



E&D Rule

State says:

You can only keep a max of 5% of your subsequent years' budget (5% of FY22 Budget amount)

~\$1.9M

Locally we say:

We will only keep a 3%

~\$1.1M



**So, what's the
recommendation?**



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 |



Summary by DAC

| Summary By Site & Support Program | FY19 Actual | FY20 Actuals | FY21 FTE | FY21 Budget | FY21 Actuals | FY22 FTE | FY22 Budget | FY23 FTE | FY23 Budget | Change FY22 \$ | To FY23 % |
|-----------------------------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------------|---------------|
| Buker Elementary School | \$ 2,220,140 | \$ 2,287,290 | 31.62 | \$ 2,389,099 | \$ 2,279,142 | 32.84 | \$ 2,401,019 | 37.07 | \$ 2,708,184 | \$ 307,165 | 12.79% |
| Cutler Elementary School | \$ 2,730,842 | \$ 2,759,824 | 38.67 | \$ 2,831,852 | \$ 2,711,678 | 41.39 | \$ 2,890,214 | 42.54 | \$ 3,010,110 | \$ 119,896 | 4.15% |
| Winthrop Elementary School | \$ 3,434,478 | \$ 3,628,235 | 56.91 | \$ 3,737,685 | \$ 3,558,534 | 60.13 | \$ 3,866,855 | 63.84 | \$ 4,163,232 | \$ 296,377 | 7.66% |
| Miles River Middle School | \$ 4,384,171 | \$ 4,413,413 | 50.97 | \$ 4,460,423 | \$ 4,304,894 | 54.48 | \$ 4,800,861 | 55.18 | \$ 5,081,802 | \$ 280,941 | 5.85% |
| Regional High School | \$ 6,164,288 | \$ 6,183,131 | 72.18 | \$ 6,480,886 | \$ 6,065,656 | 71.18 | \$ 6,433,942 | 72.48 | \$ 6,961,449 | \$ 527,507 | 8.20% |
| Athletics | \$ 500,785 | \$ 424,499 | 1.75 | \$ 452,152 | \$ 343,450 | 1.75 | \$ 460,633 | 1.75 | \$ 496,714 | \$ 36,081 | 7.83% |
| Central Office | \$ 2,843,761 | \$ 2,863,786 | 9.92 | \$ 3,014,550 | \$ 2,912,579 | 12.65 | \$ 3,516,031 | 13.16 | \$ 3,757,319 | \$ 241,288 | 6.86% |
| District Maintenance | \$ 694,292 | \$ 571,160 | 2.25 | \$ 441,860 | \$ 431,792 | 3.25 | \$ 516,208 | 3.25 | \$ 580,981 | \$ 64,773 | 12.55% |
| Fringe Benefits | \$ 4,206,515 | \$ 4,534,453 | 0.86 | \$ 5,399,815 | \$ 4,806,832 | 0.86 | \$ 5,927,024 | 0.86 | \$ 8,340,647 | \$ 2,413,623 | 40.72% |
| Capital & Fixed Assets | \$ - | \$ - | - | \$ - | \$ 96,774 | - | \$ - | - | \$ 325,000 | \$ 325,000 | #DIV/0! |
| Special Education | \$ 5,284,501 | \$ 6,816,632 | 13.44 | \$ 6,940,620 | \$ 5,814,049 | 13.44 | \$ 6,977,781 | 13.44 | \$ 7,174,683 | \$ 196,903 | 2.82% |
| Technology | \$ 866,264 | \$ 889,864 | 6.00 | \$ 874,629 | \$ 855,794 | 7.00 | \$ 948,408 | 7.00 | \$ 997,376 | \$ 48,968 | 5.16% |
| District Totals | \$ 33,330,038 | \$ 35,372,286 | 284.56 | \$ 37,023,572 | \$ 34,181,172 | 298.98 | \$ 38,738,975 | 310.57 | \$ 43,597,498 | \$ 4,858,523 | 12.54% |



