

**Hamilton-Wenham
Regional School District**



**Superintendent's Approved
FY23 Tentative Budget**

as of January 12, 2022

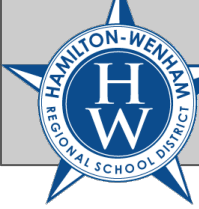
School Committee Meeting

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



This Budget Allows Us To:

- Maintain Level Service
- Incremental Investments
 - Address MS/HS Student Social & Emotional Needs
 - Reinstate/Maintain 6th-8th Grade World Language offerings
 - Meet increased need for small group math at Middle School
 - Improve ELL Support Program
 - Reinstate OOD Chair Position
 - Reinstate part of the Payroll Position
 - Reinstate a full-time Curriculum Director
 - Reinstate District Athletics User Fee Contribution
 - Address Technology Issues
 - Invest in curriculum materials
 - Supply iPads to all 7th Graders
- One-Year robust maintenance program
- Address OPEB Liability head-on



Summary by School/Location – GROSS budget

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	36.07	\$ 2,645,733	\$ 244,714	10.19%
Cutler Elementary School	\$ 2,730,842	\$ 2,759,824	38.67	\$ 2,831,852	\$ 2,711,678	41.39	\$ 2,890,214	41.54	\$ 2,906,665	\$ 16,451	0.57%
Winthrop Elementary School	\$ 3,434,478	\$ 3,628,235	56.91	\$ 3,737,685	\$ 3,558,534	60.13	\$ 3,866,855	62.84	\$ 4,204,907	\$ 338,052	8.74%
Miles River Middle School	\$ 4,384,171	\$ 4,413,413	50.97	\$ 4,460,423	\$ 4,304,894	54.48	\$ 4,800,861	58.58	\$ 5,298,337	\$ 497,476	10.36%
Regional High School	\$ 6,164,288	\$ 6,183,131	72.18	\$ 6,480,886	\$ 6,065,656	71.18	\$ 6,433,942	73.48	\$ 6,872,307	\$ 438,365	6.81%
Athletics	\$ 500,785	\$ 424,499	1.75	\$ 452,152	\$ 343,450	1.75	\$ 460,633	1.75	\$ 529,967	\$ 69,334	15.05%
Central Office	\$ 2,843,761	\$ 2,863,786	9.92	\$ 3,014,550	\$ 2,912,579	12.65	\$ 3,516,031	13.26	\$ 3,765,663	\$ 249,631	7.10%
District Maintenance	\$ 694,292	\$ 571,160	2.25	\$ 441,860	\$ 431,792	3.25	\$ 516,208	3.25	\$ 906,614	\$ 390,406	75.63%
Fringe Benefits	\$ 4,206,515	\$ 4,534,453	0.86	\$ 5,399,815	\$ 4,806,832	0.86	\$ 5,927,024	0.86	\$ 8,286,775	\$ 2,359,751	39.81%
Capital & Fixed Assets	\$ -	\$ -	-	\$ -	\$ 96,774	-	\$ -	-	\$ -	\$ -	#DIV/0!
Special Education	\$ 5,284,501	\$ 6,816,632	13.44	\$ 6,940,620	\$ 5,814,049	13.44	\$ 6,977,781	14.04	\$ 6,665,714	\$ (312,067)	-4.47%
Technology	\$ 866,264	\$ 889,864	6.00	\$ 874,629	\$ 855,794	7.00	\$ 948,408	7.00	\$ 1,032,926	\$ 84,518	8.91%
District Totals	\$ 33,330,038	\$ 35,372,286	284.56	\$ 37,023,572	\$ 34,181,172	298.98	\$ 38,738,975	312.67	\$ 43,115,606	\$ 4,376,632	11.30%



Reducing the GROSS budget

FY23 Tentative Operating Budget Calculation

General Fund Operating Overview

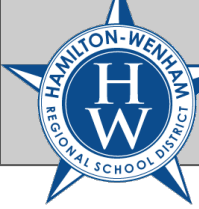
	FY19 ACT	FY20 ACT	FY21 BUD	FY21 ACT	FY22 BUD	FY23 BUD	\$ Difference	%
Operating Expense - Gross, before offsets & Overlays	\$ 33,330,038	\$ 35,372,286	\$ 37,023,572	\$ 34,181,172	\$ 38,738,975	\$ 43,115,606	\$ 4,376,632	11.30%

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	\$ 385,000	\$ (14,500)	-3.63%
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	\$ 1,038,894	\$ 104,798	11.22%
Total Offsets	\$ 1,445,567	\$ 1,987,955	\$ 1,716,714	\$ 1,114,875	\$ 1,804,083	\$ 2,193,144	\$ 389,061	21.57%

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	\$ 40,922,462	\$ 3,987,570	10.80%



Further reducing the GROSS budget

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	\$ 40,922,462	\$ 3,987,570	10.80%
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	\$ 382,323	\$ 10,258	2.76%
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	\$ 4,172,582	\$ 29,955	0.72%
<i>Transfers In From Other Funds</i>								
Excess and Deficiency	\$ 347,218	\$ 147,396	\$ 217,329	\$ 217,329	\$ -	\$ 3,099,620	\$ 3,099,620	#DIV/0!
Other Revolving Accounts	\$ 12,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Transfers	\$ 359,880	\$ 147,396	\$ 217,329	\$ 217,329	\$ -	\$ 3,099,620	\$ 3,099,620	#DIV/0!
Total Funding Sources	\$ 4,686,252	\$ 4,387,067	\$ 3,631,578	\$ 4,542,061	\$ 4,142,627	\$ 7,272,202	\$ 3,129,575	75.55%
NET OPERATING BUDGET	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 28,524,236	\$ 32,792,265	\$ 33,650,261	\$ 857,995	2.62%



