



Princeton Selectboard
FY25 Budget Discussion
March 26, 2024



FY25 Budget Discussion Acknowledgements

Have a difficult conversation

- School Committee may want to see greater investments
- Town Officials may want to see more reductions

Share decision making process

Provide data to support decisions



FY25 Budget Agenda

- District Financial Status
- FY23 Recap
- FY24 Status
- FY25 Development
- FY25 Draft Budget
- Capital Requests
- Considerations and Next Steps



Financial Status



District Financial Status

Last year, we identified a number of financial processes and reports that had not been completed from prior years.

Resolved

- FY21 Audit
- FY22 Audit
- FY22 End of Year Report
- FY22 E&D Certification
- Cash Reconciliations current from July 2021
- Journal Entries current from July 2021

On Track

- FY23 End of Year Report completed
- FY23 E&D Certification completed
- FY23 Audit In Progress



FY23 Recap



FY23 Under Funded Appropriations

The FY23 budget did not properly account for actual expenses in a number of areas

- Benefits & Insurance (\$851,215)
- Special Ed Out of District Tuitions (\$1,128,441)
- Special Ed Out of District Transportation (\$1,137,159)
- Operations & Maintenance (\$580,649)
- These deficiencies also impacted the FY24 budget as they were not identified until after the budget development



FY23 End of Year

FY23 End of Year Reconciliations

- Amended Operating Budget by \$950,000
 - Amended Budget: \$110,036,38
- Excess & Deficiency Use
 - \$850,000 Budgeted as FY23 Revenue
 - \$950,000 to Amend FY23 Budget
- Revolving Fund Use
 - \$942,602 to Balance FY23



FY24 Status



FY24 Current Status

Current Certified E&D

- \$1,233,832 (1.06%)
- Allowed \$5.8 Million (5%)

Line Item Concerns

- Special Education Tuitions
- Operations & Maintenance

Hopeful We Will Balance without E&D

- Grants
- Revolving Funds



FY25 Development



FY25 Unexpected Challenges

The FY25 budget forecast has been significantly impacted by a number of unexpected factors:

- Chapter 70 Hold-Harmless Impact
- Adjustment to Properly Appropriate for Special Ed Tuitions
- Lack of Available Reserves to Mitigate Crisis
- Greater financial responsibility shifted to towns from state



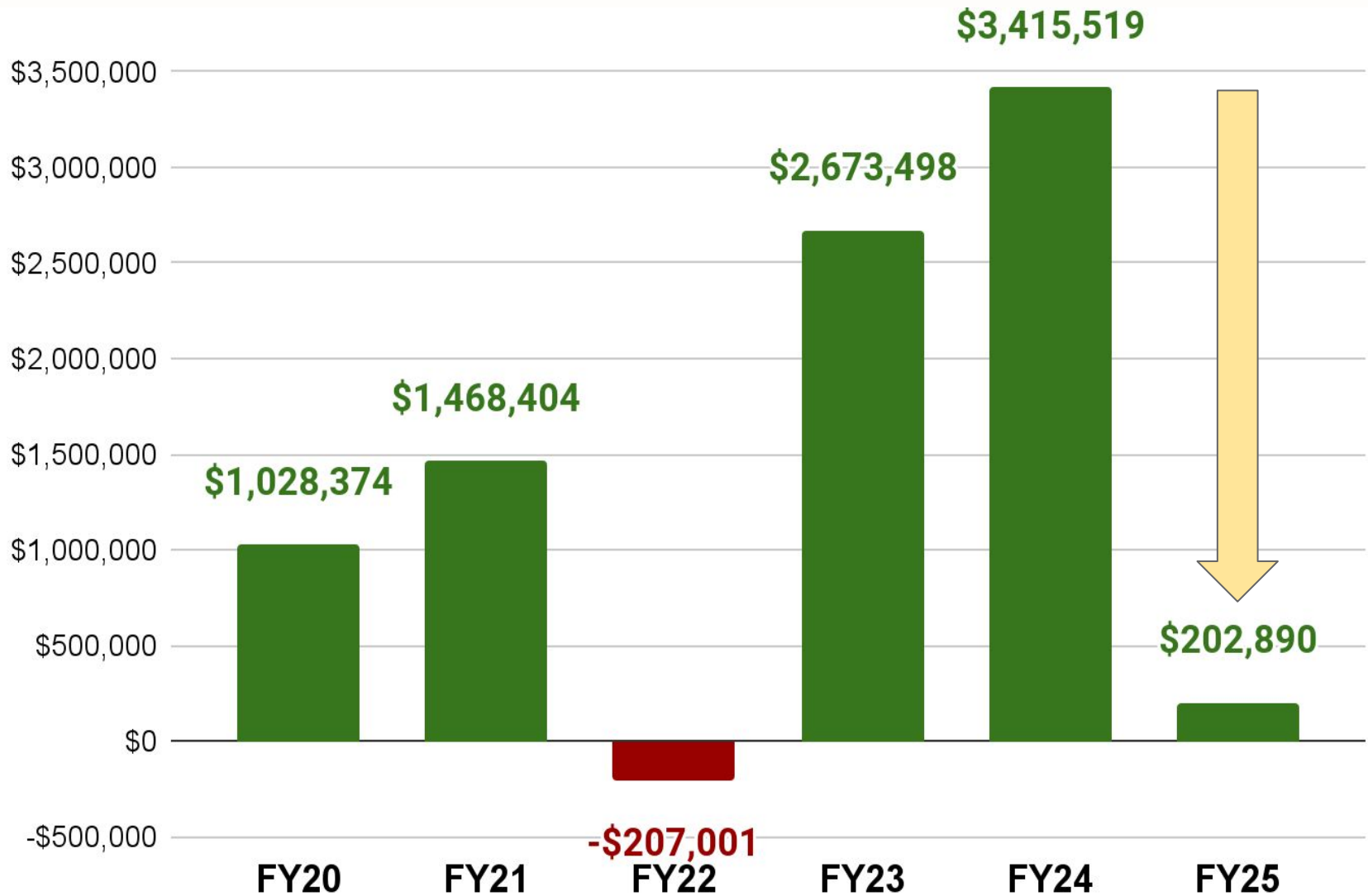
FY25 DESE Hold Harmless Status

What does Hold Harmless mean?

