

FY2024 Budget School Department

Superintendent's Recommended Budget

March 21, 2023

SY 2022-2023:

The 2022-2023 school year began with all of our schools in a crunch to get staff hired, as we had several retirements and resignations at the end of the previous school year and over the summer.

Filling these positions continues to prove difficult as the year goes on, as there exists a critical educator/administrator/staff shortage throughout the country post-COVID. As a result, our entire staff across the district has worked harder than they ever have to cover classes and provide support to the classroom teachers and our students.

The good news, this year, was that we were no longer subject to COVID restrictions or mask requirements, and we could conduct athletics, activities and all aspects of the school day, as usual.

In addition, the state of Massachusetts announced the continuation of universal breakfast and lunch programming for all students for the remainder of the school year, which has been a great help to our students and families, as well as our food service revenue. And, with any luck, the Legislature will vote to keep it moving forward.

Also, thanks to the continuation of our ESSER grant funding, we have been able to continue to provide after school remediation and other academic support opportunities to our students at all schools.

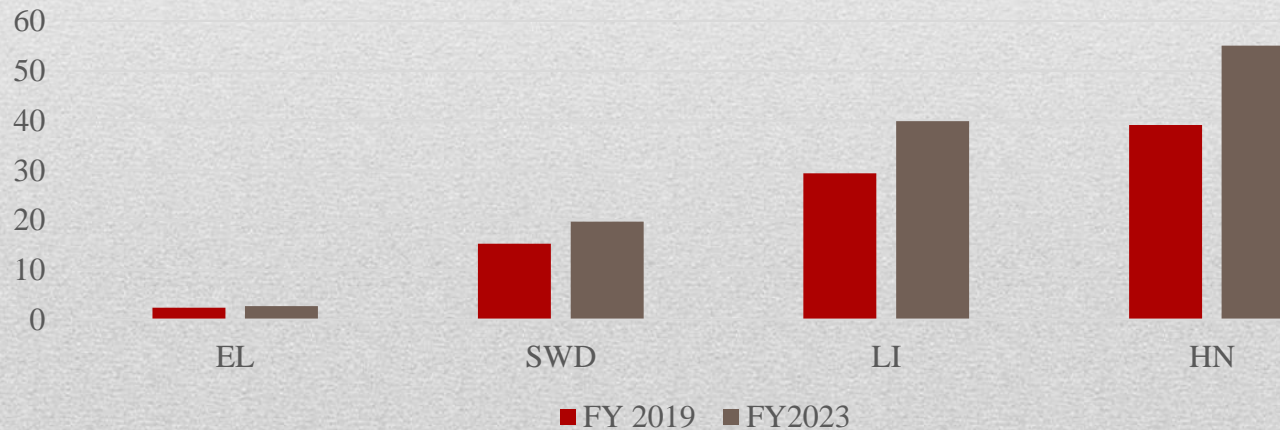
Focus for the FY24 Budget

- Continue to meet the ongoing academic needs of our students that have resulted from disrupted learning, as well as the increasing mental health concerns.
 - Ensure we are able to hire highly-qualified staff members in each of our schools to fill all open positions or positions that may become open throughout the year.
 - Maintain current qualified and experienced staff.
 - Support the strategies and initiatives outlined in Year Three of our three-year District Strategic Plan.
 - Provide necessary resources and training for staff to meet the changing needs of our students.
 - Support opportunities for parent education and engagement in the school system.
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NPS – Special Populations

Students	FY2019 – Pre-COVID	FY 2023 – Post-COVID
	%	%
EL	2.4	2.7
SWD	15.3	19.7 (+4%)
Low Income	29.4	39.9 (+10.5%)
High Needs	39.1	50.7 (+11.5%)
Total Enrollment	2077	1947

