

Monomoy Regional School District FY22 Budget

SCHOOL COMMITTEE AND SELECTBOARDS PRESENTATION
JANUARY 2021

The 30,000 foot view

- The long term effects of the COVID pandemic are, as yet, unclear but they are likely to impact on our organization and finances.
- The declining number of children in Chatham, relative to Harwich, continues to shift the minimum required contribution (as calculated by the state) towards Harwich. Both Towns and MRSD have been working to find a fiscal solution in the short term.
- Overall there is a reduction in staffing that reflects the changing enrollment.
- This budget maintains all existing services and programs.

The Process

Step 1 – Develop the operating and capital budget.

Step 2 – Determine revenues that will partially offset funding needs.

Step 3 – Allocate the net funding required between the two towns (assessments).

Step 1

DEVELOP THE BUDGET

Budget Development Guidelines

Support the district's Mission Statement

- *Monomoy Regional School District is a community of learners of all ages focused on building knowledge, positive character, and resiliency in a safe, supportive, creative, and challenging environment*

Support advancement of the district's new 2018-2022 Strategic Plan Objectives

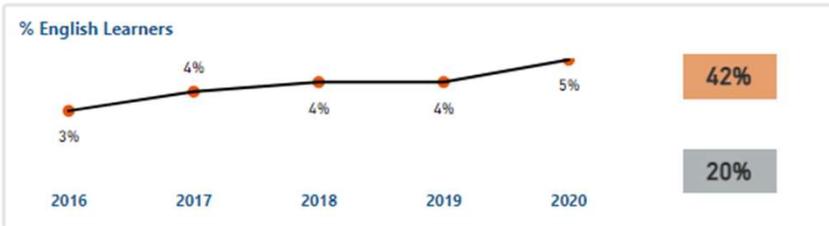
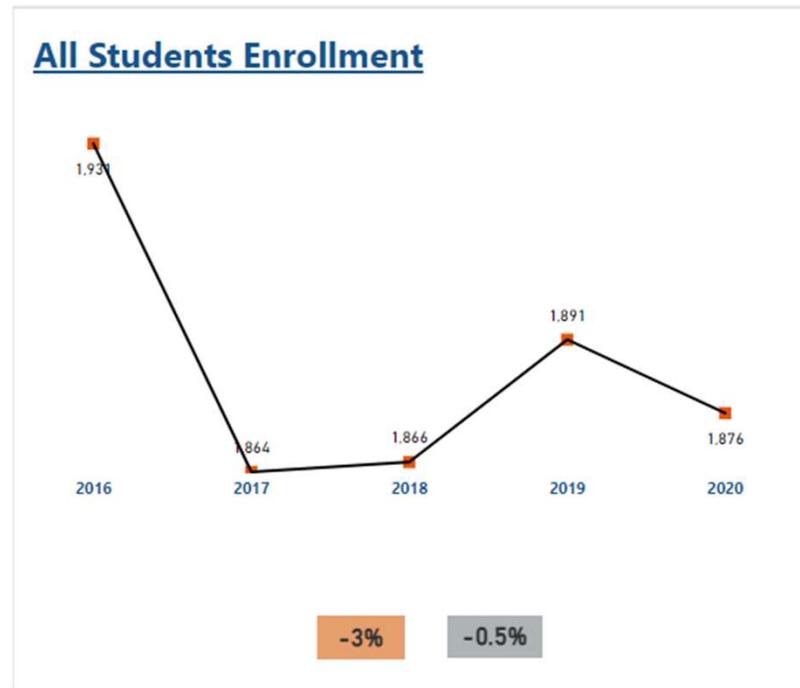
- Expand Community Engagement and Partnerships
- Strengthen Social and Emotional Well-Being
- Close the Achievement Gap
- Improve Curriculum, Instruction and Assessment for All Learners

- Class sizes average 18±1 and middle/high school 19±2
- Data driven
- Transparent
- Collaborative - with staff, families and community
- Recognizes the financial environment of both towns

FY22 Budget Assumptions

- Anticipates level enrollment in our schools, with the high school continuing to grow in population, while the lower grades contract.
- No changes to services at the lower grades but reduction in staffing to reflect changing enrollment.
- Cost of living increase assumed in contracts yet to be settled.
- Preliminary FY22 Ch 70 and Minimum required contributions not yet available, assume level from FY21.
- Health insurance assumed to increase by 5% - consistent with placeholder by Chatham and Harwich. Rates should be set for FY22 by Cape Cod Municipal Health Group by the end of January.