- Due to a slight decline in FY24 enrollment and a decrease in the inflation rate, the district was placed in “Hold Harmless” status for FY25
- This means that the district is not eligible for an increase in Chapter 70 aid
- Hold Harmless districts only receive an additional \$30 per-student in FY25 Chapter 70 aid
- One of 211 Districts in Massachusetts



Historical Chapter 70 Increases





Special Ed Tuitions

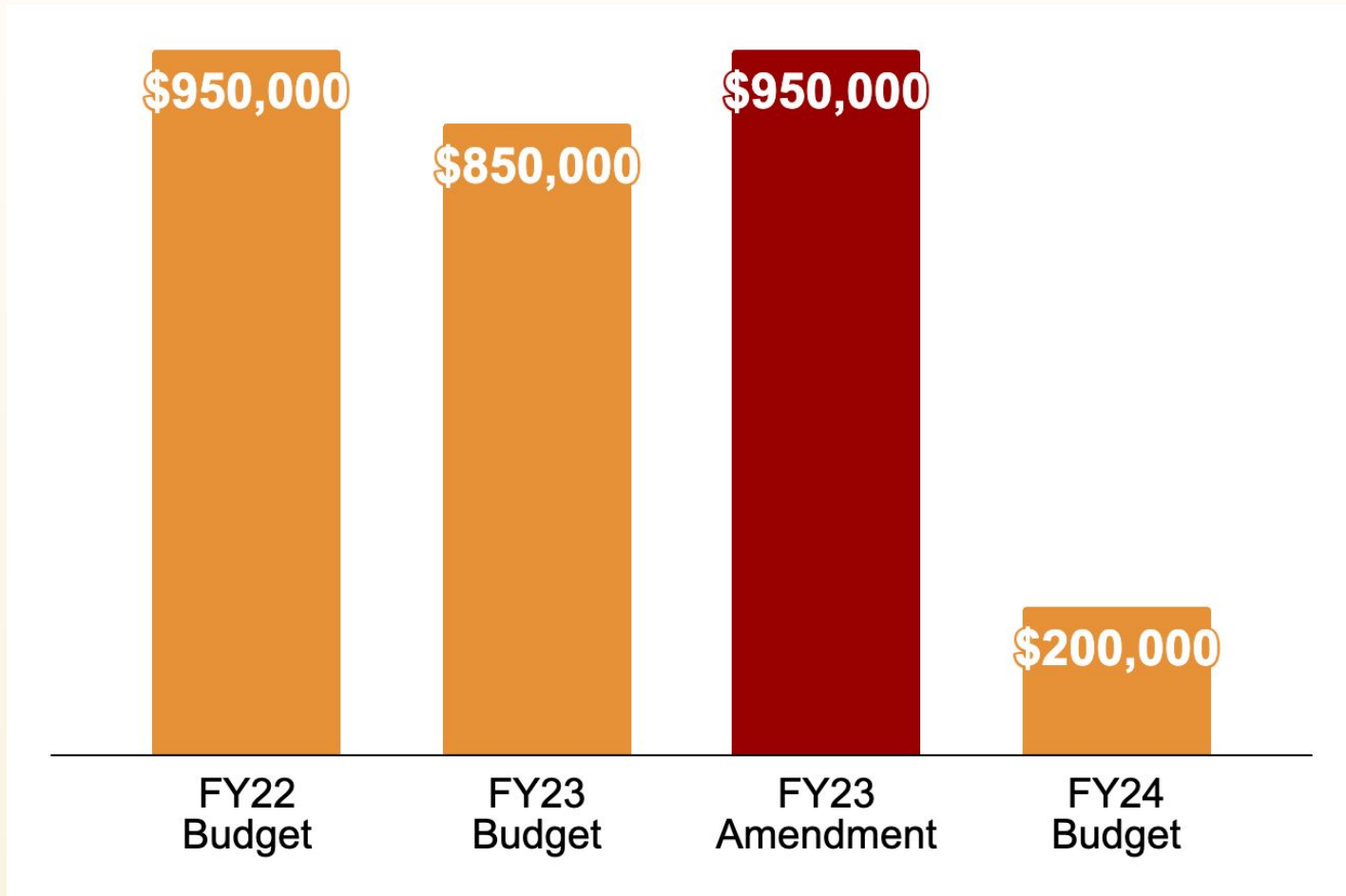
Fees for students attending specialized programs outside of the district

- State-approved OOD tuition rates increased by over 14% in FY24
- Rates will increase by 4.69% in FY25
- Actual FY23 tuition expenditures were unknown until late May 2023
- FY24 Appropriation underfunded as a result
- Necessitates a major correction in FY25



Excess & Deficiency Use (FY22-FY24)

\$2.95 Million Utilized from E&D





Town Share of Overall Budget

- State determination of each town's share of Net School Spending continues to rise
- Exacerbated by Chapter 70 status
- Impact on FY25 revenue structure
 - WRSD draft budget increase: 4.97%
 - Total town assessment increase: 6.12%
 - Princeton assessment increase: 8.46%



FY25 Funding Overview

Additional Challenges

- Transportation contract increased 11.5% for FY25
- Contractual obligations and other cost of living adjustments account for an increase of approximately \$3 million over FY24



FY25 Funding Overview

Budget Crisis in Detail

- Continued fallout from poor budget development practices
 - \$2.95 Million of E&D Used FY22-FY24
 - Over \$2.5 Million Increase in Special Ed Tuitions and Transportation Needed
- Chapter 70 Hold-Harmless Status
- Largest overall town assessment increase in recent years



FY25 Initial Budget Development Process

- 20 School and Departmental Budget Meetings
- School and department funding requests reviewed and discussed with School Committee at Annual Budget Retreat
- Forecasting FY25 Budget based on FY24 expenditures and needs identified in the Strategic Plan



