



# HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT

*FY19 Superintendent's Budget Recommendation  
School Committee Presentation  
February 13, 2018*

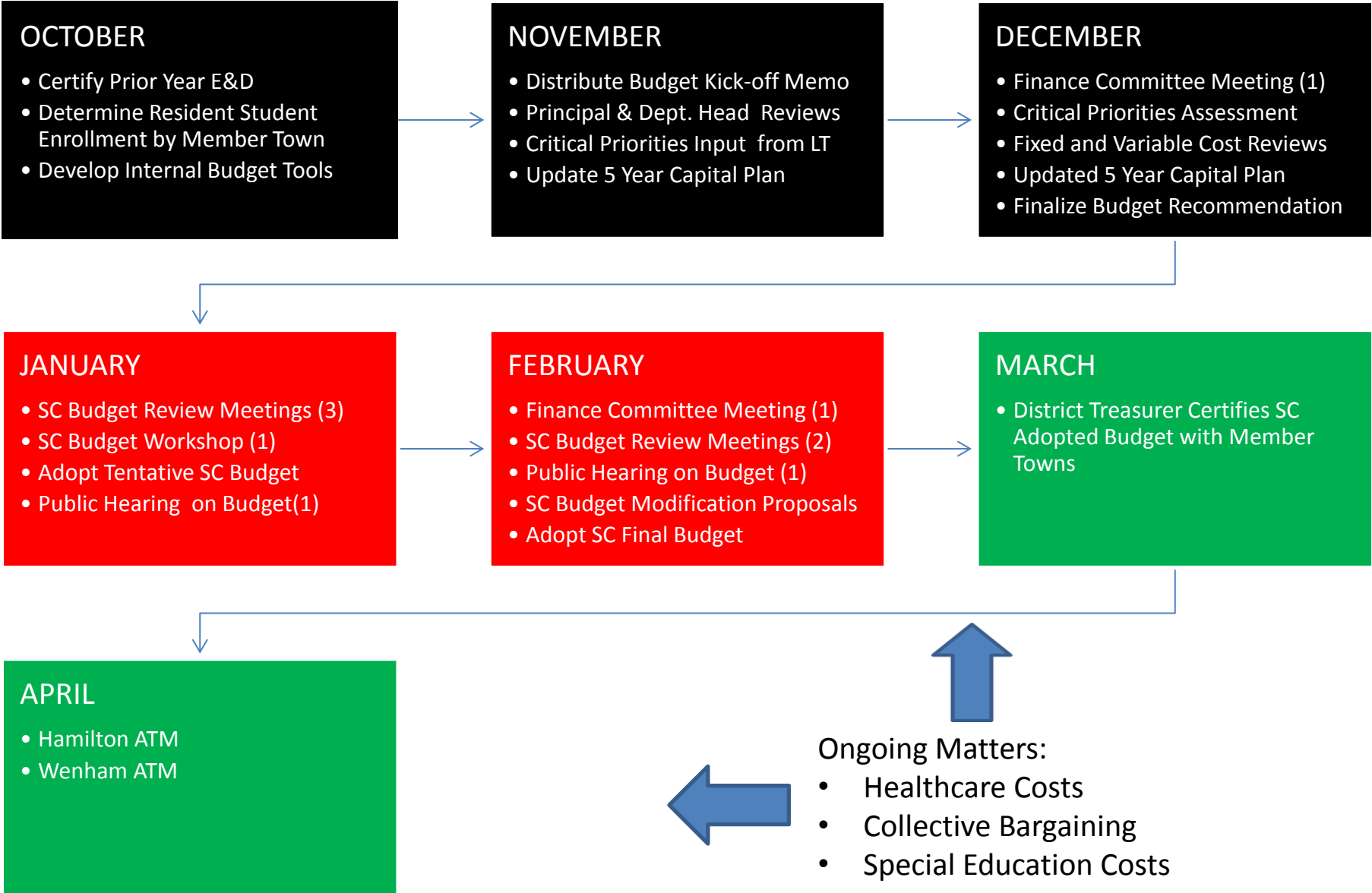
## **Adopted School Committee Budget**

Prepared by:

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# HWRSD Budget Process Overview





# FY19 Budget

## *Superintendent's Recommendation*

Level Service PLUS an Investment in Critical Priorities

What Does “Level Service” Mean?

