

<b>Initial Budget Scenarios</b>	<b>FY24 Adopted</b>	<b>FY25 Tentative</b>	<b>\$ Growth</b>	<b>% Growth FY24 to FY25</b>
FY25 Tentative Including Requested Staffing & Capital	\$29,256,389	\$30,558,766	\$1,302,377	4.45%
<b>Current FY25 Tentative Carry Forward / Level Services</b>	\$29,256,389	\$30,258,347	\$1,001,958	3.42%
FY25 Tentative 2.5% Assessment Cap	\$29,256,389	\$29,987,799	\$731,410	2.5%

### School Choice

- **All Current FY25 Tentative Budget** proposals assume \$100K additional revenue from School Choice (20 Seats 6-12)
- A decision not to expand School Choice will result in the need to find additional budget revenue and/or reductions (\$100K) to achieve all three scenarios. This would increase the gap between the **Carry Forward Scenario** and the **2.5% Assessment Cap Scenario** to \$831,410.
- Recommendation to expand School Choice by 20 seats.

### Reserves

- **All Current FY25 Tentative Budget** proposals assume the use of **\$350K** in revenue from the Excess & Deficiency Fund and **\$150K** additional revenue from the OPBEB Trust to offset the cost of retiree health insurance.
- Decreasing either contribution will result in the need to find additional budget revenue and/or reductions to cover the adjustment.
- Increasing the E&D contribution would help in the current year but further contribute to the sustainability dilemma and put pressure on funding sources that likely will not have a funding stream for replenishment in the coming years.
  - Note MERSD will need to have dollars available to fund 1/3 of a feasibility study if agreed to by both towns.

### Enrollment

- Questions?

### Non-Instructional Staff

- Staffing expenditures in-line with average state spending and comparable district
- Resources spent on non-instructional staff are consistent with that of comparable district and state averages.
- The area in which we are slightly higher than average is professional staff. That would remain the target area for reorganization, reallocation and/or reduction.
  - Principal/Director staffing requests utilize all three methods to support investment in their identified needs.

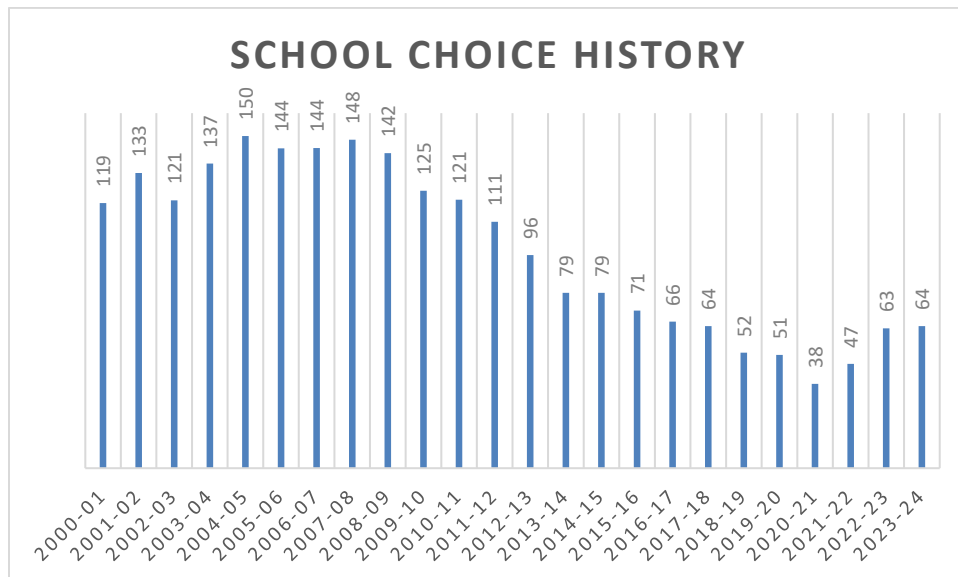
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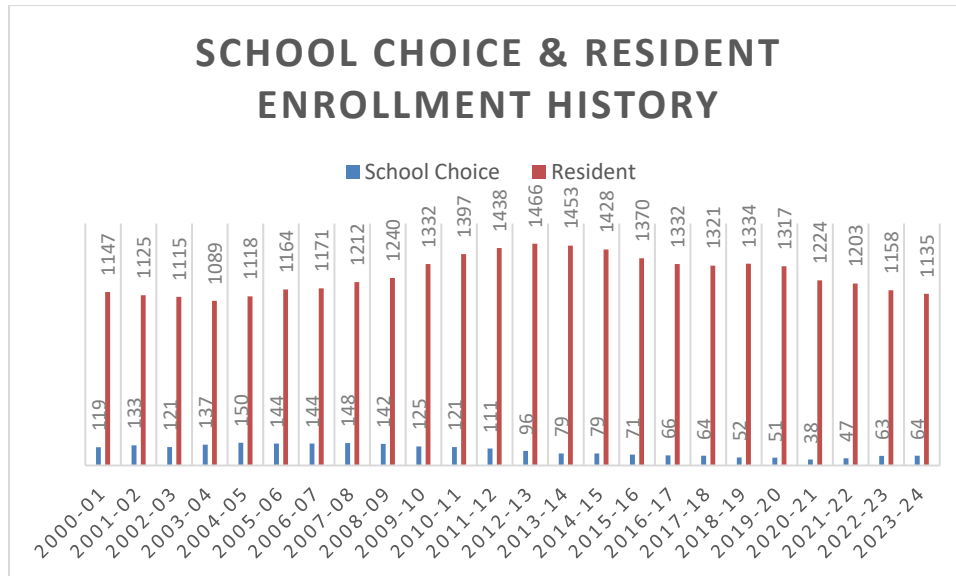
### What is School Choice?

