



**HAMILTON-WENHAM**  
**REGIONAL SCHOOL DISTRICT**

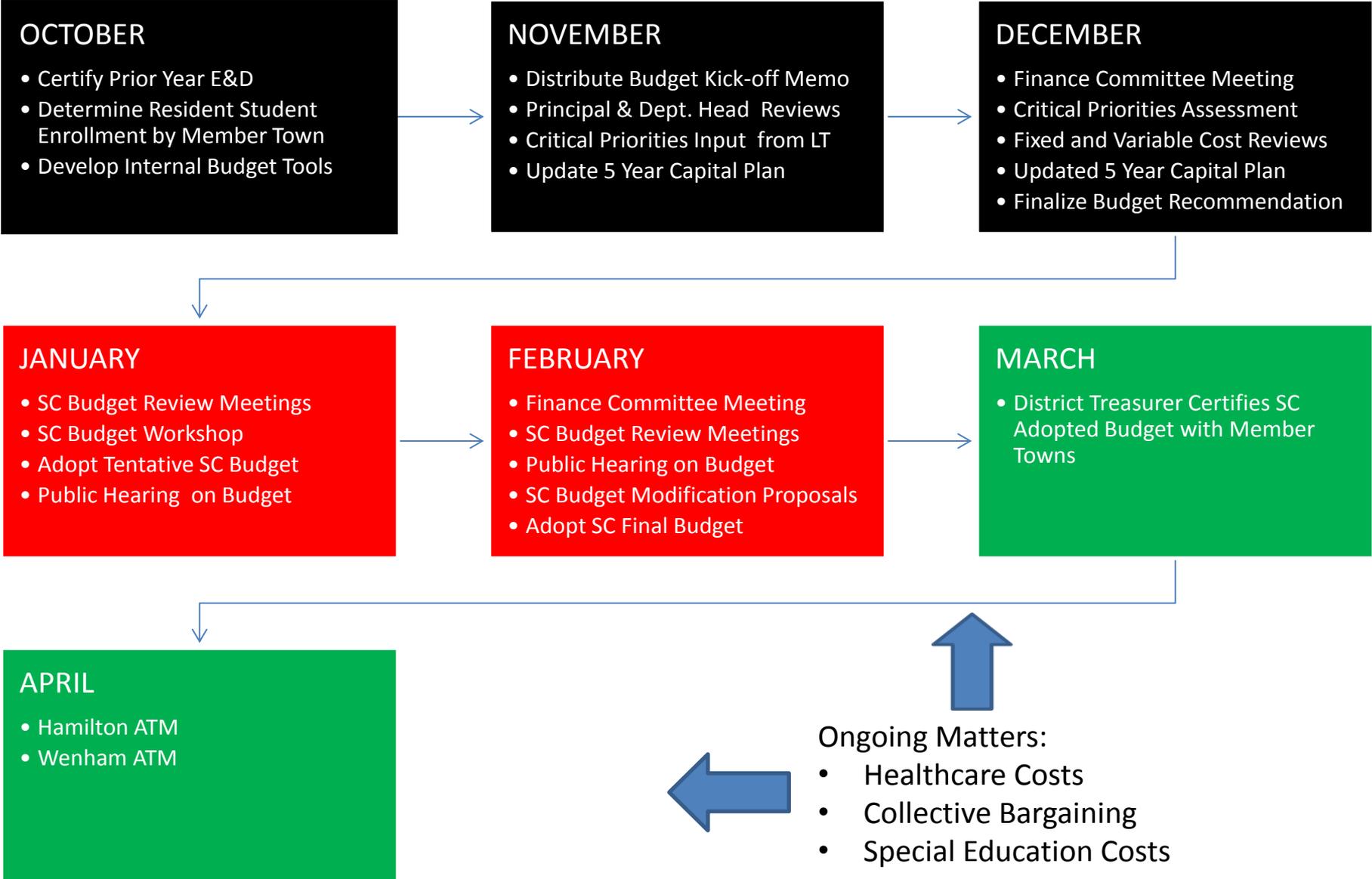
*FY20 Superintendent's Budget Recommendation*  
*School Committee Presentation*  
*February 13, 2019*

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# HWRSD Budget Process Overview





# FY20 Budget

## *Superintendent's Recommendation*

Level Service

+

OPEB Trust Fund (OPEB)

+

School Resource Officer (SRO)

What Does “Level Service” Mean?