Five-Year Comparison

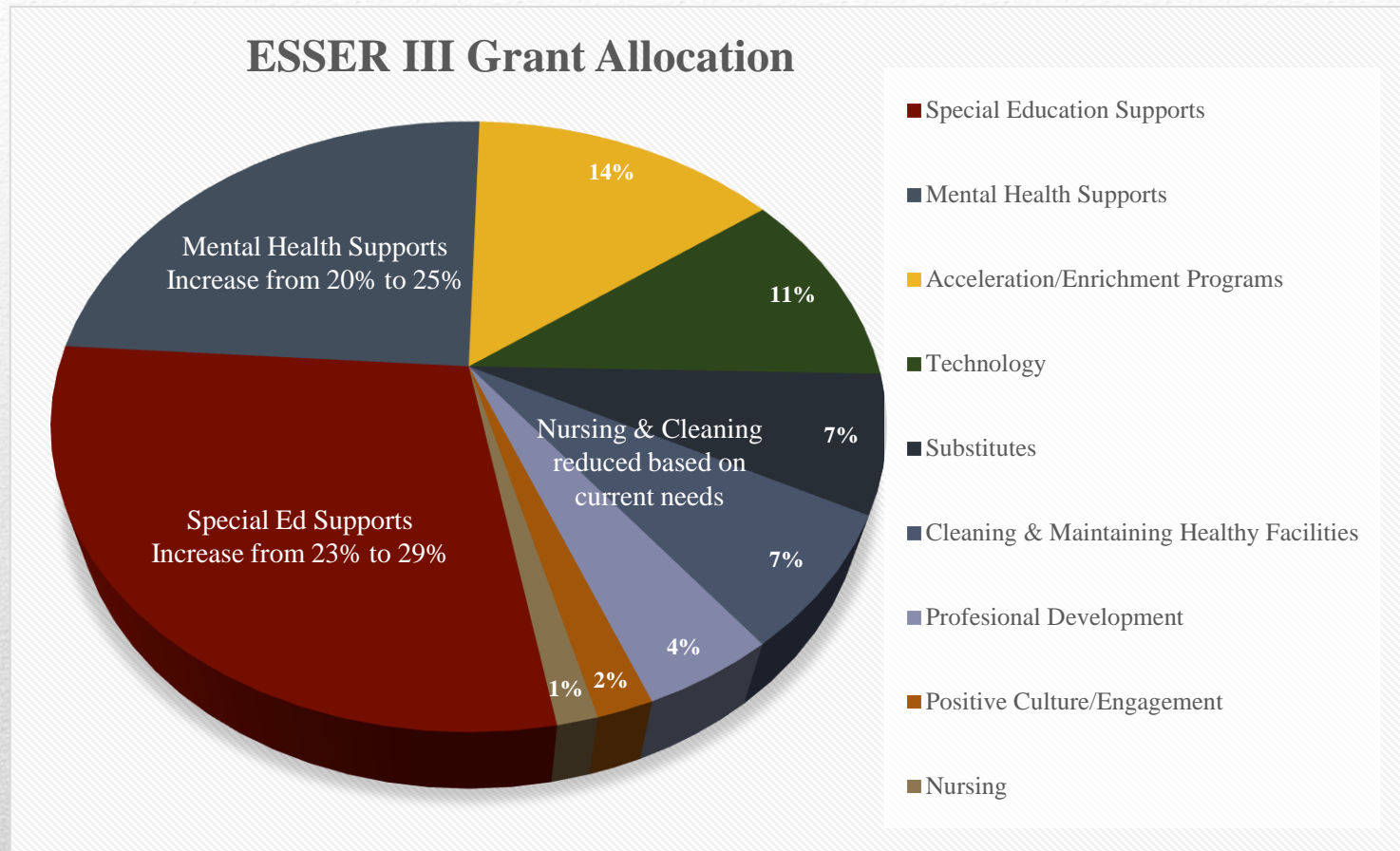


ESSER III Grant Funded Positions Included in the FY24 Budget

School	Position	FTE Added with ESSER FY22	FTE Previously from GF/Other Grant	Total FTE funded from ESSER FY24
District	Social Worker	1.0		1.0
NES	Adjustment Counselor	1.0	1.0	2.0
MS	Adjustment Counselor	1.0	1.0	2.0
HS	Adjustment Counselor	0.2	0.1	0.3
NES	LBLD Teacher	1.0		1.0
HS	Reading Specialist		1.0	1.0
NES/MS/HS	Instructional Assistants	5.0	6.0	11.0
NES	Custodian - Nights	1.0		1.0
NES	Custodian - Days	0.5		0.5
NES/MS	Permanent Sub Nurse	0.5	0.5	1.0
NES/MS/HS	Permanent Substitute	3.0	4.0	7.0
	Total FTEs:	14.2	13.6	27.8
Total Budgeted for Positions Above:		\$1,075,465		

- Grant funds originally allocated to sustain positions added in FY22 through FY24
- Positions funded through general fund in previous years funded by ESSER in FY24 = available revenue

ESSER III – COVID Grant Funding



- Total allocation: \$2,174,018
- Funding period: 10/1/2021 – 9/30/2024

FY24 Budget Process

- November 2022: School Committee set budget parameters:
 - Level services budget
 - Reorganization of positions/programs to align with current needs (net neutral)
 - Further review upon notice of available revenue
 - December 2022: Site based managers submitted detailed level services budget to Superintendent
 - January 2023: Continued meetings with site-based managers to discuss proposed budgets and staffing needs
 - February 2022: School Committee met with site based managers to review level services budget detail and proposed staff re-organizations
 - March 2022: Meeting with Town Manager to discuss available revenue; meeting with school committee to review current year budget status
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FY24 Revenue (current projections)

