

# FY23 Budget Workshop

February 15, 2022

# The Problem We We're Trying To Solve

## *January 26, 2021*

The challenge we were discussing at this time last year

- The cost of level services grows at an average 3.5-4% which is faster than 2.5%.
  - Perpetual and Structural Challenge – not a function of any single budget year
  - Level Service growth rate is suppressed annually in recognition of fiscal constraints
  - Creates a cycle of cutting to meet a specified budget number
    - Cumulative level services deficit grows over time
    - Every 7-10 years MERSD faces a financial crossroads of significant program reduction or need for an override
- We are at that crossroads in planning for FY22-24.



# The Problem We We're Trying To Solve

January 25, 2022

Structural Financial Challenge Continues

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Expanded Obligations in Health Insurance & Out of District Placements

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Enrollment Shift Causing Apportionment Concern for Town of Essex

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*MERSD must determine the direction it wants to take to balance the budget  
Reserves / Reserves & Program Cuts / All Program Cuts*



## Understanding the problem before discussing potential solutions

<b>Reduction Targets</b>			
<i>Cuts</i>	\$1,340,000	\$983,000	\$905,000
<i>Reserves</i>			
<i>Spending</i>	0.94	2.23	2.50
<i>Assessment</i>	2.02	3.50	3.82
<i>TOE Apportionment</i>	3.49	4.99	5.32
<i>MBTS Apportionment</i>	1.20	2.60	2.98
<i>Does not account for potential HC increase of \$150K</i>			

- Current ask (3.5% assessment for TOE) is not achievable without substantial program reduction
- Mutually agreed upon assessment target of 3.5% and/or spending increase of 2.5% puts TOE above their desired percentage increase for FY23

- *MERSD must determine the direction it wants to take to balance the budget*
  - *Reserves*
  - *Reserves & Program Cuts*
  - *All Program Cuts*



- *Decision should be guided by whether we have the commitment from towns to a long-term solution*
  - *Public Commitment to support and advocate for a defined revenue correction (est. \$1.5m)*
    - *Recommendation: 50/50 Reserves/Reduction approach to FY23*
  - *No Commitment to support and advocate for a defined revenue correction (est. \$1.5m)*
    - *Recommend 20/80 Reserve/Reduction approach to FY23 with anticipation of further reductions and reserve use in FY24 and deferment of capital projects until budget is stabilized*
    - *Explore long-term structural changes to program, school model, and grade level configurations*

**Original Gap \$985K + Potential Health Care Increase \$150K = \$1,135,000M**

	<i>Cuts</i>	<i>No Cuts</i>	\$285,000	\$568,000	\$850,000	\$1,135,000
		\$1,135,000				
	<i>Reserves</i>	0	\$850,000	\$568,000	\$285,000	<i>No Reserves</i>
	<i>Spending</i>	5.21	4.14	3.04	2.13	1.76
	<i>Assessment</i>	2.87	2.87	2.64	2.83	2.95
	<i>TOE Apportionment</i>	4.36	4.36	4.15	4.34	4.49
	<i>MBTS Apportionment</i>	2.04	2.04	1.80	1.98	2.10
<b>Assumptions Revisions</b>						
<b>Operation Reductions</b>		\$0	\$105,000	\$70,000	\$70,000	\$70,000
	Continued Bus Run Reduction	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
	Eliminate Late Bus	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
	Potential Staffing Tide Savings	\$35,000	\$35,000			
<b>Staffing and Program Reductions</b>		\$0	\$100,000	\$440,000	\$695,000	\$950,000
	<i>1.0 HS Math (attrition)</i>	\$85,000		\$85,000	\$85,000	\$85,000
	Eliminate Foreign Lang Exploratory K-6( begin program Grade 7)	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
	Move Instrumental Music Lessons to Fee for Service -Reduce .7 FTE					
	-Move instrumental music lessons to fee-based after-school	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
	Elem. Classroom Teacher (enrollment class size / attrition if possible)	\$85,000		\$85,000	\$85,000	\$85,000
	2-8 FTE Reductions (taken from attrition first if possible)	\$85,000		\$170,000	\$425,000	\$680,000
<b>Restructuring Opportunities</b>		\$0	\$95,000	\$95,000	\$95,000	\$95,000
	<b>Restructuring of Elementary Intervention Model</b> -Reduce 1.2 TAs / 1 Tutor	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
	<b>Study K-12 Administrative and Central Office Restructure</b> -Cont. w/ Interim CIT FY23 -CO Admin Support Proposal 3/22 for implementation in FY23 -K-12 Inst Leadership Proposal by 12/22 w/ implementation plan -Initial Est. Short Term Savings	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
<b>E&amp;D Reserves</b>						
	OPEB Reserves		\$150,000	\$150,000	\$150,000	
	Excess & Deficiency Fund Reserves		\$985,000	\$685,000	\$435,000	\$135,000
	School Choice Reserves (Earmark)					
	Stabilization Fund (Reserves)					
			\$1,135,000	\$835,000	\$585,000	\$285,000
			\$0	\$300,000	\$605,000	\$860,000
			\$1,135,000	\$1,135,000	\$1,190,000	\$1,115,000
			\$0	\$0	\$55,000	\$10,000
<b>Total Over/Under</b>			\$0	\$0	\$55,000	-\$20,000

<b>Original Gap \$985K + Potential Health Care Increase \$150K = \$1,135,000M</b>			
	<i>Cuts</i>	\$568,000	\$605,000
	<i>Reserves</i>	\$568,000	\$668,000
	<i>Spending</i>	3.04	3.04
	<i>Assessment</i>	2.64	2.30
	<i>TOE Apportionment</i>	4.15	3.80
	<i>MBTS Apportionment</i>	1.80	1.47
<b>Assumptions Revisions</b>			
<b>Operation Reductions</b>		<b>\$70,000</b>	<b>\$70,000</b>
	Continued Bus Run Reduction	\$50,000	\$50,000
	Eliminate Late Bus	\$20,000	\$20,000
	Potential Staffing Tide Savings	\$35,000	
<b>Staffing and Program Reductions</b>		<b>\$440,000</b>	<b>\$440,000</b>
	<i>1.0 HS Math</i>	\$85,000	\$85,000
	Eliminate Foreign Lang Exploratory K-6 ( begin program Grade 7)	\$65,000	\$65,000
	Move Instrumental Music Lessons to Fee for Service -Reduce .7 FTE		
	-Move instrumental music lessons to fee-based after-school	\$35,000	\$35,000
	Elem. Classroom Teacher (enrollment class size / attrition if possible)	\$85,000	\$85,000
	2-8 FTE Reductions	\$85,000	\$170,000
<b>Restructuring Opportunities</b>		<b>\$95,000</b>	<b>\$95,000</b>
	<b>Restructuring of Elementary Intervention Model</b> -Reduce 1.2 TAs / 1 Tutor	\$70,000	\$70,000
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<b>E&amp;D Reserves</b>			
	OPEB Reserves	\$150,000	\$150,000
	Excess & Deficiency Fund Reserves	\$435,000	\$518,000
	School Choice Reserves (Earmark)		
	Stabilization Fund (Reserves)		
		\$585,000	\$668,000
		\$605,000	\$605,000
	<b>Total</b>	<b>\$1,190,000</b>	<b>\$1,273,000</b>

# Multi-Year Budget Outlook

<b><u>Spending</u></b>	<b>FY-23</b>	<b>FY24</b>	<b>FY25</b>	
Staff	\$18,183,043	\$18,873,998	\$19,591,210	
Health/Pension	\$5,225,564	\$5,591,353	\$5,982,748	
All Other	\$5,372,381	\$5,506,691	\$5,644,358	
<b>Total</b>	<b>\$28,780,988</b>	<b>\$29,972,042</b>	<b>\$31,218,316</b>	
State Aid	\$3,299,118	\$3,348,605	\$3,398,834	
Fees/Other	\$119,500	\$123,683	\$128,011	
E&D/Reserves	\$518,000	\$785,832	\$1,077,561	<b>Total E&amp;D/Reserve Usage</b> <b>\$2,381,393</b>
<b>Total Assessment</b>	<b>\$24,844,370</b>	<b>\$25,713,922</b>	<b>\$26,613,910</b>	
		<b>3.50%</b>	<b>3.50%</b>	
<b>w/OR</b>				
<b><u>Spending</u></b>	<b>FY-23</b>	<b>FY24</b>	<b>FY25</b>	
<b>Total</b>	<b>\$28,780,988</b>	<b>\$30,132,542</b>	<b>\$31,362,518</b>	
E&D	\$518,000		\$242,309	
<b>Total Assessment</b>	<b>\$24,844,370</b>	<b>\$26,660,255</b>	<b>\$27,593,364</b>	
			<b>3.50%</b>	



# Projected Reserve Usage 50/50 Scenario

	E&D	School Choice	Stabilization	Facilities Rental	Total
<b>FY21 Usage</b>					
Operations	\$335,000				
COVID Costs (after federal funding)		\$200,000			
EES Technology			\$128,000		
Essex Playground			\$291,000		
<i>FY21 Ending - Unaudited</i>	<i>\$1,631,391</i>	<i>\$1,404,288</i>	<i>\$552,201</i>	<i>\$253,943</i>	<i>\$3,841,823</i>
<b>FY22 Usage</b>					
Operations	\$335,000				
Essex Playground			\$69,000		
Security, Technology & Fiber			\$199,000		
Essex/MHS Facility Report			\$50,000		
Hyland/Brk St Field Replacement			<i>\$1,200,000 Defer to '25</i>		
<i>Account Totals</i>	<i>\$1,296,391</i>	<i>\$1,404,288</i>	<i>\$234,201</i>	<i>\$253,943</i>	<i>\$3,188,823</i>
<b>FY23 Usage</b>					
Operations	\$518,000				
EES Back-Up Boiler			\$100,000		
Hyland/Brk St Field Replacement			<i>\$1,200,000 Defer to '25</i>		
MHS Carpeting (Auditorium & Pods)			\$90,000		
<i>Account Totals</i>	<i>\$778,391</i>	<i>\$1,404,288</i>	<i>\$44,201</i>	<i>\$253,943</i>	<i>\$2,480,823</i>
<b>FY24 Usage</b>					
Operations	\$786,000				
Hyland/Brk St Field Replacement			<i>\$1,200,000 Defer to '25</i>		
<i>Account Totals</i>	<i>-\$7,609</i>	<i>\$1,404,288</i>	<i>\$44,201</i>	<i>\$253,943</i>	<i>\$1,694,823</i>
<b>FY25 Usage</b>					
Operations	\$1,078,000				
Hyland/Brk St Field Replacement			<i>\$1,200,000 Defer to '25</i>		
<i>Account Totals</i>	<i>-\$1,085,609</i>	<i>\$1,404,288</i>	<i>\$44,201</i>	<i>\$253,943</i>	<i>\$616,823</i>