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

For FY20, Level Service + OPEB + SRO translates into a spending increase in our Gross Operating Expenses (after Offsets) of \$1,975,703 or 6.19% versus the FY19 Budget.



# FY20 Budget: Level Service

## *Key Assumptions*

- **Salary Costs**

- Incorporates the COLA increase reflected in the new Teachers Contract and incorporates a conservative COLA increase for all other personnel.
- Incorporates all other contractual salary obligations (e.g. STEPs and Degree Changes).
- Decreases our Elementary Teacher Headcount by 1.0 FTE and \$58K (Grade 5 Bubble)
- Incorporates Retirement Staff Replacement salary savings of \$157K (5 Retirements).
- Level funds all Grants as compared to FY19.

- **Operating Costs**

- No new Services or Programs.
- Capital Costs reducing to \$122K versus \$129K, \$210K, & \$312K in prior 3 years.
- Exceptions to level funding include, most notably:
  - Healthcare Costs increasing by 7.6% or \$198K
  - Out-of-District Tuition Costs increasing by 31.2% or \$897K
  - OPEB increasing by 100% or \$250K
  - SRO increasing by 100% or \$73K

- **Debt Service Expense**

- The HS/MS Project has been paid-off resulting in a decrease in Debt expense of \$711K.
- Debt expense has been increased by \$153K for the Winthrop Sprinkler Project.



# FY20 Budget – Primary Drivers

## *Level Service + OPEB + SRO: Gross Operating Expense Budget*

Driver	FY20 v FY19	
	\$ CHG	
All Staff COLAs and STEPs - Level Service	\$	798,280
Teacher Degree Changes	\$	92,463
Out-of- District Tuitions	\$	896,786
OPEB	\$	250,000
School Resource Officer (SRO)	\$	73,000
Essex Retirement Pension Fund Appropriation	\$	78,350
In District Transportation	\$	63,060
Insurance Premiums	\$	18,049
Healthcare Costs	\$	198,159
Net All Other Operating Expenses	\$	(75,453)
<b>Subtotal:</b>	<b>\$</b>	<b>2,392,695</b>
Reduction in Elementary Classroom Teachers	\$	(58,541)
Anticipated Staff Retirement Replacement Savings	\$	(157,611)
<b>Subtotal:</b>	<b>\$</b>	<b>(216,152)</b>
<b>TOTALS:</b>	<b>\$</b>	<b>2,176,543</b>



