
Medway Public Schools
Preliminary FY22 Budget Discussion
March 4, 2021

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Tonight's Goals

- Present FY 22 budget needs
- Share overview of FY22 budget priorities
- Share the recommended efficiencies in FY22
- Share the recommended improvements in FY22

Budget Development Strategy

FY22 Budget Development Parameters

- Move forward with a level service budget with reductions
- Prioritize/reallocate programming and services closest to students
- Identify cost savings to provide flexibility for anticipated but unknown expenses
- Develop budget that meets BOS commitment
- Budget Approval - March 18

Supplemental, Short Term Funding

- Resources received through state and federal resources (e.g. CARES Act, CVRF Grant, ESSER)
- Surplus resources made available through revolving accounts
- Focus of these funds to support student needs as identified
- Timeline: May-July 2021

FY22 Budget Development Strategies

- More Moderate Use of Circuit Breaker
- Removes School Choice as a FY22 Funding Source
- Reserve Fund Increases from FY20 and FY21
Provide Flexibility Towards Anticipated But Unknown Student Needs from COVID-19
- Keeps ESSER 2 Funds Uncommitted For Moment

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.

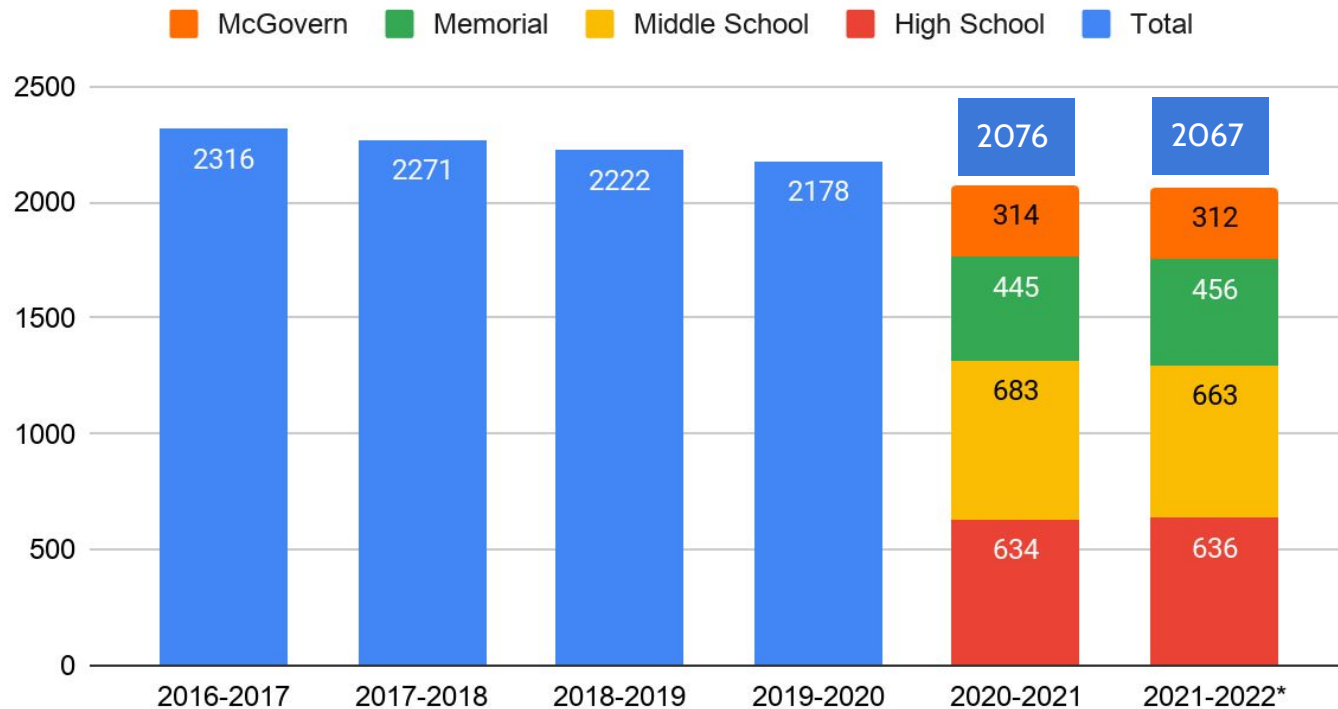
Goal #4: Positive Learning Culture:
Cultivate a school, student, and professional culture that values trust, collaboration, and effective communication.