# Previous Gap Closing/Reduction Scenarios

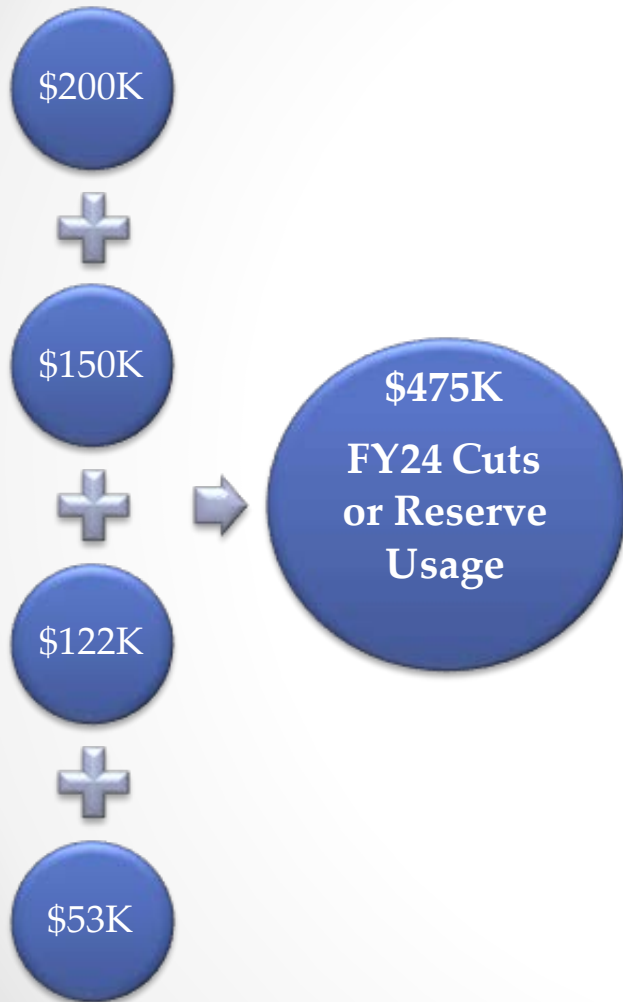
# FY23 Budget Overview at Tentative

- FY23 Draft Operating Budget = \$29.54 million
  - 5.75% (\$1.61 million) spending increase from FY22 budget
  - \$983K gap between Level Services and Target Assessment to Towns of 3.5%
    - Prior Tentative Budget gaps: \$611K FY22, \$430K FY21, \$380K FY20, \$900K FY19
    - Spending growth driven by OOD tuition/transportation, 1:1 aides, and insurance
- Preliminary FY23 Operating Assessment Increase = 3.50%
  - Measures cost increase to towns after deducting “Other Revenue” (e.g., State Aid) from spending needs
  - High end of MERSD’s sustainable multi-year budget range
    - 5-year average assessment increase is just 3.25% amidst avg. State Aid increase of 2.0%.
  - Assume minimum increase (1.3%) in Chapter 70 to \$3.12 million, due to continued dip in enrollment.
- FY23 Draft Capital Budget = \$4.48 million
  - Debt service for MSHS and MMES approved by voters when projects began
  - \$208.6K increase (4.9%) vs. prior year reflects new cost from 2<sup>nd</sup> round of MMES borrowing (\$3.23 million bonds)

# FY23 Proposed Revised Budget - January

- FY23 Revised Draft Operating Budget = \$28.84 million
  - 3.25% (\$908K) spending increase from FY22 budget
  - \$435K Use of E&D Reserves to fund gap between revised budget (*below level services*) and Target Assessment to Towns
- Revised FY23 Operating Assessment Increase = 2.78%
  - Reduction of \$174K from Tentative Budget
    - Manchester 1.98% apportioned growth (*Reduction of \$107K*)
    - Essex 4.21% apportioned growth (*Reduction of \$67K*)
- FY23 Draft Capital Budget = \$4.48 million
  - Debt service for MSHS and MMES approved by voters when projects began
  - \$208.6K increase (4.9%) vs. prior year reflects new cost from 2<sup>nd</sup> round of MMES borrowing (\$3.23 million bonds)

# What Has Changed Since the Tentative Budget

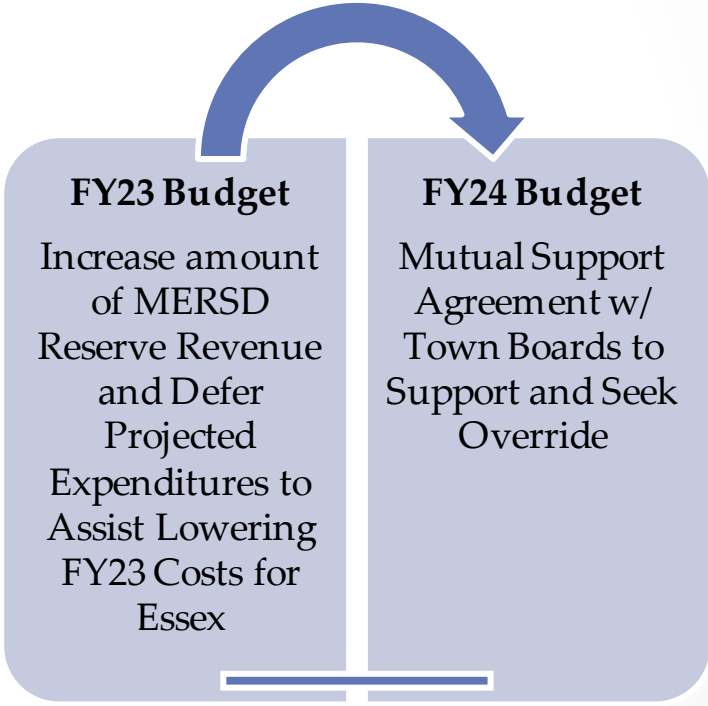


## **Reduced Spending & Reserve Use \$722K** *\$548K Reduction of Reserves & \$174K Reduction to Assessment*

- Revised Assumptions
  - Assumed risk for 50% of projected out of district placement (\$170K)
    - Transportation (\$30K)
  - Known Staffing Change Saving (\$57K)
- Utilize OPEB to Fund Portion of Retiree Health (\$150K)
- Utilize Stabilization to Fund Facilities Small Capital (\$53K)
- Utilized ESSER III to Fund COVID related staffing (\$122K)
  - HS Adjustment Counselor
  - IT Technician
- Service Reductions
  - Reduce Summer Work 50% - (\$30K)
  - Reinstate Monitor Staffing Level to Pre-COVID Levels (\$10K)
- Increased Revenues
  - School Choice Increase Enrollment MHS - (\$75K)
  - Fees - (\$25K)

# Rationale for January 25<sup>th</sup> Reduction

- Intended to meet 3.5% assessment goal and act as a **bridge** to revenue correction – override
- District assumed risk for expenditures anticipated but not actual at time of budget development = Out of District Placements
  - Those costs were removed from the budget
- That risk was backed by reserves



# Options for Reducing the Budget

- Annual Target Assessment Rate 3.5%
- Current Assessment Rate = 2.78%
- TOE requests further reduction to reduce apportionment to 3.5%
- Requires an additional \$170K in reductions/reserve use
- Cutting the district budget to address a town apportionment target requires the district to cut 3X the amount requested
- Ex. *Town wants to reduce its apportionment cost by \$50K the district needs to cut \$150K so the town target is met after apportionment.*

FY23 Budget	Current Gap Target = \$170K
<b>Assumptions Revisions</b>	<b>\$0</b>
Watching Health Care - No Change could by +/- 3pts	
<b>Operation Reductions</b>	<b>\$105,000</b>
Continued Bus Run Reduction	\$50,000
Eliminate Late Bus	\$20,000
Potential Staffing Tide Savings	\$35,000
<b>Staffing and Program Reductions</b> <i>(Staff reductions to be taken by attrition if possible)</i>	<b>\$185,000</b>
Elem. Classroom Teacher <i>(enrollment class size / attrition if possible)</i>	\$85,000
Eliminate Elem. Foreign Lang Exploratory K-6 <i>(begin program Grade 7)</i>	\$65,000
Move Instrumental Music Lessons to Fee for Service -Reduce .7 FTE -Move instrumental music lessons to fee-based after-school	\$35,000
<b>Restructuring</b>	<b>\$95,000</b>
<b>Restructuring of Elementary Intervention Model</b> -Reduce 1.2 TAs / 1 Tutor	\$70,000
<b>Study K-12 Administrative and Central Office Restructure</b> -Cont. w/ Interim CIT FY23 -CO Admin Support Proposal 3/22 for implementation in FY23 -K-12 Inst Leadership Proposal by 12/22 w/ implementation plan -Initial Est. Short Term Savings	\$25,000
<b>Previous Reductions/Offsets/Reserves &amp; Fees</b>	<b>\$722,000</b>
<b>Total Reductions from Tentative Budget</b>	<b>\$1,107,000</b>

***Beyond the Budget***

*~ Explore potential of expansion of regionalization/union w/ Cape Ann neighbors*

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# Gap Closing & Reduction History

	Budget Reductions FY18 - FY22				
	FY18	FY19	FY20	FY21	FY22
	<i>28% Insurance Rate Increase After Budget Adoption Assessment 3.2%</i>	<i>16% Insurance Rate Increase Assessment 3.29%</i>	<i>Level Service Assessment Target 3.5% Assessment 2.85*</i>	<i>Level Service Assessment Target 3.5% Assessment 3.18%</i>	<i>Level Service Assessment Target 3.5% Assessment 3.5%</i>
<b>Staff &amp; Program Reductions</b>	<b>\$0</b>	<b>\$414,500</b>	<b>\$125,000</b>	<b>\$133,500</b>	<b>\$50,000</b>
Staff Reduction through attrition (equivalent 5.5 FTE)		\$354,000	\$125,000		
HS Student Activity Cut		\$20,000			
Curriculum/PD Small Cap Reduction		\$20,000	\$0		
Full Day K on Wednesdays/Eliminate Transportation Cost		\$8,000	\$0		
Eliminate Crossing Guard Fund		\$4,500	\$0		
Retirement Replacement Offset		\$5,000		\$133,500	\$50,000
Reduce Nurse Substitute Line		\$3,000			
<b>Operational/Process Changes</b>	<b>\$195,000</b>	<b>\$244,500</b>	<b>\$240,000</b>	<b>\$85,000</b>	<b>\$65,000</b>
Implement M5 Hire Cap	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Reduce Building Based Expenses	\$40,000				
Cut Small/Cap Annual Budget	\$40,000	\$40,000			
Defer EERB Pension Repay Set-Aside	\$50,000	\$50,000			
50% Reduction Overtime/Summer work - all departments		\$60,000			
Partial Reduction Late Bus Services		\$5,000		\$20,000	
IDEA Grant Reorganization		\$17,000			
Reduce Custodial Supply Line		\$7,500			
Health Care Restructure - Intro HRA			\$175,000		
<b>Alternative Revenue Sources/Offsets</b>	<b>\$215,000</b>	<b>\$20,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$35,000</b>
Tuition Prepay - FY17 Reserves	\$150,000				
School Choice Revenue Increase	\$15,000				
Solar Savings		\$10,000			
Essex Green Grant Upgrades		\$10,000			
Reduce OOD / Tuition Prepay	\$50,000		\$200,000		
Kindergarten Revolving Fund					\$35,000
<b>Reduction</b>	<b>\$410,000</b>	<b>\$679,000</b>	<b>\$565,000</b>	<b>\$218,500</b>	<b>\$150,000</b>
Direct Reserve Usage (E&D)			\$100,000	\$335,000	\$335,000
Total Budget Reduction to Achieve 3.5 Assessment Target	\$410,000	\$679,000	\$665,000	\$553,500	\$485,000
				<b>\$2,792,500</b>	