# FY20 Budget – Expense Category Analysis

## Level Service + OPEB + SRO: Gross Operating Expense Budget

Expense Category	FY20 Gross Expenses		FY19 Gross Expenses		VS PR YR	
	Tot \$	% of Tot	Tot \$	% of Tot	Chg \$	Chg %
Salaries	\$ 21,492,585	60.9%	\$ 20,817,994	62.9%	✓ \$ 674,591	3.2%
Out-of-District Tuition	\$ 3,775,296	10.7%	\$ 2,878,510	8.7%	✓ \$ 896,786	31.2%
Healthcare	\$ 2,811,920	8.0%	\$ 2,613,760	7.9%	\$ 198,159	7.6%
In-District Transportation	\$ 828,880	2.3%	\$ 765,820	2.3%	\$ 63,060	8.2%
Essex Retirement	\$ 986,641	2.8%	\$ 908,291	2.7%	\$ 78,350	8.6%
Utilities	\$ 563,248	1.6%	\$ 587,160	1.8%	\$ (23,912)	-4.1%
Facilities, Maintenance & Custodial (non-salary)	\$ 560,525	1.6%	\$ 576,025	1.7%	\$ (15,500)	-2.7%
Technology (non-salary)	\$ 619,751	1.8%	\$ 614,437	1.9%	\$ 5,314	0.9%
Special Education Transportation	\$ 639,669	1.8%	\$ 614,696	1.9%	\$ 24,973	4.1%
Other Fringe (Medicare, SS, Unemployment, 403B)	\$ 437,308	1.2%	\$ 419,512	1.3%	\$ 17,796	4.2%
Substitute Teachers	\$ 221,750	0.6%	\$ 221,750	0.7%	\$ -	0.0%
School Materials, Supplies & Textbooks	\$ 336,303	1.0%	\$ 445,904	1.3%	\$ (109,601)	-24.6%
Athletics (non-salary)	\$ 441,168	1.3%	\$ 415,698	1.3%	\$ 25,469	6.1%
District Insurance (Property, Liability & WC)	\$ 227,514	0.6%	\$ 209,464	0.6%	\$ 18,049	8.6%
OPEB Trust Fund	\$ 250,000	0.7%	\$ -	0.0%	✓ \$ 250,000	#DIV/0!
School Resource Officer (SRO)	\$ 73,000	0.2%	\$ -	0.0%	✓ \$ 73,000	#DIV/0!
All Other	\$ 1,008,851	2.9%	\$ 1,008,844	3.0%	\$ 8	0.0%
<b>Totals:</b>	<b>\$ 35,274,408</b>	<b>100.0%</b>	<b>\$ 33,097,866</b>	<b>100.0%</b>	<b>\$ 2,176,543</b>	<b>6.6%</b>

**NOTE: Increases in these 4 categories total \$1.89M or 87% of the Total increase for FY20.**



# FY20 Budget – District Totals

## *Level Service + OPEB + SRO: Net Assessment Budget*

Total Expenses						
	FY18 BUD	FY18 ACT	FY19 BUD	FY20 BUD	Difference	
General Operating Expense (Before Offsets)	\$ 31,403,624	\$ 31,434,715	\$ 33,097,866	\$ 35,274,408	\$ 2,176,543	6.58%
Expense Offsets	\$ 1,203,808	\$ 1,243,065	\$ 1,203,808	\$ 1,404,648	\$ 200,840	16.68%
General Operating Expenses (After Offsets)	\$ 30,199,816	\$ 30,191,650	\$ 31,894,058	\$ 33,869,760	\$ 1,975,703	6.19%
Debt Service Expense	\$ 2,092,860	\$ 2,092,860	\$ 2,115,275	\$ 398,372	\$ (1,716,903)	-81.17%
<b>TOTAL EXPENDITURES</b>	<b>\$ 32,292,676</b>	<b>\$ 32,284,510</b>	<b>\$ 34,009,333</b>	<b>\$ 34,268,132</b>	<b>\$ 258,799</b>	<b>0.76%</b>