Originally Planned FY25 investments

- School and Department Requests
- Technology Infrastructure Upgrades
- Class Size Adjustments
- Counseling Staff
- Facility Improvements



FY25 Revised Budget Approach

Recognize the Challenge

Be Cognizant of Town Impacts

Protect Essential Services



FY25 Revised Approach: Essential Needs

- Strategic Plan
 - Adoption and support of new Elementary ELA HQIM Curriculum
- Facilities
 - Essential work at District Buildings
- Hope to Identify Further Efficiencies
 - Class Size Adjustments
 - Mental Health Supports



FY25 Draft Budget



FY25 Budget - Enrollment Update

Overall District	Oct. 2023		Oct. 2024		Enrollment Change	
Town	Count	Percentage	Count	Percentage	Count	Percentage
Holden	3,235	47.51%	3198	47.29%	-37	-1.14%
Paxton	635	9.33%	619	9.15%	-16	-2.52%
Princeton	405	5.95%	421	6.23%	16	3.95%
Rutland	1,628	23.91%	1642	24.28%	14	0.86%
Sterling	906	13.31%	883	13.06%	-23	-2.54%
Total	6,809	100.00%	6763	100.00%	-46	-0.68%



FY25 Minimum Local Contribution

Town	FY24	FY25	\$ Change	% Change
Holden	\$22,192,218	\$23,138,149	\$945,931	4.26%
Paxton	\$4,860,250	\$4,997,947	\$137,697	2.83%
Princeton	\$4,009,651	\$4,223,361	\$213,710	5.33%
Rutland	\$8,718,417	\$9,185,650	\$467,233	5.36%
Sterling	\$9,320,886	\$9,647,652	\$326,766	3.51%
Total MLC	\$49,101,422	\$51,192,759	\$2,091,337	4.26%



FY25 Budget by Appropriation

Appropriation	FY24 Budget	FY25 Proposed	\$ Diff +/-(-)	% Diff
Salaries & Stipends	\$71,256,493	\$73,879,307	\$2,622,815	3.68%
Benefits & Insurance	\$21,111,295	\$22,312,888	\$1,201,593	5.69%
Instructional Support	\$3,891,502	\$4,089,473	\$197,971	5.09%
Operations & Maintenance	\$4,960,364	\$5,610,127	\$649,763	13.10%
Pupil Services	\$67,551	\$86,301	\$18,750	27.76%
Special Ed Tuitions	\$2,563,570	\$3,913,818	\$1,350,248	52.67%
Other Operating Costs	\$1,652,745	\$1,602,059	(\$50,686)	-3.07%
Transportation	\$8,444,077	\$9,623,163	\$1,179,086	13.96%
Debt Service	\$2,261,200	\$862,150	(\$1,399,050)	-61.87%
Total General Fund	\$116,208,797	\$121,979,286	\$5,770,489	4.97%



FY25 State & Local Revenues

Revenue Source	FY24 Budget	FY25 Proposed	\$Diff +/-(-)	% Diff +/-(-)
Ch. 70 Aid	\$35,851,035	\$36,053,925	\$202,890	0.57%
Ch. 71 Transportation	\$2,044,820	\$2,908,678	\$863,858	42.25%
Charter Tuition Aid	\$227,398	\$200,158	(\$27,240)	-11.98%
Total State Aid	\$38,123,253	\$39,162,761	\$1,039,508	2.73%
Medicaid	\$750,000	\$750,000	\$0	0.00%
Interest	\$50,000	\$275,000	\$225,000	450.00%
Misc. Revenue	\$225,000	\$225,000	\$0	0.00%
Excess & Deficiency	\$200,000	\$0	(\$200,000)	-100.00%
Total Local Revenue	\$1,225,000	\$1,250,000	\$25,000	2.04%



FY25 PRELIMINARY Town Assessments

Town	FY24 Budget	FY25 Proposed	\$Diff +/-(-)	% Diff +/-(-)
Holden	\$35,380,118	\$37,495,740	\$2,115,622	5.98%
Paxton	\$7,458,807	\$7,786,547	\$327,740	4.39%
Princeton	\$5,629,623	\$6,106,079	\$476,456	8.46%
Rutland	\$15,363,502	\$16,555,122	\$1,191,620	7.76%
Sterling	\$13,028,493	\$13,623,038	\$594,545	4.56%
Total Towns	\$76,860,543	\$81,566,526	\$4,705,983	6.12%



Response to Request for Greater Detail



Foundation Budget vs. Actual Spending

What factors account for the difference between the WRSD Foundation Budget and its actual budget?

Foundation Budget Overview

- Calculated by the state based by multiplying the number of pupils in 13 enrollment categories by cost rates in 11 functional areas
- Does not include transportation, debt service, or funding from grants and revolving accounts

According to DESE...

- *The foundation budget represents the minimum amount a district must spend in its operating budget in order to provide an adequate education.*
- *Almost every municipality spends more than required, with communities with the highest requirements spending well above those requirements.*



Foundation Budget vs. Actual Spending

Requested Analysis - FY23 (most recent data available)

Description	Foundation Budget FY23	Actual Spending FY23	Difference \$	Difference %
Administration	\$3,962,018	\$2,444,379	-\$1,517,639	-38.3%
Instructional Leadership	\$5,588,423	\$5,375,372	-\$213,051	-3.8%
Classroom & Specialist Teachers	\$31,438,399	\$41,365,227	\$9,926,828	31.6%
Other Teaching Services	\$7,351,704	\$11,264,020	\$3,912,316	53.2%
Professional Development	\$1,275,443	\$211,652	-\$1,063,791	-83.4%
Instr. Materials, Equip. & Tech.	\$4,234,396	\$923,582	-\$3,310,814	-78.2%
Guidance & Psych. Services	\$2,577,312	\$2,327,181	-\$250,131	-9.7%
Pupil Services	\$2,764,339	\$2,055,939	-\$708,400	-25.6%
Operations & Maintenance	\$7,774,776	\$8,990,299	\$1,215,523	15.6%
Employee Benefits/Fixed Charges	\$10,396,239	\$19,900,311	\$9,504,072	91.4%
Special Education Tuition	\$2,106,529	\$4,906,713	\$2,800,184	132.9%
Total	\$79,469,578	\$99,764,675		
FY23 Local Revenues		-\$275,000.00		
FY23 Net School Spending	\$79,469,578	\$99,489,675	\$20,295,097	25.2%



