
Medway Public Schools
Preliminary FY23 Budget Discussion
Finance Committee - March 9, 2022

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Donald Aicardi, Director of Finance and Operations



Tonight's Goals

- Present FY 23 budget needs
- Share overview of FY23 budget priorities
- Share the recommended efficiencies in FY23
- Share the recommended improvements in FY23

2019-2024 Strategic Plan Goals

#1 Goal: Improved Learning:
Improve the learning of all.

Goal #2: Social / Emotional Wellness:
Foster the social, emotional, and healthy development of all.

Goal #3: Innovative Teaching and Leadership:
Ensure best practices and encourage innovation in teaching and leading.

Goal #4: Positive Learning Culture:
Cultivate a school, student, and professional culture that values trust, collaboration, and effective communication.

Budget Development Strategies

- 1: Focus on 2019-2024 Strategic Plan - Excellence for All: A Medway Mindset
- 2: Identify opportunities to improve revolving fund balances to support pandemic recovery
- 3: Strategic use of School Choice to support pandemic mitigation and unique projects
- 4: Prudent use of circuit breaker
- 5: Propose a annual budget aligned with Medway Select Board *Annual Budget Guidance*
6. Leverage additional funding sources (e.g. ESSER III) for pandemic recovery

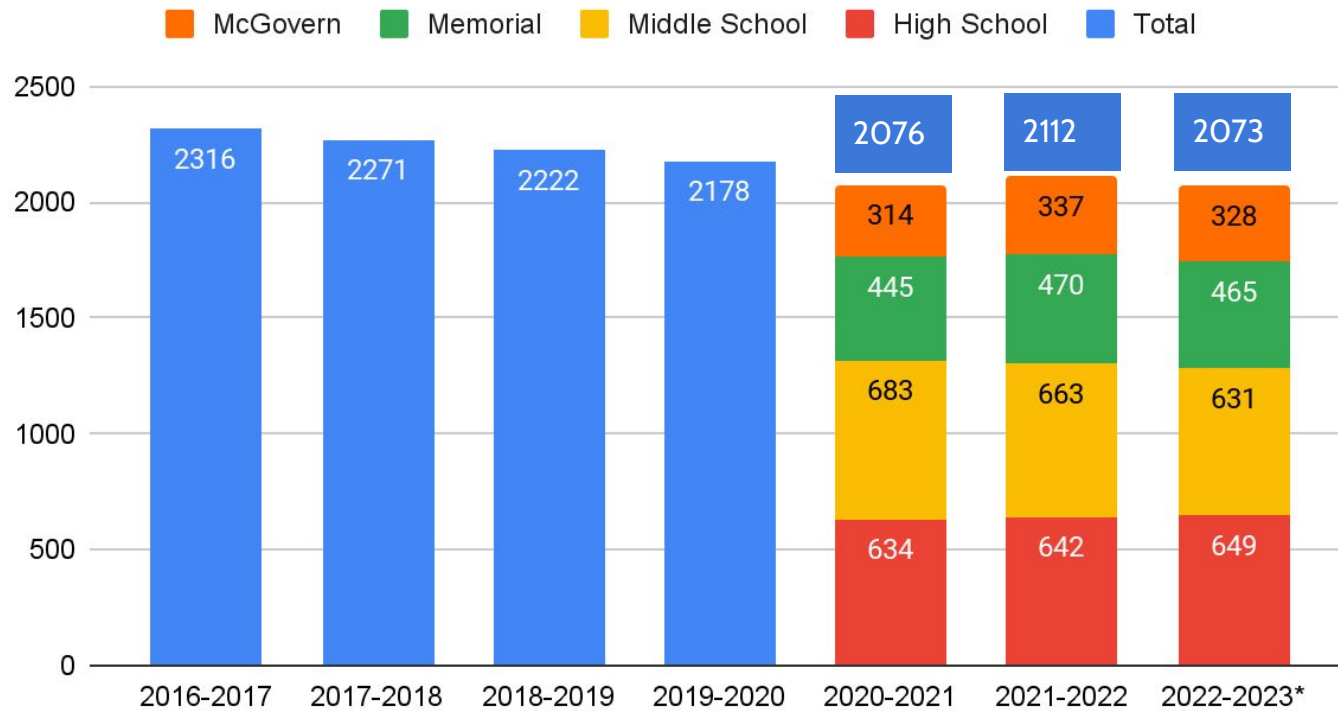
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Student Enrollment and Staffing: Historical Perspective



Medway Schools: Enrollment History and Projection, PK-12

Enrollment History and Projection



*Projected enrollment for 2022-2023

Projected Class Size 2022-2023

FTE Implications

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
PreK	41	4 sections	7/8=15 ⁺	35	4 ¹ sections	7/8=15 ⁺	0
K	150	8	19	143 ²	8	18	0
1	146	8	18	150	8	18	0
2	163	8	20	146	8	18	0
3	156	8	19	163	8	20	0
4	151	8	19	156	8	19	0

¹Preschool sections reflect: # student IEPs/ # typical peers = total number of students per section. Each Integrated Preschool section should have no more than 15 students (7/8).

