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Medway Public Schools  
Preliminary FY21 Budget Discussion  
February 27, 2020

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



# Tonight's Goals

- Present FY 21 budget needs
- Broad overview of FY21 budget priorities
- Share the recommended efficiencies in FY21
- Share the recommended improvements in FY21

# FY21 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
- Ensure initiative implementation timelines that are reasonable
- Review current available funding resources to identify potential efficiencies
- Ensure budget includes new obligations connected to Student Opportunity Act

# 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.

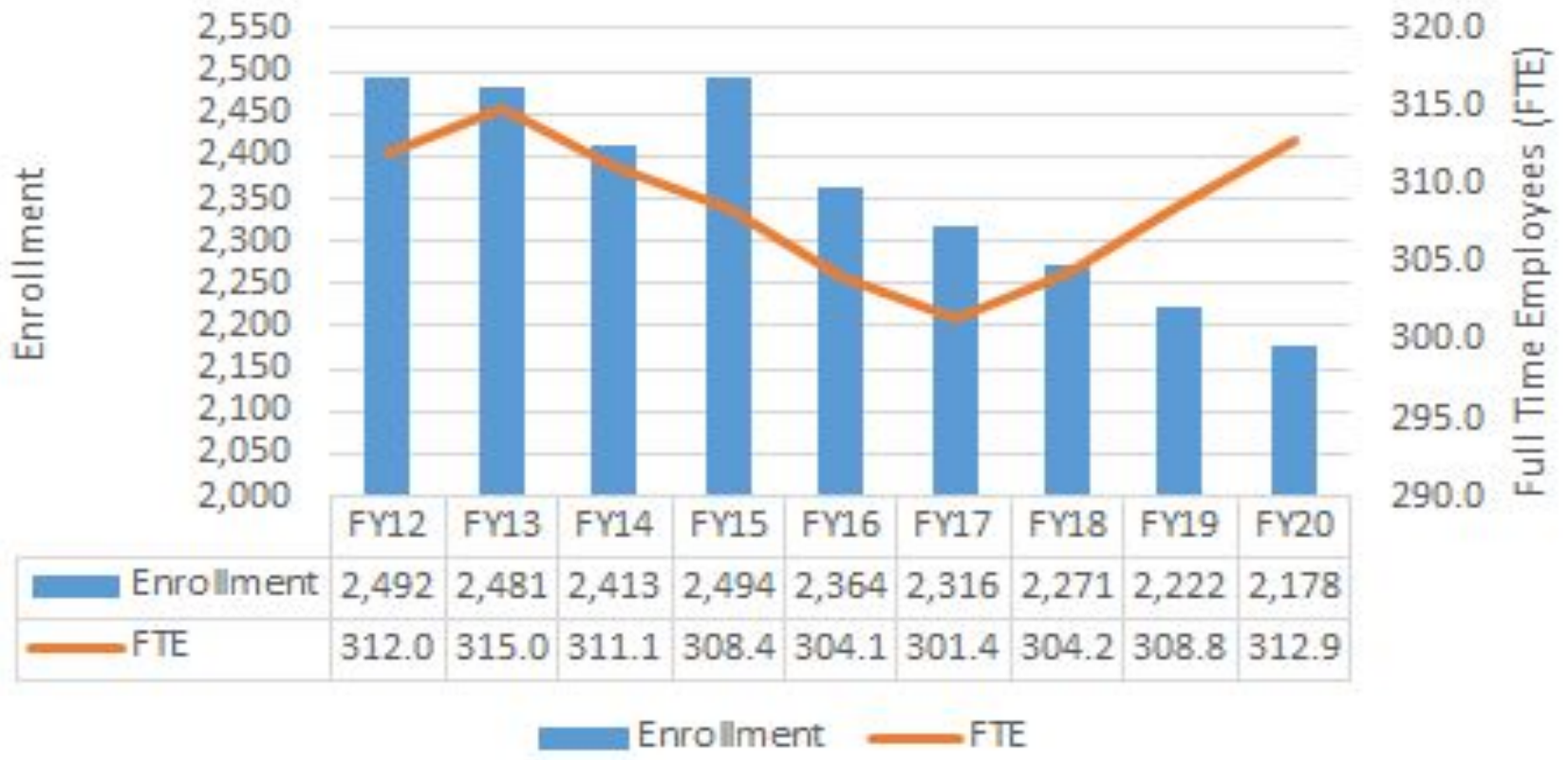
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# Student Enrollment and Staffing: Historical Perspective