Foundation Budget vs. Actual Spending

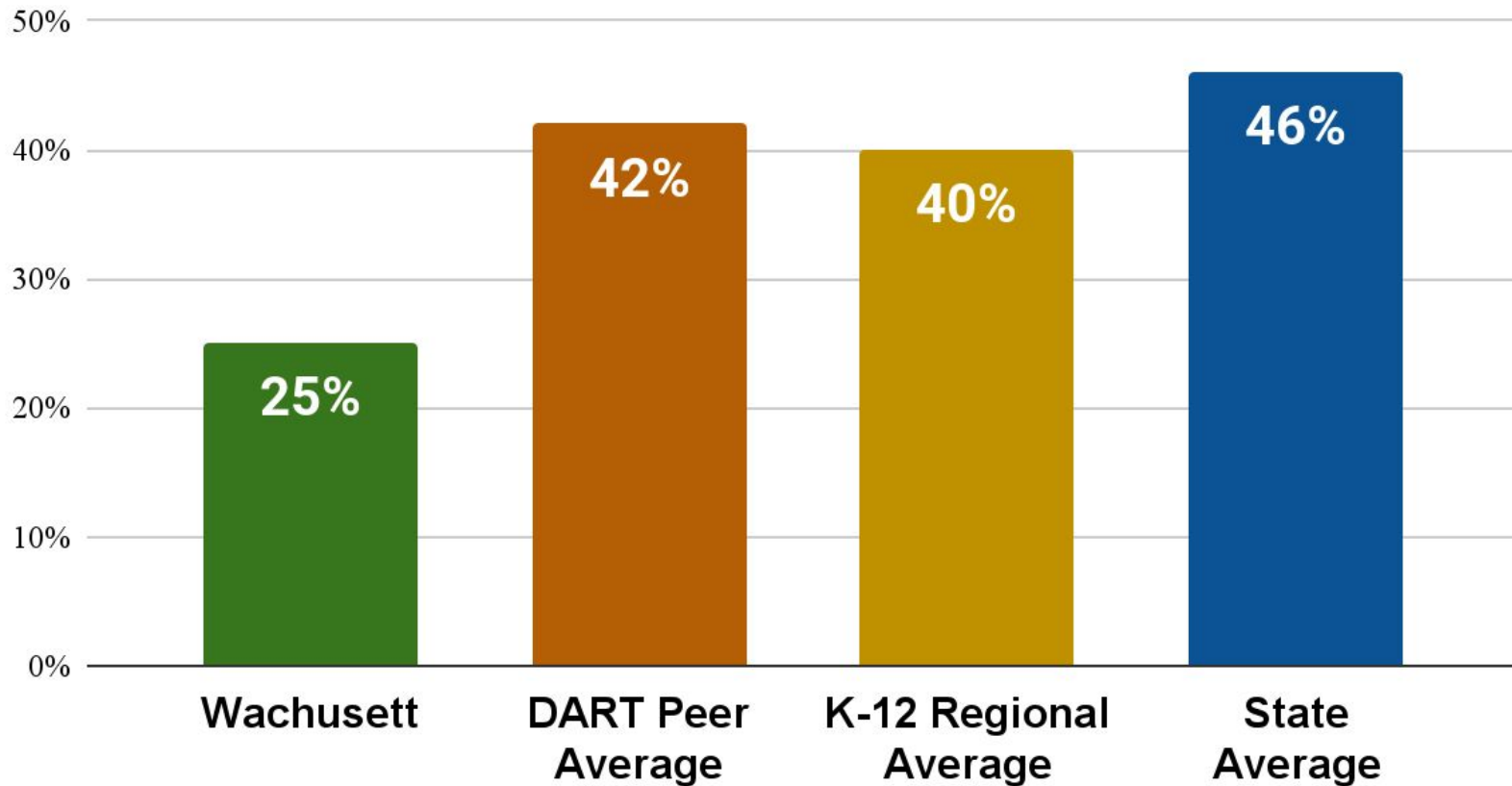
Actual school spending from FY23 (the most recent data available) shows that foundation budgets are inadequate to fund most school districts.

- Approximately 98% of MA school districts exceeded their foundation budgets
- More than half of MA districts exceeded their foundation budgets by at least 40%
- On average, MA school districts spent 46% over foundation
- WRSD exceeded its foundation budget by 25.2%



Foundation Budget vs. Actual Spending

Spending Above Foundation Budget - FY23





Capital Improvement Projects



Capital Improvement Plan

Current Capital Improvement Projects - Thank You

- Security System Upgrades

Requested Capital Improvement Projects FY25

- Phone and Intercom System Upgrade



Capital Improvement Plan

Districted Funded Kitchen Improvements FY24

- Thomas Prince School: \$75,647
 - Double Stack Convection Oven: \$11,333
 - Full Size Combi Oven: \$26,620
 - 40 Gallon Kettle: \$20,747
 - Single Door Dishmachine: \$16,947
 - Replace Hood: Cost TBD
 - Replace Serving Line: Cost TBD



Considerations / Next Steps



Considerations and Next Steps

- SC Considering School Choice
 - \$5,000 per student
- State Consideration of Interest Rate
- Any other reductions would have a direct impact on students



