

**Hamilton-Wenham
Regional School District**



**Superintendent's Initial FY23 Budget
Recommendation**

as of December 8, 2021

Quintuplet Board Meeting

Presented by Eric Tracy, Superintendent of Schools
Vincent Leone, Assist. Super. of F & A



Assessment Shift

HAMILTON-WENHAM REGIONAL SCHOOL DISTRICT
APPORTIONMENT CALCULATION FOR FY23 BUDGET
CHANGE YR. over YR.

	Hamilton	Wenham	Total
October 1, 2019	1,130	635	1,765
October 1, 2020	1,072	558	1,630
October 1, 2021	1,078	542	1,620
	3,280	1,735	5,015
New 3 Year AVG:	65.40%	34.60%	
Prior 3 Year AVG:	64.44%	35.56%	
Assessment Shift:	0.96%	-0.96%	
FY22 Total Assesment (Current)	\$ 21,502,184	\$ 11,865,575	
FY23 "Level" Funded Assesment	\$ 21,822,514	\$ 11,545,245	
FY22 to FY23 Shift Increase/(Decrease)	\$ 320,330	\$ (320,330)	
If "Level" Funded	1.49%	-2.70%	

This scenario depicts the change that would occur to the apportionment of the FY23 Budget if the FY23 Budget was “Level Funded” and not “Level Service”.



FY23 Budget Challenges

• Makeup 1% COLA not included in FY22 Budget	\$230,000
• Additional 2% COLA for FY23	\$460,000
• Steps/Column changes (Placeholder)	\$410,000
• Elementary grade bubble +1.0FTE Teacher	\$98,000
• Increase of 0.5FTE Teacher at secondary level	\$40,000
• Increased technology needs	\$60,000
• Assessment Shift	+/--\$320,000
• FY21 E&D	\$3,100,000
• Growing OPEB liability	\$6,000,000
• Facilities Issues	Unknown
• Expiring transportation contract	TBD



Level Service Reporting - Grants

- Correction to the IDEA Grant \$77,000
- Inclusion of Title I Grant Personnel \$66,000
- Addition of ESSER Grant Personnel \$147,000

Total Gross Operating Increase \$290,596, 6.95FTE, 0.75% to gross, 0.0% to town assessments



Increases to Level Service - New Investments

In total approximately \$1.4M of new investment requests were submitted by the leadership team. The below list was identified as the top priorities.

Summary by DESE Category	FY23 FTE	FY23 Budget
MS/HS Social Worker	1.00	\$ 106,364
ESL Teacher	0.67	\$ 81,070
Director of T&L	0.30	\$ 48,446
Payroll Clerk	0.50	\$ 30,600
5% Increase to USF	0.00	\$ 29,658
Total	2.47	\$ 296,138

Benefit costs included – if benefits eligible



E&D Recommendation

E&D Recommendation	
Category	Amount
Submitted E&D amount	\$ 4,223,862
Less 3% allowable balance	\$ (1,125,312)
Available after 3% is retained	<u>\$ 3,098,550</u>
Commitment to FY23 Budget (FY21 Ch 70 excess)	\$ (773,000)
Extraordinary Maintenance Projects	\$ (325,000)
Remaining Balance to OPEB Trust Fund	\$ 2,000,550



Why use this E&D on one-time expense

(FY23 if Returning all E&D Funds)

FY23 Initial Operating Budget Calculation - Returning Funds in FY23				
	FY22 BUD	FY23 BUD	\$ Difference %	
Operating Expense - Gross, before offsets & Overlays	\$ 38,738,975	\$ 41,272,498	\$ 2,533,523	6.54%
Total Offsets	\$ 1,804,083	\$ 2,257,305	\$ 453,222	25.12%
Total Funding Sources	\$ 4,142,627	\$ 7,260,874	\$ 3,118,248	75.27%
NET OPERATING BUDGET	\$ 32,792,265	\$ 31,754,318	\$ (1,037,947)	-3.17%
Hamilton	\$ 21,131,336	\$ 20,767,324	\$ (364,012)	-1.72%
Wenham	\$ 11,660,930	\$ 10,986,994	\$ (673,935)	-5.78%