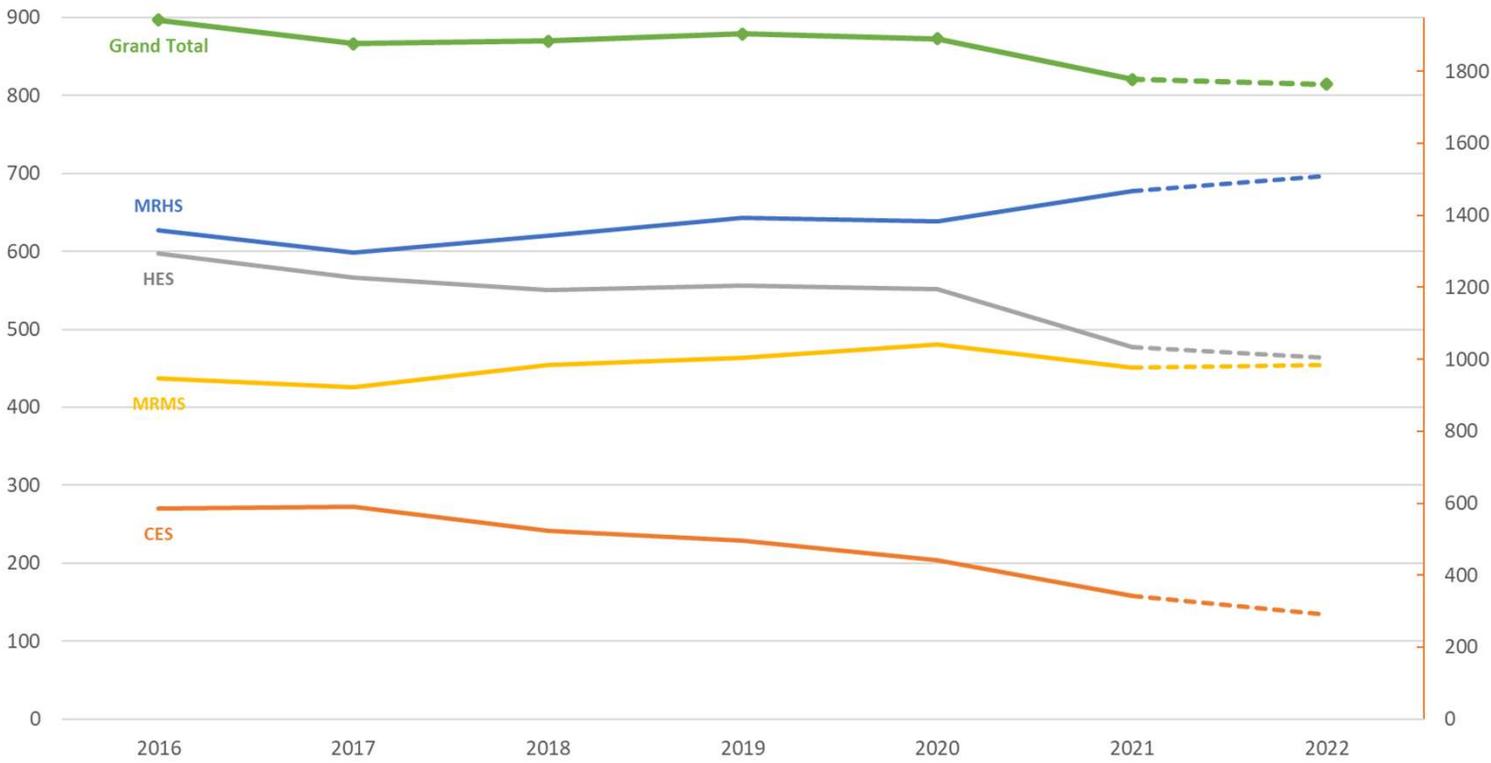
Student trends



District Change Over 5 Years

State Change Over 5 Years

Enrollment Trends By School

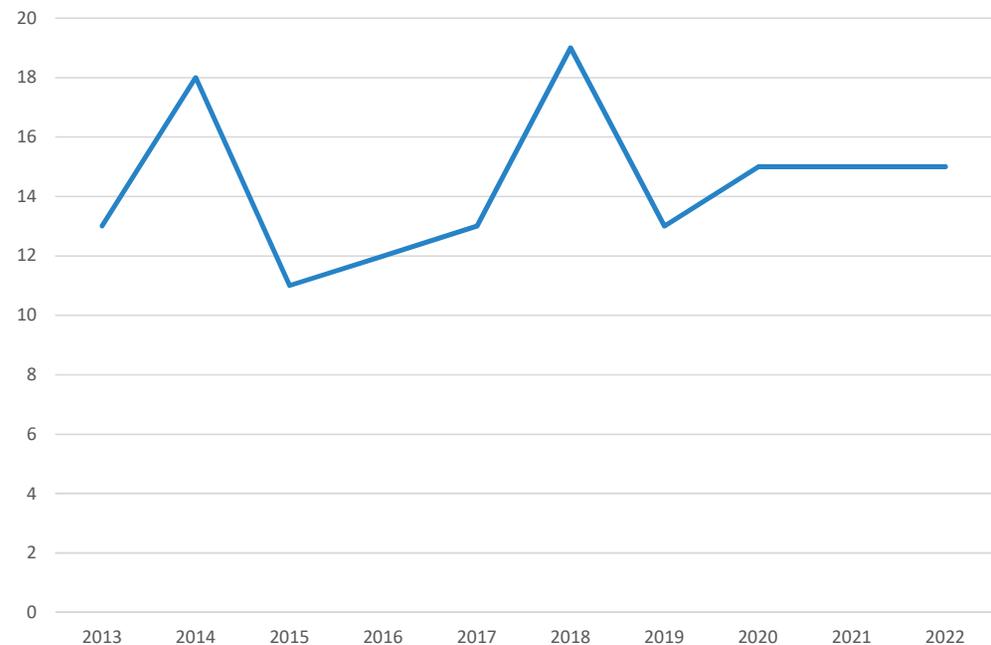


Staffing Changes



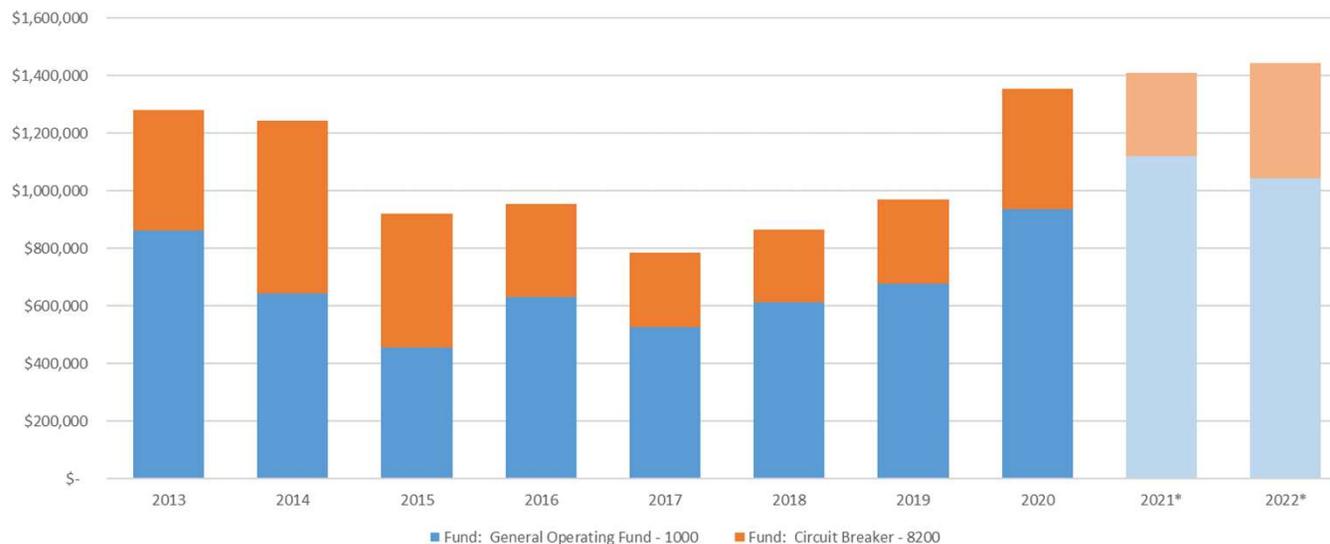
Out of District Enrollment Trends

- Some of our students have special education needs that the District is not able to meet within the District.
- For those students the District pays to have them educated in schools out of the District.
- As there are a relatively small number of students in out of district placements, the overall cost is driven more by the needs of each individual student than by the number of students.
- The costs can fluctuate unexpectedly as new students come into the district.