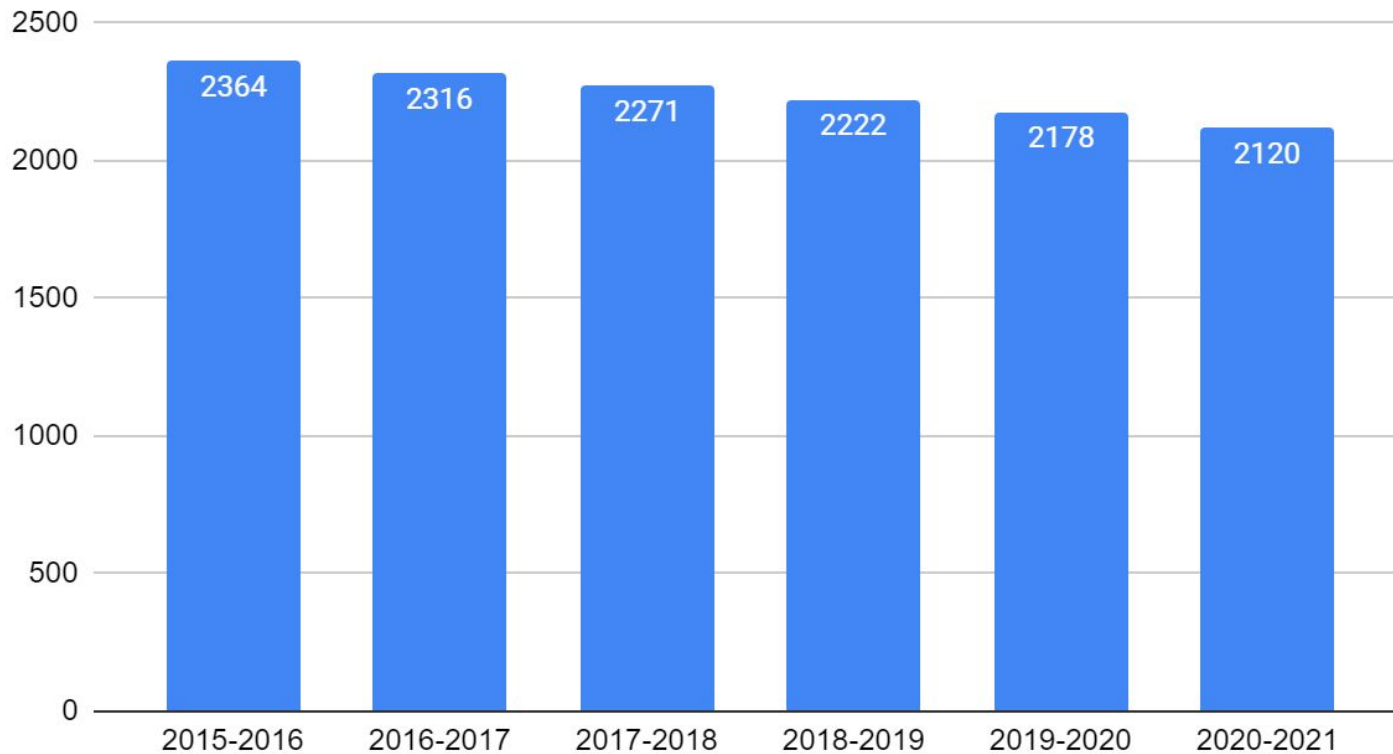
# Medway Public Schools Enrollment

FTE Enrollment Overlay Chart



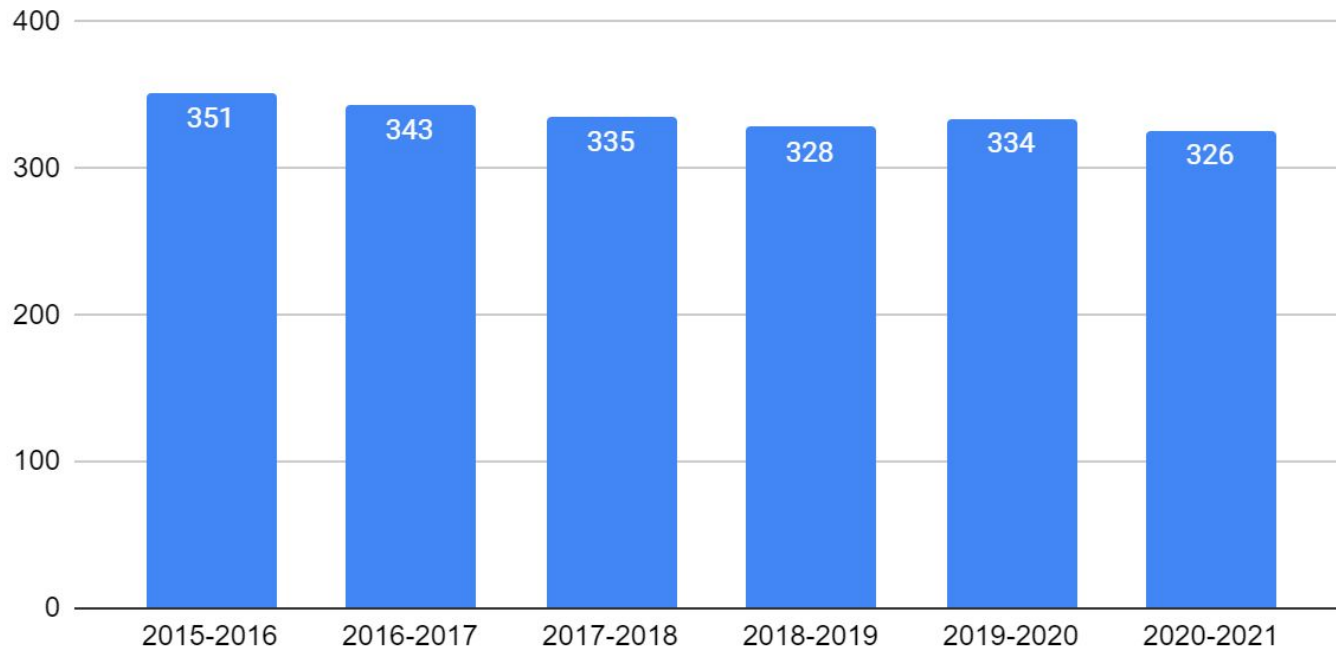
# Medway Schools: Enrollment History and Projection, PK-12

