

Berlin-Boylston Regional School District Preliminary FY21 Budget



December 10, 2019

Presented by:

Jeff Zanghi, Superintendent of Schools

Robert Conry, Director of Finance and Operations

Budget Objectives

- Maintain funding for existing programs and staff
- Fund items that were included in the District Improvement Plan
- Deliver a budget that is within the fiscal means of the Town of Berlin and the Town of Boylston

Budget Process Overview

LEVEL SERVICE BUDGETS

- Continue existing programs
- Provide mandated special education services



INVESTMENTS

- Requests for additional resources to meet critical needs, and to fund items in the District Improvement Plan

PRELIMINARY FY21 BUDGET (DECEMBER 2019)

Present to School Committee, and share with Town officials

Feedback loop

- Town officials
- SCOM

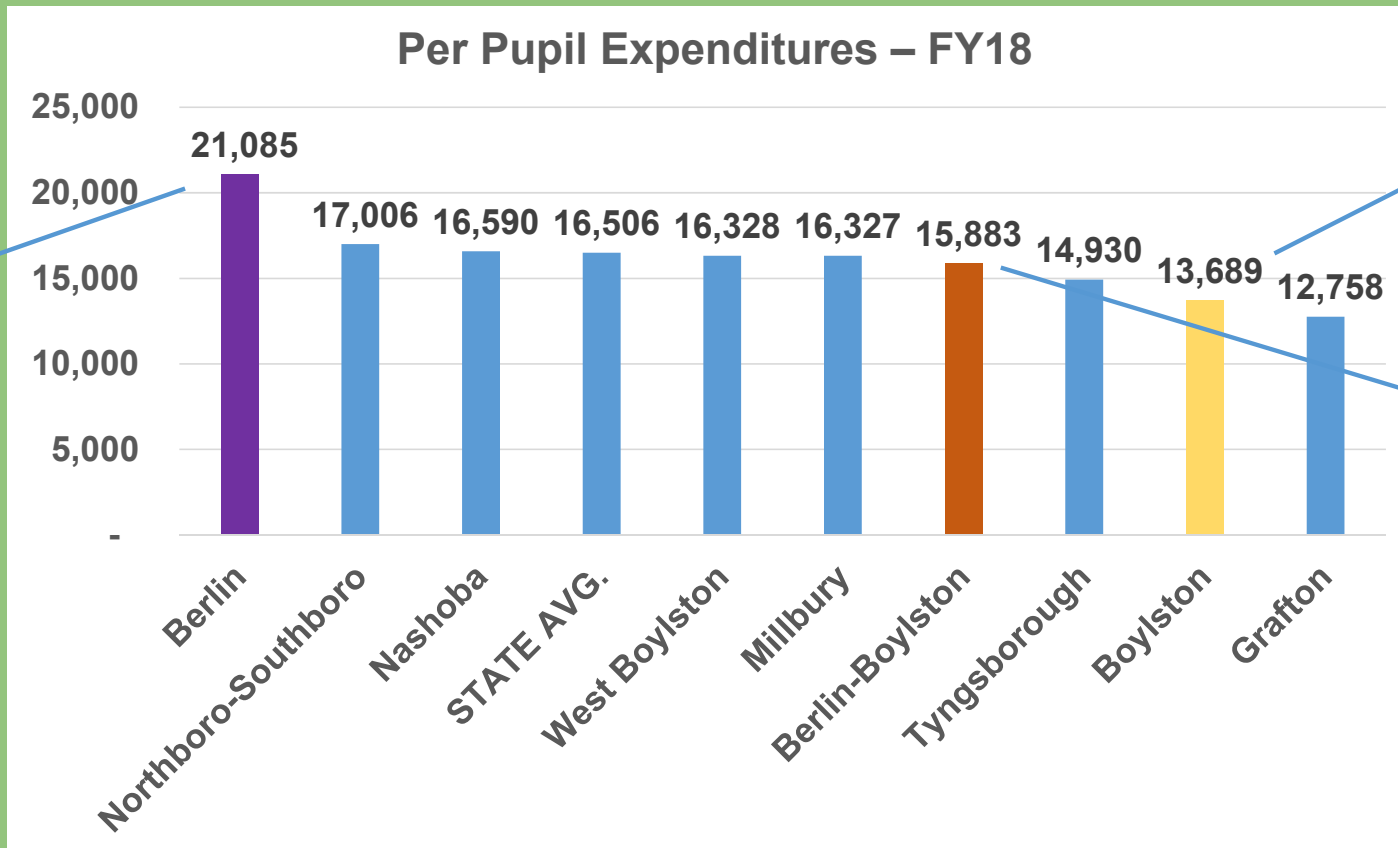
Review & Revise

New information

- State Aid (Ch. 70)E
- Expense/service changes

REVISED FY21 BUDGET (FEBRUARY 2020)

