

---

Medway Public Schools  
FY20 Budget Public Hearing  
March 14, 2019

Armand Pires, Ph.D., Superintendent  
Donald Aicardi, Director of Finance and Operations



# 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:***

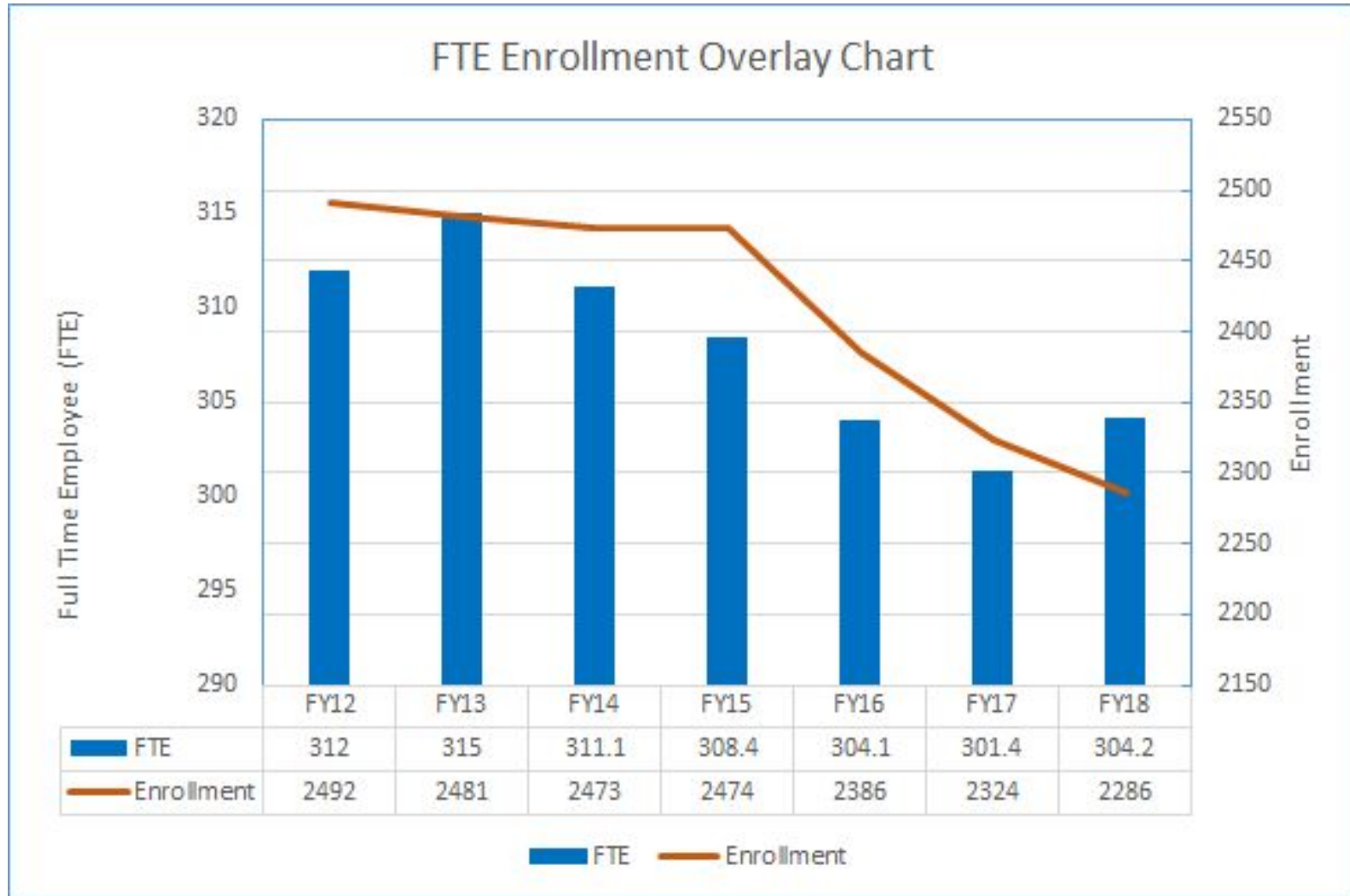
Cultivate a school, student, and professional culture that values trust, collaboration, and effective communication.

---

# 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 <sup>+</sup>	30	4 <sup>1</sup> sections		0
K	147	8	18	145 <sup>3</sup>	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

<sup>1</sup>Preschool 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).

<sup>2</sup>The .5FTE will be redeployed as a special education teacher at McGovern

<sup>3</sup>Predicting 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
<b>Total</b>	<b>2318</b>			<b>2289</b>			<b>-2.0FTE</b>

\*There has been a reduction in enrollment at MHS of 85 students since SY 2014-2015, without a corresponding reduction in FTEs.



---

# 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 accounts (anticipated decrease)
- Decreased Circuit Breaker Funding of Budget 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 \$102k increase from FY19 in Long Term Substitute Account coupled with \$53k decrease in Short Term Substitute Account

# 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 Funded by Town Meeting Appropriation (FY12-FY20)

	<b>FTEs</b>	<b>Variance</b>
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



# Medway Public Schools

## FTEs Changes (FY19-FY20)

	<b>FTEs</b>
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

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

# 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%
<b>FY20</b>	<b>\$27,666,000</b>	<b>\$700,000</b>	<b>2.6%</b>

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

# 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) (Projection FY20 \$428,000-Page 71)
- “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
- 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) (Detail on Page 72)
- School Committee approval required for items and requests throughout the school year

# MPS School Choice Balances

<b>FY</b>	<b>Medway</b>
FY13 Final	\$650,939
FY14 Final	\$688,024
FY15 Final	\$604,842
FY16 Final	\$719,750
FY17 Final	\$715,207
FY18 Final	\$557,811
<b>FY19 Projected</b>	<b>\$442,595*</b>

\* Assumes 100% Completion of Authorized Expenditures (To Be Finalized)

# 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 Payments (\$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**
- **TOTAL FROM FY18 INCLUDED IN EOYR CALCULATION: \$8,813,495**

# 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:

\$1,091,544 For Projects Approved From FY18 Capital Articles (number reported in FY18 EOYR)

\$258,149 For School Technology Approved From From FY18 Capital Articles (number reported in FY18 EOYR)

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



---

# 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
<b>TOTAL</b>	<b>\$355.835</b>	<b>\$69,548</b>

# 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

---

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



# 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)

<b>FY</b>	<b>Medway</b>
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

	<b>Chapter 70</b>	<b>\$ Increase</b>	<b>% Inc</b>
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)

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
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
<b>Medway</b>	<b>\$11,775</b>	<b>\$12,432</b>	<b>\$12,627</b>	<b>\$13,307</b>	<b>\$13,876</b>	<b>\$14,401</b>
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