The school choice program is a state program that allows parents to send their children to schools in communities other than the city or town in which they reside. Tuition is paid by the sending district to the receiving district. MERSD is a choice district and has been since the founding of MERSD.

Historically, School Choice revenue has assisted in lowering the assessed budget cost to taxpayers. School Choice dollars are received as revenue and reduce the overall spending budget which in turn lowers the amount of funding raised through town assessments.

At its height, MERSD enrolled 150 students that provided \$750,000 in revenue to the district. From 2007-2014, MERSD experienced a significant increase in resident enrollment and did not have the capacity to accept new choice students for several years. During that period the number of students enrolled in the school choice program declined to a low 38 students in FY21 (\$180K in revenue). As resident enrollment declined, MERSD began to admit new school choice students in grade levels where we had excess capacity. This would be an area where we are at or below our class size benchmark, but not to the degree that we can reduce staff. In that case, we are already paying for the resources to maintain that class and offering a school choice seat at that grade level helps to defray an existing expenditure.





**Does the cost of providing special education services to choose students outweigh the benefit of school choice?**

The School Choice tuition per student is \$5000, but Districts can submit and are reimbursed for the additional costs of supporting student with special needs. While it isn't always a dollar-for-dollar match, the reimbursement does offset the total cost of services provided in-district. In the 2022-2023 school year, it is estimated that the cost of services for school choice students with special needs is \$150K for which we received \$50K in reimbursements. With the indirect expense\* of \$100K deducted from our total FY23 School Choice revenue of \$325K, the program still provides a net profit of \$225K.

In the case of School Choice students requiring and out of district placement, MERSD remains the case manager, but the cost of placement is charged to the town of residency.

*\*Associated costs are derived from the cost of time existing staff spends providing services. It should be noted that there is not identified staffing reduction associated with discontinuing services to school choice students.*

**How has the School Choice Program contributed to Reserve Funds?**

Reserve Funds or “reserves” are emergency funds that were purposefully built over multiple fiscal years and dedicated to planned capital investments, emergency needs, and maintenance of a favorable bond rating to minimize the cost of borrowing.

The School Choice reserve fund as it is commonly known is the balance in the School Choice revolving account that was accrued from saving during the early years of the District. At present, all School Choice dollars received are included as a revenue stream in the operating budget that reduces total spending prior to assessment.

When the MERSD enrollment was low (2001-2006), we had excess capacity that allowed us to enroll a large number of Choice students. At its high point the School Choice program enrolled 150 students generating nearly \$875,000 in annual revenue. While a portion was spent on the annual operational costs, strong financial management allowed MERSD to build a healthy “rainy day” fund, otherwise known as reserves.