Context – Per Pupil Expenditure Data

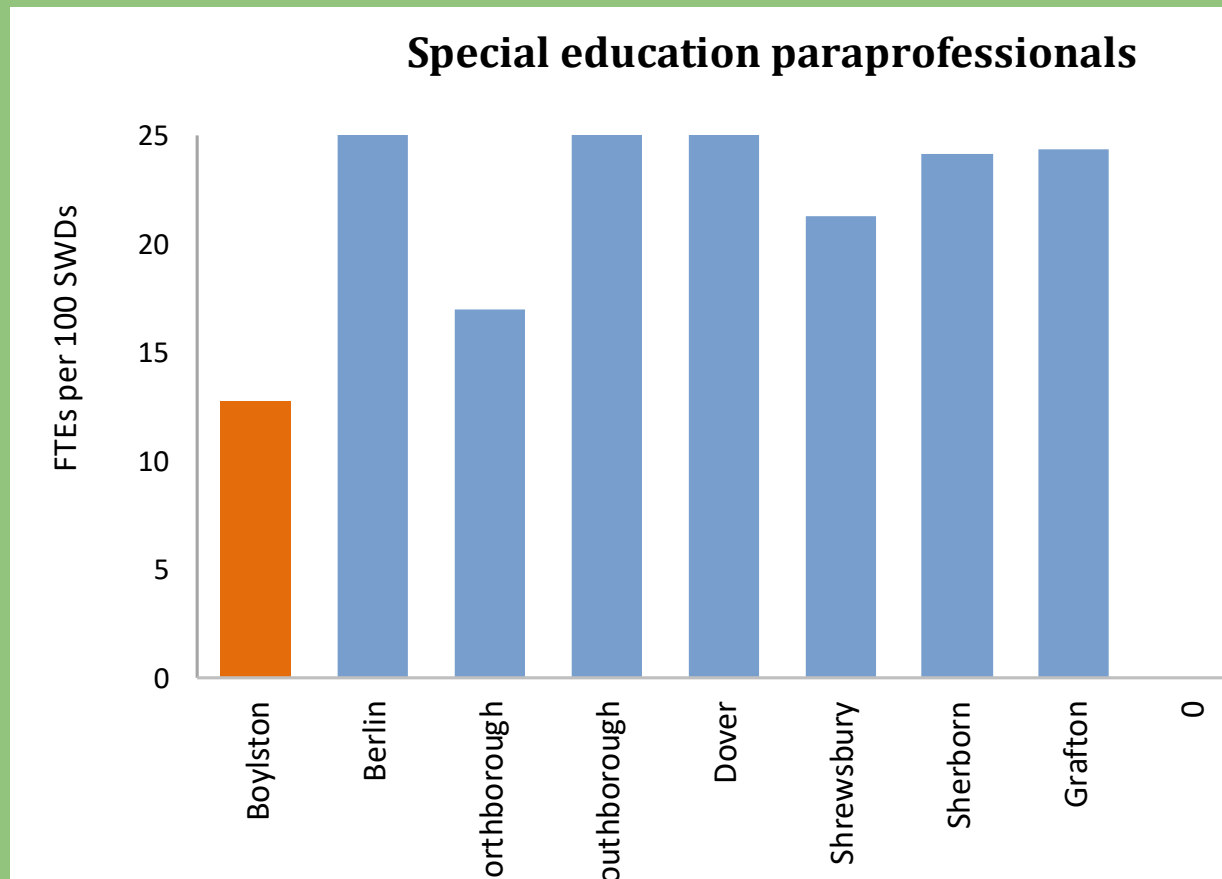


Boylston is in 9th percentile of districts in MA