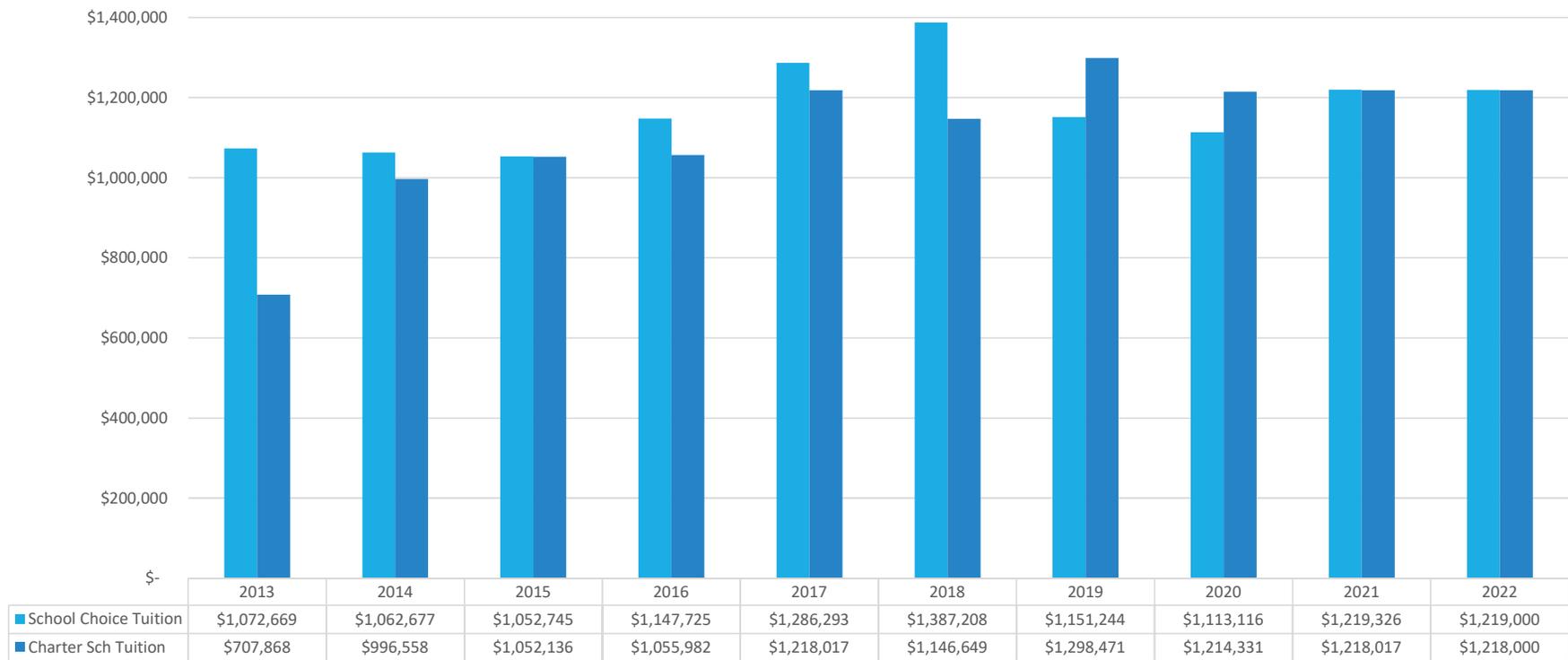


Out of District Expenditure / Budget

- The chart below shows the out of district expenditure until 2020, the budget for 2021 and the draft budget for 2022. Our expenditure is offset by 'Circuit Breaker' reimbursement from the state.
- The circuit breaker revenue available to offset the budget increased for 2022.