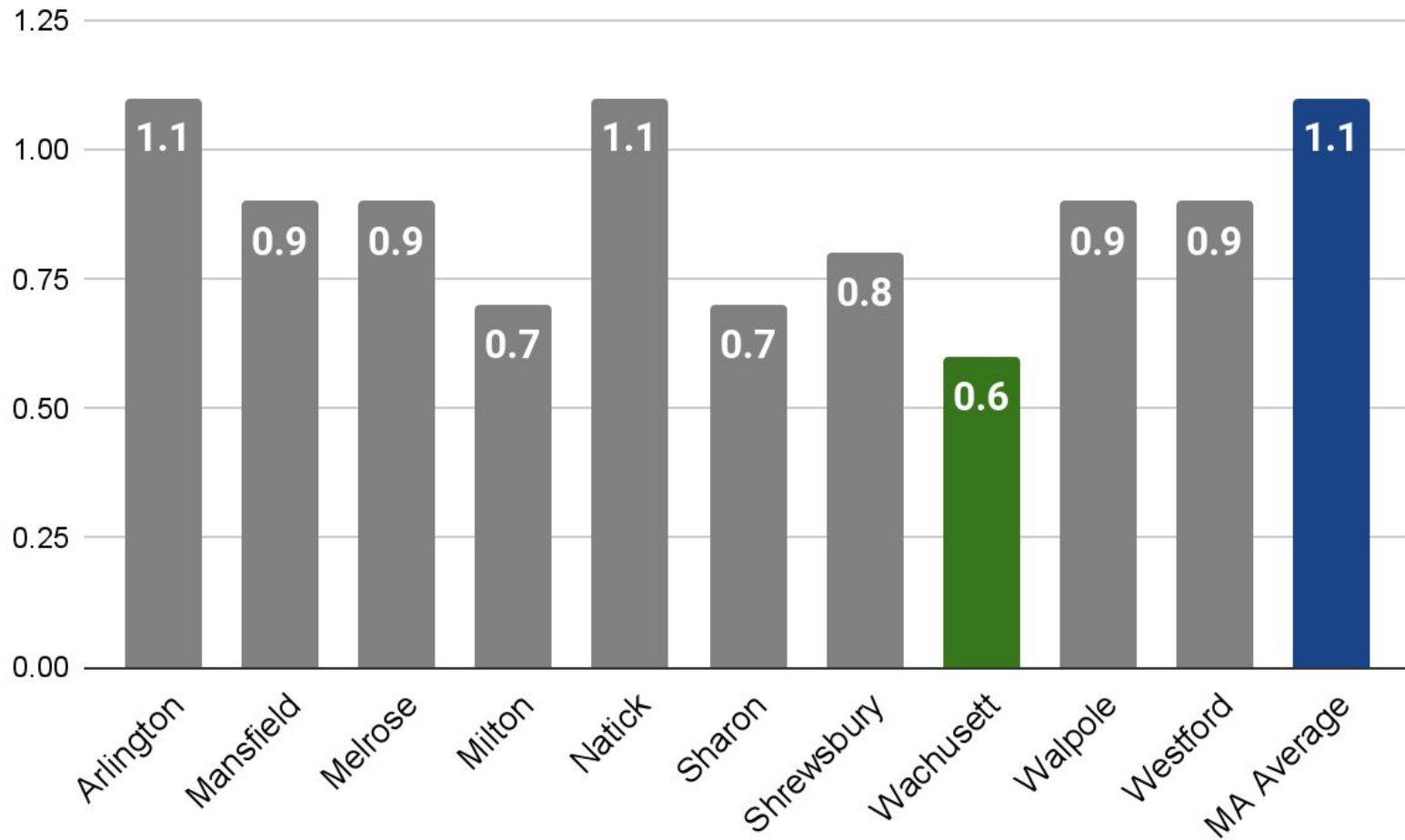
Personnel Impact with Further Reductions

- Personnel Reduction Assumptions
 - $\frac{2}{3}$ Cost Savings
 - 1-3 Years Experience
 - Salary Estimates
 - Average Benefits Package
- Personnel Reduction Projections
 - \$50,000 Teacher
 - \$22,500 Paraprofessional
- Each \$500,000 Reduction Either
 - Elimination 10 Teaching Positions
 - Elimination of 22 Paraprofessionals



Staffing Analysis

School & District Administrators - Oct. 2023
Per 100 Students Compared to DART Peer Districts