Student Enrollment and Staffing: Historical Perspective



Medway Schools: Enrollment History and Projection, PK-12

Enrollment History and Projection



*Projected enrollment for 2021-2022

Projected Class Size 2020-2021

FTE Implications

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
PreK	26	4 sections	7/8=15 ⁺	25	4 ¹ sections	7/8=15 ⁺	0
K	143	8	18	143 ²	8	18	0
1	145	8	18	144	8	18	0
2	146	8	18	151	8	19	+1.0FTE
3	149	8	19	149	8	19	0
4	150	8	19	156	8	20	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 2020-2021

FTE Implications, cont'd.

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
5	168	8	21	152	8	19	0
6	162	8	20	169	8	21	0
7	178	8	22	164	8	21	0
8	175	10	21	178	10	22	0
9-12*	634	N/A	N/A	636	N/A	N/A	-2 FTE
Total	2076			2067			-1.0FTE

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

Funding The Medway Public Schools



Annual % Increase to Fund Budget

	Operating Budget	\$ Increase	% Inc
FY16	\$24,896,185	\$309,369	1.3%
FY17	\$25,341,066	\$444,674	1.8%
FY18	\$25,865,998	\$524,934	2.1%
FY19	\$26,965,681	\$1,099,681*	4.25%
FY20	\$27,696,000**	\$730,319	2.6%
FY21	\$28,376,000	\$680,000	2.5%
FY22	\$29,076,000	\$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

FY22 Level Service Development

Revenue sources that have been used to supplement the budget:

IDEA Grant (\$567, 024 for FY21; \$584,000 for FY22)

ACCEPT Tuition Waiver Credit (\$121,696 in FY21; same in FY22)

Community Ed Support (\$37k in FY21; same in FY22)

Circuit Breaker (assumed \$751,250 originally in FY21; \$643,275 in FY22)

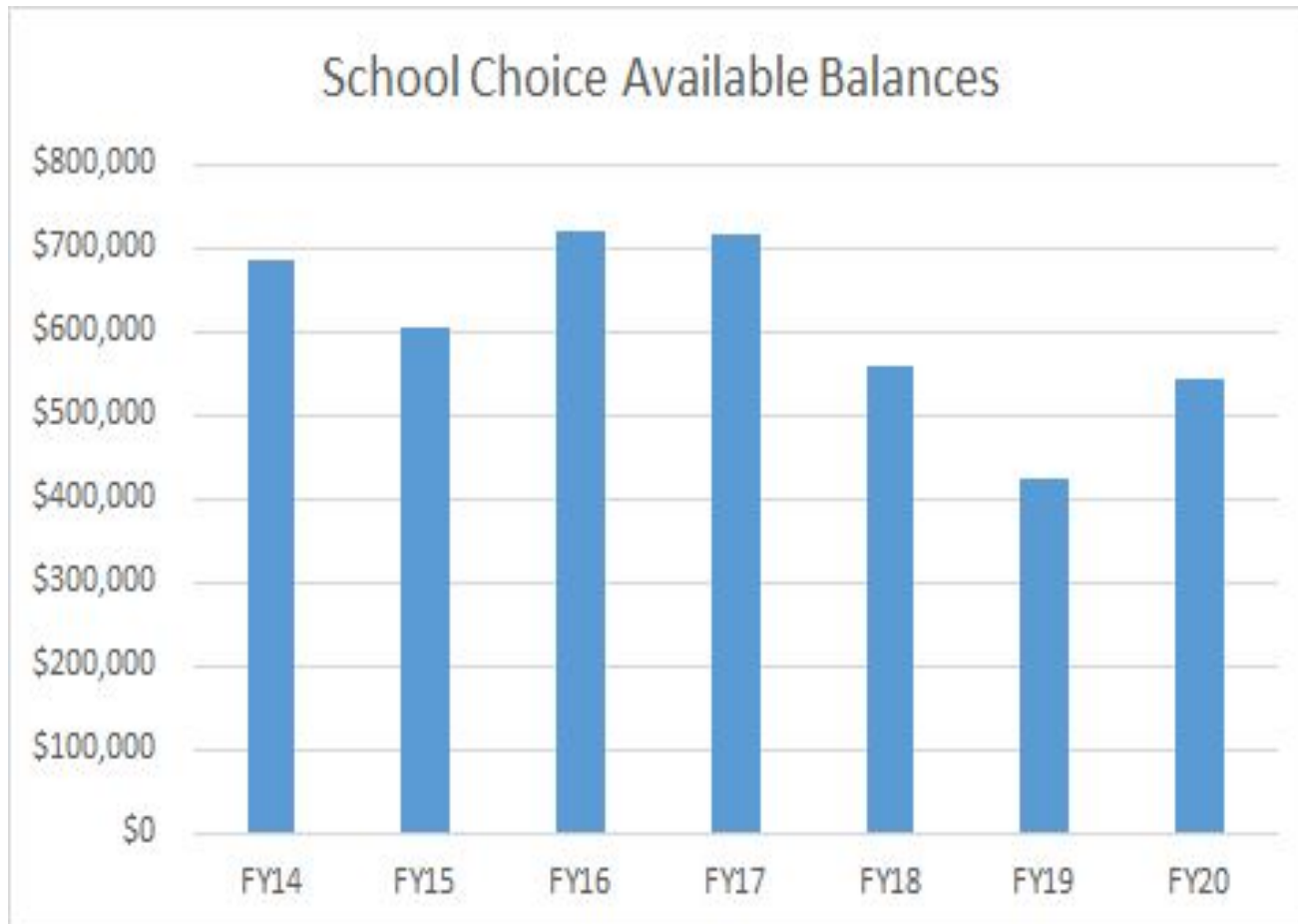
School Choice (was \$300,000 in FY21; \$0 in FY22)