Chapter 70 State Aid: \$15,845,971

- Minimum required increase of \$30 per student
- Minimum required increases since 2014

Town Contribution: \$10,042,882

- Increase of \$452,690 over FY23

Appropriation: \$25,888,853

- Chapter 70 + Town Contribution
- Maintains 2% increase despite basically flat state aid increases

Year	Chapter 70	Increase	% of Appropriation
2019	15,539,941	66,900	66.4%
2020	15,603,931	63,990	65.5%
2021	15,603,931	-	64.3%
2022	15,664,621	60,690	63.3%
2023	15,786,061	121,440	62.2%
2024	15,845,971	59,910	61.2%

Year	Appropriation	\$ Increase	% Increase
2019	23,389,965	479,522	2.1%
2020	23,839,465	449,500	1.9%
2021	24,254,032	414,567	1.7%
2022	24,739,112	485,080	2.0%
2023	25,376,253	637,141	2.6%
2024	25,888,853	512,600	2.0%

FY24 Revenue (current projections)

- **Grants: \$2,088,711**

- Typical grant funding included in operating budget ~1.0M to 1.2M
- ESSER III funds for added/existing staff positions included in grant funding increases the amount of grant funds budgeted in FY24 above the norm (funds expire 9/30/24)

- **Revolvers: \$4,109,139**

- School Choice, PK Tuition, Circuit Breaker, Athletic Revolver, Transportation Revolver, Use of School
- Anticipated amount needed to fund proposed operating budget
- Closes the gap between the operating budget and the appropriation/grants
- Throughout the year, if operating budget expenses come in lower than budgeted, less revolver funds are utilized. If operating budget expenses come in higher, more revolver funds could be utilized (or reductions made).

FY2023 Revolver Projections

Starting Balance	3,934,513
2023 Revenue	2,074,345
2023 Expense	2,496,685
Ending Balance	3,512,172

FY2024 Revolver Projections

Starting Balance	3,512,172
2024 Revenue	2,211,000
2024 Expense	4,109,139
Ending Balance	1,614,033