Tahanto is in 45th percentile of districts in MA

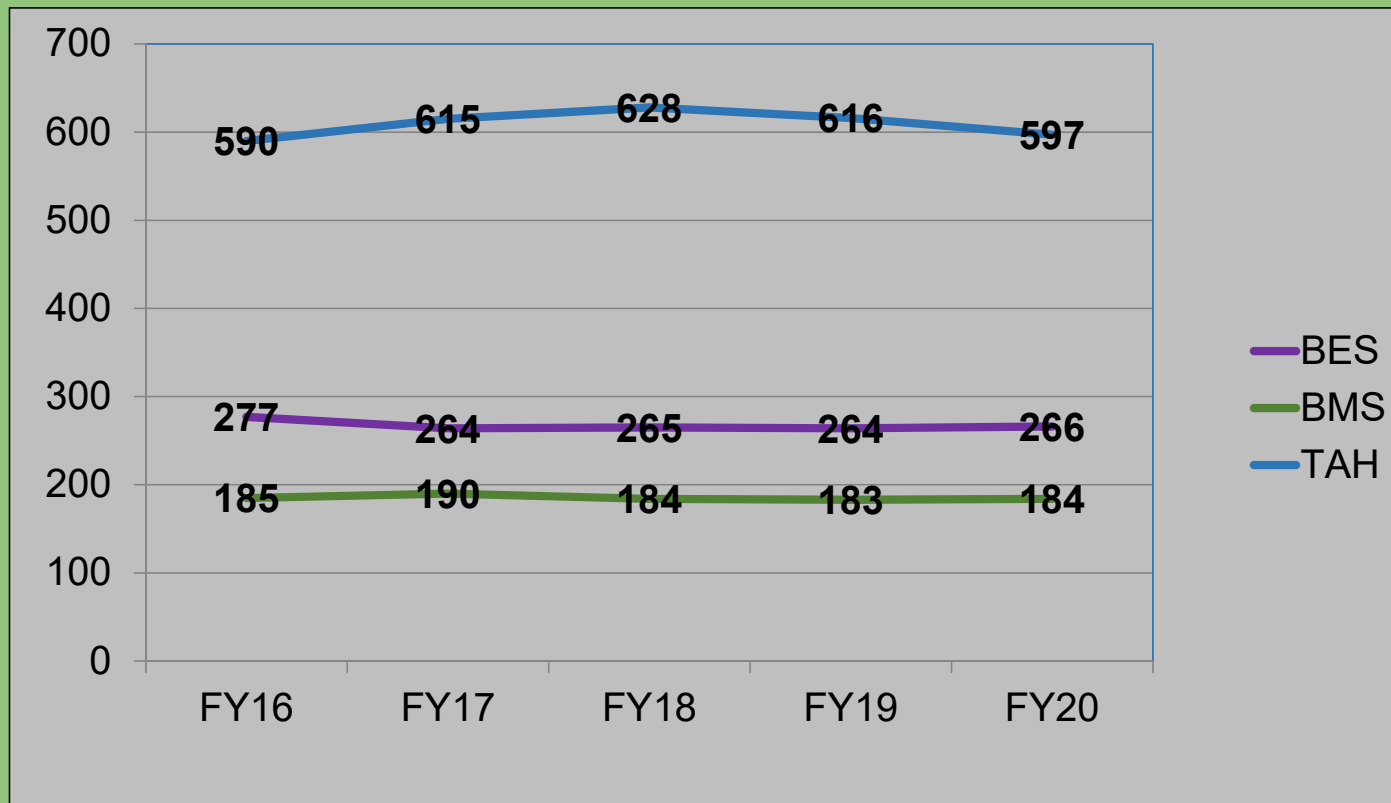
Berlin is in 86th percentile of districts in MA