*Level Service is a continuation of the current programs, services and staffing of the District.*

For FY19, Level Service translates into a spending increase in our Gross Operating Expenses of \$1,117,099 or 3.56% versus the FY18 Budget.



# FY19 Budget: Level Service

## *Key Assumptions*

- **Salary Costs**

- Incorporates a conservative COLA increase for all personnel.
- Incorporates all other contractual salary obligations (e.g. STEPs and Degree Changes).
- Increases our Grade 1 Teacher Headcount by 1.0 FTE ( see larger KDG class in FY18).
- Incorporates Retirement and Other Staff Replacement salary savings of \$144K.
- Level funds all Grants as compared to FY18.

- **Operating Costs**

- No new Services or Programs.
- Capital Costs reducing to \$129K versus \$210K in FY18 and \$312K in FY17.
- Level funds the majority of operating account categories.
- Exceptions to level funding include, most notably:
  - Healthcare Costs increasing by 5.9% or \$143K
  - Out-of-District Tuition Costs increasing by 6.1% or \$168K
  - Special Ed Transportation Costs increasing by 26.5% or \$129K
  - District Insurances increasing by 21.1% or \$36K
  - School Choice OUT Tuition Costs increasing by 109.0% or \$47K

- **Excess & Deficiency**

- \$347K in Certified E&D being used “to reduce the amount to be raised by assessment by the member Towns during the ensuing Annual Budget Process” (Policy D4021)



# FY19 Budget

## *Superintendent's Recommendation*

### Level Service PLUS an investment in Critical Priorities

What Does investing in “Critical Priorities” Mean?

*Provide the targeted funding necessary to better position the District to achieve its goals & objectives as provided for in the “Strategic Blueprint”, including directed investments in people, programs, & technology.*

For FY19, the Superintendent and Leadership Team is recommending that an investment be made to fund several Critical Priorities. This investment comes at an additional cost of \$577,143\* above what is needed to maintain Level Services for the 2018 – 2019 School Year.

\* - Includes \$177,764 in Athletics User Fee Reductions requested by the School Committee on January 31, 2018 .



# FY19 Budget

## What has been included in the Recommended Budget for Critical Priorities?

In addition to the funding needed to maintain Level Services, we are recommending that an additional \$577,143 be provided to fund the following items earmarked as Critical Priorities for FY19:

- Athletics User Fee Reduction (\$177,764)\*
- K-5 Math Resources (\$100,000)
- 6 – 8 Math Resources (\$40,000)
- Fountas and Pinnell 3 Upgrade (\$17,500)
- RTI Screeners and Interventions (\$15,000)
- 1.0 FTE Special Education Team Chairperson for OOD (\$71,600)
- (2) 1.0 FTE HS Special Education Program Based Teachers (\$60,350)
- 0.5 FTE MS Special Education Reading Teacher (\$29,270)
- Healthcare and Benefits Costs for new staff (\$43,659)
- Compliance with AED Law effective July 1, 2018 (\$22,000)

\* - As requested by the School Committee on January 31, 2018 .



# FY19 Budget – Primary Drivers

## Level Service PLUS Critical Priorities Gross Operating Expense Budget

Driver	FY19 v FY18	
	\$ CHG	
All Staff COLAs and STEPs - Level Service	\$	791,000
Teacher Degree Changes	\$	60,000
Additional Grade 1 Teacher	\$	53,000
Critical Priorities *	\$	577,143
Essex Retirement Pension Fund Appropriation	\$	29,000
Out-of- District Tuitions	\$	168,000
Special Education Transportation	\$	129,000
In District Transportation	\$	27,000
Insurance Premiums	\$	36,000
Healthcare Costs	\$	143,000
Net All Other Operating Expenses	\$	(93,900)
<b>Subtotal:</b>	<b>\$</b>	<b>1,919,243</b>
Capital Projects	\$	(81,000)
Anticipated Staff Retirement Replacement Savings	\$	(79,000)
Anticipated Staff Replacement Savings	\$	(65,000)
<b>Subtotal:</b>	<b>\$</b>	<b>(225,000)</b>
<b>TOTALS:</b>	<b>\$</b>	<b>1,694,243</b>

\* - Includes \$177,764 in Athletics User Fee Reductions requested by the School Committee on January 31, 2018 .