Student Enrollment by School Year



# McGovern Elementary School: Enrollment History and Projection

McGovern Elementary School

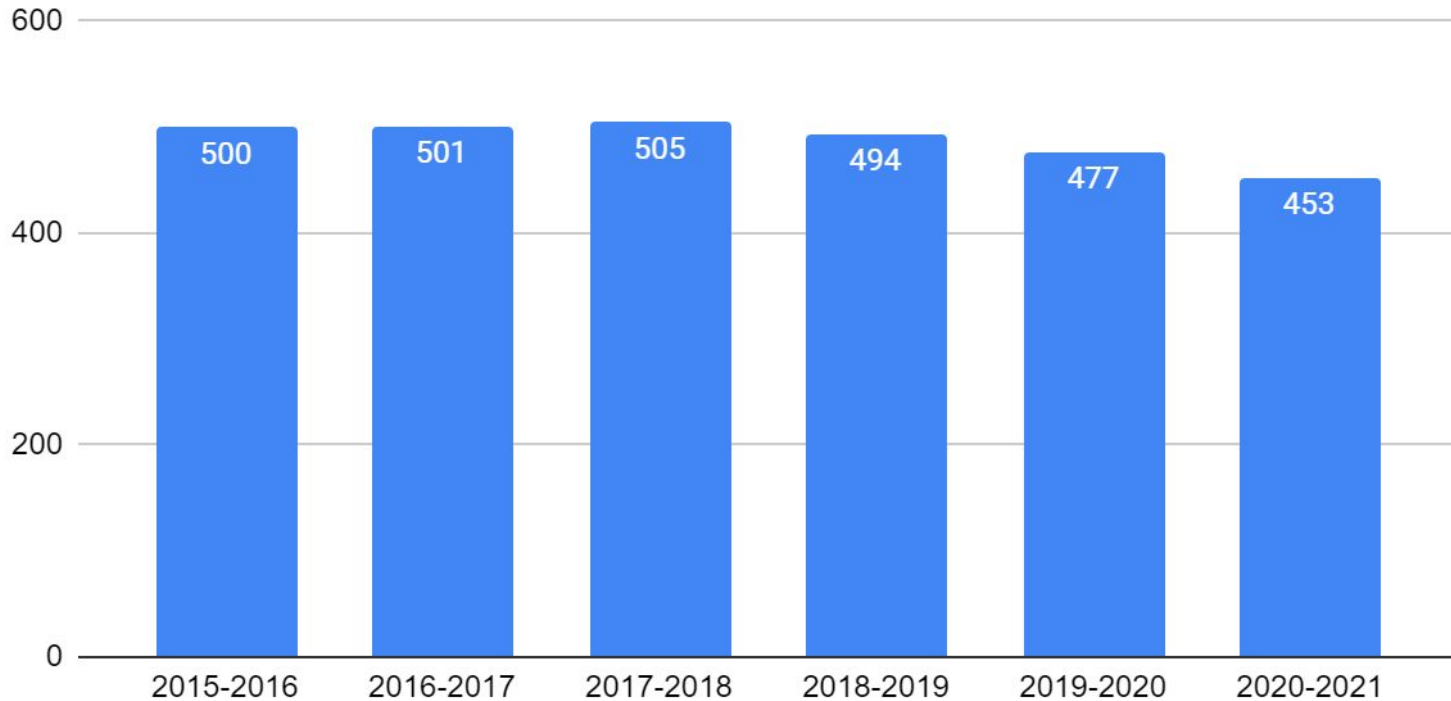


McGovern



# Burke-Memorial Elementary School: Enrollment History and Projection

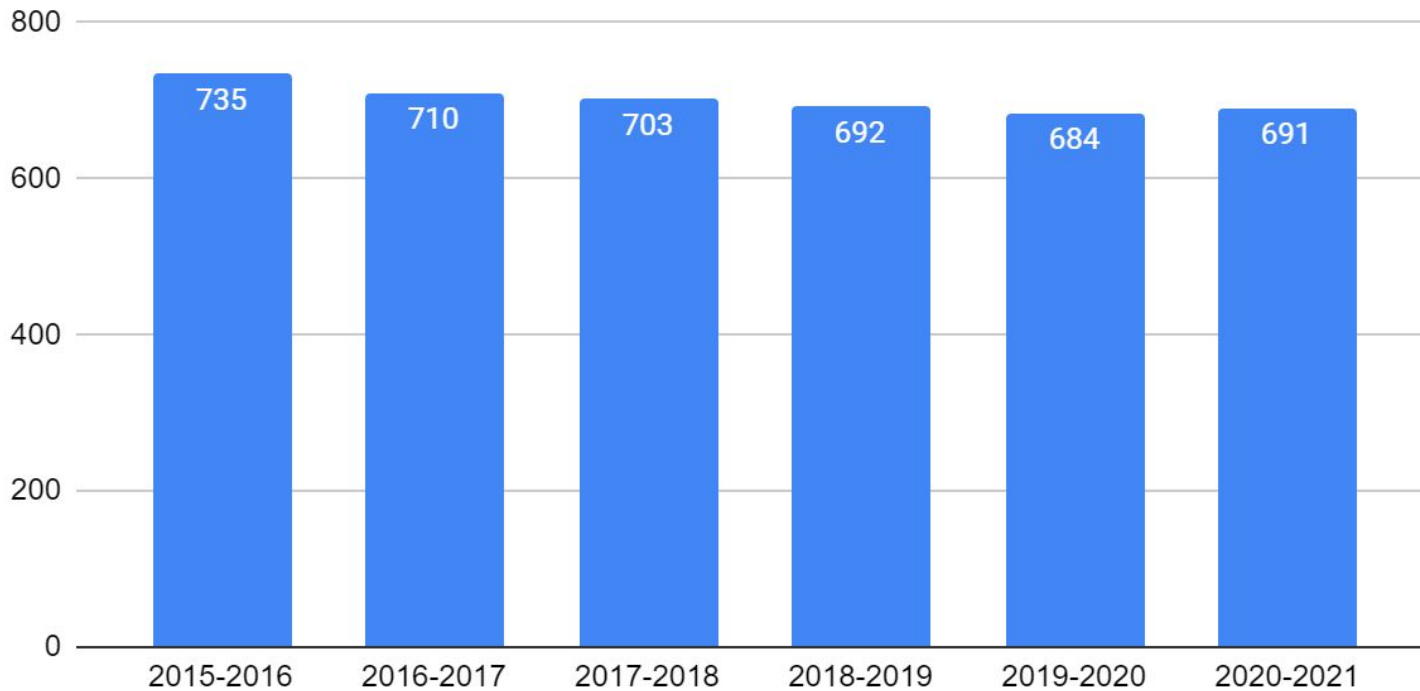
Burke-Memorial Elementary School



Memorial

# Medway Middle School: Enrollment History and Projection

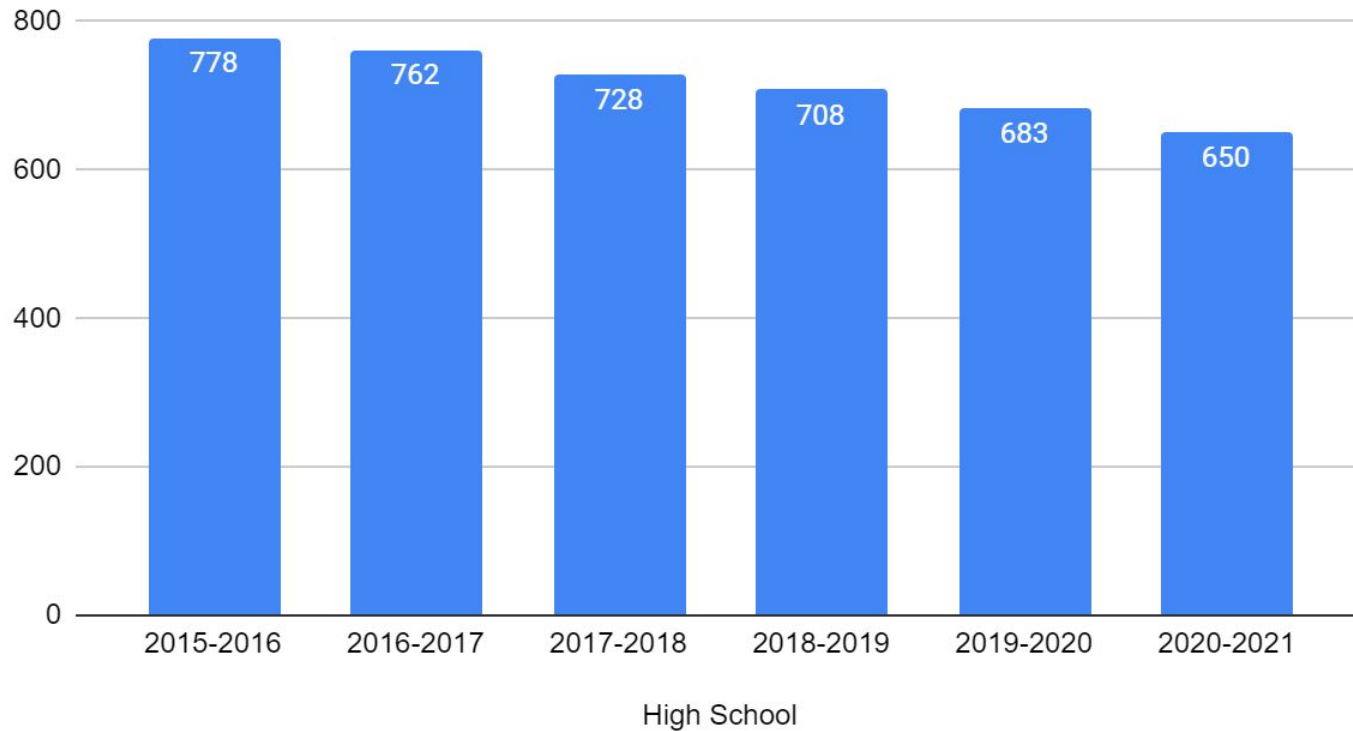
Medway Middle School



Middle School

# Medway High School: Enrollment History and Projection

Medway High School



# Projected Class Size 2020-2021

## FTE Implications

Grade	Current Enrollment	# of Classes	Average Class Size	Projected Enrollment	# of Classes	Average Class Size	Change
PreK	39	4 sections	7/8=15 <sup>+</sup>	36	4 <sup>1</sup> sections		0
K	145	8	18	145 <sup>2</sup>	8	18	0
1	149	8	19	145	8	19	0
2	155	8	20	149 <sup>3</sup>	7	21	-1.0FTE
3	149	8	19	155	8	19	0
4	171	8	21	149	8	19	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>Predicting K enrollment can be challenging.

<sup>3</sup>Enrollment projections predict smaller grade levels

# 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	164	8	20	171	8	21	0
6	184	8	23	164	8	20	0
7	172	8	21	184	8	23	0
8	165	10	21	172	10	21	0
9-12*	684	N/A	N/A	650	N/A	N/A	-2 FTE
Total	2178			2120			-3.0FTE

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

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# Funding the *Medway* Public Schools



# Multiple Funding Sources

- Chapter 70 Aid
- State and Federal Grants
- Circuit Breaker
- School Choice
- Other Revolving Accounts

# FY21 Level Service Development

Revenue Sources That Are Used Each Year To supplement the budget:

**Circuit Breaker** (was \$583,279 in FY20)

**IDEA Grant** (was \$553,877 in FY20)

**ACCEPT Tuition Waiver Credit** (was \$109,000 in FY20)

**School Choice** (was \$356,955 in FY20)

**Vacancy Factor?** (was \$76k in FY20)

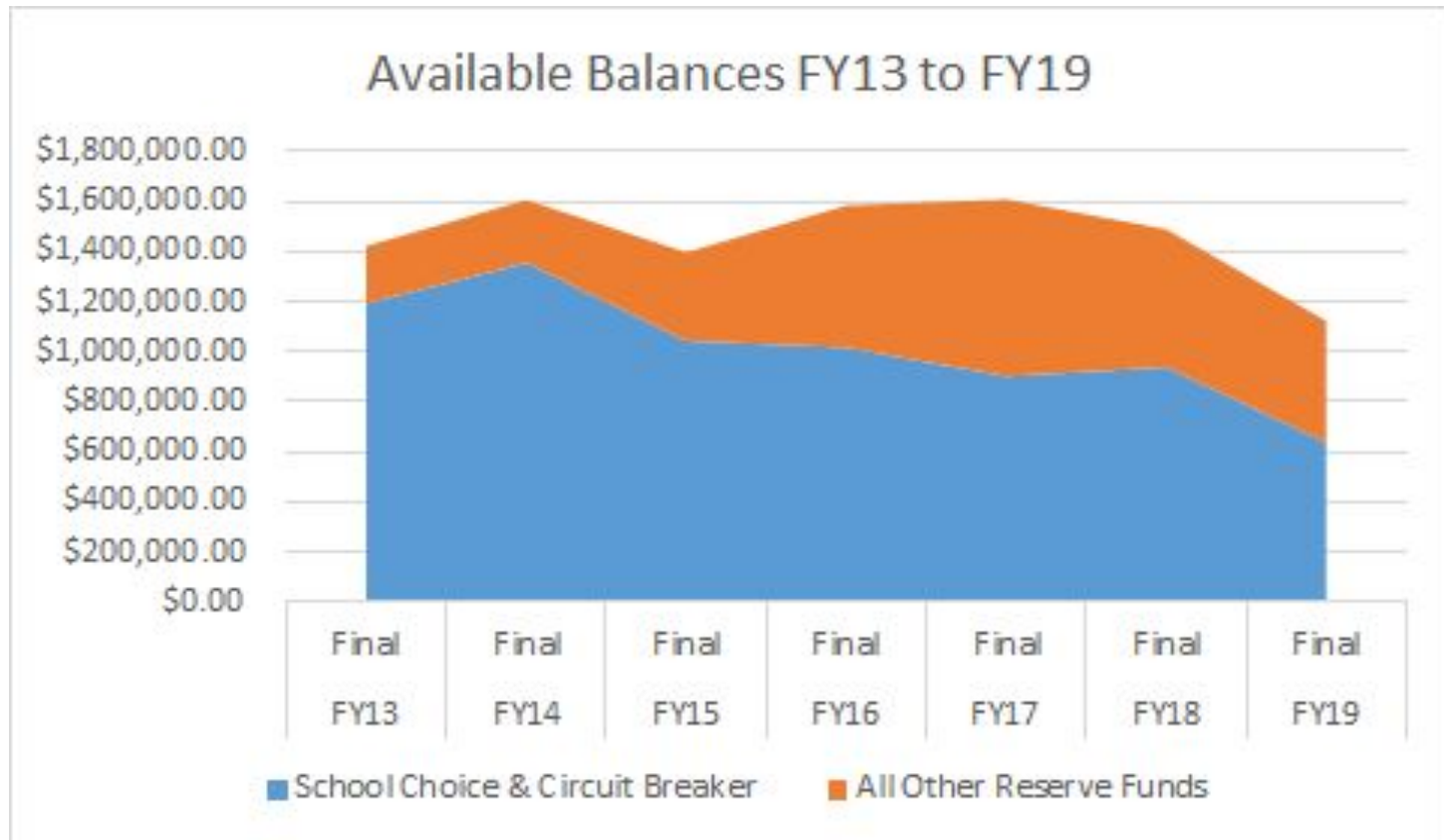
**Community Ed Support** (was \$26k in FY20; **new in FY19**)



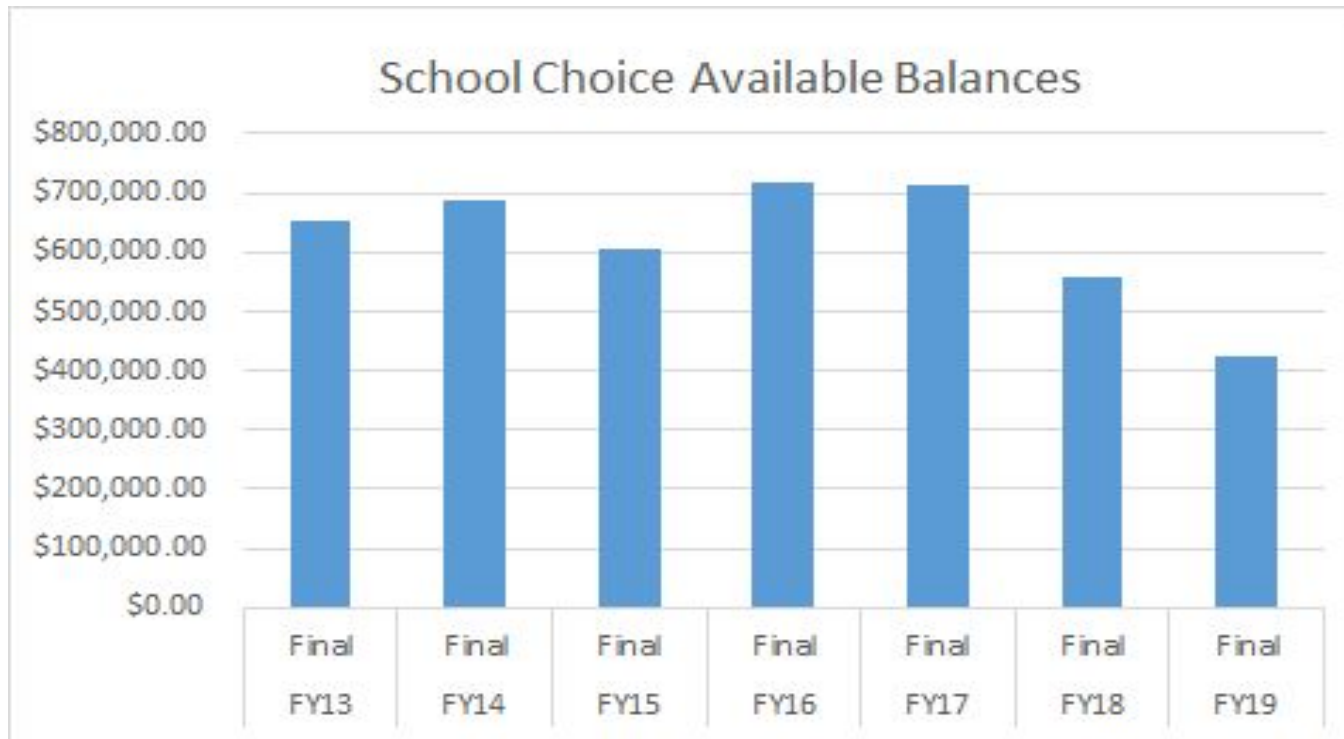
# Medway Public Schools Historical Chapter 70 Allocations