Over the course of seven years (2007-2014), resident student enrollment rose 24% (281 students). As a result of this significant increase in resident enrollment, MERSD did not have excess capacity to accept new choice students for several years. During this time school choice revenue declined by 54%. Since then (except for the COVID years), the objective has been to hold School Choice flat by admitting the same number of new students that graduate each year. The financial implication being a steady revenue input to the operating budget (approximately \$325K) that offsets spending and reduces the cost to taxpayers. As the School Choice fund is used to fund emergency needs or capital expenditures, there is no mechanism for replenishing the reserve.

Staffing History FY07-FY24

All Staff	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Superintendent's Office	2	3	3	3	3	2.5	2.5	2.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2	2
Business Office	4	4	4	4	4	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.6	4.6
District Technology	2	2	2	2	2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	3.2	3.2
Student Services	3	3	3	3	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2	2
Curriculum Director	1	1	1	1	1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Principals/Assistant Principals	5	5	5	5.1	4	5	5	5	5	5	4.5	4.5	5.5	5.5	6	6	6	6
School Secretaries	5.5	5.5	6	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Classroom Teachers	95.8	95.6	94.6	94.2	94.9	100.9	99.7	100.6	98.6	100.6	101.9	101.6	100.1	99.2	98.9	99.2	98.3	93
SPED Teachers	12.8	12.8	12.8	15.3	14.8	15.8	20.6	23.6	24.1	24.5	25.3	25.6	30.3	32.6	32.6	33.5	32.2	31
SPED Team Chairs					3	1	2	2	2	2	2	2	2	2	2	2	2	2
Library/Media	3	3	3	3	3	3	3	3	3	2.5	2.4	2.4	1.5	1.5	1.5	1	1	1
SPED/LEP/Tutors	0	0	0	0		0	0	0	0	0				1	1		1	1
Counselors / Adj	6	6.2	6.2	6.2	6	6	5.6	6	6	6	7.4	7.8	6.8	6.8	6.8	6.8	8	8
Psychologists	1.2	1.2	1.2	1.2	1.2	1.2	1.6	2	2	2	2	2	2	2	3	3	3	2
Nurses	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Transportation																		0.2
Cafeteria/Recess Aides	7	7	6	6														
Athletics											2	1.5	1.5	1.6	1.6	1.6	1.1	1.1
Custodians	10	9.2	9.2	6	9.3	9.3	9.3	9.3	5.3	4.5	5	3.5	1.5	1	1	1	1	1
Facilities		1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2
Teaching Assistants	31.4	33.6	28.6	22.4	28.4	27.4	31	32.8	31.4	33.1	31.4	30.5	22.6	24.5	24.5	23.4	25.6	24.4
Total Faculty/Staff	192.7	196.1	189.6	181.4	186.2	190.8	199	205.5	197.6	200.4	205.1	202.6	195	193.9	200.1	198.7	202	193.3