Why use this E&D on one-time expense

(FY24 Rollforward if Returned all E&D Funds – No Assessment Shift)

FY24 Initial Operating Budget Calculation @ 5 Year Average Gross Growth – Returning Funds (no shift)				
	FY23 BUD	FY24 BUD	\$ Difference	%
Operating Expense - Gross, before offsets & Overlays	\$ 41,272,498	\$ 43,389,777	\$ 2,117,279	5.13% *
Total Offsets	\$ 2,257,305	\$ 2,257,305	\$ -	0.00%
Total Funding Sources	\$ 7,260,874	\$ 4,162,324	\$ (3,098,550)	-42.67%
NET OPERATING BUDGET	\$ 31,754,318	\$ 36,970,147	\$ 5,215,829	16.43%
Hamilton	\$ 20,767,324	\$ 24,178,476	\$ 3,411,152	16.43%
Wenham	\$ 10,986,994	\$ 12,791,671	\$ 1,804,677	16.43%

* = Average 5-year YoY increase



Why use this E&D on one-time expense

(FY24 Rollforward as Recommended – No Assessment Shift)

FY24 Initial Operating Budget Calculation - As Recommended				
	FY23 BUD	FY24 BUD	\$ Difference %	
Operating Expense - Gross, before offsets & Overlays	\$ 43,597,498	\$ * 43,389,777	\$ (207,721)	-0.48%
Total Offsets	\$ 2,257,305	\$ 2,257,305	\$ -	0.00%
Total Funding Sources	\$ 7,260,874	\$ 4,162,324	\$ (3,098,550)	-42.67%
NET OPERATING BUDGET	\$ 34,079,318	\$ 36,970,147	\$ 2,890,829	8.48%
Hamilton	\$ 22,287,874	\$ 24,178,476	\$ 1,890,602	8.48%
Wenham	\$ 11,791,444	\$ 12,791,671	\$ 1,000,227	8.48%

Implication of \$770K Chapter 70 being returned

*= FY23 Budget of \$43,597,498 - \$2,325,000 (one-time expenses) then times 5.13% (Average 5-year Gross Increase)



FY23 Assessment Calculation

FY23 Initial Operating Budget Calculation

General Fund Operating Overview								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
Operating Expense - Gross, before offsets & Overlays	\$ 33,330,038	\$ 35,372,286	\$ 37,023,572	\$ 34,181,172	\$ 38,738,975	\$ 43,597,498	\$ 4,858,523	12.54%

Operating Offsets								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
<i>Recurring Offsets</i>								
School Choice	\$ 265,000	\$ 385,000	\$ 476,360	\$ 350,819	\$ 399,500	\$ 460,621	\$ 61,121	15.30%
Preschool Tuition	\$ 84,407	\$ 94,445	\$ 95,607	\$ 6,716	\$ 75,740	\$ 84,407	\$ 8,667	11.44%
Facilities Rental	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	0.00%
Special Ed Grants	\$ -	\$ 406,287	\$ 366,747	\$ 379,595	\$ 392,747	\$ 470,095	\$ 77,348	19.69%
ESSER Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,226	\$ 147,226	#DIV/0!
Title I	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,522	\$ 65,522	#DIV/0!
Circuit Breaker Offset	\$ 1,094,160	\$ 1,102,223	\$ 776,000	\$ 377,745	\$ 934,096	\$ 1,027,434	\$ 93,338	9.99%
Total Offsets	\$ 1,445,567	\$ 1,987,955	\$ 1,716,714	\$ 1,114,875	\$ 1,804,083	\$ 2,257,305	\$ 453,222	25.12%

General Fund After Offsets								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
Operating Expense - Gross, after offsets & Overlays	\$ 31,884,471	\$ 33,384,331	\$ 35,306,858	\$ 33,066,297	\$ 36,934,892	\$ 41,340,193	\$ 4,405,301	11.93%