	<b>Chapter 70</b>	<b>\$ Increase</b>	<b>% Inc</b>
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	\$10,501,419	\$66,570	.63%
FY21 (Governor's)	\$10,566,999	\$65,580	.62%

# FY13 to FY19 Review of Medway School Department Reserves



# Historical School Choice Revolving Account Balances



- **\$2.4 million** from School Choice from FY15 to FY20 Budgets (budget support, projects and materials)
- FY21 anticipated Revenue = \$325,000 for 65 students, excluding reimbursement for special education expenses
- **FY21 Budget Support = \$350,000**

# Historical Annual % Increase to Fund Budget

	<b>Operating Budget</b>	<b>\$ Increase</b>	<b>% Inc</b>
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%
<b>FY21</b>	<b>\$28,490,125</b>	<b>\$824,125</b>	<b>3%</b>

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

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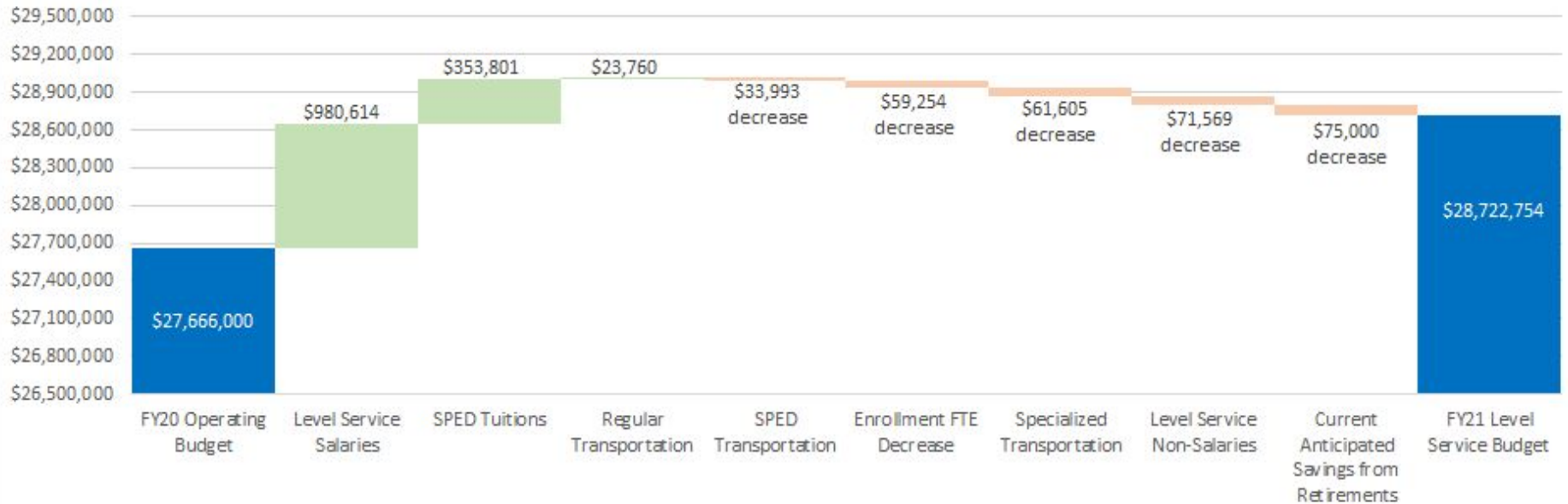
# FY21 Budget Development

## Calculate Level Service



# FY21 Level Service Development

Level Service Drivers



# FY21 Level Service Development

- Started with current staffing levels (beginning in Nov. 2019)
- Estimated Increased Payroll Costs Including collective bargaining agreements **\$980,614**  
(FY21 represents third year of three year collective bargaining agreements)
- Lowered Vacancy Factor **\$73,624 to \$0**
- Assumed 3 Retirements **(\$75,000)**
- Initial Review Yielded one FTE Decrease **(\$59,254)**
- Reviewed all changes from reconfigured FY20 budget (from Fall, 2019)

# FY21 Level Service Development

- Estimated Total SPED Tuition \$353,801

Reviewed all next year's placements-some increase are known & the rest were estimated at a 2% increase in FY21