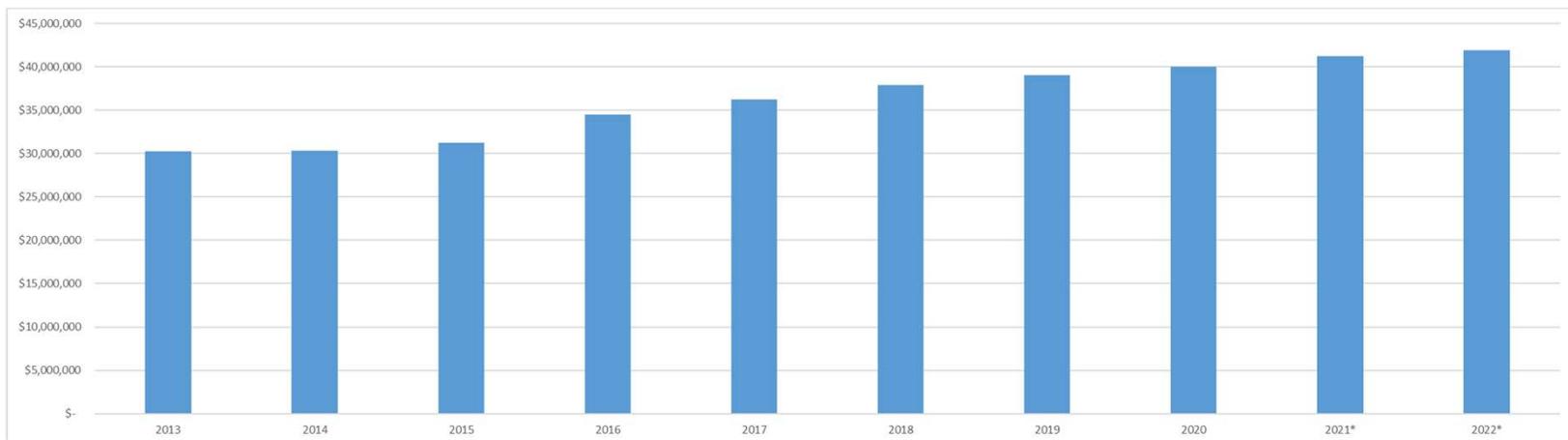


Tuition for School Choice and Charters



Employee and other insurance

- The average increase in health insurance rates since FY13 has been around 7% however, there has not been an increase since FY19
- We are estimating 5% increase in health insurance (including dental and life) in costs for FY22. That is approximately an additional \$280,000, 0.7% of the Districts FY21 budget.
- The actual rates for FY22 should be set in late January.



Other Drivers

Custodial Supplies & Services: Level funded to reflect historic expenditure. However, \$33,000 in additional funding provided as contingency for COVID related expenditure.

Substitutes: \$89,000 increase to bring in line with historic trend. New accounts added for special education substitutes.

Heating: 0% increase on 2021 Budget – equates to approximately 15% increase on 2018-2020 three year average expenditure as the contract for gas expires in April 2021, expect increased rate in new contract.

Utilities: Level budgeted (0%). Although there has been an increase in expenditure this is still trending below budget. Also, expect savings from High School Solar Project and new electricity supply contract. Includes water, electricity, phones and trash.

COVID: Increased demands on staffing, technology and facilities. Uncertainty over impact on FY22 school year, including on possible unemployment and other employee costs.

District Budget Requests

Through the budget process, the Monomoy Administrative Team has identified specific needs that are currently unfunded.

Currently these priority needs are included in the draft budget.

These priorities are funded through regular operating budget supply accounts or through reductions in other areas of the budget.