²Predicting K enrollment can be challenging.

Projected Class Size 2022-2023

FTE Implications, cont'd.

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
5	150	8	19	151	8	19	0
6	175	8	22	150	8	19	0
7	155	8	20	175	8	22	0
8	183	10	23	155	10	20	0
9-12*	642	N/A	N/A	649	N/A	N/A	0
Total	2112			2073			0

*Continuing declining enrollment, along with improved efficiency of scheduling warrant reduction

Funding The Medway Public Schools



Annual % Increases For Budgets

	Operating Budget	\$ Increase	% Inc
FY16	\$24,896,392	\$309,376	1.3%
FY17	\$25,341,066	\$444,674	1.8%
FY18	\$25,866,000	\$524,934	2.1%
FY19	\$26,966,000	\$1,100,000*	4.25%
FY20	\$27,696,000**	\$730,000	2.7%
FY21	\$28,376,000	\$680,000	2.5%
FY22	\$29,076,000	\$700,000	2.46%
FY23	\$29,776,000	\$700,000	2.41%

* Includes \$500K from Exelon agreement targeted for Tuition Free KG

** Includes \$30k Transfer from Finance Committee Reserve Fund

Multiple Funding Sources

- Chapter 70 Aid
- State and Federal Grants (IDEA Grant)
- Circuit Breaker
- School Choice
- Revolving Fund Accounts Status

Medway Public Schools Historical Chapter 70 Allocations*

	Chapter 70	\$ Increase	% Inc
FY16	\$10,175,519	\$58,275	.58%
FY17	\$10,301,469	\$125,950	1.2%
FY18	\$10,368,909	\$67,440	.65%
FY19	\$10,434,849	\$65,940	.63%
FY20	\$10,501,419	\$66,570	.63%
FY21	\$10,501,419	\$0	.0%
FY22	\$10,564,089	\$62,670	.60%
FY23 (Governor's)	\$10,627,919	\$63,630	.6%

*MPS is "held harmless" and only receives additional per student increases as approved

FY23 Level Service Development

Revenue sources that have been used to supplement the budget:

IDEA Grant: \$584,736 for FY22; \$584,736 EST for FY23

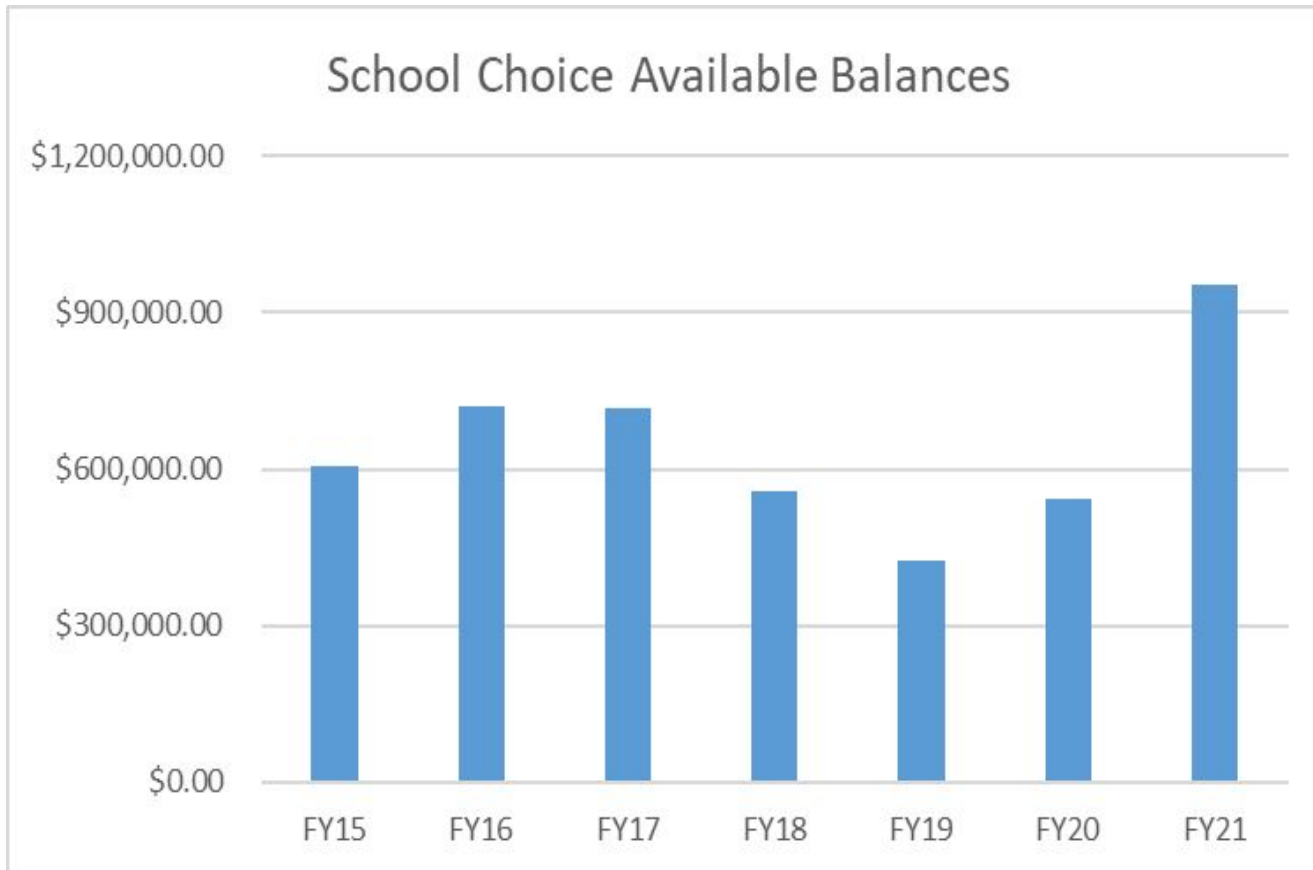
ACCEPT Tuition Waiver Credit: \$121,696 in FY22; same assumption for FY23