\*After budget reserve usage to assist TOE with unanticipated OSHA expenses

# FY23 Operating Budget Drivers

- Compensation: *\$515K (2.86%) spending growth* ↓
  - 2.5% Cost of Living Adjustment (COLA) for all district personnel, in line with FY20-FY22
- Insurance & Pension: *\$182K (3.28%) spending growth* ↓
  - Initial rate increase estimate of 10%, as utilization rises following COVID dip
  - FY22 baseline savings offsets impact to active employee insurance (3.8% growth, net)
  - Mandated retiree health due to continued rise in number insured (168 insured retirees vs. 166 active) funded via OPEB contribution
- Out-of-District (OOD) Tuition/Transportation: *\$205K (15%) spending growth* ↓
  - Continued multi-million \$ savings from in-district programs, but cost for those needing OOD is significant (9 forecasted placements of \$100K+)
  - Circuit Breaker (CB) growing, but only covers portion of cost growth

# Concerns/Considerations

- The total cuts/reserves/offsets liability is \$985K
  - This will be the baseline number for an override in FY24 (Spring '23) before the key driver costs are accounted (ex. Health Care / OOD)
  
- Budget is 80% people and benefits
  - Reductions will need to come from these areas
  - Programs = people (minimal costs to supplies)
  
- If a revenue correction is unsuccessful...
  - Reserve usage would carry us for one to two years with some additional cuts if we defer field replacements until operational budget is stabilized and reserves replenished
  - A budget reduction of \$900-\$1.2M would require 11.5-14 FTE (*factoring based on the average teacher salary*)
    - It would likely mean more individuals when reductions are spread across employment groups and unemployment costs are assessed (est. 20-30% of personnel cut / ex. \$200K additional cuts for \$1M in personnel cuts)

# Budget Basics Slides

# MERSD Budget

- MERSD operational budget is managed to deliver a stable and predictable spending and assessment growth rate from which apportionment is factored.
- MERSD manages key drivers and wild cards to maintain the agreed upon target of 3.5% spending/assessment growth.
- The mechanics of apportionment can inflate or deflate the apportionment growth rate as town enrollments fluctuate.
- The operational budget has been historically been developed to provide level services.



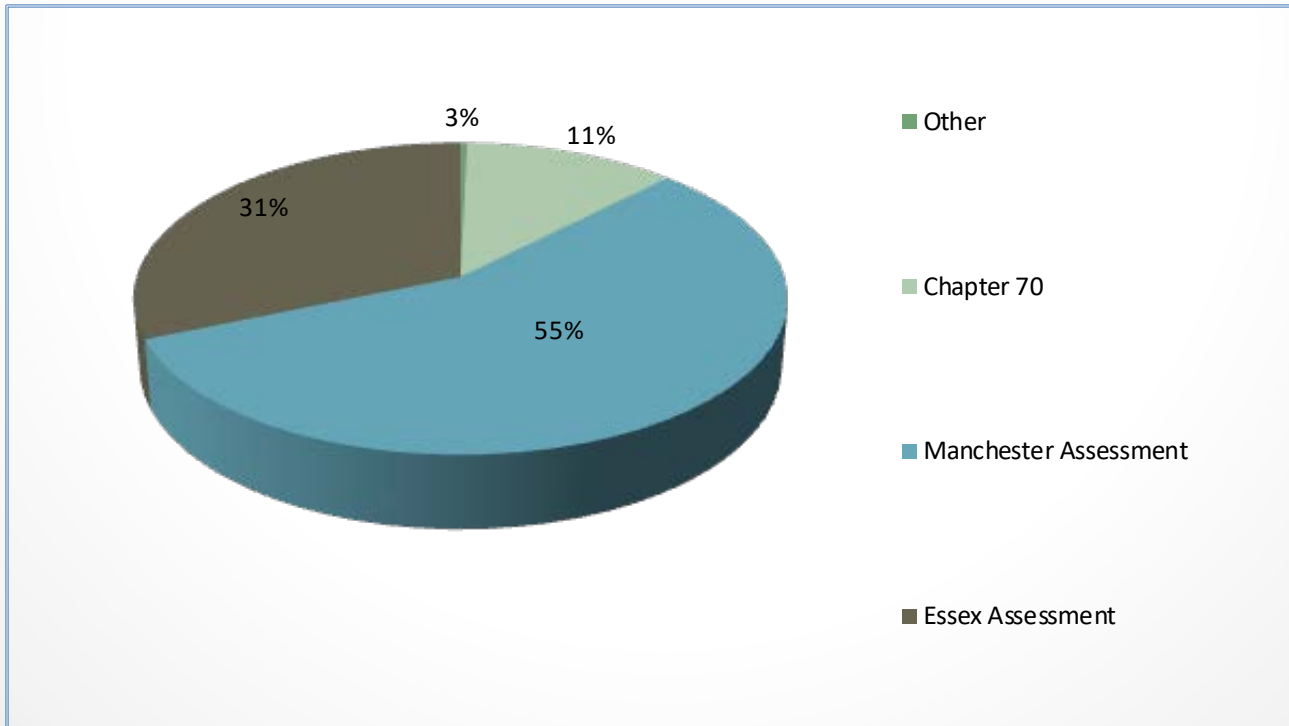
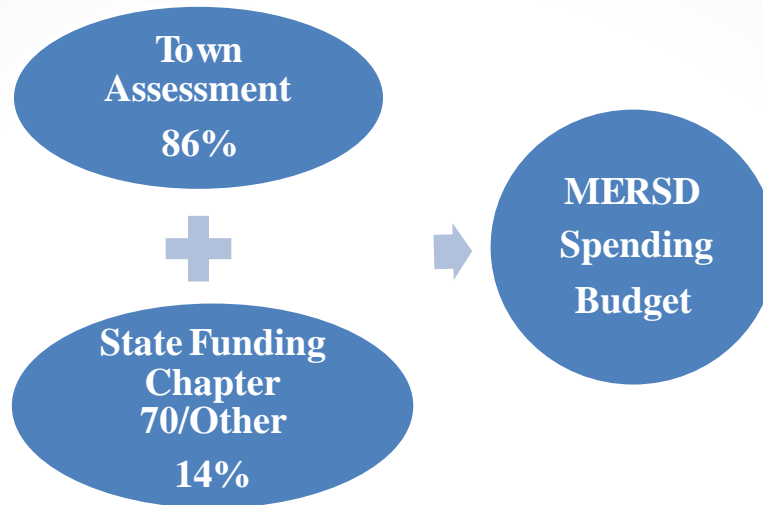
# Key Terms

- Spending Growth: *percentage/\$ increase in spending approved by School Committee from one year to the next*
  - Assessment: *percentage/\$ increase in annual charge to Essex & Manchester after deducting state revenue from spending.*
  - Apportionment: *split of assessment between Essex & Manchester based on formula defined in the Regional Agreement.*
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# Spending

- MERSD operational budget is managed to deliver a stable and predictable spending and assessment growth rate from which apportionment is factored.

# FY21 Revenue Sources





# Budget Architecture

## Operating Budget

*Historically funded with neutral impact to the operational budget.*

**Investments & Program Enhancements**

**Preventative Spending & Common Practices**

**Required Spending**

## Capital Budget

- Debt Service on MHS & Memorial School
- Excluded from Proposition 2 ½ limits by taxpayer vote in both Essex & Manchester
- Known/pre-fixed, multi-year payment schedule for both towns
- Structured to decline each year

# Tentative Budget Slides

# FY23 Tentative Budget Operating Budget

- Annual Level Services goal increasingly challenging due to rising mandated costs and constrained revenue
  - Level Services = maintaining same level of program currently in place
  - Multi-year history of efficiency-oriented program restructuring to fund new investments
  - Prior year cuts leaves few options for FY23 budget reductions without impacting program
- Gap between Level Services and sustainable funding is \$983K in Tentative Budget.
  - Target 3.50% assessment to towns prior to apportionment
  - Continued \$335K use of one-time reserve funding from prior years as starting point
  - New gap for FY-23 is \$648K
- Mandated special education costs and health insurance are primary drivers of increased FY23 gap
  - Excluding \$405K in new out of district (OOD) tuition and transportation, new budget gap would be just \$243K, in line with typical tentative phase
  - Districtwide personnel cost growth of just 3.2% in FY23, prior to addition of 1:1 aids (in FY22 carried forward to FY23) to support keeping students in district
  - Excluding all three (tuition, transportation, and aide additions), new gap would be \$78K.
  - 10% preliminary assumption for health insurance rate growth as post-COVID utilization rises.
- COVID costs excluded from FY21-FY-23 budgets; funded instead by MERSD/Town CARES \$, FEMA and MERSD reserves

# COVID Spending

- COVID spending charged initially to MERSD reserves to avoid special town assessment.
- As federal reimbursements are received, reserves are replenished
- \$1.8 million total spend to date vs. \$1.6 million anticipated funding

REVENUE SOURCES			COVID SPENDING					
Grant Name	Confirmed	Potential	Facilities	Food Service	Instructional Technology	Staffing	Total	Future Spend
ESSER I	\$54,198				\$54,198		\$54,198	
RLTE	\$45,250				\$45,250		\$45,250	
CvRF	\$303,300				\$303,300		\$303,300	
ESSER II	\$206,931					\$206,931	\$206,931	
Coronavirus Prevention	\$45,050					\$45,050	\$45,050	
ESSER III	\$442,591				\$42,221	\$319,690	\$361,911	\$80,680
FEMA Revisited		\$118,889	\$118,889				\$118,889	
Essex Town CARES	\$146,796		\$46,295	\$82,391	\$18,110		\$146,796	
MBTS Town CARES		\$265,000	\$75,375	\$34,623	\$155,001		\$265,000	
"New" FEMA		\$68,521	\$68,521				\$68,521	
Unreimbursed CARES (funded by MERSD Reserves)			\$64,384		\$68,210	\$75,000	\$207,594	
<b>Total</b>	<b>\$1,244,116</b>	<b>\$333,521</b>	<b>\$1,577,637</b>	<b>\$373,464</b>	<b>\$117,014</b>	<b>\$686,290</b>	<b>\$646,671</b>	<b>\$1,823,440</b>

# FY23 Operating Budget Drivers at Tentative

- Compensation: *\$734K (4.08%) spending growth*
  - Level services growth of just 3.2% excluding new 1:1 special ed. aides for in-district students
  - 2.5% Cost of Living Adjustment (COLA) for all district personnel, in line with FY20-FY22
  - Savings possible pending retirements. Limited restructuring opportunities remain (e.g., Central Office).
- Insurance & Pension: *\$332K (6.36%) spending growth*
  - Initial rate increase estimate of 10%, as utilization rises following COVID dip
  - FY22 baseline savings offsets impact to active employee insurance (3.8% growth, net)
  - Mandated retiree health forecasted 14% growth (\$152K) due to continued rise in number insured (168 insured retirees vs. 166 active)
- Out-of-District (OOD) Tuition/Transportation: *\$405K (28%) spending growth*
  - \$188K tuition growth (20% increase) and \$216K transportation growth (46%)
  - Transportation shortage statewide driving spike in rates
  - Continued multi-million \$ savings from in-district programs, but cost for those needing OOD is significant (9 forecasted placements of \$100K+)
  - Circuit Breaker (CB) growing, but only covers portion of cost growth