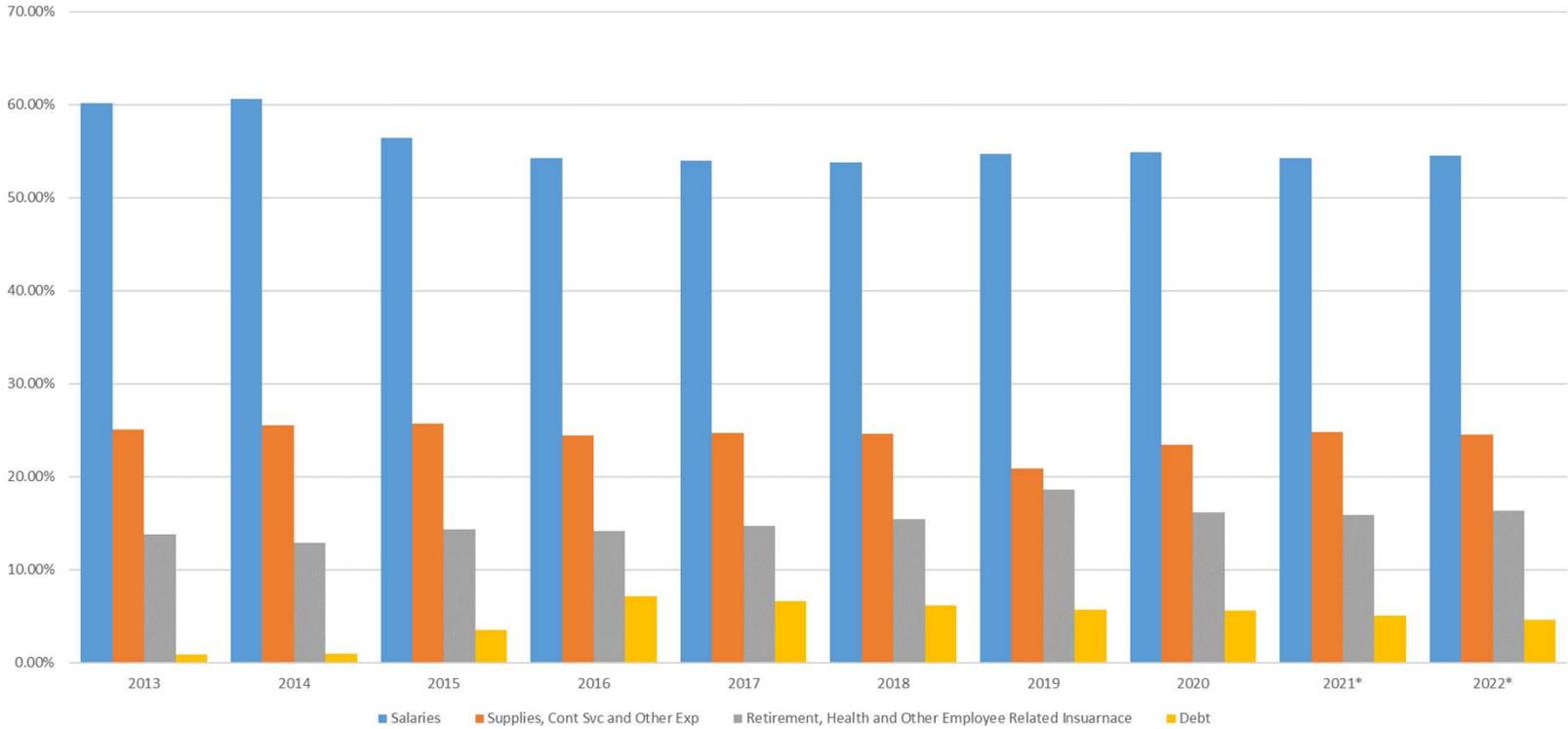
School	Description	Priority	Amount
District	Retain one additional full time nurse	1	\$81,229
Technology	Increase Bandwidth to 2GB	1	\$8,400
Athletics	Unified Sports Coach	2	\$4,761
Athletics	Increase Athletic Trainer to full time position	2	\$13,018
District	Budget Sense conversion	2	\$13,383
District	ELL pre-screening/testing for summer (hours)	2	\$3,784
District	10 additional days for Team Chairs	2	\$13,364
MRHS	Math Interventionist	2	\$83,246
District	Replacement computers for Admin Assistants	2	\$15,000
MRMS	0.5FTE Reading Specialist	2	\$34,626
MRMS	Social Studies Textbooks (G6 & 7)	2	\$24,000
Technology	Additional 0.5FTE for Technology	2	\$25,844
MRHS	Chemistry Textbooks	2	\$12,000

Unfunded Needs

There continue to be educational needs which are not being funded in this budget.

School	Description	Priority	Amount
MRHS	US1 / US 2 textbooks	3	\$24,000
CES	Team Chair (OoD/CES/EC)	3	\$83,246
MRHS	0.5 Wellness Teacher	3	\$34,626
MRHS	Increase School year secretary to full year	3	\$10,680
MRMS	New Van MS Shells program	3	\$40,000
Technology	Teacher Laptops	3	\$5,000
MRMS	Security Cameras (CES/HES/MRMS)	4	\$10,000
CES	Math Interventionist	4	\$83,246
District	0.5FTE Speech and Language	4	\$48,620
District	Curriculum Specialist	4	\$97,731
MRHS	Special Education teacher	4	\$83,246
MRMS	Math Interventionist	4	\$83,246
MRMS	0.5 FTE Custodian	4	\$19,370

Major Components of the Budget as %



Capital Budget Process

1. Conduct a facilities condition review for each building once a year.
2. Update the capital needs list, recording items that have been addressed and adding new items.
3. Review priorities with district leadership.
4. The list for each school is included in that school's budget planning for the following year.
5. The funding source and timing for each item is proposed.
6. Present list to school committee.
7. The priorities are submitted to Town Manager / Capital Budget Committee.