Medway Public Schools Historical Chapter 70 Allocations*

	Chapter 70	\$ Increase	% Inc
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	\$10,501,419	\$66,570	.63%
FY21	\$10,501,419	\$0	.0%
FY22 (Governor's)	\$10,564,089	\$62,670	.60%

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

Historical School Choice Revolving Account Balances



- **\$2.7 million** from School Choice from FY15 to FY21 Budgets (budget support, projects and materials)
- FY22 anticipated Revenue = \$330,000 for 66 students, excluding reimbursement for special education expenses
- **FY22 Budget Support = \$0**

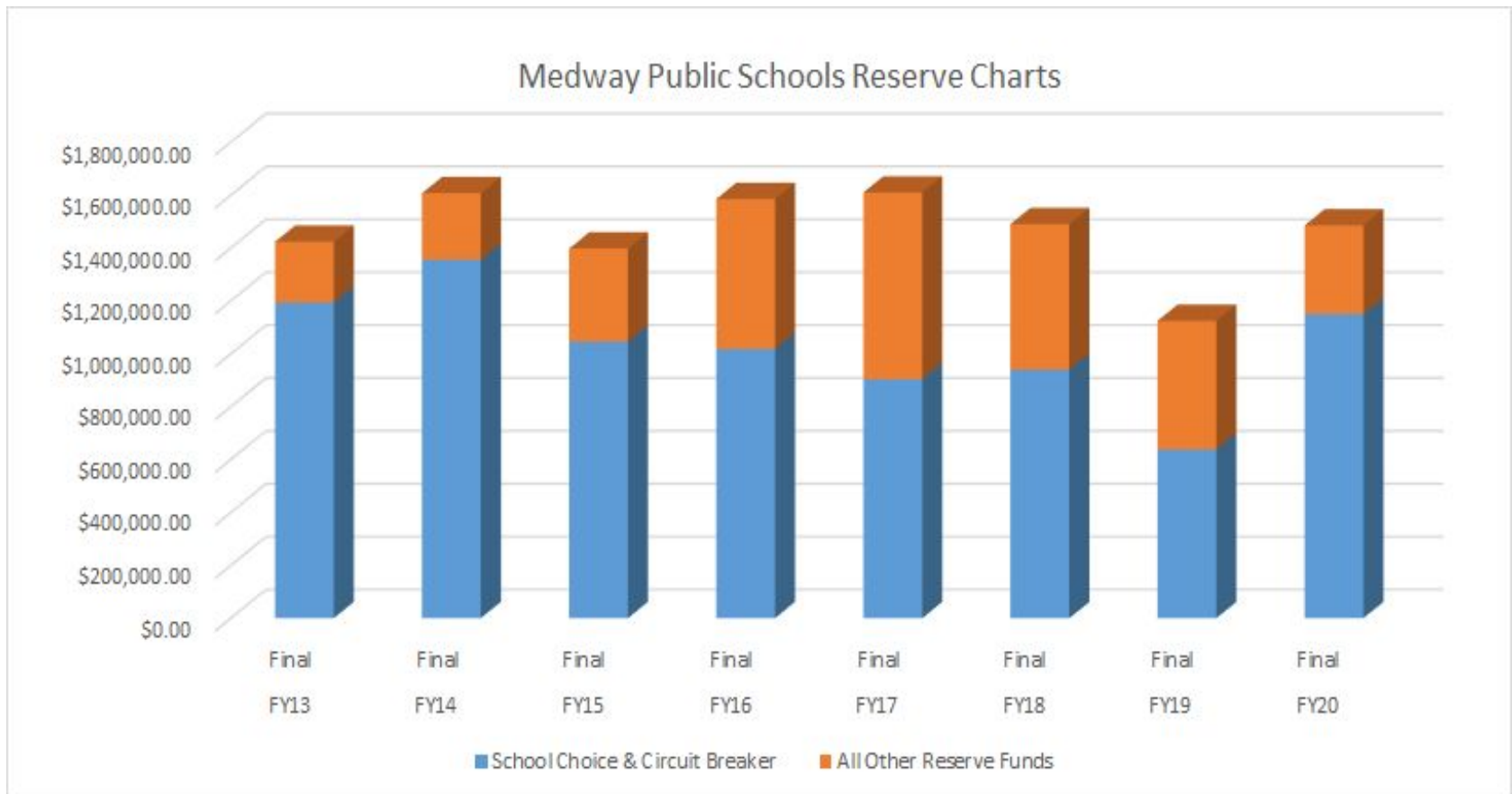
Circuit Breaker Available Funding (One YE Balance Flows Into The Next)