FY23 Assessment Calculation (Continued)

General Fund After Offsets								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
Operating Expense - Gross, after offsets & Overlays	\$ 31,884,471	\$ 33,384,331	\$ 35,306,858	\$ 33,066,297	\$ 36,934,892	\$ 41,340,193	\$ 4,405,301	11.93%
Operating Funding Sources								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
<i>Revenues</i>								
Chapter 70-Base Aid	\$ 3,687,076	\$ 3,714,665	\$ 2,969,125	\$ 3,742,189	\$ 3,715,561	\$ 3,742,189	\$ 26,628	0.72%
State Transportation	\$ 330,837	\$ 385,868	\$ 332,124	\$ 332,124	\$ 372,065	\$ 372,065	\$ -	0.00%
Charter School Reimbursement	\$ 13,726	\$ 1,542	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Medicaid Reimbursement	\$ 171,954	\$ 88,455	\$ 95,000	\$ 59,064	\$ 45,000	\$ 45,000	\$ -	0.00%
Interest Income	\$ 25,631	\$ 19,661	\$ 18,000	\$ 3,070	\$ 10,000	\$ 3,070	\$ (6,931)	-69.31%
Prior Year Unexpended Encumbrances	\$ 90,982	\$ 26,108	\$ -	\$ 144,178	\$ -	\$ -	\$ -	#DIV/0!
Other Income	\$ 6,167	\$ 3,372	\$ -	\$ 44,108	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 4,326,372	\$ 4,239,671	\$ 3,414,249	\$ 4,324,732	\$ 4,142,627	\$ 4,162,324	\$ 19,697	0.48%
<i>Transfers In From Other Funds</i>								
Excess and Deficiency	\$ 347,218	\$ 147,396	\$ 217,329	\$ 217,329	\$ -	\$ 3,098,550	\$ 3,098,550	#DIV/0!
Other Revolving Accounts	\$ 12,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Transfers	\$ 359,880	\$ 147,396	\$ 217,329	\$ 217,329	\$ -	\$ 3,098,550	\$ 3,098,550	#DIV/0!
Total Funding Sources	\$ 4,686,252	\$ 4,387,067	\$ 3,631,578	\$ 4,542,061	\$ 4,142,627	\$ 7,260,874	\$ 3,118,248	75.27%
NET OPERATING BUDGET	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 28,524,236	\$ 32,792,265	\$ 34,079,318	\$ 1,287,053	3.92%



FY23 Assessment Calculation (Concluded)

NET OPERATING BUDGET	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 28,524,236	\$ 32,792,265	\$ 34,079,318	\$ 1,287,053	3.92%
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Calculation of Individual Town Assessments								
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
Town of Hamilton			\$ 20,227,834		\$ 21,131,336	\$ 22,287,874		
Capital Debt Assessment "Shift"			\$ -		\$ -	\$ -		
Net Operating Assessment	\$ 17,746,438 64.65%	\$ 18,686,426 64.05%	\$ 20,227,834 63.86%	\$ 20,227,834 63.86%	\$ 21,131,336 64.44%	\$ 22,287,874 65.40%	\$ 1,156,538	5.47%
Town of Wenham			\$ 11,447,446		\$ 11,660,930	\$ 11,791,444		
Capital Debt Assessment "Shift"			\$ -		\$ -	\$ -		
Net Operating Assessment	\$ 9,708,859 35.35%	\$ 10,488,321 35.95%	\$ 11,447,446 36.14%	\$ 11,447,446 36.14%	\$ 11,660,930 35.56%	\$ 11,791,444 34.60%	\$ 130,515	1.12%



What's Next

- Numbers tonight as presented at last SC meeting (12/2/21)
- Wrapped up 1:1 budget stakeholder meetings
- Budget to be presented to SC on 12/16/21 will included refined numbers that are favorable to what you saw tonight.



Questions, Comments, Feedback?

