
Medway Public Schools
Preliminary FY20 Budget Discussion
February 28, 2019

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Tonight's Goals

- Broad overview of FY20 budget priorities
- Share the recommended efficiencies in FY20
- Share the recommended improvements in FY20

FY20 Budget Development Strategies

- Ensure a budget connected to identified Strategic Plan Goals
- Ensure a budget that meets the needs of students
- Ensure transparent budget development and a collaborative process
- Acknowledge community and town leadership support of our schools
- Preserve Circuit Breaker balance for fiscal stability if possible
- Ensure initiative implementation timelines that are reasonable
- Review opportunities afforded by School Choice funds
- Review current available funding resources to identify potential efficiencies

Strategic Plan Goals

#1 Goal: Improved Student 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.

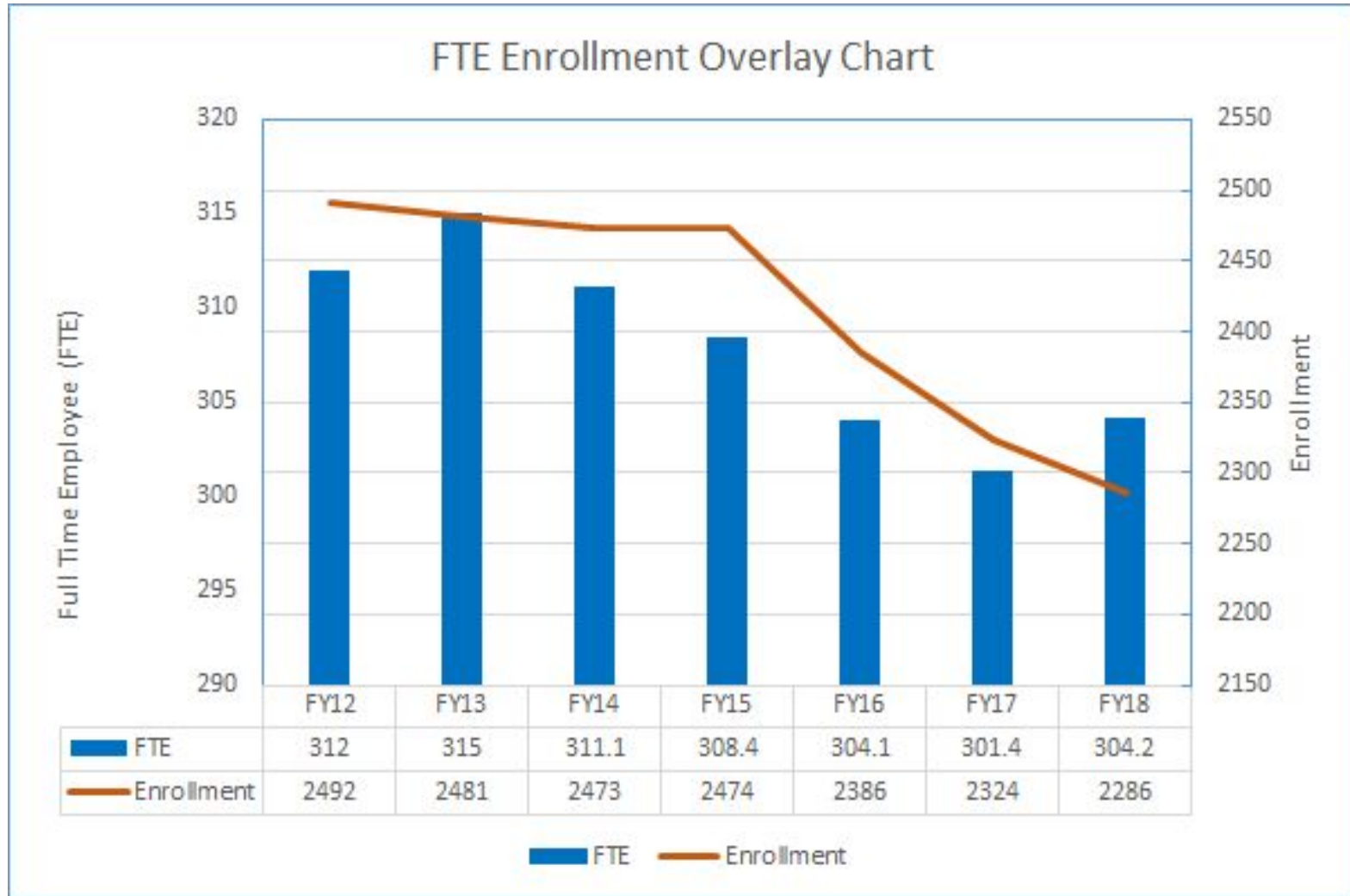
Goal #4: Positive Learning Culture:

Cultivate a school, student, and professional culture that values trust, collaboration, and effective communication.