Community Ed Support: \$37k in FY22; \$51k in FY23

Circuit Breaker: assumed use of \$643,275 originally in FY22; \$886,445 in FY23

School Choice: \$0 in FY22; \$0 in FY23

Historical School Choice Revolving Account Balances



School Choice funds available for unknown, but anticipated needs.

- **\$2.77 million** from School Choice from FY15 to FY22 Budgets (budget support, projects and materials)
- FY23 anticipated Revenue = \$360,000 for 72 students (if at maximum), excluding reimbursement for special education expenses
- **FY23 Budget Support = \$0**

Circuit Breaker Available Funding (One YE Balance Flows Into The Next)

FY	Medway
For FY15	\$667,835
For FY16	\$440,364
For FY17	\$298,323
For FY18	\$188,358
For FY19	\$381,477
For FY20	\$213,541
For FY21	\$607,752
For FY22	\$661,109

FY23 Circuit Breaker Estimate Being Used To Support Budget

FY18	\$675,318
FY19	\$700,000
FY20	\$583,279
FY21	\$751,250
FY22	\$643,275
FY23	\$886,445*

*1st Year of CB Transportation Reimbursement Received in FY22

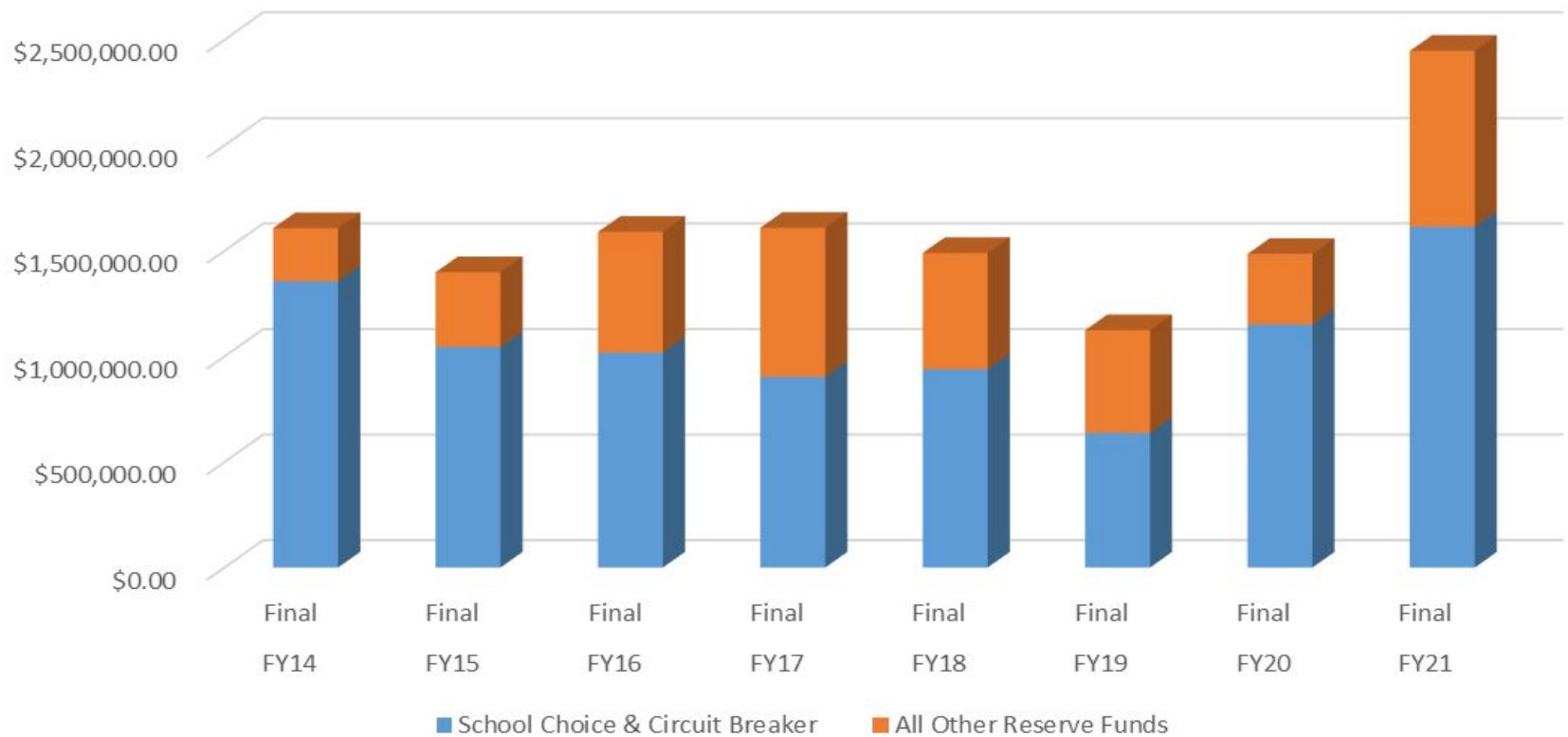
Year 1 (FY22) = 25% of specialized transportation expenses (at 75% reimb)

Year 2 (FY23) = 50% of specialized transportation expenses (at 75% reimb)

Year 3 (FY24) = 75% of specialized transportation expenses (at 75% reimb)

FY14 to FY21 Review of Medway School Department Reserves

Medway Public Schools Reserve Charts



FY23 Budget Development COVID-19 Challenges



Outside Revenue Sources Used For COVID-19 Expenses

Expended:

MPS Technology Essentials Grant	\$24,059
CARES Grant (School Portion-Medway Municipal Grant)-FINAL	\$866,304
FEMA Reimbursement (Through Medway Municipal)	\$40,303