Context – SPED Paraprofessional staffing



Source: Department of Elementary and Secondary Education

Student Enrollment Trends



Above Level Service Requests

Instruction/instructional support

- 1.0 FTE teacher at BMS (current 5th grade only 1 class)
- Share Math Specialist and Math Tutor roles between both elementary schools
- 1.5 FTE SPED paraprofessionals at BES for 1:1 support of 3 students transitioning from ½ day pre-K program to full day Kindergarten
- 2.0 FTE SPED paraprofessionals at BES to bring staffing in line with benchmarks
- 1.0 FTE Instructional aide at BES for Kindergarten support
- Budget for instructional coaching stipends (ELA, Math, Science)

Above Level Service Requests

Additional needs

- Technology funding for chromebooks, and to replace aging hardware
- Funding for curriculum materials to replace old materials, and expiring contracts
- Summer custodial workers (2 staff for 6 weeks)
- Specialized training for SPED teachers (Orton-Gillingham)
- Other items
 - Summer library open a couple days at BES (summer reading, etc.)
 - Wellness Committee stipends
 - Secretarial support to Curriculum Director
 - Instrument repairs, maintenance and/or purchase of replacements

Above Level Service Requests - SUMMARY

Line Item	BES	BMS	TMHS	Total
Instruction/support	\$ 185,729	\$ 66,271	\$ -	\$ 252,000
Curriculum replacement	\$ 31,977	\$ 18,318	\$ 29,500	\$ 79,795
Technology replacement	\$ 5,000		\$ 18,000	\$ 23,000
Prof. Development	\$ 8,133	\$ 6,133	\$ 8,533	\$ 22,799
Other	\$ 4,048	\$ 3,248	\$ 4,896	\$ 12,192
Total	\$ 234,887	\$ 93,970	\$ 60,929	\$ 389,786

Year over Year Comparisons – transition items

- Some remaining regionalization transition costs impact year over year comparisons. See below for items, and treatment in presentation
- In FY20, the towns budgeted and paid for two months of health care insurance costs for elementary school staff. In FY21, those two months of costs are being added to the Regional School Budget
Boylston Elementary: \$50,609 Berlin Memorial: \$64,863
- Worcester Regional Retirement pension costs for non-MTRS transitioning staff members added to elementary school budgets. Projections not yet available, estimated here at \$50,000 per school.
- The FY20 budget will be adjusted and “normalized” for the above two items to facilitate “apples to apples” to FY21 proposed budget.

FY21 Operating Budget Summary School View

FY21 Budget Summary by school (Prelim)	Berlin Memorial	Boylston Elementary	Tahanto MS-HS	Grand Total
FY20 Restated Budget	3,636,273	3,783,725	9,151,812	16,571,810
FY21 Proposed Level Service Budget	3,809,071	4,099,193	9,262,481	17,170,745
Increase - \$	172,798	315,468	110,669	598,935
Increase - %	4.8%	8.3%	1.2%	3.6%
Above Level Service Requests	93,970	234,887	60,930	389,787
Increase - %	2.6%	6.2%	0.7%	2.4%
Proposed FY21 Budget - PRELIMINARY	3,903,041	4,334,080	9,323,411	17,560,532
Increase vs. FY20 Budget (restated) \$	266,768	550,355	171,599	988,722
Increase vs. FY20 Budget (restated) %	7.3%	14.5%	1.9%	6.0%

FY21 Operating Budget Summary Town View

	FY21 Proposed		FY20 Restated		Increase	
	Level Svc + High Priorities		Budget		FY21 v FY20	
	Boylston	Berlin	Boylston	Berlin	Boylston	Berlin
Berlin Memorial		\$ 3,903,041		\$ 3,636,273		\$ 266,768
Boylston Elementary	\$ 4,334,080		\$ 3,783,725		\$ 550,355	
Tahanto MS-HS	\$ 6,041,570	\$ 3,281,841	\$ 5,930,374	\$ 3,221,438	\$ 94,941	\$ 51,573
Total - District Wide	\$ 10,278,421	\$ 7,041,294	\$ 9,613,490	\$ 6,742,848	\$ 664,931	\$ 298,446
					6.9%	4.4%
				Target (est.)	4.0%	4.0%
				Reduction required to meet Target	\$ 280,391	\$ 28,732