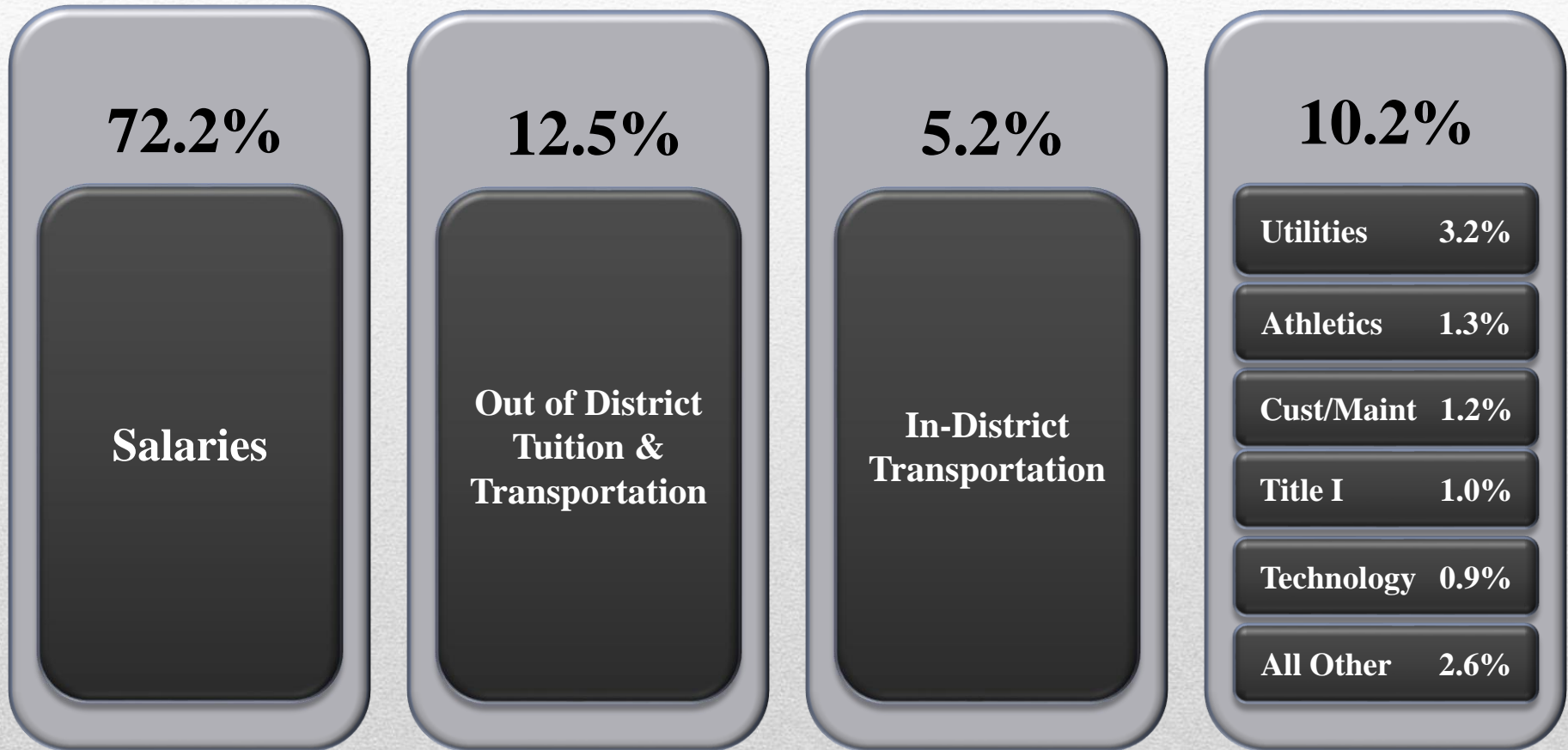
FY23 operating budget expenses are trending under budget = less expenses to be paid from FY23 revolvers = higher FY23 revolver ending balance = additional revolver funds to carry forward into FY24 & FY25

FY24 Superintendent's Recommended Budget

\$32,086,703

- \$1,452,350 or 4.74% increase over FY23 Original Approved Budget

FY24: Where Does the Money Go?