# FY19 Budget – District Totals

## Level Service PLUS Critical Priorities Net Assessment Budget

Total Expenses					
	FY17 BUD	FY18 BUD	FY19 BUD	Difference	
General Operating Expense (Before Offsets)	\$ 30,166,532	\$ 31,403,624	\$ 33,097,866	\$ 1,694,242	5.40%
Expense Offsets	\$ 1,016,500	\$ 1,203,808	\$ 1,203,808	\$ -	0.00%
General Operating Expenses (After Offsets)	\$ 29,150,032	\$ 30,199,816	\$ 31,894,058	\$ 1,694,242	5.61%
Debt Service Expense	\$ 2,129,250	\$ 2,092,860	\$ 2,115,275	\$ 22,415	1.07%
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,279,282</b>	<b>\$ 32,292,676</b>	<b>\$ 34,009,333</b>	<b>\$ 1,716,657</b>	<b>5.32%</b>

Total Funding Sources					
	FY17 BUD	FY18 BUD	FY19 BUD	Difference	
<i>Revenues</i>					
Chapter 70-Base Aid	\$ 3,457,966	\$ 3,554,656	\$ 3,606,706	\$ 52,050	1.5%
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%
State Transportation Reimbursement	\$ 331,304	\$ 340,686	\$ 330,837	\$ (9,849)	-2.9%
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 150,000	\$ 65,000	76.5%
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%
Prior Year Unexpended Encumbrances	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Other Non-recurring Income (Including Transp)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
<b>Total Revenues</b>	<b>\$ 5,010,335</b>	<b>\$ 5,116,407</b>	<b>\$ 5,223,608</b>	<b>\$ 107,201</b>	<b>2.1%</b>
<i>Transfers In From Other Funds</i>					
Excess and Deficiency	\$ 555	\$ 568,821	\$ 347,218	\$ (221,603)	-39.0%
<b>Total Transfers</b>	<b>\$ 555</b>	<b>\$ 568,821</b>	<b>\$ 347,218</b>	<b>\$ (221,603)</b>	<b>-39.0%</b>
<b>Total Funding Sources</b>	<b>\$ 5,010,890</b>	<b>\$ 5,685,228</b>	<b>\$ 5,570,826</b>	<b>\$ (114,402)</b>	<b>-2.0%</b>

Total Expenditures	\$ 31,279,282	\$ 32,292,676	\$ 34,009,333	\$ 1,716,657	5.3%
Less Total Funding Sources	\$ 5,010,890	\$ 5,685,228	\$ 5,570,826	\$ (114,402)	-2.0%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 26,268,391</b>	<b>\$ 26,607,448</b>	<b>\$ 28,438,507</b>	<b>\$ 1,831,059</b>	<b>6.9%</b>

Total Town Assessments					
	FY17 BUD	FY18 BUD	FY19 BUD	Difference	
Hamilton	\$ 17,494,749	\$ 17,401,271	\$ 18,385,495	\$ 984,224	5.7%
Wenham	\$ 8,773,643	\$ 9,206,177	\$ 10,053,012	\$ 846,835	9.2%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 26,268,391</b>	<b>\$ 26,607,448</b>	<b>\$ 28,438,507</b>	<b>\$ 1,831,059</b>	<b>6.9%</b>