Note: Tahanto breakout by town is estimated based on last year's relative %'s by Town; this will be adjusted in Feb. 20120 presentation to the actual share %'s

Year over Year Changes: BES

- FY21 Budget of \$4,334,080
 - \$550K increase over FY20, or 14.5% increase

Key Drivers

- \$235K Above Level Service Requests
- \$106K increase in SPED tuition and transportation costs
- \$128K for contractual increases related to settlement of teacher's contract, and for bringing BES teachers into parity with Tahanto teachers in FY21.
- \$30K increase for transportation of foster care students
- Other contractual and inflationary increases for level services

Year over Year Changes: BMS

- FY21 Budget of \$3,903,041
 - \$267K increase over FY20, or 7.3% increase

Key Drivers

- \$94K Above Level Service Requests
- \$76K for contractual increases related to settlement of teacher's contract
- \$20K reduction in use of school choice funds
- \$18K increase in SPED and foster transportation costs
- \$12K in retiree health care costs
- Other contractual increases and 2% inflationary increases for level services

Year over Year Changes: TMHS

- FY21 Budget of \$9,323,411
 - \$172K increase over FY20, or 1.9% increase

Key Drivers

- \$61K Above Level Service Requests
- \$140K for contractual increases related to settlement of teacher's contract
- \$125K increase due to reduction in use of school choice funds
- \$86K increase in District share of health insurance costs
- \$57K increase in foster student transportation costs
- \$16K increase in general fund budget due to decreased Title I funding
- Offset by \$388K reduction in SPED out of district tuitions
- Other contractual increases and 2% inflationary increases for level services

Revenue Sources Beyond the General Fund

Berlin-Boylston Regional Schools Revolving Funds Update / Projection as of December 2019

	Berlin School Choice	Boylston School Choice	Tahanto School Choice	Circuit Breaker	Afterschool Program	Preschool	School Lunch	Athletics	School Rental	(note 1) Entitlement Grants	Total
FY19 Beginning	\$330,058	\$257,563	\$878,945	\$547,934	\$123,468	\$65,475	\$178,383	\$110,899	\$31,166	\$0	\$2,523,890
ACTUAL Revenue	\$78,840	\$86,831	\$446,749	\$533,350	\$238,166	\$67,818	\$394,223	\$117,845	\$13,877	\$424,369	\$2,402,068
ACTUAL Expense	\$19,168	\$54,563	\$478,105	\$586,253	\$243,961	\$96,316	\$370,780	\$93,406	\$4,784	\$424,369	\$2,371,705
FY19 Ending Balance	\$389,730	\$289,831	\$847,589	\$495,031	\$117,673	\$36,977	\$201,826	\$135,338	\$40,259	\$0	\$2,554,253
FY20 Beginning	\$389,730	\$289,831	\$847,589	\$495,031	\$117,673	\$36,977	\$201,826	\$135,338	\$40,259	\$0	\$2,554,253
Anticipated Revenue	\$80,000	\$70,000	\$420,000	\$475,277	\$238,166	\$80,000	\$394,223	\$117,845	\$14,000	\$384,205	\$2,273,716
Anticipated Expense	\$100,000	\$120,000	\$600,000	\$533,350	\$243,961	\$90,000	\$394,223	\$110,000	\$7,000	\$384,205	\$2,582,739
FY20 Proj'd Ending Balance	\$369,730	\$239,831	\$667,589	\$436,958	\$111,878	\$26,977	\$201,826	\$143,183	\$47,259	\$0	\$2,245,230
FY21 Beginning	\$369,730	\$239,831	\$667,589	\$436,958	\$111,878	\$26,977	\$201,826	\$143,183	\$47,259	\$0	\$2,245,230
Anticipated Revenue	\$80,000	\$70,000	\$425,000	\$250,000	\$238,166	\$82,500	\$394,223	\$117,845	\$14,000	\$336,563	\$2,008,297
Anticipated Expense	\$100,000	\$148,000	\$525,000	\$475,277	\$243,961	\$90,000	\$405,000	\$110,000	\$7,000	\$336,563	\$2,440,801
FY20 Proj'd Ending Balance	\$349,730	\$161,831	\$567,589	\$211,681	\$106,083	\$19,477	\$191,049	\$151,028	\$54,259	\$0	\$1,812,726