Student Enrollment and Staffing: Historical Perspective



Medway Public Schools Enrollment



Projected Class Size 2019-2020

FTE Implications

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
PreK	33	5 sections	7/8=15 ⁺	30	4 ¹ sections		0
K	147	8	18	145 ³	8	18	0
1	152	8	19	150	8	19	0
2	157	8	20	152	8	19	0
3	170	8	21	157	8	20	0
4	166	8	21	170	8	21	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).

²The .5FTE will be redeployed as a special education teacher at McGovern

³Predicting K enrollment can be challenging.

Projected Class Size 2019-2020 FTE Implications, cont'd.

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
5	183	8	23	166	8	21	0
6	167	8	21	183	8	23	0
7	164	8	21	167	8	21	0
8	176	10	22	164	10	21	0
9-12*	702	N/A	N/A	702	N/A	N/A	-2 FTE
Total	2318			2289			-2.0FTE

*There has been a reduction in enrollment at MHS of 85 students since SY 2014-2015

Our Starting Point: Calculate Level Service



FY20 Level Service

What factors were in our level service estimate?

- Estimated Increased Payroll Costs
- Current Staffing levels as the starting point
- Incorporated changes in reconfigured FY19 budget (Fall, 2019)
- Estimated SPED Tuition
- Decreased Circuit Breaker Use by \$116k from FY19 level (Using 70%)
- Assumed 4 Retirements
- Lowered Vacancy Factor from \$175,000 to \$73,624
- Assumed \$356,955 from School Choice for Residential SPED Tuitions
- Estimated \$11k increase in regular transportation
- Estimated \$371k increase in specialized transportation
- Reflected current energy costs & water/sewer & trash
- Reality reflection of \$50k increase from FY19 in Substitute Accounts
- Anticipated decrease in Special Education tuition accounts

FY20 Budget Development Highlights

- Start with current staffing levels (Nov. 2018)
- Estimated collective bargaining agreements
(FY20 represents second year of three year collective bargaining agreements)
- Included current contracts:
 - school cleaning (3 year contract concluding in FY21)
 - bus transportation (3 year contract concluding FY21)
 - natural gas (October 2019 to September 2021; middle of FY22)
 - electricity (December 2017 to December 2020; middle of FY21)

FY20 INITIAL Level Service

Final FY19 Budget: \$26,966,000

FY20 Initial Level Service: \$27,757,038

Our initial Level Service estimate represented an increase of approximately \$791,000, but did not include improvement initiatives, efficiencies, or final estimates



FY20 Improvement Efforts



FY20 Budget Priorities Overview

- Increased support for student physical health needs (Goal 1, 2)
- Improved coordination of student behavioral health services and curricular programs (Goal 1, 2)
- Alignment of math, science and history/social sciences curricular materials and instruction to most recent MA Frameworks (Goal 1, 3)
- Enhanced support of growing athletic program (Goal 4)

FY20 Budget Requests

- Hire additional School Nurse to support student health
- Hire 5-12 Coordinator of School Counseling
- Purchase new core curriculum resources to support Mathematics (potential full year pilot), Science, Technology and Engineering, and History/Social Sciences' frameworks shifts.
- Hire clerical support for Athletic Department

Medway Public Schools

FTEs Changes (FY19-FY20)

	FTEs
FY19 Base	308.8
FY20 Base	
Migration From Other Funding Sources:	0.0
Finalization from FY19 (Net):	.7
Redeploy/Enrollment:	<i>(-3.0)</i>
Improvement Requests:	3.8
FY20 Requested	310.2

FY20 Budget Increase Summary



Impact of Identified Efficiencies and Improvements on FY20 Preliminary Budget

Starting Point: Level Service:	\$791,038
Proposed Staffing Efficiencies:	(\$276,038)
Additional Assumptions (CommEd):	(\$26,000)
Improvement Requests:	<u>\$211,000</u>
Total FY20 Increase Over FY19:	\$700,000
	or 2.6% increase