MPS CVRF School Reopening Grant (Federal Source)	\$487,125
MPS CVRF Food Service Grant (Federal Source)	\$5,179
MPS CPFPP COVID Prevention Grant (State Source)	\$74,600
MPS ESSER I (Federal Source)	\$75,172

Outside Revenue Sources Used For COVID-19 and Other Expenses

In Progress/Already Begun:

MPS ESSER II (Federal Source/Could be used Through 9/23 currently in use in FY22)	\$274,358
COPS Grant (Improved Door Security and Security Cameras)	\$374,945
Drug Free Communities Grant (for five years starting in FY22)	\$125,000
Accelerating Literacy With High Quality Instructional Materials	\$185,530
DOER Green Community (HVAC system motor speed controls)	\$99,094

Future:

MPS ESSER III (Federal Source/Could be used Through 9/24)	\$594,129
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List Described on Page 78 of the budget book

Breakout of ESSER II & future ESSER III
Plan Located in Back of Budget Book
(page 79)

Graphic on ESSER II & ESSER III Spending
Sequencing Located in Back of Budget
Book (page 80)



FY23 Budget Development Calculating Level Service



FY23 Level Service Development Considerations

- Estimated Salary Costs for employees at final FY22 FTEs
- No Vacancy Factor in FY23
- No Budget Support from School Choice in FY23
- School Cleaning contract-2nd Year (ends 6/30/24)
- Regular Bus transportation contract-2nd Year (ends 6/30/24)
- Natural Gas (locked in until March 2024)
- Electricity (kWh Locked January 2021 to January 2026)
- Water, sewer and trash rates as recommended by Medway Municipal officials
- Assuming “normal” Pre-COVID-19 era use of energy

