of other Special Education expenses based on projected student needs including but not limited to Reading, OT, Tutoring, Translation Services, NEC’s Connections Program, and Graduation Alliance On-line Courses.
- Includes a placeholder increase of 8% for Healthcare Premiums and 2% for Dental Premiums for Active Employee Enrollees as advised by the VP of Sales at MIIA.
- Incorporates a 20% increase in the “delivery” rates for both electricity (+\$23K) and gas (+\$39K). Fixed rate “Supply” contracts are in place through FY24 respectively.



# FY24 Budget

## *Key Assumptions - Highlights*

- Debt Service Expense
  - Includes Stantec’s Professional Services Proposal dated January 6, 2023 for Phase 1 of the Turf Project.
    - Proposal includes Design, Engineering, Architectural/MEP, Permitting, Bidding Support, & Construction Administration Services for a fee of \$630,950 which is 8.1% of Estimated Construction Costs.
    - Recommending to see if Member Towns will vote to raise and appropriate, borrow, or transfer the funds necessary for this specific purpose.

# FY24 Budget – Assessment Overview

<b>Total Expenditures</b>	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted F23</i>	<i>Proposed F24</i>	<b>Chg \$</b>	<b>Chg %</b>
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%
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>

<b>Total Funding Sources</b>	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted FY23</i>	<i>Proposed FY24</i>	<b>Chg \$</b>	<b>Chg %</b>
<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>

<b>Net Assessment including Deb Service</b>	<i>Adopted FY20</i>	<i>Adopted FY21</i>	<i>Adopted FY22</i>	<i>Adopted FY23</i>	<i>Proposed FY24</i>	<b>Chg \$</b>	<b>Chg %</b>
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>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>Debt Assessment</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 Assessment by Town

<b>BOXFORD</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Chg \$</b>	<b>Chg %</b>
Operating Assessment	\$ 10,668,997	\$ 10,961,352	\$ 10,773,426	\$ 11,131,422	\$ 11,881,984	\$ 750,562	6.7%
Debt Assessment	\$ 409,017	\$ 111,474	\$ 105,545	\$ (183,169)	\$ 235,281	\$ 418,450	228.5%
<b>Total Assessment</b>	<b>\$ 11,078,014</b>	<b>\$ 11,072,826</b>	<b>\$ 10,878,971</b>	<b>\$ 10,948,253</b>	<b>\$ 12,117,265</b>	<b>\$ 1,169,012</b>	<b>10.7%</b>
<b>MIDDLETON</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Chg \$</b>	<b>Chg %</b>
Operating Assessment	\$ 9,968,088	\$ 10,204,052	\$ 10,473,077	\$ 10,477,590	\$ 11,070,917	\$ 593,327	5.7%
Debt Assessment	\$ 382,380	\$ 103,740	\$ 102,490	\$ (171,693)	\$ 210,990	\$ 382,683	222.9%
<b>Total Assessment</b>	<b>\$ 10,350,468</b>	<b>\$ 10,307,792</b>	<b>\$ 10,575,567</b>	<b>\$ 10,305,897</b>	<b>\$ 11,281,907</b>	<b>\$ 976,010</b>	<b>9.2%</b>
<b>TOPSFIELD</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Chg \$</b>	<b>Chg %</b>
Operating Assessment	\$ 7,408,262	\$ 7,745,305	\$ 8,394,366	\$ 8,776,843	\$ 9,352,588	\$ 575,745	6.6%
Debt Assessment	\$ 285,305	\$ 80,537	\$ 82,467	\$ (143,887)	\$ 184,679	\$ 328,566	228.4%
<b>Total Assessment</b>	<b>\$ 7,693,567</b>	<b>\$ 7,825,842</b>	<b>\$ 8,476,833</b>	<b>\$ 8,632,957</b>	<b>\$ 9,537,267</b>	<b>\$ 904,310</b>	<b>10.7%</b>
<b>DISTRICT TOTALS</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Chg \$</b>	<b>Chg %</b>
Operating Assessment	\$ 28,045,347	\$ 28,910,709	\$ 29,640,869	\$ 30,385,855	\$ 32,305,489	\$ 1,919,634	6.3%
Debt Assessment	\$ 1,076,702	\$ 295,751	\$ 290,502	\$ (498,748)	\$ 630,950	\$ 1,129,698	226.5%
<b>Total Assessment</b>	<b>\$ 29,122,049</b>	<b>\$ 29,206,460</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>

NOTE: FY23 Final Cherry Sheets and FY23 Final Chapter 70 Aid and Net School Spending Requirements have been used to compile this Recommendation. Preliminary FY24 figures will be incorporated once the Governor's Budget for FY24 is released in March.