Staffing History FY07-FY24

META Professional Staff	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Classroom Teachers	95.8	95.6	94.6	94.2	94.9	100.9	99.7	100.6	98.6	100.6	101.9	101.6	100.1	99.2	98.9	99.2	98.3	93
Library/Media	3	3	3	3	3	3	3	3	3	2.5	2.4	2.4	1.5	1.5	1.5	1	1	1
Total Classroom	98.8	98.6	97.6	97.2	97.9	103.9	102.7	103.6	101.6	103.1	104.3	104	101.6	100.7	100.4	100.2	99.3	94
		-0.2	-1	-0.4	0.7	6	-1.2	0.9	-2	1.5	1.2	-0.3	-2.4	-0.9	-0.3	-0.2	-0.9	-5.3
SPED Teachers	12.8	12.8	12.8	15.3	14.8	15.8	20.6	23.6	24.1	24.5	25.3	25.6	30.3	32.6	32.6	33.5	32.2	31
SPED Team Chairs					3	1	2	2	2	2	2	2	2	2	2	2	2	2
SPED/LEP/Tutors	0	0	0	0		0	0	0	0	0	0	0	0	1	1	0	1	1
Total Special Ed	12.8	12.8	12.8	15.3	17.8	16.8	22.6	25.6	26.1	26.5	27.3	27.6	32.3	35.6	35.6	35.5	35.2	34
		0	0	2.5	2.5	-1	5.8	3	0.5	0.4	0.8	0.3	4.7	3.3	0	-0.1	-0.3	-1.2
Psychologists	1.2	1.2	1.2	1.2	1.2	1.2	1.6	2	2	2	2	2	2	2	3	3	3	2
Counselors / Adj	6	6.2	6.2	6.2	6	6	5.6	6	6	6	7.4	7.8	6.8	6.8	6.8	6.8	8	8
Nurses	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Student Services	10.2	10.4	10.4	10.4	10.2	10.2	10.2	11	11	11	12.4	12.8	11.8	11.8	12.8	12.8	14	13
		0.2	0	0	-0.2	0	0	0.8	0	0	1.4	0.4	-1	0	1	0	1.2	-1
Total All Professional MET	121.8	121.8	120.8	122.9	125.9	130.9	135.5	140.2	138.7	140.6	144	144.4	145.7	148.1	148.8	148.5	148.5	141
		0	-1	2.1	3	5	4.6	4.7	-1.5	1.9	3.4	0.4	1.3	2.4	0.7	-0.3	0	-7.5
<b>Enrollment</b>																		
Resident Enrollment	1171	1212	1240	1332	1397	1438	1466	1453	1428	1370	1332	1331	1334	1317	1224	1203	1174	1135
School Choice	144	148	142	125	121	111	96	79	79	71	66	54	52	51	38	47	47	64
Total Students	1315	1360	1382	1457	1518	1549	1562	1532	1507	1441	1398	1385	1386	1368	1262	1250	1221	1199
Teachers	13.3	13.8	14.2	15.0	15.5	14.9	15.2	14.8	14.8	14.0	13.4	13.3	13.6	13.6	12.6	12.5	12.3	12.8
	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>

**FY19-FY24 Reduction History**

**Teacher Position Reductions FY19-FY23**

FY19-FY23	Memorial	Elementary Classroom	3	Classroom Section Elimination
FY19-FY23	Elem	Elementary Librarian	1.4	Position Elimination/Shared Elementary
FY19-FY23	Elem	Elementary World Lang Prog.	1	Prgram Elimintion
FY19-FY23	MS	6th Grade World Lang	0.6	Program Elimination
FY19-FY23	Elem	Elementary Art	0.5	Position Elimination/Shared Elementary
FY19-FY23	Elem	Elementary Tech Teacher	0	Multi Year Reorg / Dig Lrng. Sp.
FY19-FY23	Elem	Psychologist	1	Position Elimination/Shared Elementary
FY19-FY23	Memorial	Elementary PE	0.4	Position Elimination
FY19-FY23	HS	Art	0.4	Section Reduction
<i>FY19-FY23</i>		<i>Position/Section Reduction Total</i>	<b>-8.3</b>	General Ed / Enrollment Related
<i>FY19-FY23</i>		<i>SPED Staffing Additions</i>	<b>5.4</b>	In-District Specialized Prog. / Required Service Delivery
		<b><i>Net Teacher FTE Reduction</i></b>	<b>-2.9</b>	

**Teacher Position Reductions FY24**

FY24	Memorial	Elementary Classroom	2	Classroom Section Elimination
FY24	MS	Special Education Liaison	1	Position Elimination
FY24	HS	HS Math	1	Position Elimination
FY24	Memorial	Special Education Specialized Prg.	1	Position Elimination / Program Service Restructure
FY24	HS	Music	0.5	Position Elimination / Attrition / Create Shared MS Chorus Teacher / Defer Performing Arts Coordinator
FY24	HS	Science	1	Position Elimination
<b><i>FY24</i></b>		<b><i>FY24 Teacher FTE Reduction Total</i></b>	<b>-6.5</b>	
<b><i>FY24</i></b>		<b><i>SPED Staffing Additions</i></b>	<b>0</b>	
		<b><i>Net Teacher FTE Reduction</i></b>	<b>-6.5</b>	
		<b>FY19-24 Teacher FTE Reduction</b>	<b>-5.8</b>	
		<b>FY19-24 General Ed Position Reduction</b>	<b>-14.8</b>	