# FY23 Budget Overview at Tentative

- FY23 Draft Operating Budget = \$29.54 million
  - 5.75% (\$1.61 million) spending increase from FY22 budget
  - \$983K gap between Level Services and Target Assessment to Towns of 3.5%
    - Prior Tentative Budget gaps: \$611K FY22, \$430K FY21, \$380K FY20, \$900K FY19
    - Spending growth driven by OOD tuition/transportation, 1:1 aides, and insurance
- Preliminary FY23 Operating Assessment Increase = 3.50%
  - Measures cost increase to towns after deducting “Other Revenue” (e.g., State Aid) from spending needs
  - High end of MERSD’s sustainable multi-year budget range
    - 5-year average assessment increase is just 3.25% amidst avg. State Aid increase of 2.0%.
  - Assume minimum increase (1.3%) in Chapter 70 to \$3.12 million, due to continued dip in enrollment.
- FY23 Draft Capital Budget = \$4.48 million
  - Debt service for MSHS and MMES approved by voters when projects began
  - \$208.6K increase (4.9%) vs. prior year reflects new cost from 2<sup>nd</sup> round of MMES borrowing (\$3.23 million bonds)

# Background & History Slides

# MERSD Budget

- MERSD operational budget is managed to deliver a stable and predictable spending and assessment growth rate from which apportionment is factored.
- MERSD manages key drivers and wild cards to maintain the agreed upon target of 3.5% spending/assessment growth.
- The mechanics of apportionment can inflate or deflate the apportionment growth rate as town enrollments fluctuate.
- The operational budget has been historically been developed to provide level services.





# Stable & Predictable Spending and Assessment Growth

Spending & Assessments have been stable over time

Average Annual Increase		
	5-Yr	10-Yr*
<b>Spending</b>	3.15%	4.04%
<b>Assessment</b>	3.17%	3.60%
<b>*Includes FY16 override</b>		

Level Service Reductions are an annual step in budgeting

Reductions to Close Annual Gap			
FY 18	FY 19	FY 20	3 Yr. Total
\$410,000	\$679,000	\$565,000	\$1,654,000

Reserve Funds provide temporary bridge prior to eventual correction

- Potential for 80% reduction by FY23 (\$3.4 Million)

# Key Drivers

Personnel - 65% of spending

- Stable FTE
- Managed to align with spending/assessment targets:

**META COLA since 2005**

**2.11% 18-Year Average**

**2.03% 10-Year Average**

**w/est. 1.5%**

**for Step/Column**

**3.61%**

**3.53%**

# Key Drivers (contd.)

- Insurance & OPEB Trust – 20% of spending
  - Industry growth of 6-8%/yr. does not align w/assessment targets
  - Ongoing negotiation of MERSD benefits to match external comparable
    - Changes in MERSD contribution rate:
      - FY09 – moved from 85% to 80%
      - FY16 – moved to 75% with new hires at 70%
    - Changes in plan design:
      - Introduced \$1K/\$2K deductibles in FY20
      - 10% premium savings with employer funded HRA

HRA	Annual MERSD Contribution		
	Total	75%	70%
Individual	<b>\$10,421</b>	\$7,816	\$7,295
Family	<b>\$28,138</b>	\$21,104	\$19,697

# Key Drivers (contd.)

## OPEB (Other Post-Employment Benefits)

- OPEB = Retiree Health Care, mandated by statute
  - 164 insured retirees now > 159 insured active employees
  - 12% annual growth over past 5 years
  - \$3.5 million contributions funded in partnership with META via negotiated changes to health plans
  - Annual OPEB = 96.48% of actuarially determined annual contribution to achieve full funding

	% of		Employer		% of		
	Heads	Heads	Contr. %	FY21 Cost	Cost	Per Head	
Grandfathered Plan	25	15%	80%	\$451,669	43%	\$18,067	<i>No longer available to new retirees</i>
Active Employee HRA	8	5%	75%	\$124,471	12%	\$15,559	<i>For new retirees prior to Medicare eligibility</i>
Medicare Plan	131	80%	80/75%	\$464,218	45%	\$3,544	
	<b>164</b>	<b>100%</b>		<b>\$1,040,358</b>	<b>100%</b>	<b>\$6,344</b>	

# Key Drivers (contd.)

Out of District Tuition & Transportation – 5.2% of Budget

- Special Education IDEA – Federally Mandated Obligations and Associated Costs / Required but Variable
- Much smaller in total size but can grow beyond the limits of Proposition 2.5.
- Changes in placements for move-ins difficult to predict
- Several students with mandated placements > \$100K annually per student.
- Investment in district based programming (staffing) to meet students need and manage OOD costs
  - MERSD's in-district programs offset potential spikes in costs, saving more than \$1.5 million annually.

# Assessment

- MERSD manages key drivers and wild cards to maintain the agreed upon target of 3.5% spending/assessment growth.

# Multi-Year Budget

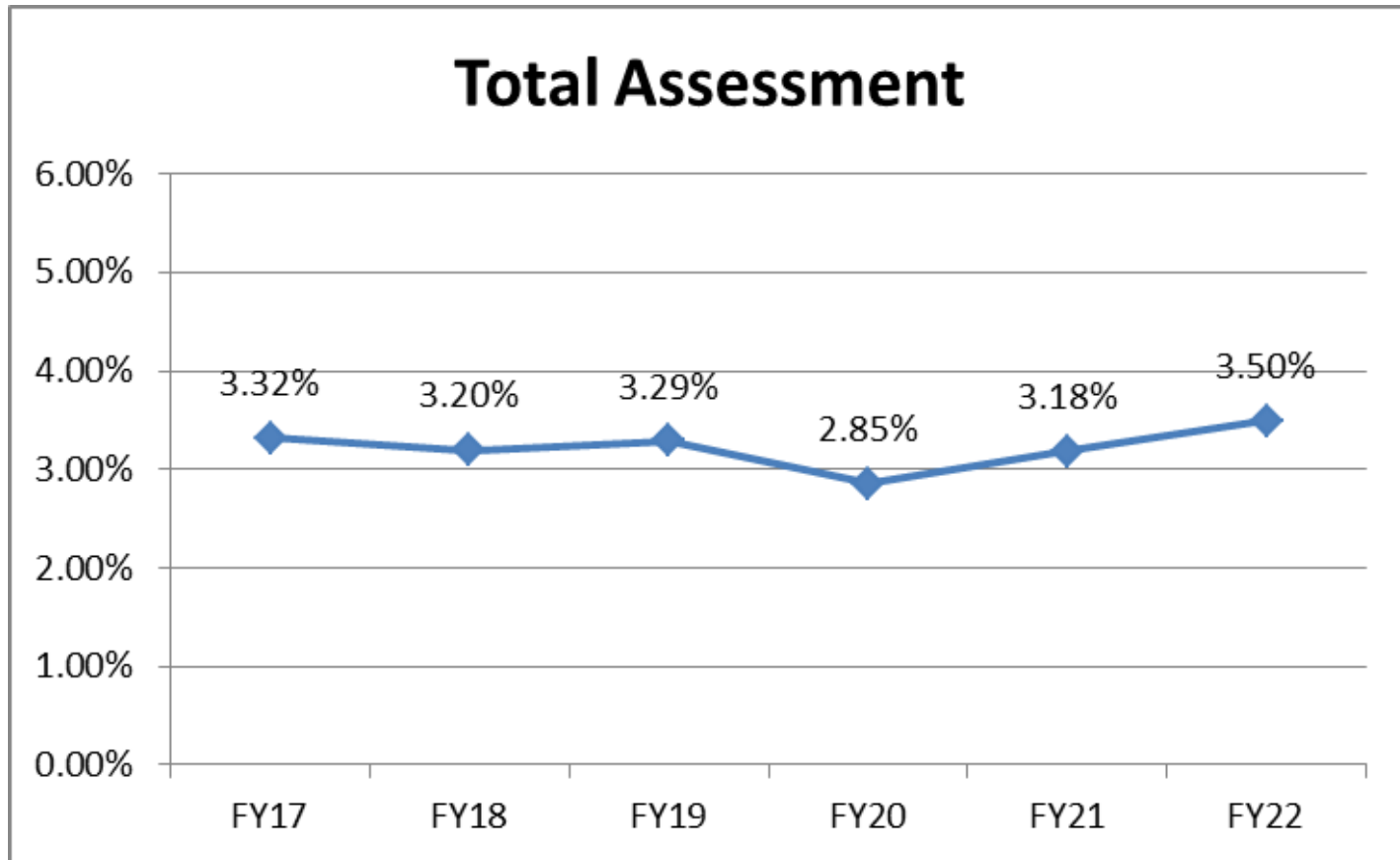
	2.5% COLA	Actual	Actual	Budget	Budget	Forecast 1	Forecast 2	Forecast 3	Forecast 4
(\$ in 000)		FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26
<b>Personnel</b>		<b>\$16,308</b>	<b>\$16,805</b>	<b>\$17,372</b>	<b>\$17,984</b>	<b>\$18,643</b>	<b>\$19,327</b>	<b>\$20,036</b>	<b>\$20,772</b>
Yr/Yr Growth		1.54%	3.05%	3.37%	3.53%	3.66%	3.67%	3.67%	3.67%
<b>All Other Operating Expenses</b>		<b>\$8,952</b>	<b>\$9,207</b>	<b>\$9,769</b>	<b>\$10,271</b>	<b>\$10,789</b>	<b>\$11,334</b>	<b>\$11,914</b>	<b>\$12,532</b>
Yr/Yr Growth		3.09%	2.85%	6.11%	5.15%	5.04%	5.05%	5.12%	5.18%
<b>Total Spending</b>		<b>\$25,260</b>	<b>\$26,012</b>	<b>\$27,141</b>	<b>\$28,256</b>	<b>\$29,432</b>	<b>\$30,661</b>	<b>\$31,950</b>	<b>\$33,304</b>
Total Growth		2.08%	2.98%	4.34%	4.11%	4.16%	4.17%	4.20%	4.24%
State Aid		\$3,130	\$3,119	\$2,896	\$3,191	\$3,247	\$3,303	\$3,361	\$3,420
Yr/Yr Growth		2.1%	-0.3%	-7.1%	10.2%	1.75%	1.75%	1.75%	1.75%
Fees & Other		\$116	\$105	\$120	\$120	\$131	\$131	\$131	\$131
Yr/Yr Growth		-31.9%	-9.7%	14.4%	0.0%	10.0%	0.0%	0.0%	0.0%
S. Choice: Annual Revenue		\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325
Yr/Yr Growth		8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves: Choice, E&D		\$0	\$100	\$335	\$335	\$595	\$885	\$1,205	\$1,555
Yr/Yr \$ Growth		\$0	\$100	\$235	\$0	\$260	\$290	\$320	\$350
Yr/Yr % Growth				235%	0%	78%	49%	36%	29%
Town Operating Assessments		\$22,111	\$22,742	\$23,465	\$24,286	\$25,134	\$26,016	\$26,928	\$27,872
Yr/Yr Growth		3.29%	2.85%	3.18%	3.50%	3.50%	3.51%	3.50%	3.51%
<b>Total Revenue</b>		<b>\$25,682</b>	<b>\$26,390</b>	<b>\$27,141</b>	<b>\$28,256</b>	<b>\$29,432</b>	<b>\$30,661</b>	<b>\$31,950</b>	<b>\$33,304</b>
Total Growth		2.97%	2.76%	2.84%	4.11%	4.16%	4.17%	4.20%	4.24%
Assessment Growth		\$704	\$631	\$723	\$821	\$849	\$882	\$911	\$945
Assessment Growth %		3.29%	2.85%	3.18%	3.50%	3.50%	3.51%	3.50%	3.51%