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

FY22 Circuit Breaker Estimate Being Used To Support Budget

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

FY13 to FY20 Review of Medway School Department Reserves



FY22 Budget Development COVID-19 Challenges



COVID-19 Expenses Effecting Budgets

FY20

Expenses Were Lighter Than Projected Due To COVID-19 Shutdown
\$345,148 in CB & \$233,022 in SC Not Used As Planned/Carried Over into FY21
Assistance For Revolving Fund Accounts (Athletics, Comm Ed, School Lunch)

FY21

Circuit Breaker and School Choice FY20 Balances Carried Over into FY21
\$1.7 million in Outside Funds Were Identified
\$901,230 from GF Was Re-Directed Within Reconfigured Budget Process From
SC Votes in June, and in December, 2020

FY22

Comparison of FY20 Actual to Final FY21 to FY22 Proves Challenging
Restoration of FY21 Budget Reductions for Level Service

FY21 Outside Revenue Sources Used For COVID-19 Expenses

MPS Technology Essentials Grant	\$24,059
CARES Grant (School Portion of Medway Municipal Grant)	\$750,000
FEMA Reimbursement (Through Medway Municipal)	\$40,303
MPS CVRF Grant (Federal Source)	\$487,125
MPS CVRF Food Service Grant (Federal Source)	\$5,179
MPS CPFP Grant (State Source)	\$74,600
MPS ESSER I (Federal Source)	\$75,172
MPS ESSER II (Federal Source/Could be used Through 9/23)	\$274,358
TOTAL:	\$1,730,796

FY22 Budget Development Calculating Level Service



FY22 Level Service Development Considerations

- Estimated Salary Costs for employees
- No Vacancy Factor Again in FY22
- Restoration of FY21 Reductions When Possible
- School cleaning contract (ends 6/30/21)
- Bus transportation contract (ends in 6/30/21)
- Natural gas (October 2019 to September 2021; will end in middle of FY22)
- Electricity contract (January 2021 to January 2026)
- Water, sewer and trash rates as recommended by Medway Municipal officials
- Technology Increases for COVID-19 challenges (e.g. video conferencing)

FY22 Level Service Development

FY21 Budget	\$28,376,000
● Started with current staffing levels (beginning in Dec. 2019)	
● Estimated Increased Payroll Costs Including estimates for collective bargaining agreements and Account Restorations	\$962,049
● Estimated Total SPED Tuition	\$186,539
● Reviewed all transportation accounts in total:	
Regular Transportation	\$23,400
Specialized Transportation	(\$61,000)
SPED Transportation	(\$131,913)
● Reviewed All Other Non-Salary Accounts:	<u>\$113,513</u>
Total	\$29,468,595