Note 1: For Grants, full award amount is reported and revenue and assumption is those funds will be fully spent within the year (for presentation purposes)

FY21 Capital Requests – Berlin Memorial

- \$95,000 - Gym HVAC Access (replace prior article)
 - \$15,000 – Resurface outdoor basketball court
 - \$10,000 – Asphalt repairs and restriping
- \$120,000 Subtotal

FY21 Capital Requests – Boylston Elementary

- \$40,000 - COMPLETE BUILDING ASSESSMENT

Third party assessment of all building systems: Roof, Electrical, Plumbing, HVAC, Building Envelope, Windows, All Exterior door systems

- \$17,000 – Replace Intercom system

- \$15,000 – Roof repairs

- \$15,000 – Replace pneumatic HVAC controls with electric

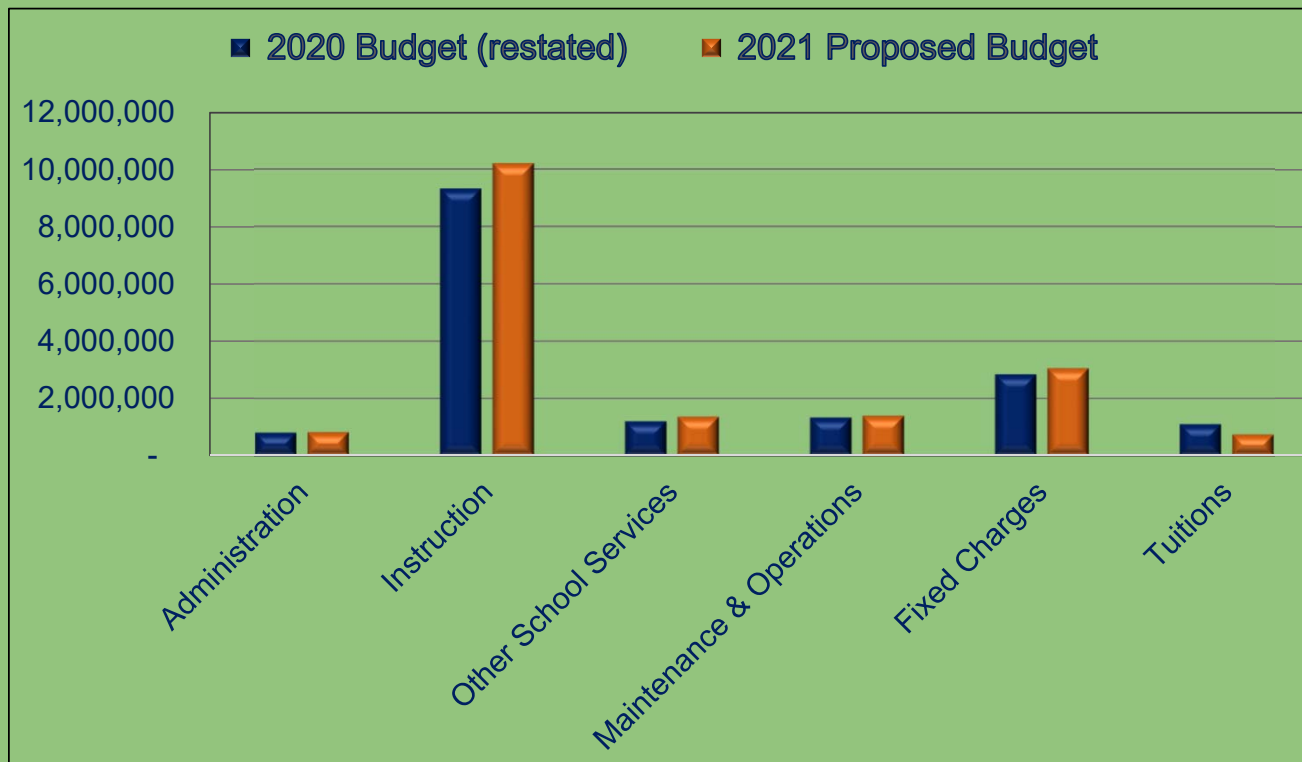
- \$87,000 Subtotal

FY21 Capital Requests – Tahanto MS-HS

- \$ 12,000 - Installation of freeze proof roof hydrants
- \$1,135,000 - Bond Principal Payments
- \$ 588,112 - Bond Interest Payments
- \$ (12,606) - Bond premium offset