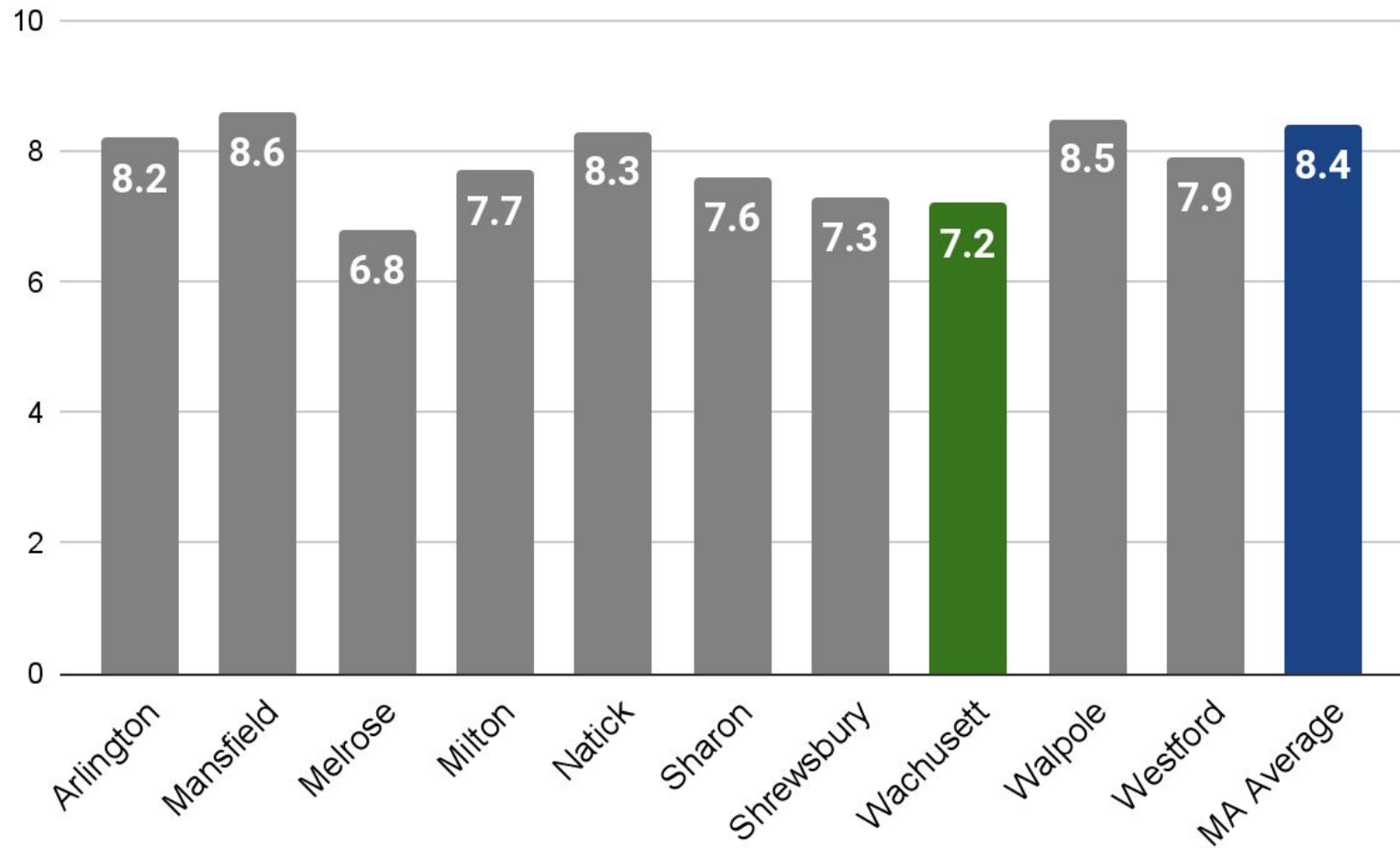




Staffing Analysis

Teachers - Oct. 2023

Per 100 Students Compared to DART Peer Districts

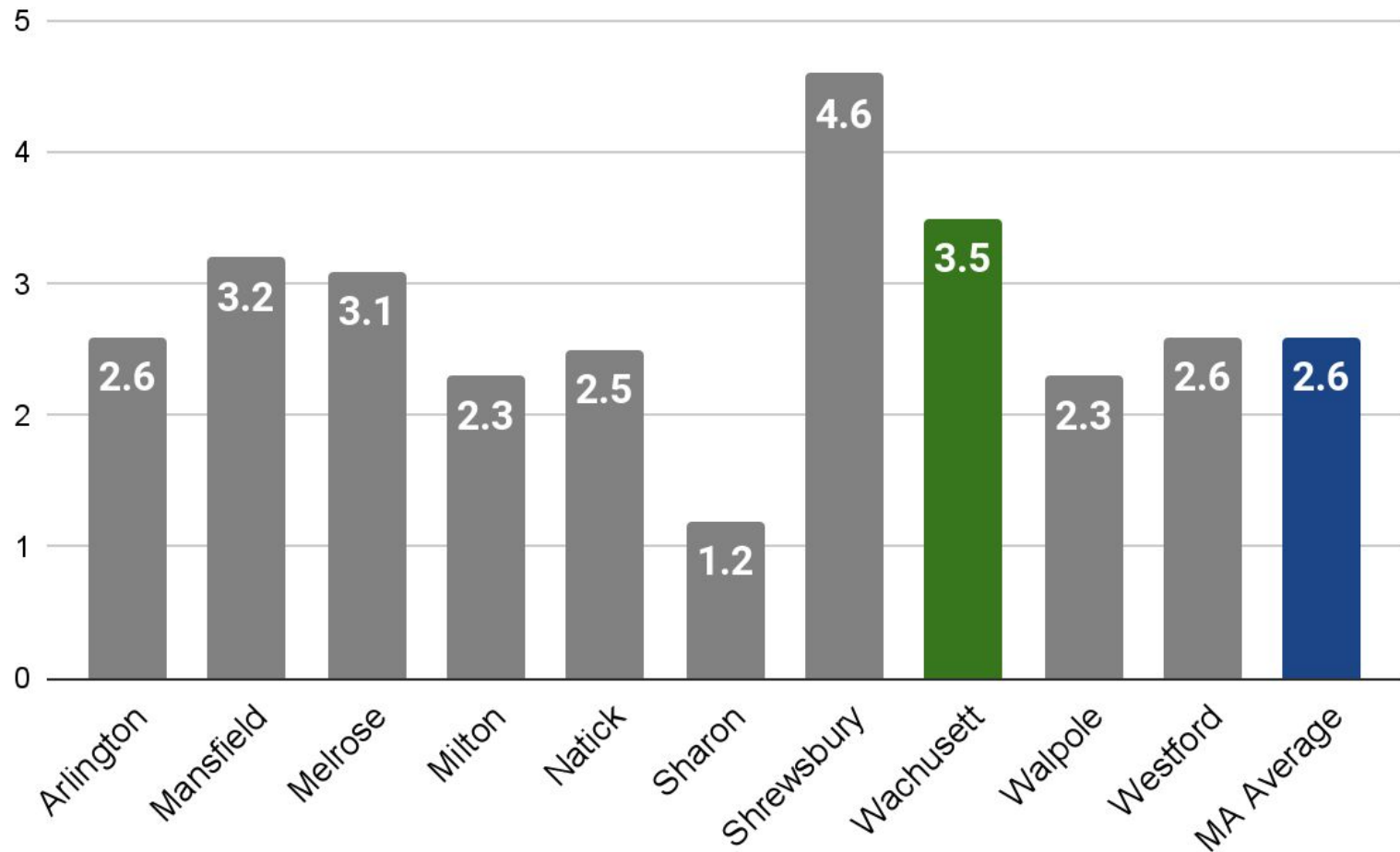




Staffing Analysis

Paraprofessionals - Oct. 2023

Per 100 Students Compared to DART Peer Districts

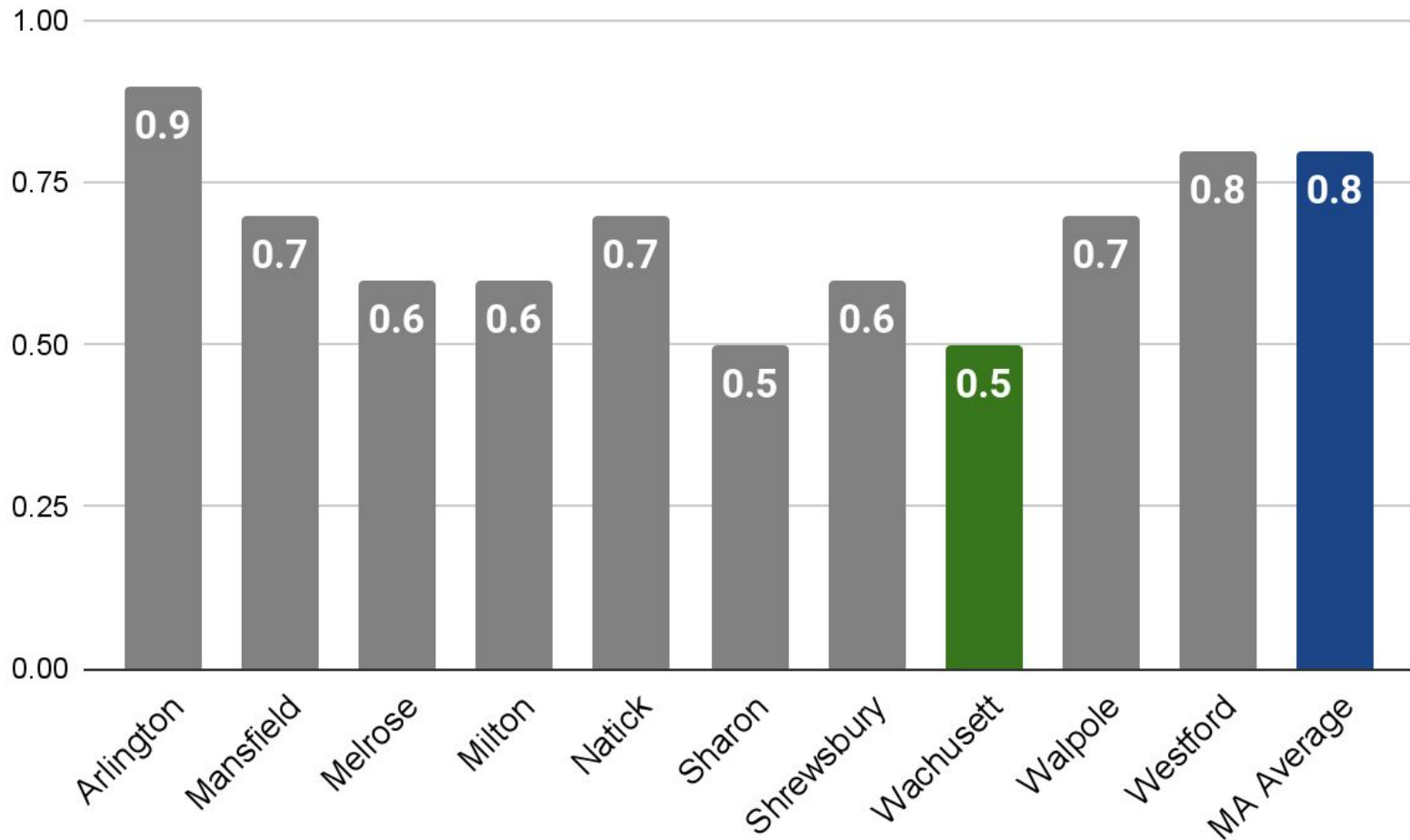




Staffing Analysis

Student Support Staff - Oct. 2023