FY22 INITIAL Level Service

Final FY21 Budget: \$28,376,000

FY22 Initial Level Service: \$29,468,595

Our initial Level Service estimate represented an increase of approximately **\$1,092,595**, but did not include improvement initiatives, efficiencies, or final estimates





FY22 Budget Development Calculate Budget Efficiencies

FY22 Initial Level Service: \$29,468,595

Level Service increase estimate was **\$1,092,588**, but did not include improvement initiatives or efficiencies:

Retirements/Not Filling Positions (2 FTEs)	(\$180,374)
FY22 Teacher Retirement Savings (from 6 FTEs)	(\$157,395)
ERI Incentive for Teachers (8 at \$6,000 per)	\$48,000
FTEs Positions Not Filled/Reorganization	(\$390,250)
Use Cable TV funding for Portion of HS Position	(\$10,000)
FY21 ACCEPT Credit For FY22 Transp Assessment	(\$10,442)
Lower Use School Choice From \$300k to \$0	\$300,000
Final Review of Technology Requests	(\$11,520)
Additional Funds for OOD Tuition	<u>\$19,393</u>

FY22 Budget Efficiencies/Changes: (\$392,588)

Positions Restored and Eliminated for FY22

Positions Not Filled for FY21 that will be Restored in FY22

- 1.0 FTE Social Worker at Burke-Memorial School
- 2.0 FTE Library/Media Specialist for Elementary and Secondary
- 1.0 Secretarial Support - Athletics/Special Education

Positions Eliminated

- 2.0 FTE at Medway High School (enrollment related)
- 3.0 FTE Curriculum and Instruction Leaders/Model Restructuring

Impact of Identified Efficiencies and Improvements on FY22 Preliminary Budget

Starting Point: Level Service: \$1,092,588
Staffing Efficiencies/Budget Changes: (\$392,588)

**Total FY22 Increase Over FY21: \$700,000
or 2.4% increase**

FTEs Funded by Town Meeting Appropriation (FY18-FY22)

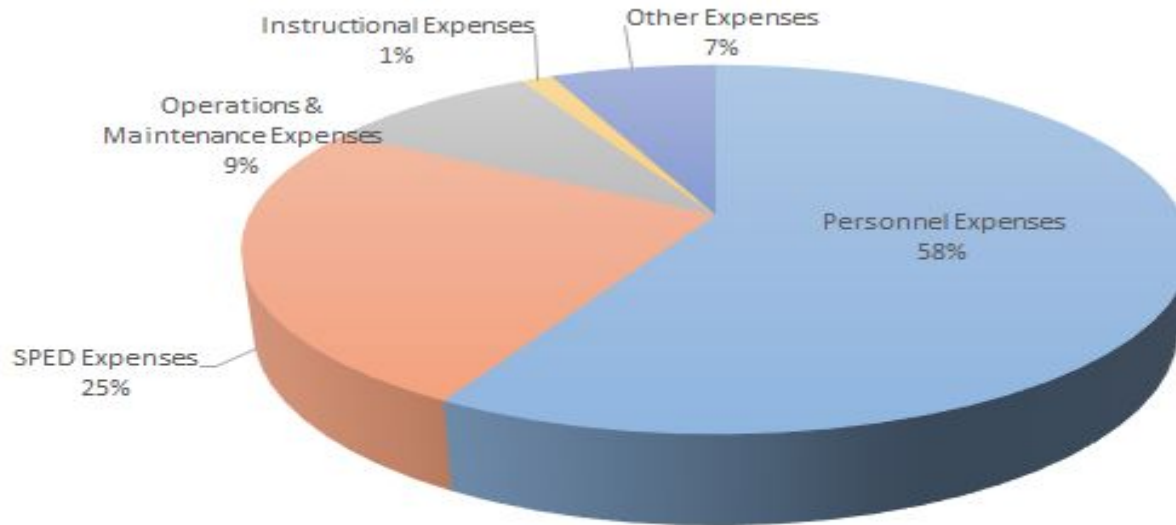
	FTEs	Variance
FY18	304.2	
FY19	308.8	+4.6
FY20	312.8	+4
FY21	314.0	+1.2
FY22 Recommended	308.1	(5.9)