Summary by DESE

| Summary by DESE Category | FY19 Actuals | FY20 Actuals | FY21 FTE | FY21 Budget | FY21 Actuals | FY22 FTE | FY22 Budget | FY23 FTE | FY23 Budget | Change FY22 \$ | To FY23 % |
|--|----------------------|----------------------|---------------|----------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------------|---------------|
| Administration | \$ 1,097,981 | \$ 992,140 | 6.94 | \$ 1,229,833 | \$ 1,063,926 | 7.47 | \$ 1,383,565 | 7.74 | \$ 1,431,470 | \$ 47,905 | 3.46% |
| Capital, Operations, Maintenance Capital & Fixed Assets Improvements | \$ 2,221,673 | \$ 2,071,927 | 15.25 | \$ 2,285,561 | \$ 2,207,181 | 16.25 | \$ 2,366,101 | 16.25 | \$ 2,535,872 | \$ 169,771 | 7.18% |
| Guidance, Counseling, Testing | \$ - | \$ - | - | \$ - | \$ 96,774 | - | \$ - | - | \$ 325,000 | \$ 325,000 | #DIV/0! |
| Inst. Materials | \$ 1,118,011 | \$ 1,126,908 | 13.78 | \$ 1,141,839 | \$ 1,095,612 | 13.78 | \$ 1,147,345 | 15.78 | \$ 1,376,737 | \$ 229,392 | 19.99% |
| Instructional Leadership | \$ 870,461 | \$ 685,373 | - | \$ 872,397 | \$ 746,209 | - | \$ 854,757 | - | \$ 882,935 | \$ 28,178 | 3.30% |
| Insurance, Retirement, Other | \$ 3,027,285 | \$ 2,954,380 | 26.17 | \$ 2,571,133 | \$ 2,344,429 | 26.27 | \$ 2,618,506 | 25.65 | \$ 2,722,770 | \$ 104,265 | 3.98% |
| Other Teaching Services | \$ 4,206,515 | \$ 4,534,453 | 0.86 | \$ 5,399,815 | \$ 4,806,832 | 0.86 | \$ 5,927,024 | 0.86 | \$ 8,340,647 | \$ 2,413,623 | 40.72% |
| Prof. Dev. | \$ 2,532,491 | \$ 2,482,888 | 59.90 | \$ 2,796,326 | \$ 2,631,831 | 68.08 | \$ 3,014,610 | 73.85 | \$ 3,285,483 | \$ 270,873 | 8.99% |
| Pupil Services | \$ 171,951 | \$ 138,886 | - | \$ 262,196 | \$ 129,123 | 3.60 | \$ 636,021 | 3.50 | \$ 648,771 | \$ 12,750 | 2.00% |
| Teachers | \$ 2,343,752 | \$ 2,473,423 | 8.97 | \$ 2,728,507 | \$ 2,287,046 | 8.97 | \$ 2,864,857 | 9.74 | \$ 3,047,151 | \$ 182,293 | 6.36% |
| Tuitions | \$ 12,240,941 | \$ 12,805,737 | 152.70 | \$ 12,973,972 | \$ 12,679,496 | 153.70 | \$ 13,183,707 | 157.20 | \$ 14,093,054 | \$ 909,347 | 6.90% |
| | \$ 3,498,978 | \$ 5,106,171 | - | \$ 4,761,992 | \$ 4,092,713 | - | \$ 4,742,482 | - | \$ 4,907,607 | \$ 165,125 | 3.48% |
| Grand Total | \$ 33,330,038 | \$ 35,372,286 | 284.56 | \$ 37,023,572 | \$ 34,181,172 | 298.98 | \$ 38,738,975 | 310.57 | \$ 43,597,498 | \$ 4,858,523 | 12.54% |



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)

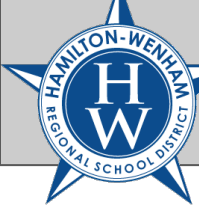
| General Fund After Offsets | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------|
| | FY19 ACT | FY20 ACT | FY21 BUD | FY21 ACT | FY22 BUD | FY23 BUD | \$ 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% |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|

| 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% |



Assessment from Slide 5 (Before Use of E&D was added)

| | | | | | | | | |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| 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% |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|

| 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% |



Why use E&D on one-time expense

(FY23 As Recommended)

| FY23 Initial Operating Budget Calculation – As Recommended | | | | |
|--|----------------------|----------------------|---------------------|--------------|
| | FY22 BUD | FY23 BUD | \$ Difference % | |
| Operating Expense - Gross, before offsets & Overlays | \$ 38,738,975 | \$ 43,597,498 | \$ 4,858,523 | 12.54% |
| 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 | \$ 34,079,318 | \$ 1,287,053 | 3.92% |
| Hamilton | \$ 21,131,336 | \$ 22,287,874 | \$ 1,156,538 | 5.47% |
| Wenham | \$ 11,660,930 | \$ 11,791,444 | \$ 130,515 | 1.12% |



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% |



Why use this E&D on one-time expense

(FY24 Rollforward if Returned all E&D Funds – 0.5% Assessment Shift Towards Hamilton)

| FY24 Initial Operating Budget Calculation @ 5 Year Average Gross Growth – Returning Funds (0.5% Shift towards Hamilton) | | | | |
|---|----------------------|----------------------|---------------------|---------------|
| | 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 | \$ 24,363,327 | \$ 3,596,003 | 17.32% |
| Wenham | \$ 10,986,994 | \$ 12,606,820 | \$ 1,619,826 | 14.74% |



Why use this E&D on one-time expense

(FY24 Rollforward if Returned all E&D Funds – 0.5% Assessment Shift Towards Wenham)

| FY24 Initial Operating Budget Calculation @ 5 Year Average Gross Growth – Returning Funds (0.5% Shift towards Wenham) | | | | |
|---|----------------------|----------------------|---------------------|---------------|
| | 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 | \$ 23,993,626 | \$ 3,226,302 | 15.54% |
| Wenham | \$ 10,986,994 | \$ 12,976,522 | \$ 1,989,528 | 18.11% |



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)



Questions, Comments, Feedback?