\$1,722,506 Subtotal

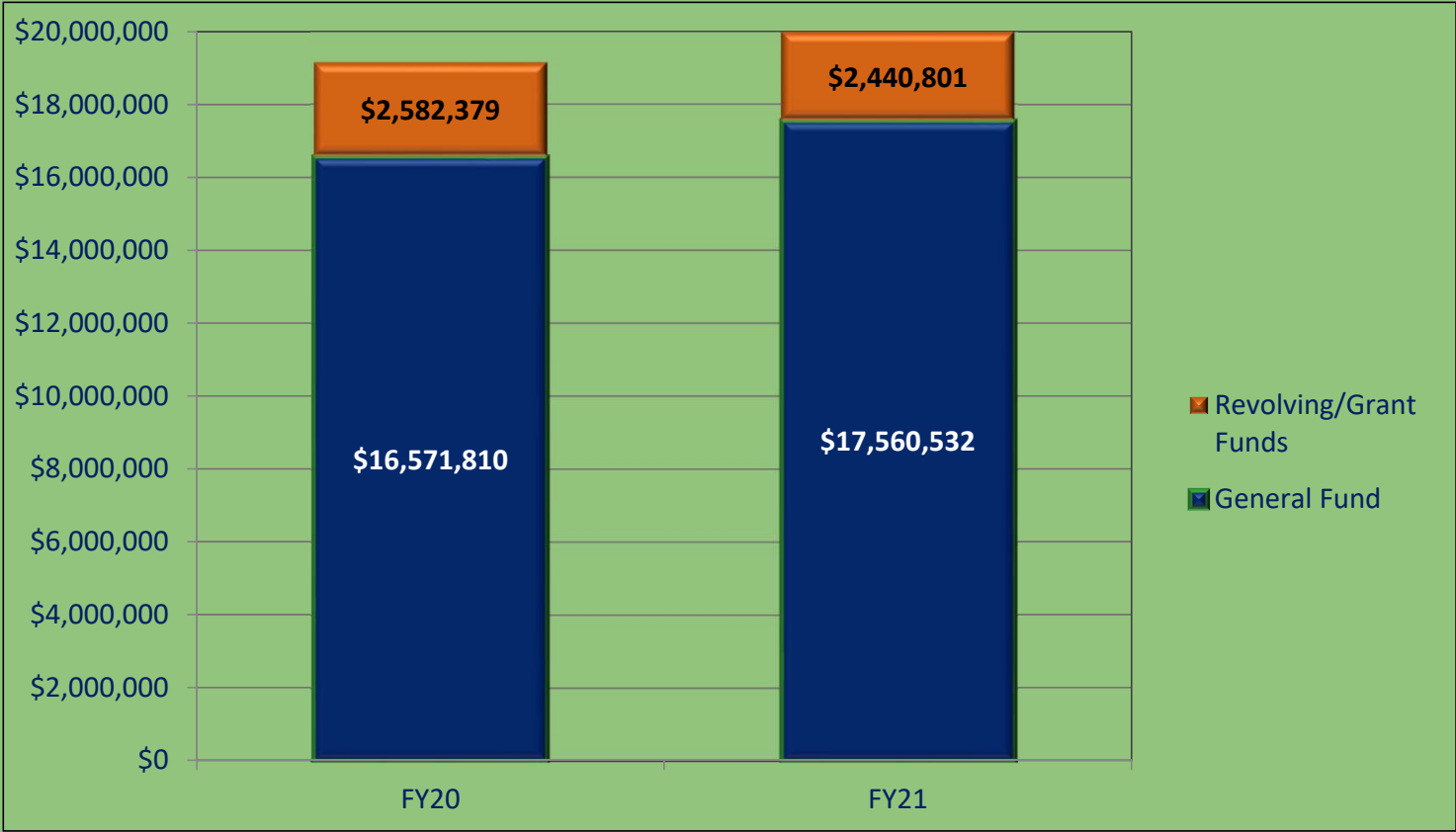
District-Wide Budget Comparison to FY20 by DESE Function