FY23 Level Service Development

FY22 Budget	\$29,076,000
● Started with current staffing levels (beginning in post-reconfigured Dec. 2021)	
● Estimated Increased Payroll Costs	\$1,073,859
● Estimated Total SPED Tuition	\$32,668
● Reviewed all transportation accounts in total:	
Regular Transportation	\$58,860
SPED Transportation	\$249,803
● Reviewed All Other Non-Salary Accounts:	(\$135,605)
● Technology	(\$56,451)
● Energy and Water & Sewer Accounts	<u>(\$126,128)</u>
 Total	 \$30,173,006

FY23 INITIAL Level Service

Final FY21 Budget: \$29,076,000

FY23 Initial Level Service: \$30,173,006

Our initial Level Service estimate represented an increase of approximately **\$1,097,006**, but did not include improvement initiatives, efficiencies, or final estimates





FY23 Budget Development Calculate Budget Efficiencies

FY23 Initial Level Service:

\$30,173,006

Level Service increase estimate was **\$1,097,006**, but did not include improvement initiatives or efficiencies/changes:

Increase in Community Ed Support

(\$27,864)

FY22 Teacher Retirement Salary Savings (x3) **(\$90,000)**

Use of Vans To Lower SPED Transportation Budget

(\$104,684)

Increase Circuit Breaker to FY22 Carryover Level **(\$164,441)**

Refinement Long Term Subs **(\$117,130)**

FY23 Budget Efficiencies/Changes:

(\$504,119)

Impact of Identified Efficiencies and Improvements on FY23 Preliminary Budget

Starting Point: Level Service:	\$1,097,006
Budget Efficiencies/Changes:	<u>(\$504,119)</u>
Subtotal	\$592,887



FY23 Budget Requests

FY23 New Budget Requests

Increase in Facilities Accounts (In Addition to \$63k Increase to FY22 Reconfigured Base)	\$28,475
Summer Help-School IT Department	\$7,200
EL Teacher/Coordinator (1 FTE)	<u>\$66,438</u>
FY23 New Budget Requests:	\$107,113
\$14,000 Total FY22 to FY23 Library Book Increase for all four schools (Within Level Service)	

Impact of Identified Efficiencies and Improvements on FY23 Preliminary Budget

Starting Point: Level Service:	\$1,097,006
Budget Changes/Efficiencies:	(\$504,119)
FY23 Budget New Requests:	<u>\$107,113</u>
Total FY23 Increase Over FY22:	\$700,000 or 2.4% increase

FTEs Funded by Town Meeting Appropriation (FY19-FY23)

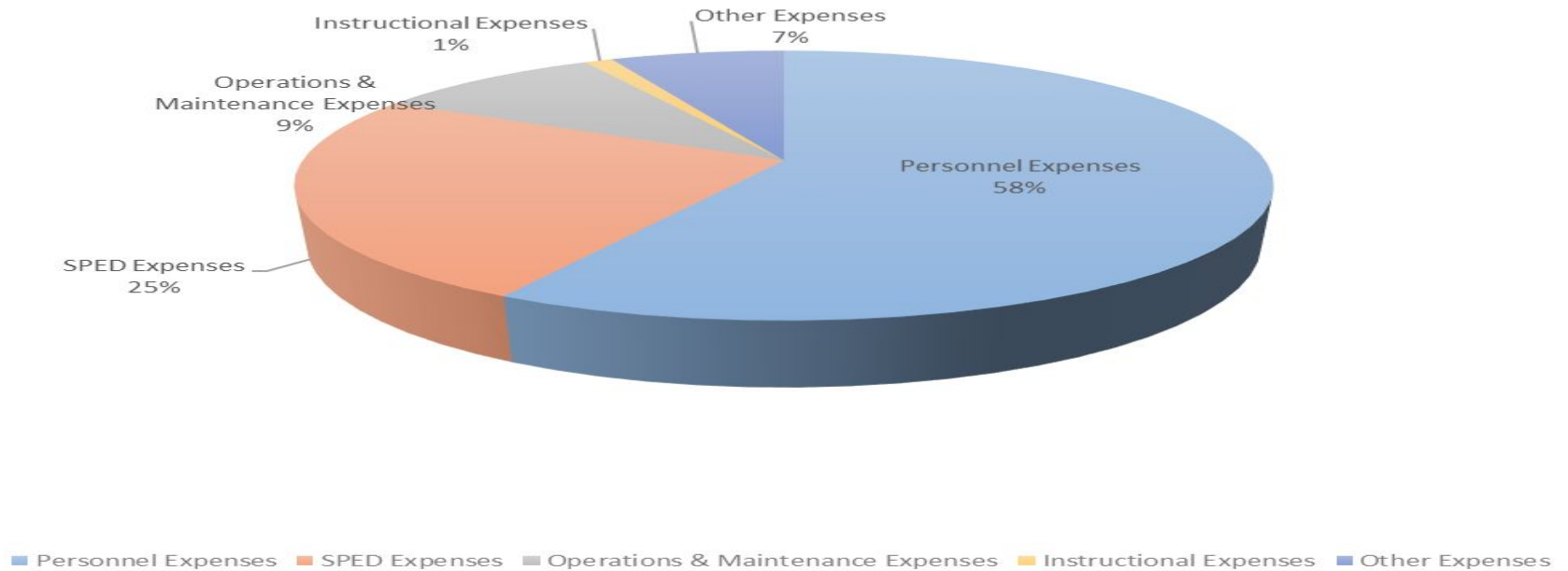
	FTEs	Variance
FY19	308.8	
FY20	312.8	+4
FY21	314.0	+1.2
FY22 (Reconfig)	312.1	+1.9
FY23 Recommended	313.8	+1.7