**CONTEXT:** FY20 to FY21 Budgetary Increase must be seen in context of FY20 budget proved to be too low-increase not from large increase in numbers of tuitions

- Reviewed all transportation accounts in total:

Regular Transportation	\$23,760
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Specialized Transportation	(\$61,505)
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SPED Transportation	(\$33,993)
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# FY21 Level Service Development

- Reviewed All Other Non-Salary Accounts: **(\$71,569)**

## Highlights:

school cleaning (3 year contract concluding with FY21)

bus transportation (3 year contract concluding with FY21)

natural gas (October 2019 to September 2021; will conclude in middle of FY22)

electricity (December 2017 to December 2020; **will conclude in middle of FY21**)

water/sewer (10% increase) & trash rate (no increase) as requested by Medway Municipal officials

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# FY21 INITIAL Level Service

Final FY20 Budget: \$27,666,000

FY21 Initial Level Service: \$28,722,754

Our initial Level Service estimate represented an increase of approximately **\$1,056,754**, but did not include improvement initiatives, efficiencies, or final estimates





# FY21 Budget Development Calculate Budget Efficiencies

FY21 Initial Level Service:

\$28,722,754

Level Service increase estimate was **\$1,056,754**, but did not include improvement initiatives, efficiencies, or final estimates:

Budget Efficiencies/Refinements	(\$45,963)
Shift Expenses to Revolving Funds <i>(Comm Ed &amp; Custodian RF)</i>	
	(\$35,312)
Increase Circuit Breaker \$100k From First Estimate	(\$100,000)
Decrease FTEs Due To Enrollment	<u>(\$261,510)</u>
<b>FY21 Budget Efficiencies/Changes:</b>	<b>(\$442,629)</b>



# FY21 Budget Development

## Calculate Impact of Budget Priorities

# FY21 Budget Improvement Requests

- Add grade K-2 Science, Technology, Engineering Teacher (similar to model that exists in Grades 3 and 4)
- Procure core curriculum resources to support:
  - K-8 Mathematics
  - Grade 6 and 7 History/Social Sciences
  - Honors/AP US History
  - Tier 2 Mathematics, K-8
  - Advanced training in Responsive Classroom philosophy

# FY21 Budget Improvement Requests

- Procure 2 district operated mini-vans (Funding TBD)
- Add 2 Mini-Van Drivers
- Membership, *The Education Cooperative* Collaborative
- Add 1.0 Elementary Science Specialist
- Add 1.0 School Social Worker
- Increase general fund to support athletics

FY21 Initial Level Service: \$28,722,754

Level Service increase estimate: \$1,056,754

FY21 Budget Efficiencies/Changes: (\$412,629)

Athletic Increase \$40,000

SPED Van Drivers \$50,000

K-2 Science/Technology/Engineering Teacher \$58,000

Burke/Memorial Social Worker \$62,000

FY21 Improvement Requests: \$210,000



# Impact of Identified Efficiencies and Improvements on FY21 Preliminary Budget

<b>Starting Point: Level Service:</b>	<b>\$1,056,754</b>
<b>Staffing Efficiencies/Budget Changes:</b>	<b>(\$442,629)</b>
<b>Improvement Requests:</b>	<b><u>\$210,000</u></b>
<b>Total FY21 Increase Over FY20:</b>	<b>\$824,125</b>
	<b>or 3% increase</b>

**FY21 Preliminary Budget Is Currently \$114,125 Higher Than Board Of Selectmen FY21 \$710,000 Recommended Budget**

## FTEs Funded by Town Meeting Appropriation (FY16-FY21)

	<b>FTEs</b>	<b>Variance</b>
FY16	304.1	(-3.4)
FY17	301.4	(-2.7)
FY18	304.2	+2.8
FY19	308.8	+4.6
FY20 Final	312.9	+4.1
FY21 Recommended	313.5	+.6*

\*The addition of four (4) building based Paras into the Paraprofessional salary accounts that were funded as part of the FY20 Reconfigured Budget led to a recommended \$74k reduction in the FY21 2325 Short Term Substitute Account-it was estimated as part of the FY21 Level Service calculation.

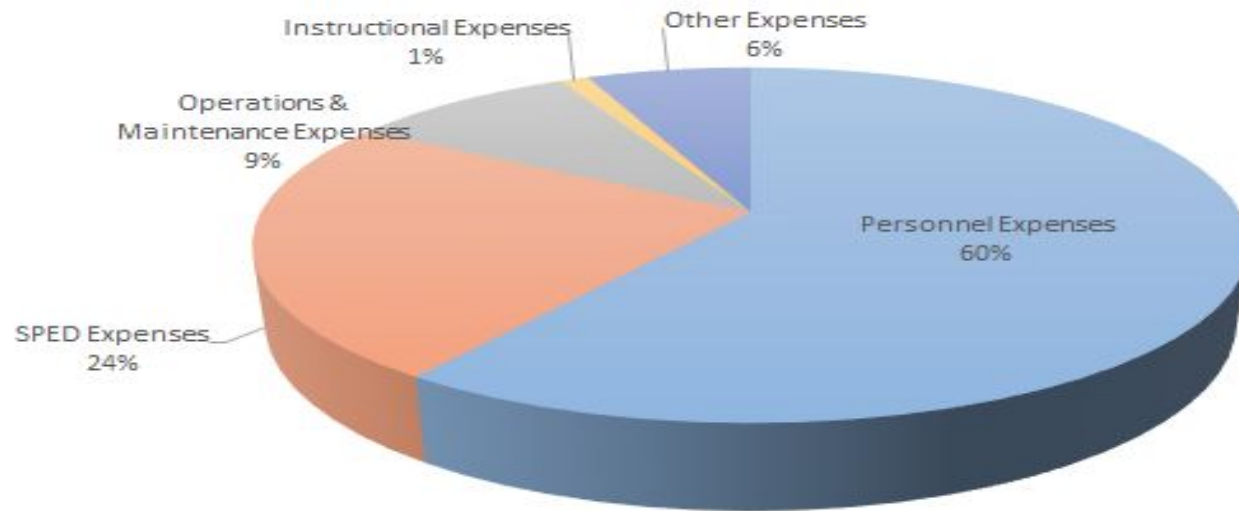
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# FY21 Budget Increase Summary