Assessment calculation after reductions

NET OPERATING BUDGET	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 28,524,236	\$ 32,792,265	\$ 33,650,261	\$ 857,995	2.62%
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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	\$ 22,007,270		
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%	\$ 22,007,270 65.40%	\$ 875,935	4.15%
Town of Wenham			\$ 11,447,446		\$ 11,660,930	\$ 11,642,990		
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%	\$ 11,642,990 34.60%	\$ (17,939)	-0.15%

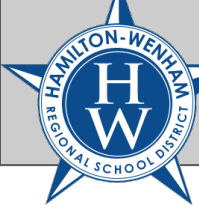


Where does Excess and Deficiency come from?



Reductions from FY21 due to onset of COVID-19 Pandemic

<u>Type</u>	<u>Description</u>	<u>FTE</u>	<u>Amount</u>
Eliminate	2.75 FTE Curriculum Administrators	2.75	\$ 256,498
Eliminate	HR, Benefits, and Payroll Administrator	1.00	\$ 71,264
Hire	0.5 FTE Payroll Clerk	(0.50)	\$ (38,250)
Eliminate	1.0 FTE Vacant IT Technician	1.00	\$ 38,580
Eliminate	2.0 FTE Maintenance Workers	2.00	\$ 78,835
Eliminate	1.0 FTE Vacant Out-of-District Chairperson	1.00	\$ 87,165
Eliminate	1.0 FTE Humanities	1.00	\$ 58,411
Eliminate	1.0 FTE Science	1.00	\$ 58,411
Eliminate	1.0 FTE Social Studies	1.00	\$ 58,411
Eliminate	1.0 FTE Wellness	1.00	\$ 58,411
Increase	0.4 FTE MS Special Education	0.40	\$ (34,620)
Eliminate	0.5 FTE Vacant MS Reading Specialist - SPED	0.50	\$ 40,443
Eliminate	1.0 FTE Spanish	1.00	\$ 45,124
Eliminate	0.6 FTE Mandarin	0.60	\$ 27,074
Eliminate	1.0 FTE 7th K Class	1.00	\$ 47,628
Reduce	Reduce Library Media Specialist at MS/HS replace with TA	-	\$ 38,825
Eliminate	4.34 FTE Language Art TA's	4.34	\$ 74,948
Eliminate	3 of 6 PreK TA's	2.40	\$ 44,003
Exclude	New Investment 0.4 FTE Therapeutic TA	0.40	\$ 10,405
Eliminate	0.5 FTE HS Office Personnel	0.50	\$ 33,967
Eliminate	0.5 FTE Maintenance Secretary	0.50	\$ 17,822
		<hr/>	
		22.89	\$ 1,073,353
Eliminate	All other Reductions	-	\$ 201,029
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		22.89	\$ 1,274,382



Surplus of ~\$3.1M

Surplus Revenues from Chapter 70

\$773,000

Underspent budget by approximately

\$2.2M (6% of FY21 Budget)

- School based supplies & materials \$245,000
- Unemployment \$291,000
- Health Insurance \$228,000
- Professional Development \$133,000
- Special Education Transportation \$334,000
- PPE \$292,000
- Graduation/candlelight \$28,000
- DECA National Conference \$12,000
- Unspent/unfilled payroll salaries \$781,000



Plan to keep most of surplus with current generation

- \$773,000 excess chapter 70 was promised to be returned to the towns

Remaining \$2.3M divided into 2 parts

\$325,000
Extraordinary
Maintenance

\$2.0M
OPEB



What is OPEB?

Definition: Other Postemployment Benefits (or OPEB) are benefits (other than pensions) that U.S. state and local governments provide to their employees, primarily health insurance.

- The district currently covers 60% of the cost of an employee's health insurance while they're employed.
- We also will continue to cover health insurance in retirement. So current employees are accruing benefits now that we aren't paying for now. We are pushing this cost off to the next generation.



What if we don't invest in OPEB?

The current FY23 budget we are seeking approval for would change from:

Operating Budget As Presented				
Town	FY22 Budget	FY23 Budget	\$ Change	% Change
Hamilton	\$ 21,131,336	\$ 22,007,270	\$ 875,934	4.15%
Wenham	\$ 11,660,930	\$ 11,642,990	\$ (17,940)	-0.15%
Total	\$ 32,792,266	\$ 33,650,260	\$ 857,994	2.62%

Operating Budget Without Maintenance & OPEB				
Town	FY22 Budget	FY23 Budget	\$ Change	% Change
Hamilton	\$ 21,131,336	\$ 20,486,720	\$ (644,616)	-3.05%
Wenham	\$ 11,660,930	\$ 10,838,540	\$ (822,390)	-7.05%
Total	\$ 32,792,266	\$ 31,325,260	\$ (1,467,006)	-4.47%



Possible future impact of not investing in OPEB

Operating Budget Estimate				
Town	FY23 Budget	FY24 Budget	\$ Change	% Change
Hamilton	\$ 20,486,720	\$ 23,882,405	\$ 3,395,685	16.58%
Wenham	\$ 10,838,540	\$ 12,635,034	\$ 1,796,494	16.58%
Total	\$ 31,325,260	\$ 36,517,439	\$ 5,192,179	16.58%



Tentative Town Assessment

NET OPERATING BUDGET	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 28,524,236	\$ 32,792,265	\$ 33,650,261	\$ 857,995	2.62%
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Questions, Comments, Feedback?