Capital Prioritization

- The Capital Plan is a risk based assessment of the capital needs for Monomoy Regional School District. Each capital improvement need is given a rating based on the likelihood of the component failing and the consequences of that failure. A priority score is then calculated using this formula:

$$\text{Priority Score} = \text{Likelihood of Failure} * \text{Impact of Failure}$$

- The likelihood of failure is a rating based on the likelihood of partial to full failure within 5 years.
- The impact of failure is a weighted score of the assessed impact on health and safety (weighting = 3), school operations (weighting = 2), future expense and the district vision.
- The priority score of each item is used to determine the proposed year of funding.

Capital Priorities – Existing IT Leases

Chatham Elementary School

- Promethean Boards - \$16,864

Harwich Elementary School

- Promethean Boards - \$16,865

Monomoy Regional Middle School

- Teacher Laptops - \$10,378
- Chromebooks - \$51,225

Monomoy Regional High School

- MAC Lab, Graphics Lab and Robotics Lab - \$35,853
- Chromebooks - \$52,628

Capital Maintenance Priorities

Chatham ES / Harwich ES / Middle School

- Replace Phone and Announcement System – Phase 1 - \$95,000

Harwich Elementary School

- Repair window seals - \$7,000
- Water bubbler for cafeteria - \$8,000

Monomoy Regional Middle School

- Auditorium Lighting - \$10,000

Monomoy Regional High School

- Replace vehicle for student community programs (3 year lease payment) - \$10,000

District

- Stabilization payment - \$50,000

Capital Needs – Looking Ahead

- The buildings have been maintained to a very high level.
- However, needs are likely to grow in coming years, particularly at the Middle School.
- Major projects ahead:
 - Replace Roofs at MRMS and CES
 - Replace Siding and Trim at MRMS
 - Replace MRHS Athletic Field and Track.