Total Funding Sources						
	FY18 BUD	FY18 ACT	FY19 BUD	FY20 BUD	Difference	
<i>Revenues</i>						
Chapter 70-Base Aid	\$ 3,554,656	\$ 3,606,706	\$ 3,606,706	\$ 3,659,749	\$ 53,043	1.5%
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	\$ (1,132,065)	-100.0%
State Transportation Reimbursement	\$ 340,686	\$ 340,686	\$ 330,837	\$ 385,868	\$ 55,031	16.6%
Medicaid Reimbursement	\$ 85,000	\$ 175,036	\$ 150,000	\$ 175,000	\$ 25,000	16.7%
Interest Income	\$ 4,000	\$ 13,675	\$ 4,000	\$ 4,000	\$ -	0.0%
Prior Year Unexpended Encumbrances	\$ -	\$ 15,473	\$ -	\$ -	\$ -	#DIV/0!
Other Non-recurring Income (Including Transp)	\$ -	\$ 37,931	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 5,116,407	\$ 5,321,571	\$ 5,223,608	\$ 4,224,617	\$ (998,991)	-19.1%
<i>Transfers In From Other Funds</i>						
Excess and Deficiency	\$ 568,821	\$ 568,821	\$ 347,218	\$ 147,396	\$ (199,822)	-57.5%
Total Transfers	\$ 568,821	\$ 568,821	\$ 347,218	\$ 147,396	\$ (199,822)	-57.5%
<b>Total Funding Sources</b>	<b>\$ 5,685,228</b>	<b>\$ 5,890,392</b>	<b>\$ 5,570,826</b>	<b>\$ 4,372,013</b>	<b>\$ (1,198,813)</b>	<b>-21.5%</b>
Total Expenditures	\$ 32,292,676	\$ 32,284,510	\$ 34,009,333	\$ 34,268,132	\$ 258,799	0.8%
Less Total Funding Sources	\$ 5,685,228	\$ 5,890,392	\$ 5,570,826	\$ 4,372,013	\$ (1,198,813)	-21.5%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 26,607,448</b>	<b>\$ 26,394,118</b>	<b>\$ 28,438,507</b>	<b>\$ 29,896,119</b>	<b>\$ 1,457,612</b>	<b>5.1%</b>

Total Town Assessments						
	FY18 BUD	FY18 ACT	FY19 BUD	FY20 BUD	Difference	
Hamilton	\$ 17,401,271	\$ 17,401,271	\$ 18,385,495	\$ 19,148,464	\$ 762,970	4.1%
Wenham	\$ 9,206,177	\$ 9,206,177	\$ 10,053,012	\$ 10,747,655	\$ 694,643	6.9%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 26,607,448</b>	<b>\$ 26,607,448</b>	<b>\$ 28,438,507</b>	<b>\$ 29,896,119</b>	<b>\$ 1,457,612</b>	<b>5.1%</b>



# FY20 Budget – District Totals

## *5 Year Impact Analysis of Net Assessments to the Towns*

<b>Total Net Assessment:</b>		
FY15	\$	24,478,847
FY20	\$	29,896,119
5 Year Chg \$	\$	5,417,272
5 Year Chg %		22.13%
<i>Avg Annual Chg</i>		<i>4.43%</i>
<b>Hamilton's Total Net Assessment:</b>		
FY15	\$	16,867,884
FY20	\$	19,148,464
5 Year Chg \$	\$	2,280,580
5 Year Chg %		13.52%
<i>Avg Annual Chg</i>		<i>2.70%</i>
<b>This 5 Yr Period includes a ~\$1.1MM shift to Wenham (re: 3 Yr Enrollment)</b>		
<b>Wenham's Total Net Assessment:</b>		
FY15	\$	7,610,763
FY20	\$	10,747,655
5 Year Chg \$	\$	3,136,892
5 Year Chg %		41.22%
<i>Avg Annual Chg</i>		<i>8.24%</i>
<b>This 5 Yr Period includes a ~\$1.1MM shift from Hamilton (re: 3 Yr Enrollment)</b>		



# FY20 Budget – Summary by DESE Category

## *Level Service + OPEB + SRO: Gross Operating Expense Budget*

Summary	FY18	FY19	FY20	Change FY19 to FY20	
by DESE Category	Budget	Budget	Budget	\$	%
Administration	\$ 1,135,489	\$ 1,180,028	\$ 1,281,488	\$ 101,460	8.60%
Capital, Operations, Maintenance	\$ 2,228,122	\$ 2,185,001	\$ 2,188,334	\$ 3,333	0.15%
Guidance, Counseling, Testing	\$ 1,065,718	\$ 1,110,803	\$ 1,132,103	\$ 21,301	1.92%
Inst. Materials	\$ 873,876	\$ 1,006,104	\$ 901,817	\$ (104,287)	-10.37%
Instructional Leadership	\$ 2,931,318	\$ 3,082,942	\$ 3,144,508	\$ 61,567	2.00%
Insurance, Retirement, Other	\$ 3,978,971	\$ 4,173,276	\$ 4,736,189	\$ 562,913	13.49%
Other Teaching Services	\$ 2,408,619	\$ 2,477,389	\$ 2,589,061	\$ 111,672	4.51%
Prof. Dev.	\$ 209,594	\$ 223,799	\$ 233,943	\$ 10,145	4.53%
Pupil Services	\$ 2,080,527	\$ 2,439,488	\$ 2,596,474	\$ 156,986	6.44%
Teachers	\$ 11,695,832	\$ 12,264,738	\$ 12,616,826	\$ 352,088	2.87%
Tuitions	\$ 2,795,559	\$ 2,954,300	\$ 3,853,666	\$ 899,366	30.44%
<b>Grand Total</b>	<b>\$ 31,403,624</b>	<b>\$ 33,097,866</b>	<b>\$ 35,274,408</b>	<b>\$ 2,176,543</b>	<b>6.58%</b>