FY23 Budget Increase Summary



FY23 Preliminary Budget

FY23 Medway Public Schools Overview By Category



PERSONNEL: Central Office Administration, Administrative Support Staff, Building Based Staff, Technology Support, Classroom Teachers, Curriculum and Instructional Leaders, Therapy Specialists, Substitutes, Library Staff, Guidance School Counselors, School Nurses, Athletic Coaches.

SPED EXPENSES: SPED Administration & ETSS, Supplies, Teachers, Contract Services, Paraprofessionals, Supplies, Psychologists, Transportation, SPED Summer Transportation, Out of District & Collaborative Tuition.

OPERATIONS AND MAINTENANCE: Facilities Director, Operations Administration, Custodians, Cleaning Services, Natural Gas, Electricity, Grounds Maintenance, Maintenance Services, and Equipment Maintenance.

INSTRUCTIONAL EXPENSES: Textbooks, Library Books, Instructional Equipment, Instructional Supplies, and Other Instructional Supplies.

OTHER EXPENSES: Supplies, Legal, Professional Development, Technology, Nurse Supplies, Regular Education Transportation, Foster Care Transportation, School Security Supplies.

Review of Medway Public School Expenses Embedded In Medway Municipal Budget



Municipal Budget Support

Expenses that reside within sections of the municipal budget that count towards Net School Spending formula-received by Town Finance staff each year:

- Treasurer/Accountant (\$133k in FY21 EOYR)
- Operations/Parks (Snow/Ice) (\$219k in FY21 EOYR)
- **Health Insurance & Life (\$4.32m in FY21 EOYR)**
- Workers Compensation (\$129k in FY21 EOYR)
- Medicare & Unemployment (\$430k in FY21 EOYR)
- County Retirement (\$1,622,738 in FY21 EOYR)
- Liability Insurance (\$81,029 in FY21 EOYR)
- Crossing Guards (\$38,422 in FY21 EOYR)
- Debt Service Payments (\$2,091,728 in FY21 EOYR) **DOES NOT COUNT FOR NSS**

Assessments (separate from school operating budget):

- Tri-County \$838,973 in FY21 EOYR **DOES COUNT FOR NSS**
- School Choice Assessment \$247,767 in FY21 EOYR
- Charter School \$389,227 in FY21 EOYR **DOES COUNT FOR NSS**

● TOTAL FROM FY21 INCLUDED IN EOYR CALCULATION: \$10,551,908

Municipal Budget Support

Expenses that reside within sections of the municipal budget that count towards Net School Spending formula-received by Town Finance staff each year as part of EOYR:

\$164,148 For Projects Approved From FY21 Capital Articles (number reported in FY21 EOYR)

\$173,704 For School Technology Approved From FY21 Capital Articles (number reported in FY21 EOYR)

Staffing support for School Department also located in Town's Budget: Director of Information Services, Network Engineer, and Human Resources Coordinator

FY23 Budget Request

\$29,776,000

**2.4% increase over FY22 Budget
(+\$700,000)**

Budget Development Strategies

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- 3: Strategic use of School Choice to support pandemic mitigation and unique projects
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- 5: Propose a annual budget aligned with Medway Select Board *Annual Budget Guidance*