Per 100 Students Compared to DART Peer Districts

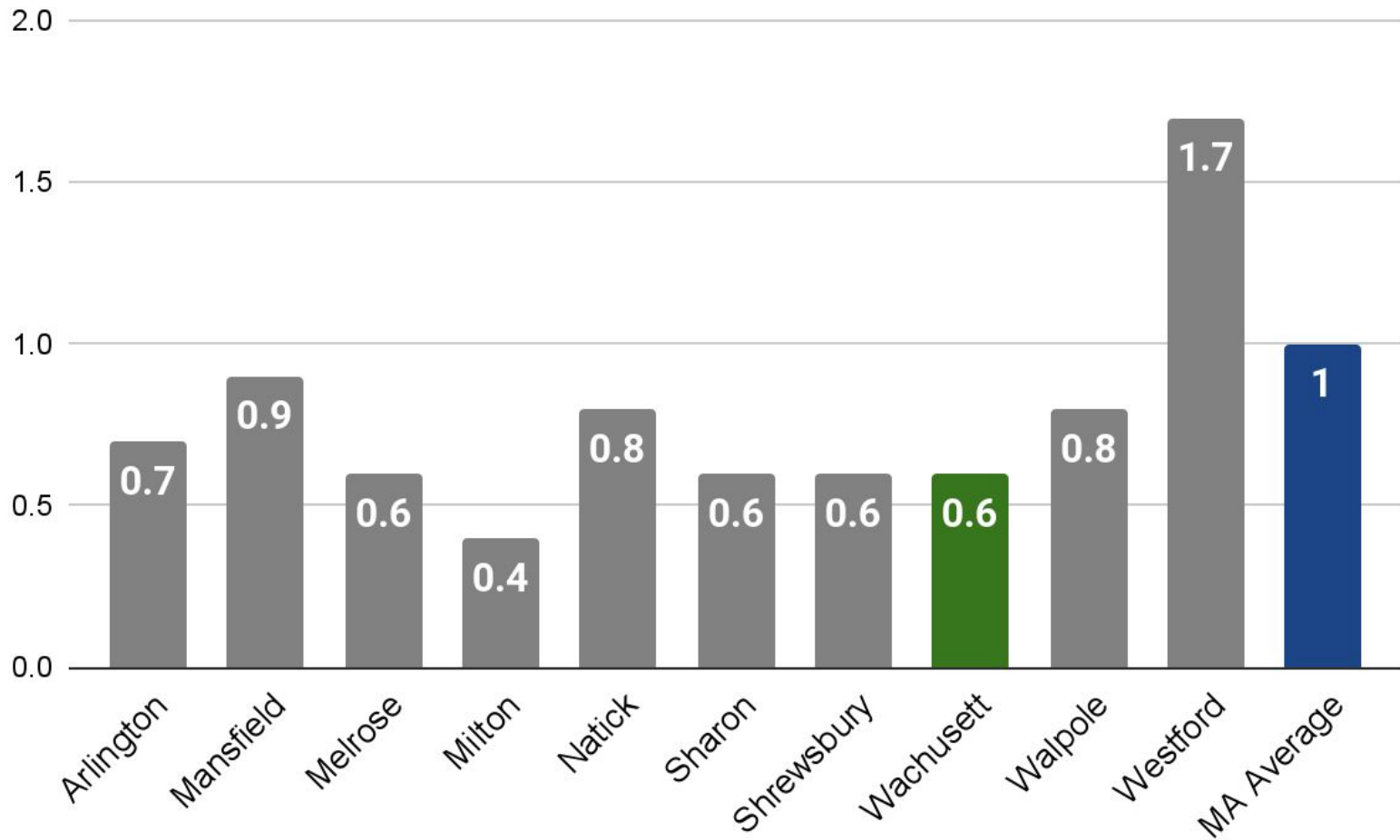




Staffing Analysis

Clerical Staff - Oct. 2023

Per 100 Students Compared to DART Peer Districts

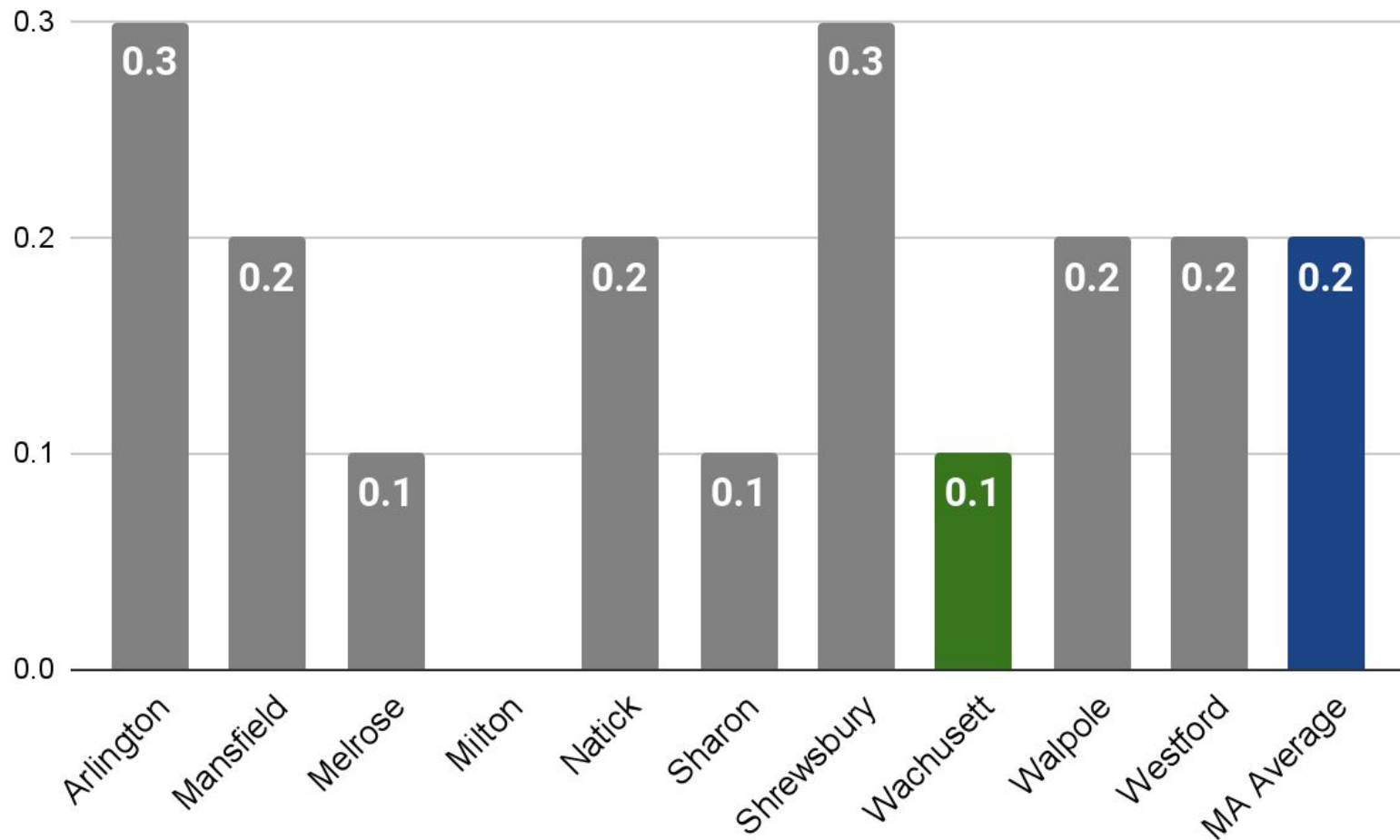




Staffing Analysis

Technology Staff - Oct. 2023

Per 100 Students Compared to DART Peer Districts





FY25 Budget Calendar

- Governor's Preliminary Budget - January 24, 2024
- Business/Finance Sub and Town Officials meeting on first draft budget - February 29, 2024
- Annual Budget Hearing - March 7, 2024
- School Committee budget approval - March 7, 2024
- Meetings with town officials - March, 2024
- Town Meetings (tentative dates):
 - Holden - May 20, 2024
 - Paxton - May 6, 2024
 - Princeton - May 14, 2024
 - Rutland - May 11, 2024
 - Sterling - May 6, 2024



Thank You