DESE Categories

- **ADMIN** = SCHOOL COMMITTEE, SUPERINTENDENT, BUSINESS OFFICE, ADMIN TECHNOLOGY, LEGAL SERVICES
- **INSTRUCTIONAL SERVICES** = CURRICULUM DIR & MATERIALS, SPED/PPS, CLASSROOM INSTRUCTION, TEACHERS, PARAS, PROFESSIONAL DEVELOPMENT, CLASSROOM SUPPLIES, ETC, GUIDANCE, & PSYCHOLOGICAL SVCS
- **OTHER SCHOOL SERVICES** = NURSING, FOOD SERVICE, TRANSPORTATION, STUDENT ACTIVITIES, & ATHLETICS
- **OPERATIONS & MAINTENANCE** = CUSTODIAL SERVICES, UTILITIES, MAINTENANCE OF BUILDINGS / GROUNDS / EQUIPMENT
- **FIXED CHARGES** = LEASES, INSURANCE COSTS, RETIREMENT ASSESSMENT
- **TUITIONS** = SPED OOD PLACEMENTS, SCHOOL CHOICE, CHARTER

Regional District-Wide Budget *Year over Year comparison by funding source*



Increase from FY19-FY20
General Funds: 6.0%
Overall/All Funds: 4.4%

Other Post-Employment Benefits (OPEB)

- An OPEB Trust was established a few years ago by the District
- An informal approach has existed with respect to funding the OPEB Trust in the past, with small contributions budgeted and made annually.
- This is now a separate line item in each school budget, and is funded at \$100 per FTE in the FY21 budget.

Tahanto	\$8,690
Boylston Elementary	\$5,145
<u>Berlin Memorial</u>	<u>\$4,235</u>
Total	\$18,070

- Over time, the amount per FTE will need to increase to fully fund the liability; there is not currently any laws/regulations that require that the OPEB Trust be fully funded

SPECIAL EDUCATION RESERVE FUND

- The establishment of this funds was approved at last Spring's Town Meeting
- School District believes that a \$75,000 reserve would be appropriate as a starting point; adequate to offset one unanticipated low cost out-of-district placement + transportation
- We recommend funding it as a one time article, and allocating the cost to the Towns based on the allocation percentages from the FY21 Tahanto capital assessment
 - those pecentages will be available at the Open Budget Hearing in Feb. 2020

Questions ?

REFERENCE SLIDES

Budget Process Overview

1) Development of Level Service Budgets

- Principals and administrators prepared level service budgets, with inflationary increase of 2% to cover vendor cost increases.
- Exceptions for large expenditures where more specific information was available, including payroll, transportation, benefits
- Level service budget also includes mandated supports/services for special education students

Budget Process Overview

2) Add: Above Level Service Requests

- Above level service requests were submitted by each administrator and principal, and reviewed and discussed by the Administrative team.
- Items prioritized as “critical” were funded in the preliminary budget
- Several items in the District Improvement plan were funded, but some were deferred due to more immediate needs, and due to the overall spending increase on the preliminary budget.

SPECIAL EDUCATION RESERVE FUND

- Massachusetts General Laws, Chapter 40A, § 13E - School district reserve funds to pay for unanticipated or unbudgeted costs for special education, out-of-district tuition or transportation
- Fund established by vote of the School Committee and by vote of Town Meeting
- Fund to be used to pay for extraordinary SPED out-of-district or transportation costs
- Release of funds to pay for expenses is authorized by vote of the School Committee and by vote of the Board of Selectmen
- Any balance in the fund can carry into future fiscal years and remains in the fund until needed and expended. Any interest earned becomes part of the fund
- Fund balance cannot exceed 2% of annual net school spending (approx. \$1M)