# Apportionment

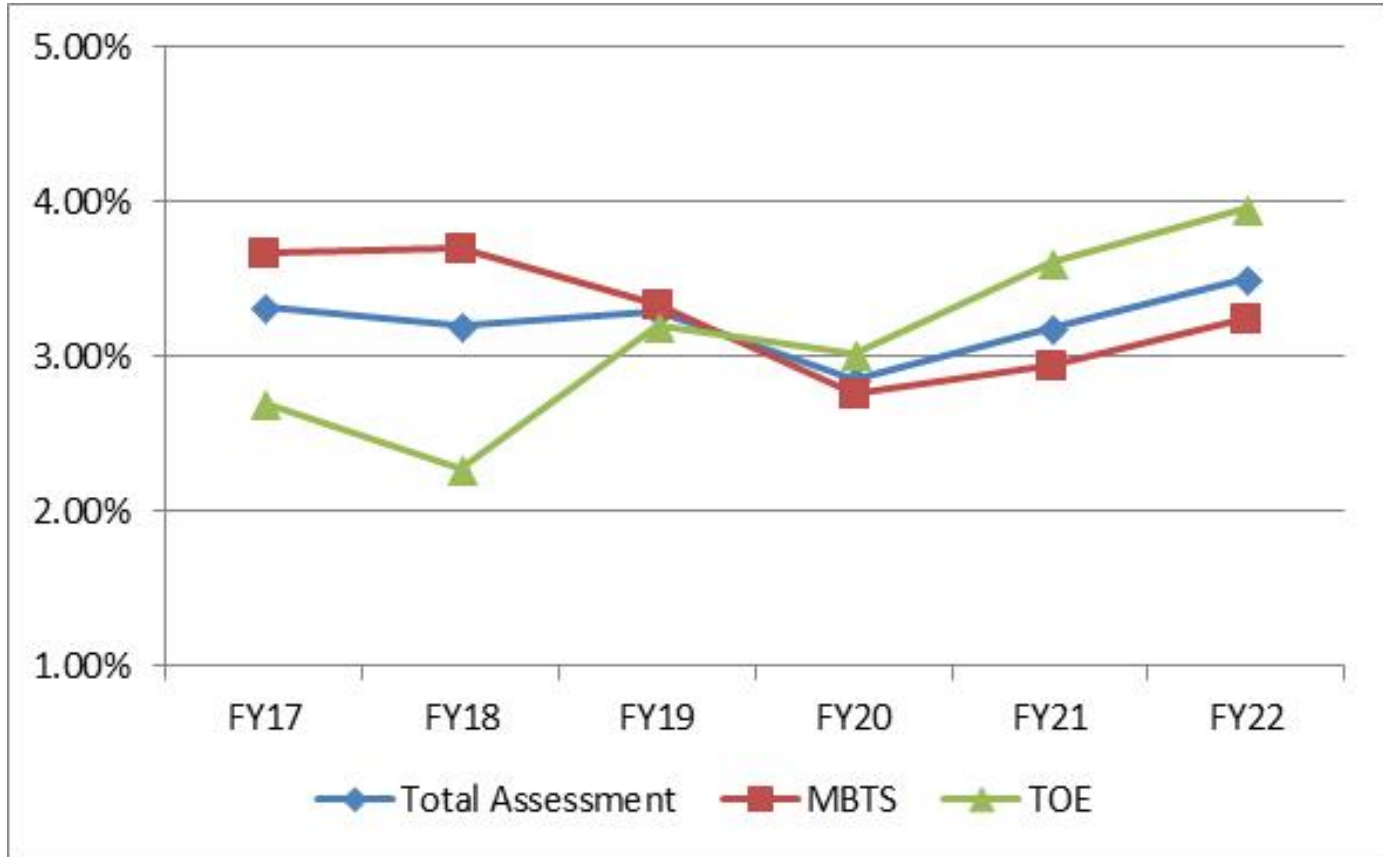
- The mechanics of apportionment can inflate or deflate the apportionment growth rate as town enrollments fluctuate.



# Assessment Prior to Apportionment is Stable



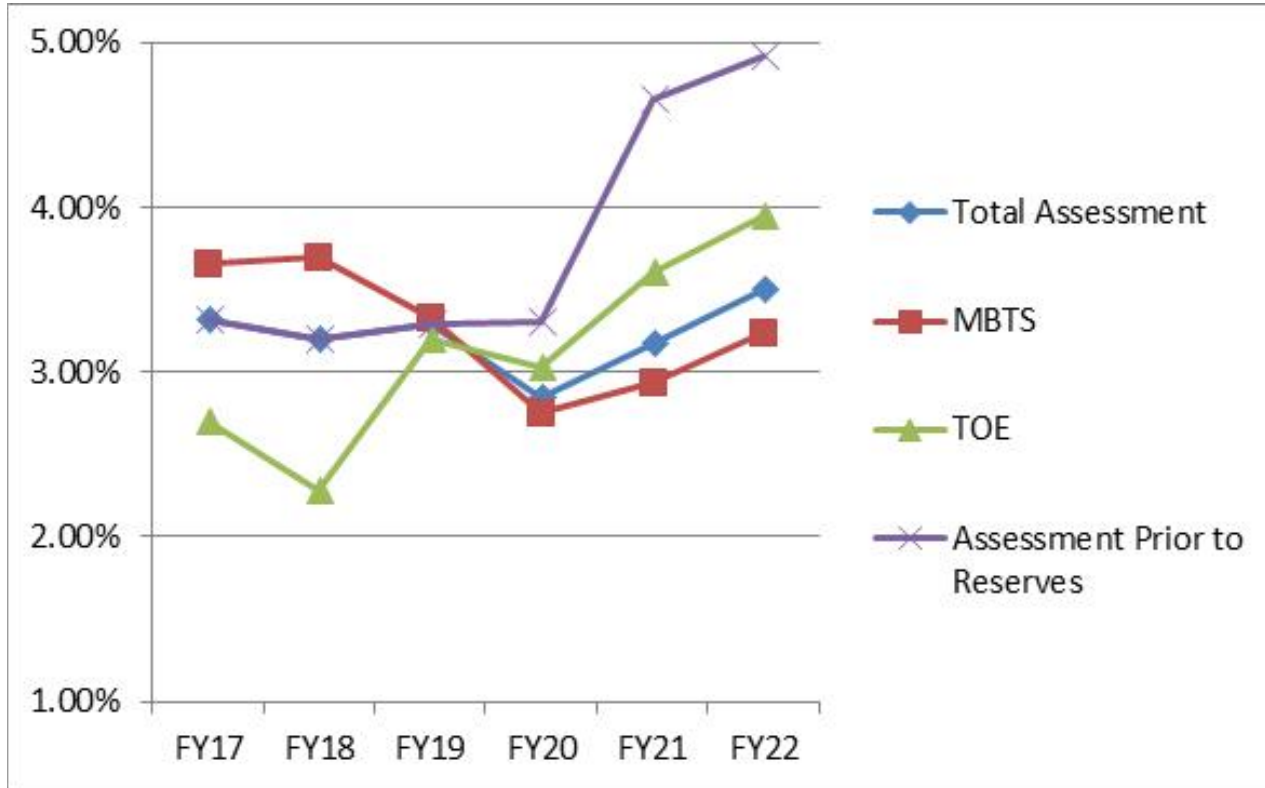
# Apportionment Volatility Has Impacted Both Towns at Different Times



## Apportionment Over/(Under) Total Assessment

	FY17	FY18	FY19	FY20	FY21	FY22	Cumulative
MBTS	\$44,509	\$67,750	\$6,434	(\$13,494)	(\$34,819)	(\$38,281)	<b>\$32,098</b>
TOE	(\$44,509)	(\$67,750)	(\$6,434)	\$13,494	\$34,819	\$38,281	<b>(\$32,098)</b>

# Level Services Cuts and Reserve Use Reduce Total Assessment



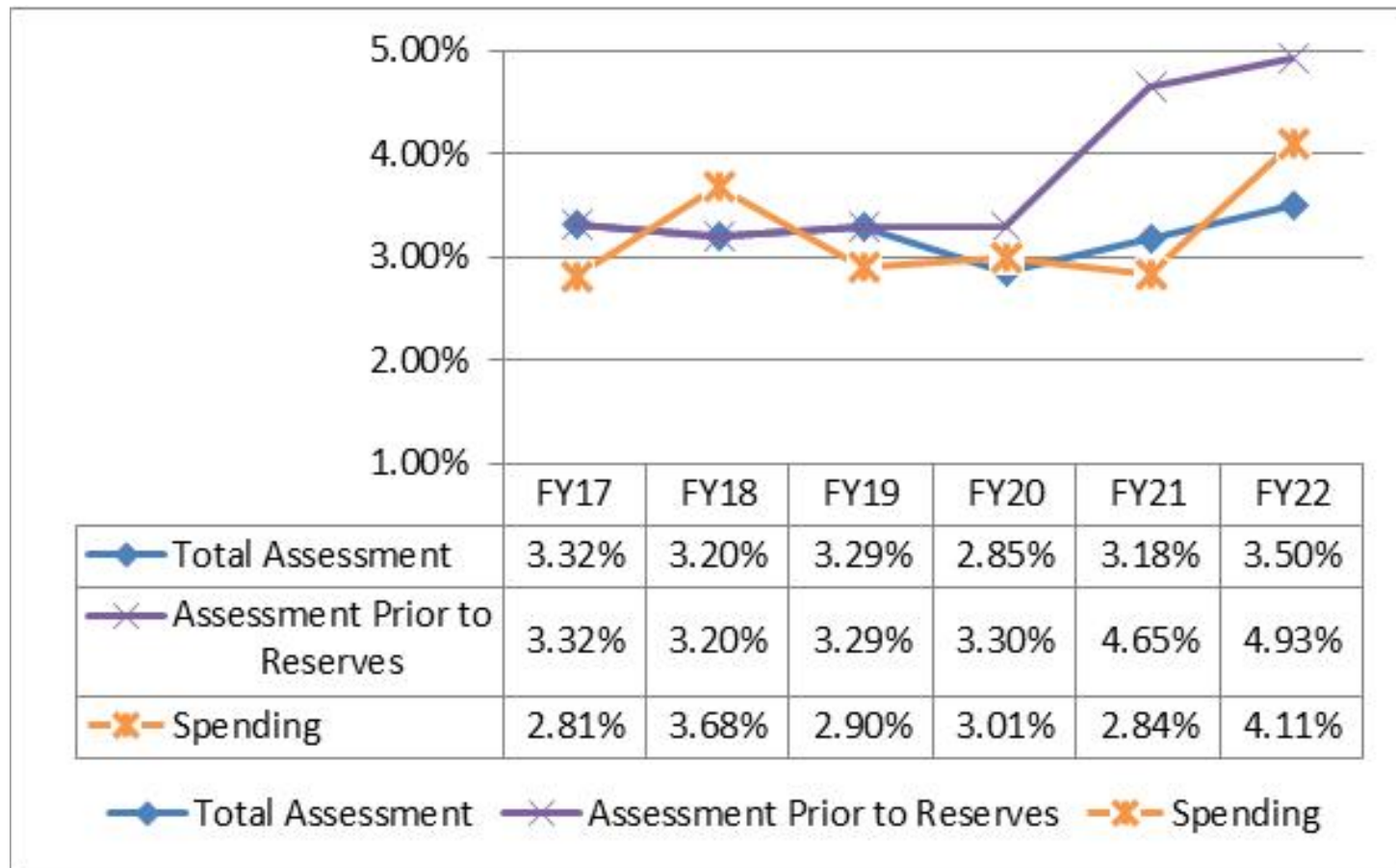
## Apportionment Over/(Under) Total Assessment