All Other includes: Supplies/Materials/Text (0.8%); Professional Development (0.2%); Instructional Contracted Services (0.7%); Other Expenses (0.8%)

FY2024 Superintendent's Recommended Budget

Category	FY 2023 Approved	FY 2024 Proposed	Increase/ Decrease	% Change
Salary/Other Compensation	22,598,133	23,155,070	556,936	2.5%
Supplies/Materials/Texts	269,069	267,169	(1,900)	-0.7%
Professional Development	70,902	73,533	2,631	3.7%
Instructional Contracted Services	294,404	229,260	(65,144)	-22.1%
Athletics	376,153	402,948	26,795	7.1%
Technology	301,073	283,860	(17,213)	-5.7%
Utilities	947,478	1,038,358	90,879	9.6%
Custodial/Maintenance	385,453	385,587	134	0.0%
Transportation	1,469,199	1,654,057	184,858	12.6%
Out of District Tuition & Trans	3,309,906	3,994,955	685,049	20.7%
Title I	342,080	330,061	(12,019)	-3.5%
Other Expenses	270,503	271,847	1,343	0.5%
	30,634,354	32,086,073	1,452,350	4.74%

- Other expenses includes: copiers, legal, dues, accreditation. advertising, Medicaid billing, postage, MTRS grant expenses, etc.

FY24 Expense Drivers

Category	Increase	Contributing Factors
Out of District Tuition & Transportation	\$ 685,049	<ul style="list-style-type: none">• 28 students budgeted in FY24 vs 29 students budgeted in FY23• 5 less placements (graduating/returning to district)• 4 additional placements (2 new FY24, net 2 increase FY23)• OSD set inflation rate at 14%• Transportation: same # runs; higher daily rates = 171k increase
Salaries	\$556,936	<ul style="list-style-type: none">• Salary grid step increases (2.5% to 6% average per union)• Negotiated collective bargaining % increases (1% to 1.5%)• No budgeted retiree replacements, but some FY23 replacement hire savings carries forward• 8 additional instructional assistants needed
Transportation	\$ 184,858	<ul style="list-style-type: none">• 13% increase in-district regular and special education school bus contract rates• Increased Foster/McKinney Vento daily rates = need is unknown in advance – budget based on current rate/past incidence

FY24 Out of District Tuition

Prior Year OSD Inflation Rates

FY11	0.75%
FY12	1.69%
FY13	2.13%
FY14	1.80%
FY15	1.53%
FY16	1.40%
FY17	1.83%
FY18	1.15%
FY19	2.33%
FY20	1.63%
FY21	2.72%
FY22	2.26%
FY23	2.54%
FY24	14.00%

- The Operational Services Division (OSD) is an oversight agency of the Commonwealth within the Executive Office for Administration and Finance
- OSD is responsible for setting tuition prices for approved special education programs in private schools
- OSD is required by M.G.L. Chapter 7, Section 22N, to submit an “estimated rate of inflation for social service programs” each year and is required to inform Superintendents of this rate by October 1 for budget planning purposes
- The cost of the 14% inflation rate increase for Northbridge is **\$275,963** (for private schools only)
- OSD does not set collaborative tuition rate increases; budgeted 10% increase
- The cost of the 14% inflation rate for OSD approved schools and the 10% inflation rate budgeted for collaborative schools is **\$334,682**
- Changes in students/placements accounted for **\$165,778** of the increase in OOD tuition from FY23 to FY24 (not attributed to inflation). Had the rates only increased by 2.5%, total OOD tuition cost would have increased by **\$229,666** instead of **\$513,614**

Reorganization of Positions: Transfers

School	Position	FTE		School	Position	FTE
NES	Grade 5 Teacher	1.0	→	NES	Grade 4 Teacher	1.0

- Transfer Grade 5 teacher to Grade 4 as the current small Grade 4 class moves up to Grade 5
- Without the transfer, Grade 4 would be up to 24.8 students per class and Grade 5 only have 17.6
- Keeping 8 sections of Kindergarten budgeted – unknown incoming class size