# FY19 Budget – District Totals

## 4 Year Impact Analysis of Net Assessments to the Towns

<b>Total Net Assessment:</b>		
FY15	\$	24,478,847
FY19	\$	28,438,507
4 Year Chg \$	\$	3,959,660
4 Year Chg %		16.18%
<i>Avg Annual Chg</i>		<i>4.04%</i>
<b>Hamilton's Total Net Assessment:</b>		
FY15	\$	16,867,884
FY19	\$	18,385,495
4 Year Chg \$	\$	1,517,611
4 Year Chg %		9.00%
<i>Avg Annual Chg</i>		<i>2.25%</i>
<b>This 4 Yr Period includes a \$900K shift to Wenham (re: 3 Yr Enrollment)</b>		
<b>Wenham's Total Net Assessment:</b>		
FY15	\$	7,610,763
FY19	\$	10,053,012
4 Year Chg \$	\$	2,442,249
4 Year Chg %		32.09%
<i>Avg Annual Chg</i>		<i>8.02%</i>
<b>This 4 Yr Period includes a \$900K shift from Hamilton (re: 3 Yr Enrollment)</b>		



# FY19 Budget – Summary by DESE Category

## *Level Service PLUS Critical Priorities Gross Operating Expense Budget*

Summary	FY17	FY18	FY19	Change FY18 to FY19	
by DESE Category	Budget	Budget	Budget	\$	%
Administration	\$ 1,180,023	\$ 1,135,489	\$ 1,180,028	\$ 44,539	3.92%
Capital, Operations, Maintenance	\$ 2,244,431	\$ 2,228,122	\$ 2,185,001	\$ (43,121)	-1.94%
Guidance, Counseling, Testing	\$ 1,075,072	\$ 1,065,718	\$ 1,110,803	\$ 45,085	4.23%
Inst. Materials	\$ 857,654	\$ 873,876	\$ 1,006,104	\$ 132,228	15.13%
Instructional Leadership	\$ 2,884,573	\$ 2,931,318	\$ 3,082,942	\$ 151,624	5.17%
Insurance, Retirement, Other	\$ 3,752,986	\$ 3,978,971	\$ 4,173,276	\$ 194,305	4.88%
Other Teaching Services	\$ 2,309,691	\$ 2,408,619	\$ 2,477,389	\$ 68,770	2.86%
Prof. Dev.	\$ 172,902	\$ 209,594	\$ 223,799	\$ 14,204	6.78%
Pupil Services	\$ 2,031,224	\$ 2,080,527	\$ 2,439,488	\$ 358,961	17.25%
Teachers	\$ 11,596,360	\$ 11,695,832	\$ 12,264,738	\$ 568,906	4.86%
Tuitions	\$ 2,061,617	\$ 2,795,559	\$ 2,954,300	\$ 158,741	5.68%
<b>Grand Total</b>	<b>\$ 30,166,532</b>	<b>\$ 31,403,624</b>	<b>\$ 33,097,866</b>	<b>\$ 1,694,242</b>	<b>5.40%</b>



# FY19 Budget

## Motions for School Committee Budget Vote

### **Motion for the FY19 Operating Budget Vote:**

Motion: The Hamilton-Wenham Regional School Committee approves an FY19 Total General Fund Expenditures Budget of \$34,009,333. This amount includes General Fund Operating Expenses (after Offsets) in the amount of \$31,894,058 and General Fund Debt Service Expenses in the amount of \$2,115,275. Furthermore, the Gross Operating Expenses of the District (before Offsets) have been allocated to the DESE-defined Accounts according to the “Summary by DESE Category” chart included in this Budget Presentation dated 2/13/2018. **APPROVED BY A VOTE OF 5-1-1**

### **Motion for the FY19 Budget Assessment:**

Motion: The Hamilton-Wenham Regional School Committee votes to assess the Towns of Hamilton and Wenham a combined total of \$28,438,507 as the amount necessary to operate and maintain the District, as well as pay debt service, for FY19. The District’s Assistant Superintendent shall determine the amount apportioned to each Town, and the District’s Treasurer shall certify such amounts to the respective Treasurers of each Town within 30 days of this date. **APPROVED BY A VOTE OF 7-0-0**