Medway Public Schools Financial Overview/Timeline

- November-February: Budget Review Staffing levels/operating budget requests reviewed
- November, 2021/December, 2021: Educational Leadership Team FY23 Staffing Needs Meetings
- January 12, 2022: School Committee Budget Subcommittee
- January 12, 2022: Superintendent's Budget Advisory Group
- January/February: Virtual Listening tours at all four schools
- February 10, 2022: "Charting The Course" FY23 Budget Planning Presentation
- **March 3, 2022: FY23 Preliminary budget presented to Medway School Committee**
- March 8, 2022: Public Forum on FY23 Budget 7:00pm
- March 9, 2022: Medway Finance Committee Presentation 7:00pm
- March 17, 2022: School Committee Budget Public Hearing 5:30pm
- March 17, 2022: School Committee Vote on Budget 6:00pm
- May 9, 2022: Annual Town Meeting begins

Questions/Discussion



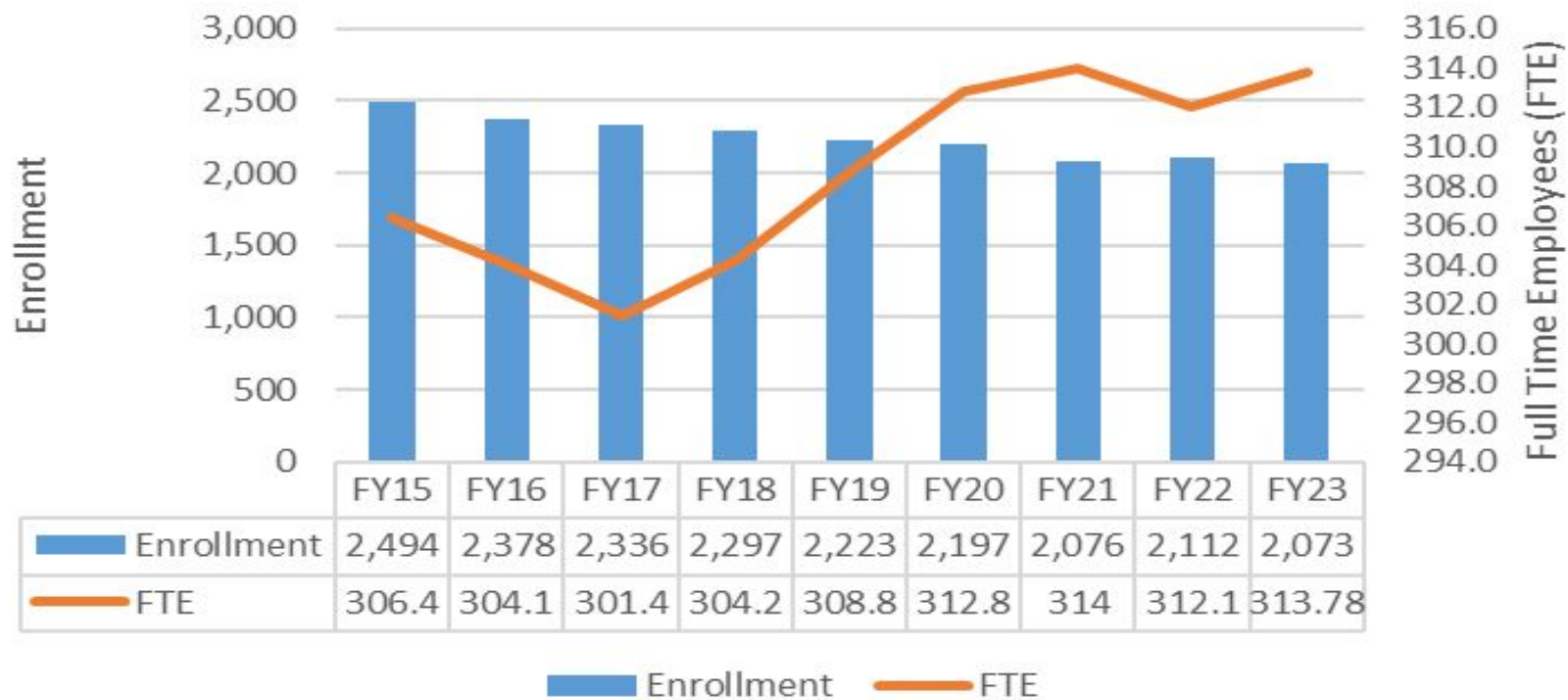
Back Up Material/Appendices



Medway Public Schools FTEs Changes (FY22-FY23)

	FTEs
FY22 ReOrg	312.1
FY23 Base	
Redeploy/Enrollment:	(-0.0)
Improvement Requests:	1.0
Staff Finalization:	.7
FY22 Requested	313.8

FTE Enrollment Overlay Chart



FY22 Budget Account Detail



School Choice & Circuit Breaker: Two Different Types Of Reserves That Support Our Budget