2022-2023 Average Class Size				2023-2024 Estimated Class Size		
Grade	2022-2023 Enrollment	Sections	Class Size	2023-2024 Enrollment*	Sections	Class Size
Kindergarten	150	8	18.8	150	8	18.8
Grade 1	158	8	19.8	150	8	18.8
Grade 2	155	7	22.1	158	7	22.6
Grade 3	149	7	21.3	155	7	22.1
Grade 4	123	6	20.5	149	7	21.3
Grade 5	137	7	19.6	123	6	20.5

Enrollment figures based on 12-16-22 IC enrollment report

*2023-2024 is estimated – planning for current class enrollment

Reorganization of Positions: Additions

School	Position Added	FTE
NES	Instructional Assistants	4.0
Middle	Instructional Assistants	1.0
High	Instructional Assistants	2.0

- An evaluation of student IEP services and the number of IA's on staff was conducted
- 5 NES students with 1:1 IA's are moving to Middle; 3 MS students with 1:1 IA's are moving to High, 1 HS student with a 1:1 IA will be graduating; the 4 NES IA's that were added mid-year (FY23) through grant funds need to be maintained at NES
- Net add = 7 IA's

Reorganization of Positions: Restructure

School	Position	FTE		School	Position	FTE
NES	Team Chair	1.0	→	NES	Elementary Special Education Coordinator	1.0
NES	1:1 Nurse Assistant LPN	1.0	→	NES	Instructional Assistant	1.0

- The current Team Chair position at NES will be converted to an Elementary Special Education Coordinator
 - NES has the largest special ed population in the district
 - Increase in days and hours for special ed support (~ level salary)
 - Additional evaluator duties = added support and feedback for special education staff
- Due to a change in student needs, a 1:1 Nurse Assistant will be converted to a 1:1 Instructional Assistant

Reorganization of Positions: Adjustments due to Grant Funding

School	Position Reduced	FTE	School	Position Added/Maintained	FTE
District	Float Nurse	1.0	NES	Permanent Nurse Substitute	0.5
High	BRIDGE Academic Liaison	.40	High	BRIDGE Adjustment Counselor	0.1

- COVID/Float Nurse added when additional funds were added to the Comprehensive School Health Services Grant
- Added funds were available for FY22 and FY23, but did not carry into FY24
- Float nurse stationed at NES
- Float nurse being eliminated because funding source has gone away
- Additional nursing support still needed at NES = half time permanent substitute nurse at MS will be made full time permanent sub and split time between NES and MS
- Same health grant funds 3 days of a BRIDGE Adjustment Counselor at the High School
- In FY22 & FY23, added grant funds increased this position from 3 days to 4 days and ESSER funded the 5th day to make the position full time
- Reducing BRIDGE Academic Liaison from 6.5 hours to 4 hours/day to maintain full-time BRIDGE Adjustment Counselor: 3.5 days coming from the health grant and 1.5 days coming from ESSER