FY22 Budget Increase Summary



FY22 Preliminary Budget

FY22 Medway Public Schools Overview By Category



■ Personnel Expenses ■ SPED Expenses ■ Operations & Maintenance Expenses ■ Instructional Expenses ■ Other Expenses

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 (\$127k in FY20 EOYR)
- Operations/Parks (Snow/Ice) (\$207k in FY20 EOYR)
- **Health Insurance & Life (\$4.03m in FY20 EOYR)**
- Workers Compensation (\$115k in FY20 EOYR)
- Medicare & Unemployment (\$359k in FY20 EOYR)
- County Retirement (\$1,507,363 in FY20 EOYR)
- Liability Insurance (\$65,532 in FY20 EOYR)
- Crossing Guards (\$42,052 in FY20 EOYR)
- Debt Service Payments (\$2,159,833 in FY20 EOYR) **DOES NOT COUNT FOR NSS**

Assessments (separate from school operating budget):

- Tri-County \$803,243 in FY20 EOYR **DOES COUNT FOR NSS**
 - School Choice Assessment \$321,983 in FY20 EOYR
 - Charter School \$327,032 in FY20 EOYR **DOES COUNT FOR NSS**
- TOTAL FROM FY20 INCLUDED IN EOYR CALCULATION: \$10,169,685**

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:

\$540,102 For Projects Approved From FY20 Capital Articles (number reported in FY20 EOYR)

\$321,496 For School Technology Approved From FY20 Capital Articles (number reported in FY20 EOYR)

Staffing support for School Department also located in Town's Budget for Technology (Director of Information Services & Network Engineer) and Human Resources Coordinator

FY22 Budget Request

\$29,076,000

2.4% increase over FY21 Budget

Budget Development Strategy

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Supplemental, Short Term Funding

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- Surplus resources made available through revolving accounts
- Focus of these funds to support student needs as identified
- Timeline: May-July 2021

Medway Public Schools Financial Overview/Timeline

- November-February: Budget Review Staffing levels/operating budget requests reviewed
- November, 2020/December, 2020: Educational Leadership Team FY22 Staffing Needs Meetings
- January 21, 2021: Superintendent's Budget Advisory Group
- January/February: Virtual Listening tours at all four schools
- February 11, 2021: School Committee Budget Workshop
- February 25, 2021: Superintendent's Budget Advisory Group
- February 25, 2021: "Charting The Course" FY22 Budget Planning Presentation
- **March 4, 2021: School Committee FY22 Budget Public Forum 5:00pm**
- **March 4, 2021: FY22 Preliminary budget presented to Medway School Committee**
- March 10, 2021: Medway Finance Committee Presentation
- March 18, 2021: School Committee Budget Public Hearing 5:30pm
- March 18, 2021: School Committee Vote on Budget
- May 10, 2021: Annual Town Meeting approval