# FY20 Budget

## Motions for School Committee Budget Vote

### **Motion for the FY20 Operating Budget Vote:**

Motion: The Hamilton-Wenham Regional School Committee approves an FY20 Total General Fund Expenditures Budget of \$34,268,132. This amount includes General Fund Operating Expenses (after Offsets) in the amount of \$33,869,760 and General Fund Debt Service Expenses in the amount of \$398,372. 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 2/13/2019.

### **Motion for the FY20 Budget Assessment:**

Motion: The Hamilton-Wenham Regional School Committee votes to assess the Towns of Hamilton and Wenham a combined total of \$29,896,119 as the amount necessary to operate and maintain the District, as well as pay debt service, for FY20. 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.



# FY20 Budget: Calendar

OCTOBER 4, 2018	DISTRICT SUBMITS FY18 E&D TO MA DOR FOR CERTIFICATION
OCTOBER 26, 2018	DISTRIBUTION OF OCTOBER 2018 RESIDENT ENROLLMENT DATA TO TOWNS
NOVEMBER 1, 2018	DISTRIBUTION OF FY20 BUDGET KICK-OFF MEMO TO HWRSD BUDGET HOLDERS
NOVEMBER 1, 2018	DISTRIBUTION OF FY20 BUDGET CALENDAR
DECEMBER 4, 2018	FY20 BUDGET PLANNING MEETING #1 WITH TOWN FINANCE COMMITTEES
DECEMBER 19, 2018	FY20 BUDGET RECOMMENDATION PRESENTED TO SCHOOL COMMITTEE
DECEMBER 19, 2018	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 2, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 2, 2019	SCHOOL COMMITTEE ADOPTS TENTATIVE FY20 BUDGET
JANUARY 7, 2019	DISTRICT ADMINISTRATION ADVERTISES FY20 BUDGET PUBLIC HEARING #1
JANUARY 16, 2019	SCHOOL COMMITTEE HOLDS FY20 BUDGET PUBLIC HEARING #1
JANUARY 16, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
JANUARY 29, 2019	DISTRICT ADMINISTRATION MAILES ADOPTED TENTATIVE FY20 BUDGET TO TOWNS
JANUARY 30, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET RECOMMENDATION
FEBRUARY 4, 2019	DISTRICT ADMINISTRATION ADVERTISES FY20 BUDGET PUBLIC HEARING #2
FEBRUARY 5, 2019	FY20 BUDGET PLANNING MEETING #2 WITH TOWN FINANCE COMMITTEES
FEBRUARY 13, 2019	SCHOOL COMMITTEE HOLDS FY20 BUDGET PUBLIC HEARING #2
FEBRUARY 13, 2019	SCHOOL COMMITTEE REVIEWS FY20 BUDGET FINAL RECOMMENDATION
FEBRUARY 13, 2019	SCHOOL COMMITTEE ADOPTS FY20 FINAL BUDGET
MARCH 15, 2019	DISTRICT TREASURER CERTIFIES FY20 APPORTIONED AMOUNTS WITH TOWNS
APRIL 6, 2019	ANNUAL TOWN MEETINGS