*5 Year Capital Improvement Plan  
Recommended*

*February 13, 2018*



# HWRSD Debt Authorization Motions for School Committee Vote

## ***Winthrop Fire Suppression System***

MOVED: That the Hamilton-Wenham Regional School District (the “District”) hereby appropriates the amount of \$850,000 for the purpose of paying costs of the installation of a fire suppression system at the Winthrop Elementary School including the payment of all costs incidental or related thereto. To meet this appropriation the District is authorized to borrow said amount, under and pursuant to Chapter 71, Section 16(d) of the General Laws and the District Agreement, as amended, or pursuant to any other enabling authority. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

**APPROVED BY A VOTE OF 5-2-0**



# HWRSD Debt Authorization Motions for School Committee Vote

## ***Various Capital Projects***

FURTHER MOVED: That the District hereby appropriates the amount of \$2,600,000 for the purpose of paying costs of various FY19 “Safety, Accessibility and Critical Infrastructure” capital projects within the District as outlined in the District’s Five-Year Capital Plan dated February 13, 2018, including the payment of all costs incidental or related thereto. To meet this appropriation the District is authorized to borrow said amount, under and pursuant to Chapter 71, Section 16(d) of the General Laws and the District Agreement, as amended, or pursuant to any other enabling authority. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount. **APPROVED BY A VOTE OF 7-0-0**



# HWRSD Debt Authorization Motions for School Committee Vote

FURTHER VOTED: That within seven (7) days from the date on which this vote is adopted the Secretary be and hereby is instructed to notify the Board of Selectmen of each of the member towns of the District, as to the amount and general purposes of the debt herein authorized, as required by the District Agreement and by Chapter 71, Section 16(d), of the General Laws.

**APPROVED BY A VOTE OF 7-0-0**



# FY19 Budget: Calendar

SEPTEMBER 18, 2017	DISTRICT SUBMITS FY17 E&D TO MA DOR FOR CERTIFICATION
OCTOBER 26, 2017	DISTRIBUTION OF OCTOBER 2017 RESIDENT ENROLLMENT DATA TO TOWNS
NOVEMBER 6, 2017	DISTRIBUTION OF FY19 BUDGET KICK-OFF MEMO TO HWRSD BUDGET HOLDERS
NOVEMBER 6, 2017	DISTRIBUTION OF FY19 BUDGET CALENDAR
DECEMBER 7, 2017	FY19 BUDGET PLANNING MEETING #1 WITH TOWN FINANCE COMMITTEES
JANUARY 3, 2018	FY19 BUDGET RECOMMENDATION PRESENTED TO SCHOOL COMMITTEE
JANUARY 3, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
JANUARY 3, 2018	SCHOOL COMMITTEE ADOPTS TENTATIVE FY19 BUDGET
JANUARY 10, 2018	DISTRICT ADMINISTRATION ADVERTISES FY19 BUDGET PUBLIC HEARING #1
JANUARY 17, 2018	SCHOOL COMMITTEE HOLDS FY19 BUDGET PUBLIC HEARING #1
JANUARY 17, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
JANUARY 24, 2018	SCHOOL COMMITTEE CONDUCTS FY19 BUDGET BUDGET WORKSHOP
JANUARY 30, 2018	DISTRICT ADMINISTRATION MAILES ADOPTED TENTATIVE FY19 BUDGET TO TOWNS
JANUARY 31, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
FEBRUARY 6, 2018	DISTRICT ADMINISTRATION ADVERTISES FY19 BUDGET PUBLIC HEARING #2
FEBRUARY 7, 2018	FY19 BUDGET PLANNING MEETING #2 WITH TOWN FINANCE COMMITTEES
FEBRUARY 13, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
FEBRUARY 13, 2018	SCHOOL COMMITTEE HOLDS FY19 BUDGET PUBLIC HEARING #2
FEBRUARY 13, 2018	SCHOOL COMMITTEE ADOPTS FY19 BUDGET
MARCH 15, 2018	DISTRICT TREASURER CERTIFIES FY19 APPORTIONED AMOUNTS WITH TOWNS
APRIL 7, 2018	ANNUAL TOWN MEETINGS