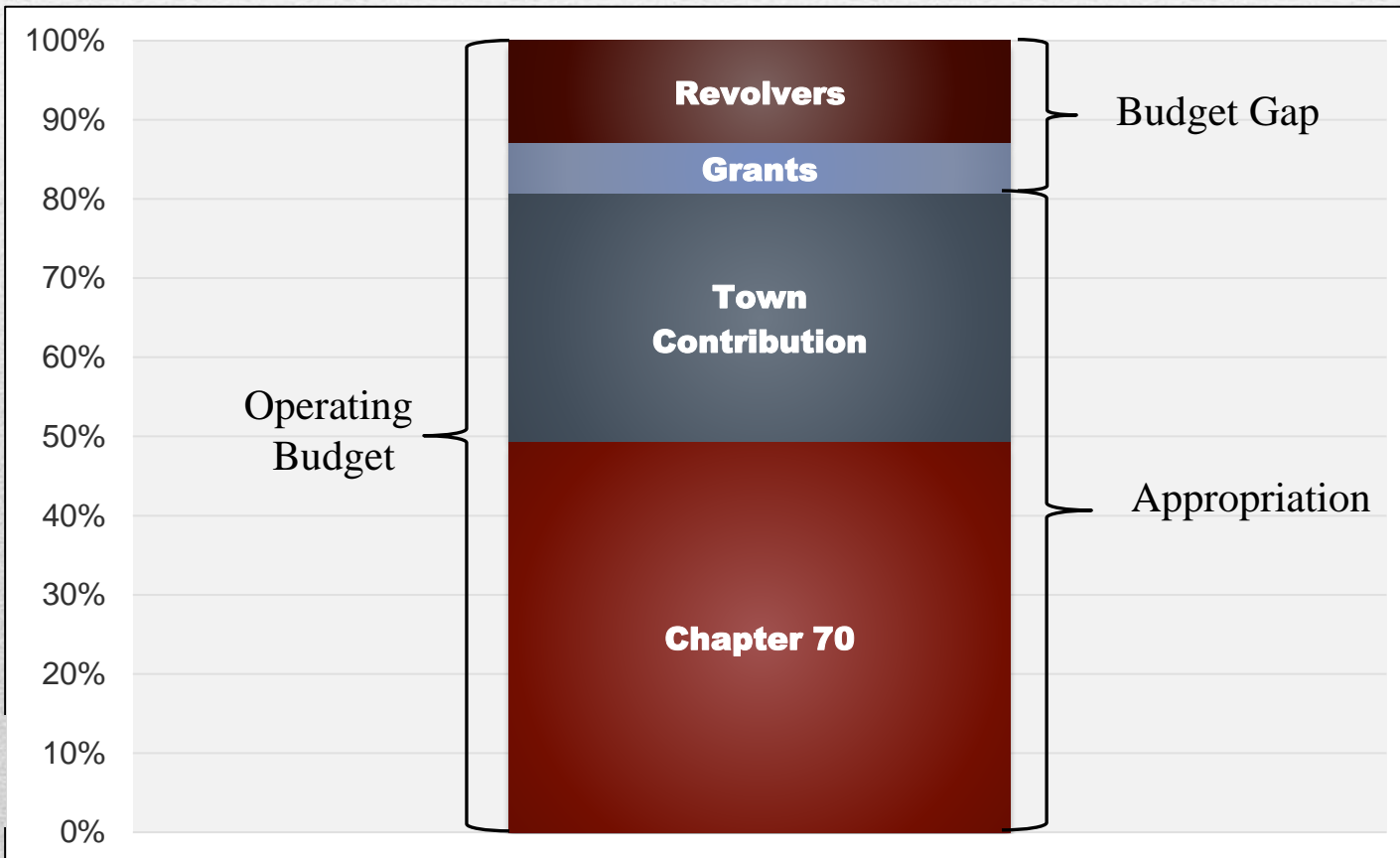
Reorganization Summary

FTE Positions Reduced:	0.9
FTE Positions Added:	7.0
Total FTE's Added:	6.1

Net Cost: \$93,733

FY24 Operational Budget Gap

Operating Budget	\$32,086,703
- <u>Appropriation</u>	<u>\$25,888,853</u>
Budget Gap	\$ 6,197,850



How has the Budget Gap Been Sustained this long?

Level Services/Fees/Reductions		FY	Initial Budget	Actual Expenses	\$ Under Budget	% Under Budget
FY15:	Reduced level services budget by \$1.1M	2015	24,785,898	24,284,143	501,755	2.0%
FY16:	Reduced level services budget by \$475k; increased fees	2016	25,096,347	24,736,238	360,109	1.4%
FY17:	Level services	2017	26,396,360	25,799,343	597,016	2.3%
FY18:	Reduced level services budget by 77k	2018	27,079,883	26,307,905	771,978	2.9%
FY19:	Reduced level services budget by \$611k	2019	27,125,322	26,218,195	907,126	3.3%
FY20:	Level services; reallocate expenses to grants/capital funds	2020*	27,532,807	26,080,889	1,451,918	5.3%
FY21:	Reduced level services budget by \$222k	2021*	28,851,528	26,684,387	2,167,140	7.5%
FY22:	Initially level services; ESSER positions added upon grant award	2022	28,932,495	28,461,774	470,721	1.6%