# FY21 Preliminary Budget

FY21 Medway Public Schools Overview By Category



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

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# 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 (\$130k in FY19 EOYR)
- Operations/Parks (Snow/Ice) (\$193k in FY19 EOYR)
- **Health Insurance & Life (\$3.51m in FY19 EOYR)**
- Workers Compensation (\$122k in FY19 EOYR)
- Medicare (\$371k in FY19 EOYR)
- County Retirement (\$1,392,630 in FY19 EOYR)
- Liability Insurance (\$59,656 in FY19 EOYR)
- Crossing Guards (\$40,057 in FY19 EOYR)
- Debt Service Payments (\$2,168,207 in FY19 EOYR) **DOES NOT COUNT FOR NSS**

**Assessments (separate from school operating budget):**

- Tri-County \$790,474 in FY19 EOYR **DOES COUNT FOR NSS**
  - School Choice Assessment \$329,393 in FY19 EOYR
  - Charter School \$205,080 in FY19 EOYR **DOES COUNT FOR NSS**
- TOTAL FROM FY19 INCLUDED IN EOYR CALCULATION: \$10,161,702**

# 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:

\$819,290 For Projects Approved From FY20 Capital Articles (number reported in FY19 EOYR)

\$211,163 For School Technology Approved From FY20 Capital Articles (number reported in FY19 EOYR)

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

# Medway Public Schools Financial Overview/Timeline

- November, 2019/January, 2020: Staffing levels/operating budget requests reviewed
- November, 2019/December, 2019 Educational Leadership Team FY21 Staffing Needs Meetings
- January 30, 2020: School Committee Budget Workshop
- February 6, 2020: “Charting The Course” FY21 Budget Planning Presentation
- **February 27, 2020: FY21 Preliminary budget presented to Medway School Committee**
- March 5, 2020 School Committee FY21 Budget Public Forum
- March 11, 2020: Medway Finance Committee Presentation
- March 19, 2020: School Committee Budget Public Hearing
- March 19, 2020: School Committee Vote on Budget
- May 11, 2020: Annual Town Meeting approval
- November, 2020: FY21 “Re-Configured” budget published



# FY21 Budget Request

\$28,490,125

3% increase over FY20 Budget

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# Questions/Discussion



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# Back Up Material/Appendices



# Medway Public Schools

## FTEs Changes (FY20-FY21)

	<b>FTEs</b>
FY20 Base	312.9
FY21 Base	
Redeploy/Enrollment:	(-3.6)
Improvement Requests:	4.0
Staff Finalization:	.2
FY21 Requested	313.5

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# FY21 Budget Account Detail



# Medway Public Schools

## FY21 Estimate-9300 Tuition Private Day Total

	FY20 Final	FY21 Current
SPED Tuition (Private Day)	\$1,206,704	\$1,389,686
Application-Circuit Breaker	(\$583,279)	(\$599,454)
Application-IDEA Grant	(\$553,877)	(\$567,024)
Application-School Choice	\$0	(\$113,242)
SPED Tuition (Residential)	\$356,955	\$236,658
Application-School Choice	(\$356,955)	(\$236,658)
SPED Tuition (Summer Day)	\$0	\$0
<b>TOTAL</b>	<b>\$69,548</b>	<b>\$109,866</b>

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# 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 (**\$365,000 projected in FY20**)
- “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 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 (\$260,000 in FY15 through FY17; \$467,000 in FY18; \$360,000 in FY19, \$356,955 in FY20)
- 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
FY19 Final	\$424,877
<b>FY20 Projected</b>	<b>\$402,300</b>

# 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
- **75%** final rate reimbursement -FY20 (**65% in FY18; 72% in FY19**)
- 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 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
For FY20	\$213,541

# FY21 Circuit Breaker Estimate Being Used To Support Budget

FY18	\$675,318
FY19	\$700,000
FY20	\$583,279
FY21	\$599,454

# 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.

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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>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Medfield	\$12,321	\$13,075	\$13,848	\$14,325	\$15,411	\$15,889
Bellingham	\$12,454	\$12,999	\$13,220	\$14,351	\$14,805	\$15,573
Hopkinton	\$13,005	\$13,106	\$13,534	\$14,127	\$15,017	\$15,016
<b>Medway</b>	<b>\$12,432</b>	<b>\$12,627</b>	<b>\$13,307</b>	<b>\$13,876</b>	<b>\$14,401</b>	<b>\$14,887</b>
Millis	\$11,714	\$12,414	\$13,489	\$14,336	\$14,887	\$14,621
Franklin	\$11,131	\$11,888	\$12,435	\$13,310	\$14,011	\$14,561
Ashland	\$12,677	\$13,271	\$13,607	\$13,176	\$13,813	\$14,469
Holliston	\$12,548	\$12,986	\$13,446	\$13,186	\$13,723	\$14,146

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# 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.

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# 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 (FY21 \$567,024 to support Educational Collaboratives Programs in Section 9300 of budget)
  - Title II (Part A)
  - Early Childhood Special Education Grant