**Teaching Assistant Position Reductions FY19-FY24**

FY19-FY23	Districtwide	Special Education	6.4	Service Changes / Grants / PreK Rev Offsets
FY19-FY23	Essex	Gen Ed Reading Teaching Assistants	1.2	Intervention Program Reorganization /
FY24	Districtwide	Paraprofessionals / Teaching Assistants	1.6	Intervention Program Reorganization [1.6 Operating / 3.6 IDEA]
		<b><i>FY19-FY24 Operating Budget TA Reductions</i></b>	<b>-9.2</b>	

Revolving Fund Name	School Choice	Circuit Breaker	Special Ed. Tuition In	Transp. Stabilization	Athletics	Building Rentals	PreK	Lunch	Stabilization
<i>Ledger Fund #</i>	120	125	130	131	410	465	480	700	852
<b>FY24 Beginning Balance</b>	<b>\$1,459,518</b>	<b>\$766,210</b>	<b>\$189,141</b>	<b>\$0</b>	<b>\$190</b>	<b>\$281,858</b>	<b>\$88,120</b>	<b>\$60,745</b>	<b>\$98,335</b>
FY24 Est. Revenue	\$596,244	\$892,944	\$224,212		\$255,000	\$46,000	\$334,475	\$620,000	\$0
Teachers			(\$165,853)				(\$212,486)		
Teaching Assistants			(\$60,333)				(\$153,259)		
Stipends/Hourly						(\$18,500)			
Total Personnel	\$0	\$0	(\$226,186)	\$0	\$0	(\$18,500)	(\$365,745)	\$0	\$0
Other Operating Expenses	(\$400,000)				(\$255,000)	(\$16,000)		(\$620,000)	(\$98,335)
OOD Tuition & Transp.	(\$395,326)	(\$1,040,969)							
Total Forecasted Expenses	(\$795,326)	(\$1,040,969)	(\$226,186)	\$0	(\$255,000)	(\$34,500)	(\$365,745)	(\$620,000)	(\$98,335)
<b>Forecasted Ending Balance</b>	<b>\$1,260,436</b>	<b>\$618,185</b>	<b>\$187,167</b>	<b>\$0</b>	<b>\$190</b>	<b>\$293,358</b>	<b>\$56,850</b>	<b>\$60,745</b>	<b>\$0</b>
<b>Planned Offsets to FY25 Budget</b>									
Teachers			(\$251,524)				(\$227,420)		
Teaching Assistants			(\$63,144)				(\$94,716)		
Stipends/Hourly						(\$15,000)			
Total Personnel	\$0	\$0	(\$314,668)	\$0	\$0	(\$15,000)	(\$322,136)	\$0	\$0
Other Operating Expenses	(\$500,000)				(\$259,500)				
OOD Tuition & Transp.	(\$413,815)	(\$1,205,984)							
<b>Total Anticipated Offsets</b>	<b>(\$913,815)</b>	<b>(\$1,205,984)</b>	<b>(\$314,668)</b>	<b>\$0</b>	<b>(\$259,500)</b>	<b>(\$15,000)</b>	<b>(\$322,136)</b>	<b>\$0</b>	<b>\$0</b>
#NAME?	<i>School Choice balance assumes repayment of Turf Field Outlay - \$1,142,242</i>								

<b>Excess &amp; Deficiency Fund</b>							
	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Certified E&D	\$818,155	\$1,232,095	\$1,776,015	\$1,778,391	\$1,577,082	\$1,235,875	\$1,425,852
<i>Change, Yr/Yr</i>	<i>\$203,191</i>	<i>\$413,940</i>	<i>\$543,920</i>	<i>\$2,376</i>	<i>-\$201,308</i>	<i>-\$341,208</i>	<i>\$189,978</i>
E&D Cap	\$1,331,152	\$1,367,612	\$1,530,147	\$1,565,798	\$1,615,140	\$1,676,629	\$1,676,570
Under/(Over) Cap	\$512,997	\$135,517	-\$245,868	-\$212,593	\$38,057	\$440,754	\$250,718
							<i>Estimated/Submitted</i>

Funds Commonly Referred to as Reserves