	FY17	FY18	FY19	FY20	FY21	FY22	Cumulative
MBTS	\$44,509	\$67,750	\$6,434	(\$13,494)	(\$34,819)	(\$38,281)	<b>\$32,098</b>
TOE	(\$44,509)	(\$67,750)	(\$6,434)	\$13,494	\$34,819	\$38,281	<b>(\$32,098)</b>

## MERSD Reserve Contribution

\$0	\$0	\$0	\$100,000	\$335,000	\$335,000	\$770,000
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# Revenue Problem $\neq$ Spending Problem



- Although assessment prior to reserve use would approach 5% spending range has been lower/with target range
- FY22 School Committee voted to stop cutting program below level services

# FY23 Budget Details

# Revenue @ Tentative

- 2.98% growth in non-assessment revenue, close to 3.43% spending growth, with remainder funded by 3.50% Town Assessments.
  - New State Aid program does not impact MERSD FY23 Chapter 70 due to enrollment picture, and “Hold Harmless” aid
  - Transportation Aid has risen in recent years (\$298K in FY21), but outlook for FY22 and FY23 still uncertain due to COVID impacts
    - Reduced ridership will generate modest savings, but duration unclear
  - Continue to assume flat School Choice revenue at \$325K as offset to spending by replacing graduating students
  - Rising OOD costs and increasing DESE reimbursement for OOD transportation yields growth in Circuit Breaker aid (spending offset).

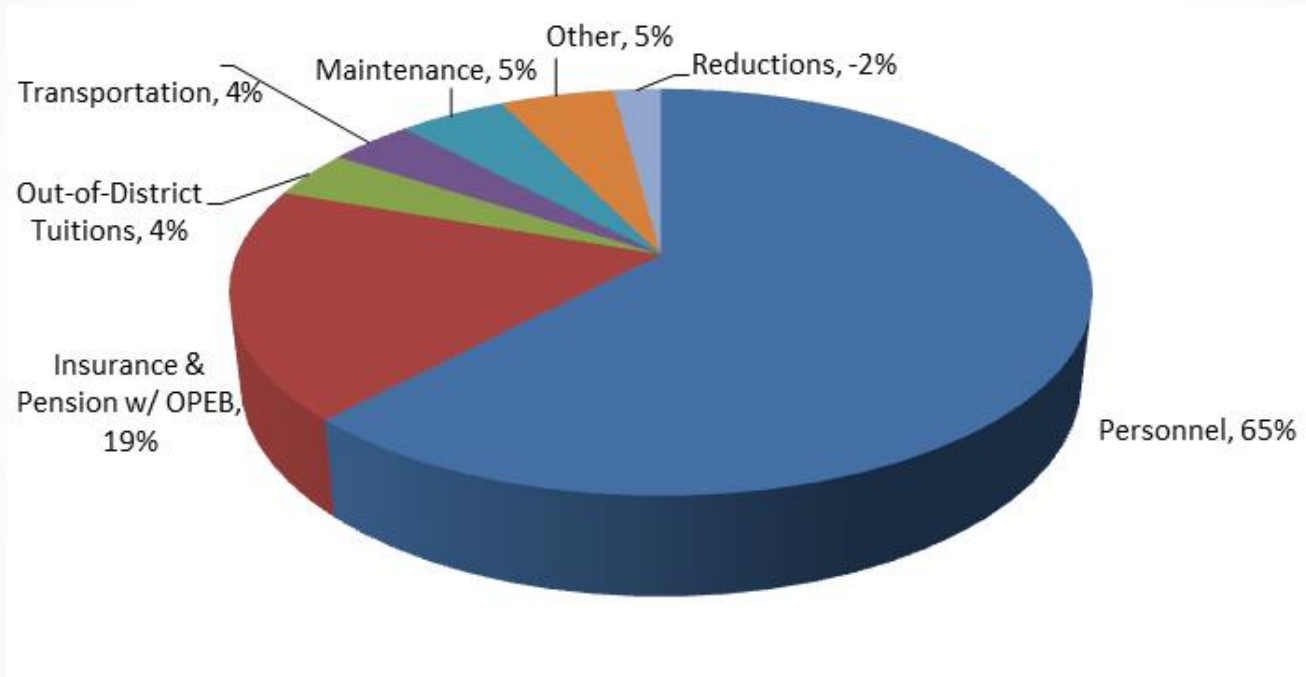
# Budget Highlights: Spending Detail

	FY22	FY23	% of FY23 Spending	Inc. vs. FY22	
				\$	%
Personnel	\$17,984,361	\$18,718,043	64.80%	\$733,682	4.08%
Insurance & Pension w/ OPEB	\$5,213,529	\$5,545,288	19.20%	\$331,758	6.36%
Maintenance	\$1,361,775	\$1,450,031	5.02%	\$88,256	6.48%
Transportation	\$879,089	\$1,135,300	3.93%	\$256,211	29.15%
Out-of-District Tuitions	\$959,709	\$1,148,134	3.97%	\$188,425	19.63%
Other	\$1,532,240	\$1,539,192	5.33%	\$6,952	0.45%
Reductions to be Identified	\$0	(\$648,000)	-2.24%	(\$648,000)	
<b>Total</b>	<b>\$27,930,703</b>	<b>\$28,887,988</b>	<b>100.00%</b>	<b>\$957,284</b>	<b>3.43%</b>

- *95% of spending is from largest 5 categories*
- *\$216K of transportation growth relates to OOD placements*

# Largest Budget Categories

(% of Total Spending - \$28.89 million)