Questions/Discussion



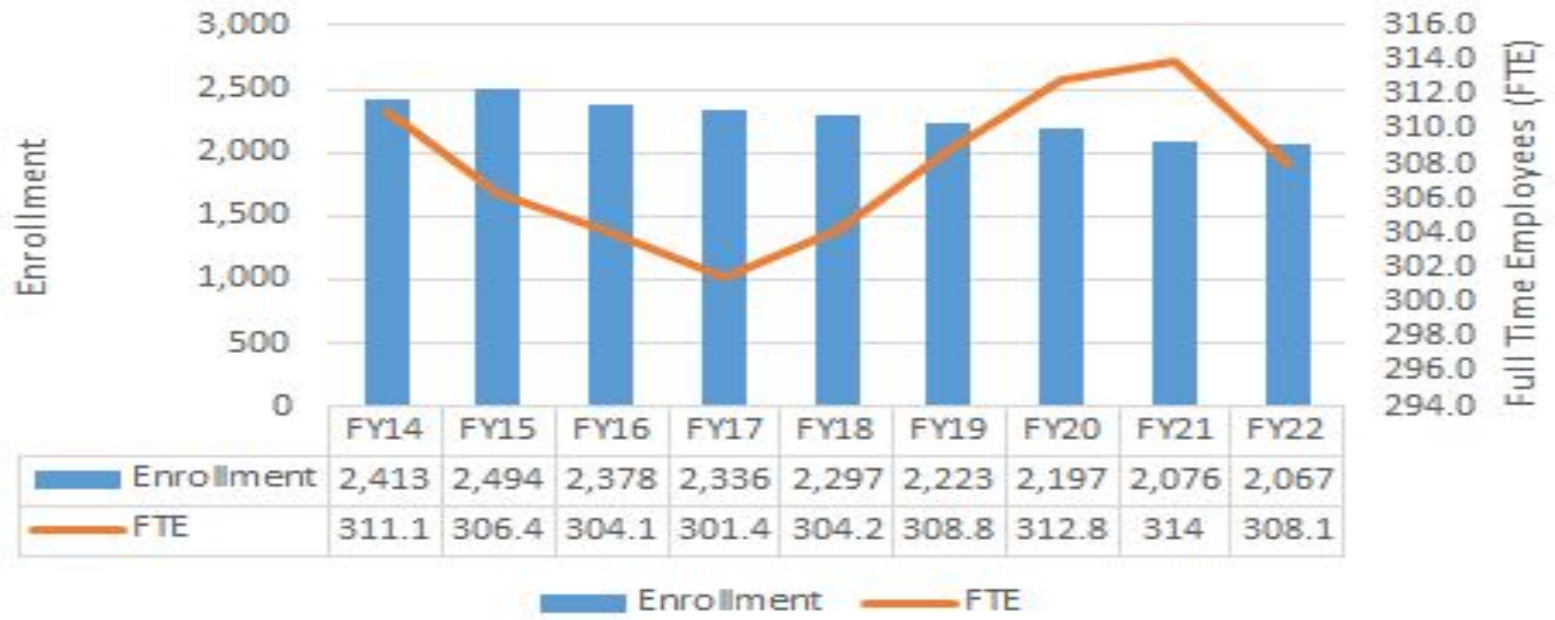
Back Up Material/Appendices



Medway Public Schools FTEs Changes (FY21-FY22)

	FTEs
FY21 Base	314.0
FY22 Base	
Redeploy/Enrollment:	(-6.0)
Improvement Requests:	0.0
Staff Finalization:	.1
FY22 Requested	308.1

FTE Enrollment Overlay Chart



FY22 Budget Account Detail



Medway Public Schools

FY22 Estimate-9300 Tuition Private Day Total

	FY21 Original	FY22 Proposed
All SPED Tuition (Private Day)	\$1,389,686	\$1,857,232
Application-Circuit Breaker	(\$751,250)	(\$643,275)
Application-IDEA Grant	(\$567,024)	(\$584,736)
Application-School Choice	(\$63,342)	(\$0)
SPED Tuition (Residential)	\$236,658	\$300,588
Application-School Choice	(\$236,658)	(\$0)
TOTAL	\$8,070	\$929,809

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 (\$330,000 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 the last 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)
- School Committee approval required for items and requests throughout the school year

MPS School Choice Balances

FY	Medway
FY15 Final	\$604,842
FY16 Final	\$719,750
FY17 Final	\$715,207
FY18 Final	\$557,811
FY19 Final	\$424,877
FY20 Final	\$543,239
FY21 Projected	\$633,910

Circuit Breaker

- Reimbursement from state for special education costs that exceed 4 times the average student foundation budget per pupil **75%** final rate reimbursement -FY21 (**65% in FY18; 72% in FY19; 75% in FY20**)
- 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, revenues 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)

	FY14	FY15	FY16	FY17	FY18	FY19
Bellingham	\$12,999	\$13,220	\$14,351	\$14,805	\$15,573	\$17,033
Medfield	\$13,075	\$13,848	\$14,325	\$15,411	\$15,889	\$16,829
Millis	\$12,414	\$13,489	\$14,336	\$14,887	\$14,621	\$16,702
Medway	\$12,627	\$13,307	\$13,876	\$14,401	\$14,887	\$15,946
Franklin	\$11,888	\$12,435	\$13,310	\$14,011	\$14,561	\$15,334
Hopkinton	\$13,106	\$13,534	\$14,127	\$15,017	\$15,016	\$15,086
Ashland	\$13,271	\$13,607	\$13,176	\$13,813	\$14,469	\$14,501
Holliston	\$12,986	\$13,446	\$13,186	\$13,723	\$14,146	\$14,632

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	
FY14	7
FY15	10
FY16	4
FY17	3
FY18	4
FY19	8
FY20	4

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 (FY21 \$584,736 to support Educational Collaboratives Programs in Section 9300 of budget)
 - Title II (Part A)
 - Early Childhood Special Education Grant