School Choice Funds

- “Incoming” School Choice revenue received every month from other school districts and directed to the MPS by the Commonwealth (**\$332,758 estimated for FY22**)
- “Incoming” revenue goes into the School Choice Revolving Fund
- “Outgoing” expenses are incurred by the Town of Medway on a monthly basis to repay other school districts. Expenses do not come out of MPS budget; taken off the top by Medway Municipal budget allocation at beginning of budget process (**most to Holliston and Millis**)
- We have been using it in several budgets to supplement the MPS annual budget (\$467,000 in FY18; \$360,000 in FY19, \$356,955 in FY20; \$300,000 in FY21; **\$0 for FY22**) **But not in FY22 or FY23**
- School Committee approval required for items and requests throughout the school year

MPS School Choice Balances

FY	Medway
FY16 Final	\$719,750
FY17 Final	\$715,207
FY18 Final	\$557,811
FY19 Final	\$424,877
FY20 Final	\$543,239
FY21 Final	\$953,011
FY22 Projected	\$767,668

Circuit Breaker

- Reimbursement from state for special education costs that exceed 4 times the average student foundation budget per pupil **75%** final rate reimbursement -FY22 (**65% in FY18; 72% in FY19; 75% in FY20 to FY22**)
- Many districts have committed 100% funds received from Circuit Breaker **in the same year received** - Medway has not yet
- If we did, it would leave no capacity for unexpected expenses in OOD tuition
Deliberate to carry over balances for financial stability
- If not used, Circuit Breaker balance can be carried forward, but must be used by the close of the succeeding fiscal budget year
- A large OOD bill could significantly erode the carryover balance in any year, at any time
- Only used for special education related purposes

Student Enrollment and Staffing Summary

- Even though enrollment is decreasing, state education formula holds Medway steady due to “hold harmless” provision.
- Medway has been receiving small increases in Chapter 70 – but a very low percentage.
- Since Chapter 70 increases have been small, revenue contributions from Chapter 70 to the Town’s “overall pie revenue” to support the annual budget have not been substantially increasing.

Per Pupil Expenditures:
*How does Medway's per pupil
expenditures compare with our
neighboring communities?*



Medway Public Schools Per Pupil Comparison (Per DESE Reports)

	FY15	FY16	FY17	FY18	FY19	FY20
Bellingham	\$13,220	\$14,351	\$14,805	\$15,573	\$17,033	\$17,620
Medfield	\$13,848	\$14,325	\$15,411	\$15,889	\$16,829	\$16,869
Millis	\$13,489	\$14,336	\$14,887	\$14,621	\$16,702	\$17,465
Medway	\$13,307	\$13,876	\$14,401	\$14,887	\$15,946	\$16,259
Franklin	\$12,435	\$13,310	\$14,011	\$14,561	\$15,334	\$15,850
Hopkinton	\$13,534	\$14,127	\$15,017	\$15,016	\$15,086	\$14,817
Ashland	\$13,607	\$13,176	\$13,813	\$14,469	\$14,501	\$14,845
Holliston	\$13,446	\$13,186	\$13,723	\$14,146	\$14,632	\$15,049

Our Workforce



An Evolving Workforce

Retirements: Instructional staff retirements have provided **short-term** budget relief.

Example: If teacher retires in the \$80k range, new teacher may start in the \$55k to \$65k range

Historically, retirement savings have helped us to meet BOS requested % target every spring. Once hiring has been finalized months later, savings emerged that have allowed us to realign funds to address emerging concerns **in the fall in “reconfigured” budget.**

Number of Retirements	
FY15	10
FY16	4
FY17	3
FY18	4
FY19	8
FY20	4
FY21	11

An Evolving Workforce

New Staff: Instructional staff who have just retired had already achieved “steps and lanes” on their journey through the system (probably receiving **COLAs only** at the end of their career after hitting max step).

New staff start at lower salaries but will move through “**steps and lanes**” on their journey as well as **COLAs** - example: veteran teachers COLA 2%
example: recent hires Steps & COLAs 4-6%

As our workforce changes, budget pressure on salaries continues to evolve and change.

External Revenue Sources



External Revenue Sources Supportive of Operating Budget

- Capital Budget (Projects funded by borrowing and authorized by annual town meeting-technology is in both town's capital budget & MPS operating budget)
- School Choice RF (appropriated/coordinated by state budget)
- Tuition RF (Kindergarten & Early Childhood programs)
- Circuit Breaker (appropriated annually by state budget)
- Various Revolving Accounts - \$ in \$ out (School Lunch, School Athletics, Use of Facilities, Community Education)
- Entitlement Grants (tied to operating expenses):
 - Title 1
 - IDEA (FY22 \$584,736 to support Educational Collaboratives Programs in Section 9300 of budget)
 - Title II (Part A)
 - Early Childhood Special Education Grant