Medway Public Schools

Annual % Increase to General Fund Budget

	Operating Budget	\$ Increase	% Inc
FY13	\$23,908,602	\$419,644	1.8%
FY14	\$24,143,552	\$234,950	1.0%
FY15	\$24,586,816	\$443,264	1.8%
FY16	\$24,896,185	\$309,369	1.3%
FY17	\$25,341,066	\$444,674	1.8%
FY18	\$25,865,998	\$524,932	2.1%
FY19	\$26,966,000	\$1,100,002	4.25%
FY20	\$27,666,000	\$700,000	2.6%

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 (\$105k in FY18 EOYR)
- Operations/Parks (Snow/Ice) (\$152k in FY18 EOYR)
- Health Insurance & Life (\$3.27m in FY18 EOYR)
- Workers Compensation (\$98k in FY18 EOYR)
- Medicare (\$339k in FY18 EOYR)
- County Retirement (\$1,298,821 in FY18 EOYR)
- Liability Insurance (\$53,384 in FY18 EOYR)
- Crossing Guards (\$39,161 in FY18 EOYR)
- Debt Service (\$2,220,323 in FY18 EOYR) **DOES NOT COUNT FOR NSS**
- Assessments (separate from school operating budget):
 - Tri-County \$768,982 in FY18 EOYR **DOES COUNT FOR NSS**
 - School Choice Assessment \$279,845 in FY18 EOYR
 - Charter School \$177,322 in FY18 EOYR **DOES COUNT FOR NSS**

New Features in FY20 Budget Document



FY20 Budget

- Technology Rollup Sheet using new DESE Technology Spending accounts (from FY19 first time) *(SC Request)*
- Breakout of Paraprofessional Hours By Building *(SC Request)*
- Breakout of Athletic Offerings *(SC Request)*
- Breakout of Grants (Federal, State, Private) *(SC Request)*
- 3510 Student Activities (Athletics) Breakout of Ice Expenses by Year *(SC Request)*
- Fund 2561 Athletic Revolving Fund Breakout of Revenue (Gate Receipts, Family Fees, Donations) *(SC Request)*

Medway Public Schools Financial Overview/Timeline

- December 2018/January, 2019: Staffing levels/operating budget requests reviewed
- January 10, 2019: School Committee Budget Public Forum
- January 16, 2019: School Committee Budget Subcommittee
- January 26, 2019: School Committee Budget Workshop
- February 7, 2019: “Charting The Course” FY20 Budget Planning Presentation
- February 28, 2019: FY20 Preliminary budget presented to Medway School Committee
- March 13, 2019: Medway Finance Committee Presentation
- March 14, 2019: School Committee Budget Public Hearing
- March 14, 2019: School Committee Vote on Budget
- May 13, 2019: Annual Town Meeting approval
- November, 2019: FY20 “Re-Configured” budget published

Questions/Discussion



Back Up Material/Appendices



FY20 Budget Account Detail



Medway Public Schools

FY20 Estimate-9300 Tuition Private Day Total

	FY19 Final	FY20 Current
SPED Tuition (Private Day)	\$1,358,410	\$1,206,704
Application-Circuit Breaker	(\$700,000)	(\$583,279)
Application-IDEA Grant	(\$553,877)	(\$553,877)
SPED Tuition (Residential)	\$463,710	\$356,955
Application-School Choice	(\$360,000)	(\$356,955)
SPED Tuition (Summer Day)	\$147,592	\$0
TOTAL	\$355.835	\$69,548

FY20 Assumption Highlights

- FY20 OOD tuition requirements (\$69k increase in budget-approx 31 students)
- FY20 Circuit Breaker assumption- final FY19 assumption was \$700k -70% at \$583,279 now being assumed for FY20
- School Choice Funding Source (\$356,955 in FY20)
- Utility Trends? Reflecting new contracts
- Regular Transportation (\$11k increase ESTIMATED)
- SPED Transportation? (\$262k increase based on ACCEPT assessment)
- Other Specialized Transportation? (\$109k increase)

FY20 Budget Assumptions

Mandated/Budget Reality Increases Recommended:

- Trash/Recycling (4130) \$381 increase
- Water/Sewer (4130) \$5,000 increase
- Substitute Short Term (2325) \$52,000 decrease
- Substitute Long Term (2324) \$102,825 increase
- SPED Transp Parental Reimb (3300) \$8,000 increase

Medway Public Schools

FTEs Funded by Town Meeting Appropriation (FY12-FY20)

	FTEs	Variance
FY12	311.6	+.2
FY13	315.0	+3.4
FY14	311.1	(-3.9)
FY15	308.4	(-2.7)
FY16	304.1	(-3.4)
FY17	301.4	(-2.7)
FY18	304.2	+2.8
FY19	308.8	+3.6
FY20	310.2	+1.5

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 (\$428,000 projected in FY19)
- “Incoming” revenue goes into the School Choice Rev 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 budget allocation at beginning of budget process (most to Holliston and Millis)
- We have been using it in the last several budgets to supplement the MPS annual budget (\$260,000 in FY15 through FY17; \$467,000 in FY18; \$360,000 in FY19)
- School Committee approval required for items and requests throughout the school year

MPS School Choice Balances

FY	Medway
FY13 Final	\$650,939
FY14 Final	\$688,024
FY15 Final	\$604,842
FY16 Final	\$719,750
FY17 Final	\$715,207
FY18 Final	\$557,811

Circuit Breaker

- Reimbursement from state for special education costs that exceed 4 times the average student foundation budget per pupil **Ex:**
 $\$60,000 - ((4 \times \$10,498)) * .70 = \$12,604$ reimb
- **72%** final rate reimbursement -FY19 (**70%** in FY17; **65%** in FY18)
- Many districts have committed funds received from Circuit Breaker **in the same year received** - Medway has not yet
- Leaves 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 any special education related purposes

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

FY	Medway
For FY14	\$542,633
For FY15	\$667,835
For FY16	\$440,364
For FY17	\$298,323
For FY18	\$188,358
For FY19	\$381,477

FY120 Circuit Breaker Estimate Being Used To Support Budget

FY18 \$675,318

FY19 \$700,000

FY20 \$583,279

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, revenues contributions from Chapter 70 to the Town’s “overall pie revenue” to support the annual budget is not substantially increasing.
- For FY20: Increase is \$20 per pupil x 2,219=\$44,380

Medway Public Schools Chapter 70 Allocations

	Chapter 70	\$ Increase	% Inc
FY12	\$9,898,504	\$52,856	.54%
FY13	\$9,997,944	\$99,440	1.0%
FY14	\$10,058,469	\$60,525	.61%
FY15	\$10,117,244	\$58,775	.58%
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 (Governor's)	\$10,479,229	\$44,380	.42%

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



Medway Public Schools Per Pupil Comparison (Per DESE Reports)

	FY12	FY13	FY14	FY15	FY16	FY17
Franklin	\$11,108	\$11,131	\$11,888	\$12,435	\$13,310	\$14,011
Bellingham	\$11,906	\$12,454	\$12,999	\$13,220	\$14,351	\$14,805
Medway	\$11,775	\$12,432	\$12,627	\$13,307	\$13,876	\$14,401
Holliston	\$12,198	\$12,548	\$12,986	\$13,446	\$13,186	\$13,723
Millis	\$10,638	\$11,714	\$12,414	\$13,489	\$14,336	\$14,887
Hopkinton	\$12,472	\$13,005	\$13,106	\$13,534	\$14,127	\$15,017
Ashland	\$12,159	\$12,677	\$13,271	\$13,607	\$13,176	\$13,813
Medfield	\$11,830	\$12,321	\$13,075	\$13,848	\$14,325	\$15,411

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 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	
FY13	10
FY14	7
FY15	10
FY16	4
FY17	3
FY18	4
FY19	8

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 work force changes, budget pressure on salaries continues to evolve and change.

External Revenue Sources

How have other revenue sources enabled MPS to maintain a less than 2% budget increase for the last six fiscal years?



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, Hanlon Field, School Athletics, Use of Facilities, Community Education)
- Entitlement Grants (tied to operating expenses):
 - Title 1
 - IDEA (FY19 \$568,877 to support Educational Collaboratives Programs in Section 9400 of budget)
 - Title II (Part A)
 - Early Childhood Special Education Grant