- 2020: COVID Shutdown March 2020-June 2020
 - Reduced in district and out of district transportation costs; reduced utilities; no spring season for athletics; reduced overtime costs; maintained salary for permanent staff, but reduced substitute costs, etc.
- 2021: Remote → Hybrid → In-Person School Year
 - Reduced out of district transportation costs; reduced utilities; abbreviated athletic seasons; reduced overtime costs; reduced summer program costs; delayed start to positions not needed during remote learning; reduced stipends for programs that did not run; unpaid leaves of absence; reduced substitute costs, cleaning supplies paid by grants, etc.
 - FY21 grants carried forward to help fund FY22, resulting in FY22 grants carrying forward to help fund FY23

Looking Ahead to FY2025

- The proposed FY24 budget utilizes \$4.1M in revolver funds to balance the budget. If \$2.2 million is received as revolver revenue for FY25 (~ level to projected FY24), only \$2.8 million of revolver funds will be available to balance the FY25 budget in order to leave a \$1M balance. This is \$1.3 million less than is planned to be utilized in FY24.
- If FY23/FY24 expenses comes in under budget and less revolver funds are needed to balance the budgets in those years, and/or if FY23/FY24 revolver revenue comes in higher than projected, additional revolver funds will be available to help fund the FY25 budget.
- ESSER III grant funds are currently funding \$1M of the FY24 budget; however, these funds will not be available in FY25
- Funding challenges: state aid increases are minimal; appropriation increases have been limited to ~2% of total appropriation; ESSER funds available in FY22-FY24 but will not be continued in FY25; more revolver funds are budgeted to be utilized than replenished.
- We have continued to push off and prolong the time until the next large budget deficit, but unless the FY23 and FY24 budgets come in significantly under budget, or an additional revenue source presents itself, sustaining the current level of services budgeted for FY24 in the FY25 budget will be extremely challenging

FY2024 Revolver Projections	
Starting Balance	3,512,172
2024 Revenue	2,211,000
2024 Expense	4,109,139
Ending Balance	1,614,033

FY2025 Revolver Projections	
Starting Balance	1,614,033
2025 Revenue	2,200,000
2025 Expense	2,814,033
Ending Balance	1,000,000

Calculation for visual purposes only

FY 2024



- Esser Grants
- SEL and Mental Health Grants
- Title Grants
- Revolver Funds Carryover from Prior Years' Decreased Expenses

FY 2025



- ~~• Esser Grants~~
 - ~~• SEL and Mental Health Grants~~
 - Title Grants
 - ~~• Revolver Funds Carryover from Prior Years' Decreased Expenses~~
 - Cont. Salary increases (exceeding appropriation increase)
 - Cont. Population changes
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Summary

- Level services operating budget for FY24 requires a \$1,452,350 or 4.74% increase over the original FY23
- Chapter 70 only increased by the minimum \$30 per student, or \$59,910 and the Town Contribution increased by \$452,690 resulting in the school department's appropriation increasing by 2% = \$512,600
- \$4.1 million will be spent from revolver accounts to help fund the budget, leaving a \$1.6 million available balance
- OOD Tuition & Transportation = largest reason for budget increase (OSD set 14% inflation rate) followed by contractual salary increases and transportation contract increases
- Re-organization of positions = net 6.1 FTEs added (IA's); \$93,733 net cost
- ESSER grant funding continues to be available in FY24 to sustain grant-funded positions added in FY22, and to help sustain existing general fund positions (in addition to funding programs and resources not in the operating budget that are necessary to meet the current academic, social, and emotional needs of our students)
- Based on current revenue projections, a lesser amount of funding will be available to fund the budget in FY25, resulting in an anticipated revenue shortfall

Important Upcoming Dates

- Presentation to Finance Committee – March 22, 2023
- Public Hearing – March 28, 2023
- School Committee Votes on the Budget – April 11, 2023
- Annual Spring Town Meeting – May 2, 2023