# FY24 Budget

## Revenue Transfers In & Expense Offsets

Revenue Transfers In	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	CHG \$	CHG %
Athletics & Co-Curricular	\$566,000	\$566,000	\$546,000	\$408,500	\$408,500	\$0	0.0%
Non-Resident Tuition - International	20,278	33,635	0	13,358	0	(13,358)	-100.0%
Food Service	59,000	59,000	59,000	59,000	59,000	0	0.0%
Non-Resident Tuition In	0	65,520	142,901	85,797	0	(85,797)	-100.0%
Total Revenue Transfers In:	\$645,278	\$724,155	\$747,901	\$566,655	\$467,500	(\$99,155)	-17.5%

Offsets In	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	CHG \$	CHG %
Circuit Breaker	\$903,309	\$1,179,242	\$1,179,242	\$1,409,497	\$1,901,997	\$492,500	34.9%
School Choice	0	0	76,000	154,304	154,304	0	0.0%
ESSER I, II, & III	0	17,745	62,135	99,388	102,050	2,662	2.7%
Title 1	40,183	43,317	43,317	89,388	77,064	(12,324)	-13.8%
SummerSchool/ESY	0	2,400	2,400	0	0	0	#DIV/0!
Use of Facilities	11,000	11,000	11,000	11,000	21,800	10,800	98.2%
SPED IDEA 240	421,626	421,626	435,897	432,395	449,382	16,987	3.9%
Total Offsets In:	\$1,376,118	\$1,675,330	\$1,809,991	\$2,195,972	\$2,706,597	\$510,625	23.3%

Two important facts to note:

- No change to Athletic and Co-Curricular Fees in FY24 (25% reduction in FY23).
- Major increase to Circuit Breaker Offset to reduce impact of FY24 OOD Tuition increases. This increase depletes the CB Revolving Account Balance by 50%.

# FY24 Budget

## FY22 Excess & Deficiency Impact

7/1/22 (FY22) E&D Certified by MA DOR (as Submitted on 09/29/22)	\$2,654,420
Amount above 4% of FY23 Operating & Capital Budget to be used as Revenue Source in FY24 Budget	<u>1,171,395</u>
Remaining Balance of E&D after FY24 Budget Revenue Source:	\$1,483,025

Statute: Any amount over 5% of the District's Operating & Capital Budget for the succeeding year (which is \$1,853,782 in FY23) shall be applied to reduce the assessments of the Member Towns in the FY24 Budget.

Practice: Any amount over 4% of the District's Operating & Capital Budget for the succeeding year (which is \$1,483,025 in FY23) shall be applied to reduce the assessments of the Member Towns in the FY24 Budget.

**Note:**

- FY22 E&D submitted to MA DOR on 9/29/22 but still not Certified as of 1/12/23



# 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 Primary Salary Expense Drivers

Driver	FY24B v FY23B \$ CHG
Teacher Union COLA and STEPS	\$464,000
Teacher Union Degree Advancements	88,000
Professional Administrators Union COLA	39,000
Paraprofessional Union COLA	21,000
Secretarial Union COLA	13,000
MPFT Union COLA	6,000
All Other Union STEP excluding Teachers	32,000
ALL Stipends COLA	12,000
New MTA Stipends	11,000
All Non-Union Personnel COLA	47,000
Salary Offset Increases (e.g., Title 1 & 240 Grants)	(34,000)
2 Fellow Positions	(38,000)
<b>Total Change in District Salary Expense:</b>	<b>\$661,000</b>
<b>Increase versus FY23B:</b>	<b>2.9%</b>



# FY24 Budget

## February 1<sup>st</sup> Meeting Agenda Topics

- Lynne – OOD Tuition & Placements, OOD Transportation, & Contracted Service Providers (e.g., Reading, OT, Tutoring, Connections Program, and Graduation Alliance)
- Jeff – Comprehensive Capital Plan: Initial Presentation



# FY24 Budget Calendar

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)
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)*	SCHOOL COMMITTEE CONDUCTS FY24 BUDGET DELIBERATIONS (IF NEEDED)
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
MARCH 8, 2023*	SCHOOL COMMITTEE ADOPTS FINAL FY24 BUDGET
APRIL 7, 2023	DISTRICT TREASURER CERTIFIES FY24 BUDGET WITH TOWNS
MAY 2023	ANNUAL TOWN MEETINGS

*\* Denotes Regular School Committee Meeting Dates.*