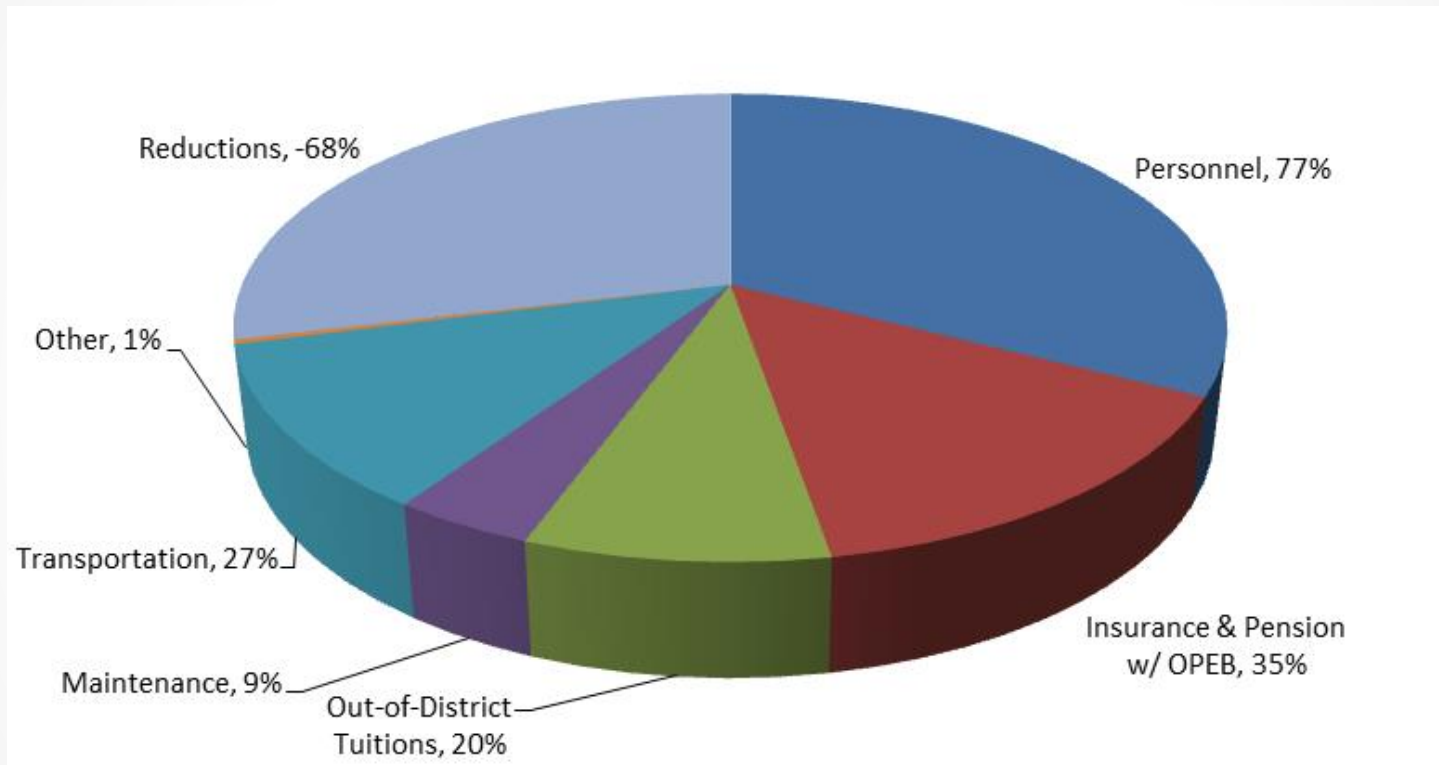


*95% of spending from 5 categories*



# Largest Budget Drivers

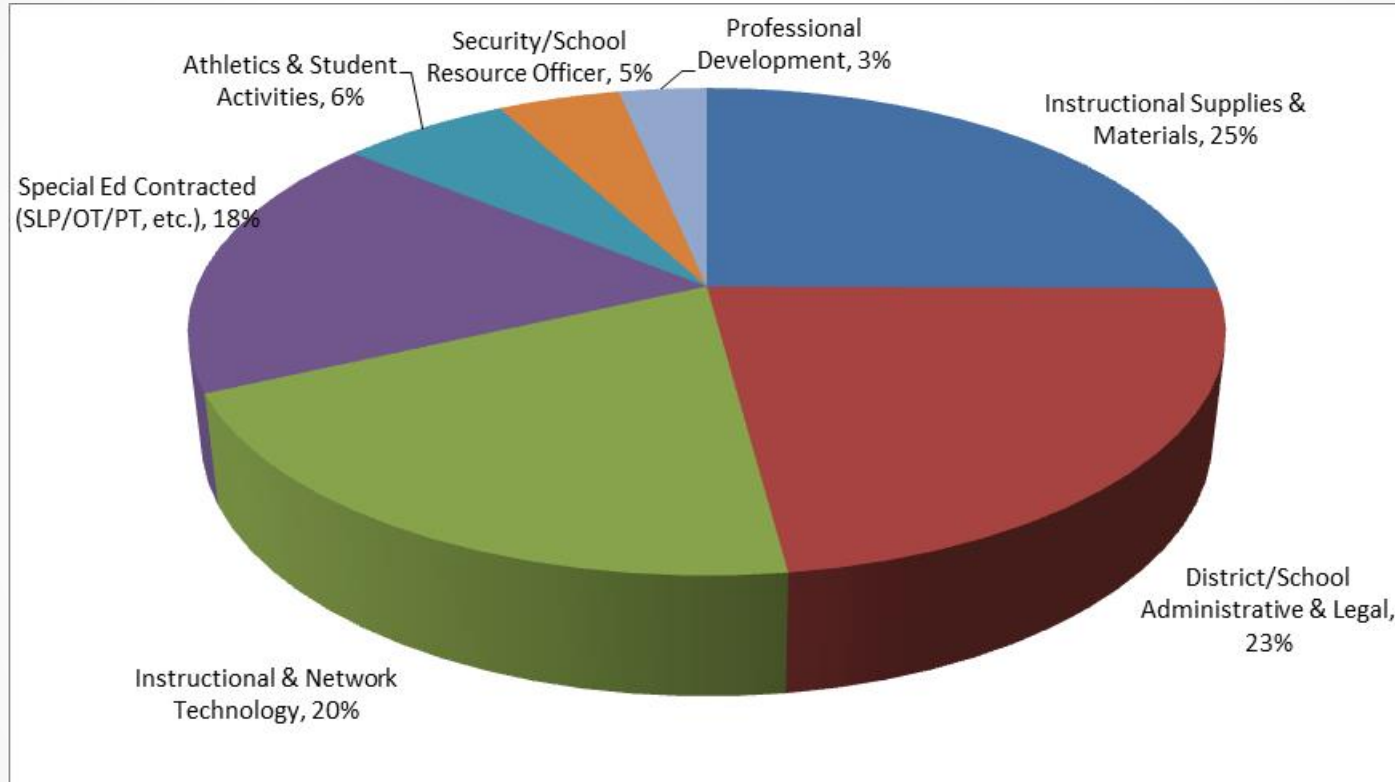
(% of \$957K budget increase)



*OOD Tuition & Transportation account for 47% of total budget growth despite being only 8% of total spending*

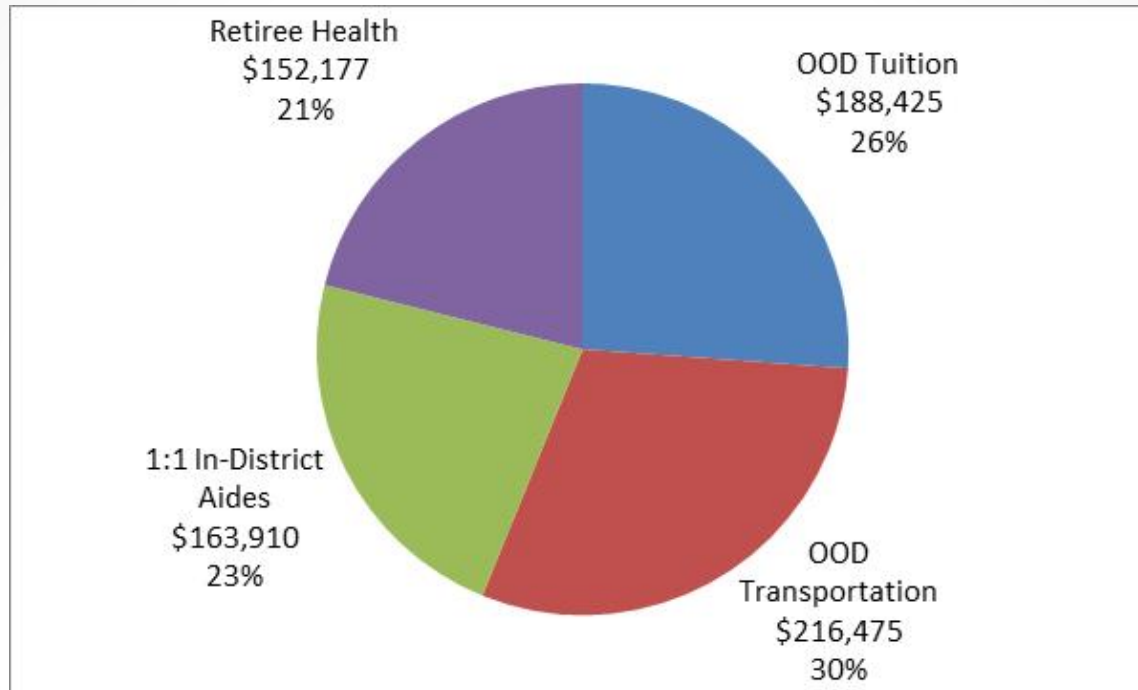
# Composition of "Other" Expenses

*(\$1.5 million total - 5.3% of FY23 Budget)*



- *% shown in chart = % of \$1.5 million "Other" categories*
- *0.5% growth for all "Other" expenses combined, in FY23 budget*

# Growth Areas



High-Cost Mandated Growth Areas (HCMG)	FY23 \$ Inc.	% of HCMG
OOD Tuition	\$188,425	26.1%
OOD Transportation	\$216,475	30.0%
1:1 In-District Aides	\$163,910	22.7%
Retiree Health	\$152,177	21.1%
<b>Total</b>	<b>\$720,987</b>	<b>100.0%</b>

- These categories account for more than entire \$648K Level Services Gap

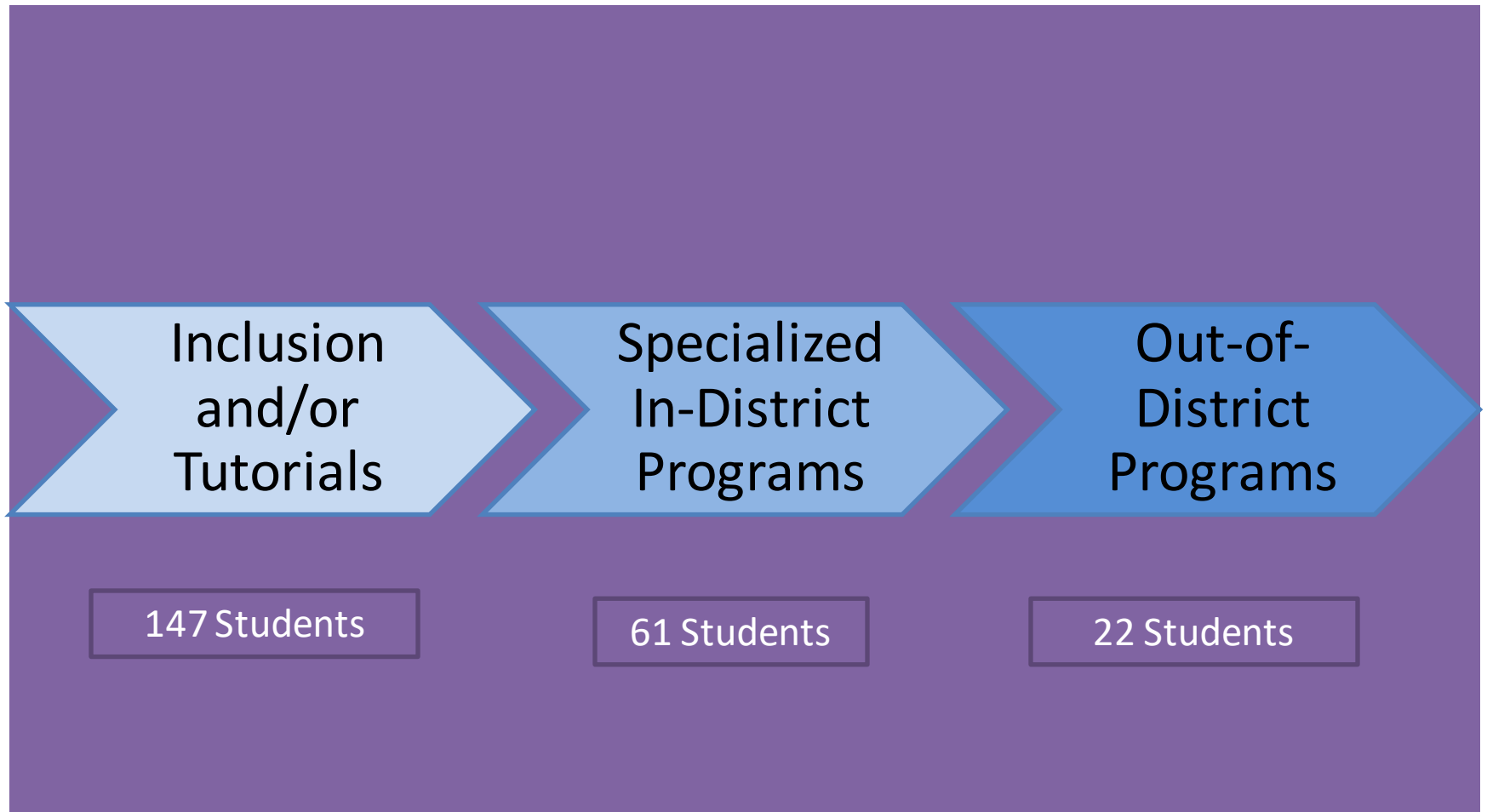
# OOD Funding Sources/Strategies

OOD Tuition - By Funding Source	2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		
	Expended	% Inc.	Expended	% Inc.	Expended	% Inc.	Budget	% Inc.	Budget	\$ Inc.	% Inc.
Budget Funded - Tuition Out	\$778,253	23.6%	\$1,059,001	36.1%	\$1,172,945	10.8%	\$899,709	-23.3%	\$1,088,134	\$188,425	20.9%
Circuit Breaker & Grant Funded	\$167,776	-15.4%	\$294,476	75.5%	\$124,251	-57.8%	\$420,000	238.0%	\$799,875	\$379,875	90.4%
Pre-Paid in Prior Year	\$156,893	20.4%	\$199,099	26.9%	\$329,410	65.5%	\$150,000	-54.5%	\$150,000	\$0	0.0%
(Less: Prepayments of Next Year)	(\$199,099)	26.9%	(\$329,410)	65.5%	(\$219,732)	NM	\$0	NM	\$0	\$0	NM
<b>Annual Cost of Tuitions</b>	<b>\$903,823</b>	<b>12.8%</b>	<b>\$1,223,166</b>	<b>35.3%</b>	<b>\$1,406,874</b>	<b>15.0%</b>	<b>\$1,469,709</b>	<b>4.5%</b>	<b>\$2,038,009</b>	<b>\$568,300</b>	<b>38.7%</b>

- MA Commonwealth increasingly participating in OOD costs via Circuit Breaker expansion
- End-of-year budget savings mitigate after-budget OOD additions via MGL “prepayment” provisions

# Special Education

# Continuum of Special Education Programs and Services



# Comparative Cost Analysis: In-District Versus OOD

## **In-District Specialized Programs**

- Staff Salaries
- Benefits
- Minus In-District Tuition Revenue

## **Out-of-District Programs**

- OOD Tuition
- Transportation
- Minus Circuit Breaker Funding

Out-of-District Net Cost – In-District Net Cost =  
Savings from In-District Programs

# Savings by Program FY22

Program	Grades Served	# Students	Savings
SWING	K-12	14	\$284,186
SAIL/Transitions	K-12	22	\$909,872
IRWL	2-8+	22	\$530,271
ACE	4-5	3	\$33,097



# Out-of-District Programs FY23 Projections

Disability Type	Number of Students	Projected Tuition Cost
Complex LD or ASD	3	\$60,166
Mental/Behavioral Health Needs	10	\$841,820
Severe Special Needs	12	\$1,136,023

# Cape Ann / North Shore Special Education Comparables

Operating District Name	-- In-District Expenditures --			-- Out-of-District Expenditures --			-- Other Expenditures --	Combined		Special Education				
	Teaching	Instructional	Transp.	Mass. Public	Mass Private		Spending from	Special Ed		Percentage of				
				Schools and	and Out-of-State		Grants	Expenditures	Total	Total				
				Collaboratives	Schools	Transportation	and Revolving Funds	(sum of C through J)	Expenditures	(K as % of L)	OOD Cost	In-District Cost	OOD Heads	Enrollment
Manchester Essex	3,281,665	913,527	73,665	351,418	905,825	262,442	569,201	6,357,743	27,047,350	24%	1,519,685	4,268,857	22.4	1,250.00
Lynnfield	4,618,832	1,047,158	62,713	509,994	869,885	269,317	437,415	7,815,314	37,127,471	21%	1,649,196	5,728,703	26.6	2,241.30
Rockport	2,197,225	566,229	55,885	848,706	1,273,722	291,335	377,833	5,610,935	19,138,687	29%	2,413,763	2,819,339	17.3	892.2
North Reading	5,758,604	1,039,083	119,567	557,423	2,384,179	75,301	210,213	10,144,370	42,552,332	24%	3,016,903	6,917,254	35.6	2,448.50
Triton	6,419,568	319,957	548,126	1,123,916	1,676,250	467,519	733,880	11,289,217	47,673,321	24%	3,267,686	7,287,651	109.1	2,558.10
Newburyport	5,056,537	717,703	119,697	287,885	2,803,213	428,252	520,179	9,933,466	44,623,135	22%	3,519,350	5,893,937	188.2	2,477.90
Pentucket	5,464,803	632,665	514,738	992,644	2,749,423	372,737	662,997	11,390,007	40,937,199	28%	4,114,804	6,612,206	67.2	2,510.70
Hamilton Wenham	4,098,656	809,836	212,067	715,704	3,237,221	397,626	463,027	9,934,137	35,421,785	28%	4,350,551	5,120,559	45.6	1,891.70
Amesbury	5,011,820	526,442	246,592	1,251,583	3,017,596	491,692	605,624	11,151,349	39,152,792	28%	4,760,871	5,784,854	140	2,196.10
Gloucester	9,041,033	818,068	334,648	2,601,457	2,051,807	188,775	1,004,810	16,040,598	57,451,423	28%	4,842,039	10,193,749	56.2	3,219.80
Tri-Town/ Masco*	9,256,488	1,786,877	150,240	477,950	1,116,113	170,183	1,162,476	10,352,830	39,533,395	25%	1,764,246	11,193,605	60	3,920.30
Danvers	6,103,040	797,271	583,027	1,440,344	3,601,245	560,547	1,111,083	14,196,557	65,049,748	22%	5,602,136	7,483,338	73.3	3,538.20
<b>Tri-Town/Masconomet</b>											5,332,897			
Topsfield	1,909,354	291,555	47,819	3,100	284,050	3,135	426,339	2,965,352	11,354,792	26%	290,285			
Boxford	2,037,105	491,705	37,010	227,243	389,433	55,606	339,945	3,578,047	14,334,636	25%	672,282			
Middleton	2,079,330	480,491	51,739	247,607	442,630	111,442	396,192	3,809,431	13,843,967	28%	801,679			
Masconomet	3,230,699	523,126	13,672	939,618	2,589,069	39,965	407,367	7,743,515	36,275,519	21%	3,568,652			

# Capital & Essex Building Project Planning

# Identified Capital Needs: 1-5 Years

School	Item	Priority	Placeholder	
			Cost Est.	Timeframe (Years from Now)
MSHS	Hyland Field turf replacement	High	\$600,000	Summer 2022
EES	Back up boiler	High	\$125,000	Current back up not functional
EES	Heating distribution repairs	High	\$25,000	Split over 1-5 years
MSHS	Flooring - MS, auditorium, Learning Commons, Central	High	\$110,000	5-year plan in progress
MSHS	Brook Street Field turf replacement	High	\$350,000	1-2 years. \$700K x est. 50% share
MSHS	Water Heater	High	\$30,000	1-2 years
MSHS/EES	Build out security camera coverage	High	\$30,000	1-2 years
MSHS	Flooring - hallways	Medium	\$100,000	5 years
EES	Roof replacement	Medium	\$1,000,000	5-10 years, pending school project
MSHS	Furniture - Library tables and classroom chairs	Medium	\$100,000	2-4 years
EES	Envelope Repairs (soffits, window frames, stairs)	Medium	\$20,000	Split over 1-5 years
EES	Kitchen Equipment	Medium	\$50,000	3-5 years pending school project
EES	Soccer Field Drainage	Medium	\$300,000	5+ years pending school project
MSHS	2nd/3rd Floor Temp. Control	Medium	\$100,000	Pending HVAC engineering report
MSHS	Sand/repaint gym floor	Medium	\$30,000	3-5 years
MSHS	Interior Painting	Medium	\$30,000	Annual budget is touch up only
<b>Total</b>			<b>\$3,300,000</b>	
<b>Previously Identified - Achieved</b>				
EES	Eagles' Nest Replacement	High	\$350,000	Summer 2021
EES	Heating controls	High	\$140,000	Funded via grant w/Essex Town
EES	Security updates	High	\$23,283	Match scope from MMES project
MSHS	Security updates	High	\$21,800	Match scope from MMES project
EES	Technology upgrade (Interactive Panels, Fiber, Switches)	High	\$201,000	Match scope from MMES project
EES	Repave hot top play asphalt play surface	Medium	\$15,000	Adjacent to playground
District	Tractor replacement	Medium	\$32,000	Funded through MMES project
EES	Classroom shades	High	\$15,000	Over 3 years
<b>Total</b>			<b>\$798,083</b>	

# Hypothetical EES Timing Scenarios

	<b>Fast Track</b>	<b>6-Yr Delay</b>
Apply to MSBA	2023	2029
Feasibility	2025	2031
Towns Vote	2026	2032
Construction Begins	2027	2033
Construction Ends	2029	2035
LT Debt Begins	2030	2036
Borrowing Ends	2059	2065

- Fast Track: apply to MSBA immediately after MMES concludes
- 6-Yr Delay: align EES project with expiration of MS/HS debt
- Inputs/Assumptions:
  - EES built 1957
  - 2.5% construction cost escalation per year
  - Feasibility funded via reserves, 3-way share (same as MMES)
  - MMES/EES borrowing:
    - 67% MBTS/33% TOE apportionment
    - 3% BANs during construction
    - 5% Level Payment, 30-Year Bonds after construction

# 3 Potential EES Scenarios

- Fast Track:
  - Annual debt increases to 3x current in 2028-2034 when MSHS debt expires
  - 2.5x thereafter
- 6-Year Delay
  - Only 2 LT debt projects in any year (2.5x current)
  - Rely on MERSD reserves to address facilities as they arise
- 6-Year Delay w/Committed Transition \$\$
  - Assess towns upfront for limited, targeted short-term capital investment to sustain EES in interim
    - Based on Habeeb report w/updated inputs as needed
    - Potential investment areas:
      - Educational: Tech, Furniture/Fixtures
      - Facilities: Security, HVAC, Roof/Envelope, Site

# Reference

# Where We Are & Where We Are Going

Spending & Assessments have been stable over time

Average Annual Increase		
	5-Yr	10-Yr*
<b>Spending</b>	3.15%	4.04%
<b>Assessment</b>	3.17%	3.60%
*Includes FY16 override		

Level Service Reductions are an annual step in budgeting

Reductions to Close Annual Gap			
FY 18	FY 19	FY 20	3 Yr. Total
\$410,000	\$679,000	\$565,000	\$1,654,000

Reserve Funds provide temporary bridge prior to eventual correction

- Potential for 80% reduction by FY23 (\$3.4 Million)



# Regional Agreement

- Governance Document
- Establishes Budget Timeline & Apportionment Formula
  - School Committee Approves Detailed Budget
  - Town Meeting Approves Assessment
- References Lease Agreements for Facilities by Town

*See MERSD Budget Documents for Apportionment Formula*

## Budget Timeline

### November/December

- District-Town collaboration meetings
- Schools and departments submit budgets
- District formulates tentative budget
- Superintendent's budget is presented to School Committee for review, revision, and adoption
- Public Hearing held to solicit community feedback on School Committee's adopted Tentative Budget

### January/February

- School Committee and leadership team revise budget to meet assessment goals established through District-Town collaboration meetings
- A second public hearing is held to solicit feedback on final budget proposal
- Final budget is adopted and submitted to towns

### March

- School Committee and leadership team monitor and refine budget variables
- Attend Town board meetings to seek support for budget requests

### April/May

- Budgets are presented and voted on at Town Meeting
  - ▶ Manchester: April 2020
  - ▶ Essex: May 2020

# Comparable Per Pupil Expenditures

High Performing Districts	PPE 2019
Weston	\$25,846
Lincoln-Sudbury	\$22,772
Wellesley	\$21,016
Newton	\$20,220
Bedford	\$19,925
Brookline	\$20,543
Lexington	\$18,687
Wayland	\$19,443
Hamilton-Wenham	\$19,438
Westwood	\$19,378
Sharon	\$17,262
Harvard	\$20,910
Average	\$20,453
MERSD	\$18,837

Cape Ann	PPE 2019
Rockport	\$20,826
Hamilton Wenham	\$19,438
Gloucester	\$17,212
MERSD	\$18,837

- Personnel & Collaborative Bargaining Agreement
  - Interest Based Bargaining (IBB)
  - Financial Sustainability Framework / Prop 2.5
  - Comparable Teacher Compensation

Cape Ann Region	
Salem	11
Masconomet	15
Lynnfield	31
Newburyport	87
<b>MERSD</b>	88
Gloucester	95
Boxford	96
Danvers	99
Hamilton-Wenham	107
Topsfield	116
Swampscott	119
Winchester	138
Amesbury	161
Triton	163
Ipswich	179
Beverly	199
Rockport	234

Boston Magazine Top 10 Districts	
School District	Avg. Teacher Salary
Dover-Sherborn	\$97,806
Concord-Carlisle	\$107,527
Weston	\$105,592
Lexington	\$88,142
Wayland	\$97,121
Westford	\$87,194
Newton	\$86,724
Wellesley	\$97,301
Sharon	\$93,161
<b>Average</b>	<b>\$95,619</b>
<b>Median</b>	<b>\$97,121</b>
<b>MERSD</b>	<b>\$84,460</b>
<b>STATE TOTALS</b>	<b>\$81,496</b>