How do we compare to other districts

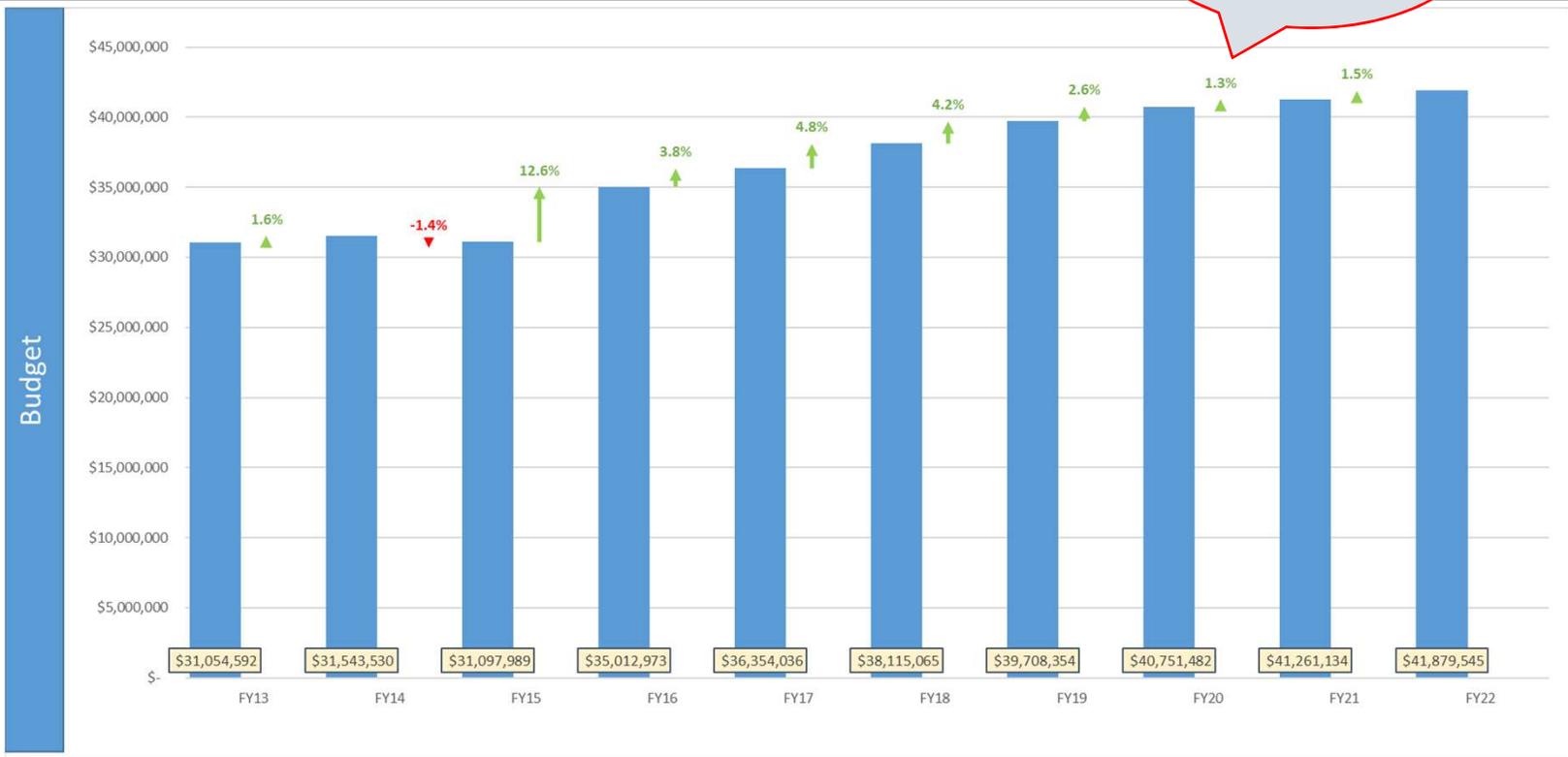
Demographic	2019			2020 Students			
Grade				All Grades			
Category							
Org Name	Region	\$/In-district Pupil	Relative District Wealth*	Total Enrollment	Eco Dis %	SWD %	EL %
Barnstable	Southeast	\$17,104	118%	5,041	36.7%	17.0%	12.6%
Bourne	Southeast	\$15,919	109%	1,907	26.7%	17.1%	0.7%
Cape Cod Lighthouse	Southeast			239	16.3%	18.8%	0.8%
Cape Cod RVT	Southeast	\$28,713	175%	616	38.6%	28.2%	2.4%
Dennis-Yarmouth	Southeast	\$18,613	148%	2,912	43.6%	19.3%	10.9%
Falmouth	Southeast	\$18,333	148%	3,251	29.5%	18.2%	4.4%
Martha's Vineyard	Southeast	\$33,738	295%	670	29.9%	22.5%	10.9%
Mashpee	Southeast	\$18,324	140%	1,563	32.2%	15.5%	4.0%
Monomoy	Southeast	\$19,108	259%	1,876	28.7%	16.7%	4.9%
Nauset	Southeast	\$20,239	238%	1,480	21.0%	17.5%	1.9%
Provincetown	Southeast	\$45,272	833%	131	35.1%	19.1%	23.7%
Wellfleet	Southeast	\$33,775	328%	106	29.2%	19.4%	0.9%

FY22 Draft Budget By Category

Category	Budget	Change
[-] District Leadership & Administration	\$ 1,190,874	\$ 78,277
+ Salaries	\$ 720,701	\$ (20,601)
+ Supplies, Cont Svc and Other Exp	\$ 470,173	\$ 98,878
+ Instruction	\$ 20,572,579	\$ 413,968
[-] Operations & Maintenance	\$ 3,314,529	\$ (88,217)
+ Salaries	\$ 1,411,192	\$ (96,977)
+ Supplies, Cont Svc and Other Exp	\$ 1,903,337	\$ 8,760
[-] Other School Services	\$ 2,964,292	\$ 142,879
+ Salaries	\$ 1,185,243	\$ 162,861
+ Supplies, Cont Svc and Other Exp	\$ 1,779,048	\$ (19,983)
+ Programs With Other School Districts and Transfers Out	\$ 3,480,128	\$ (77,025)
+ Fixed Charges		\$ -
[-] Fixed Charges	\$ 8,058,706	\$ 316,007
+ Supplies, Cont Svc and Other Exp	\$ 1,208,565	\$ 6,522
[-] Retirement, Health and Other Employee Related Insuarnace		
+ Function: Insurance - Active Emp. - 5200	\$ 6,004,025	\$ 277,031
+ Function: Other Non-Emp. Insurance - 5260	\$ 503,916	\$ 25,836
+ Function: Retirement Contributions - 5100	\$ 342,200	\$ 6,618
+ Capital	\$ 363,813	\$ 8,813
+ Debt Retirement & Service	\$ 1,934,625	\$ (176,291)
Grand Total	\$ 41,879,545	\$ 618,411

Draft Budget

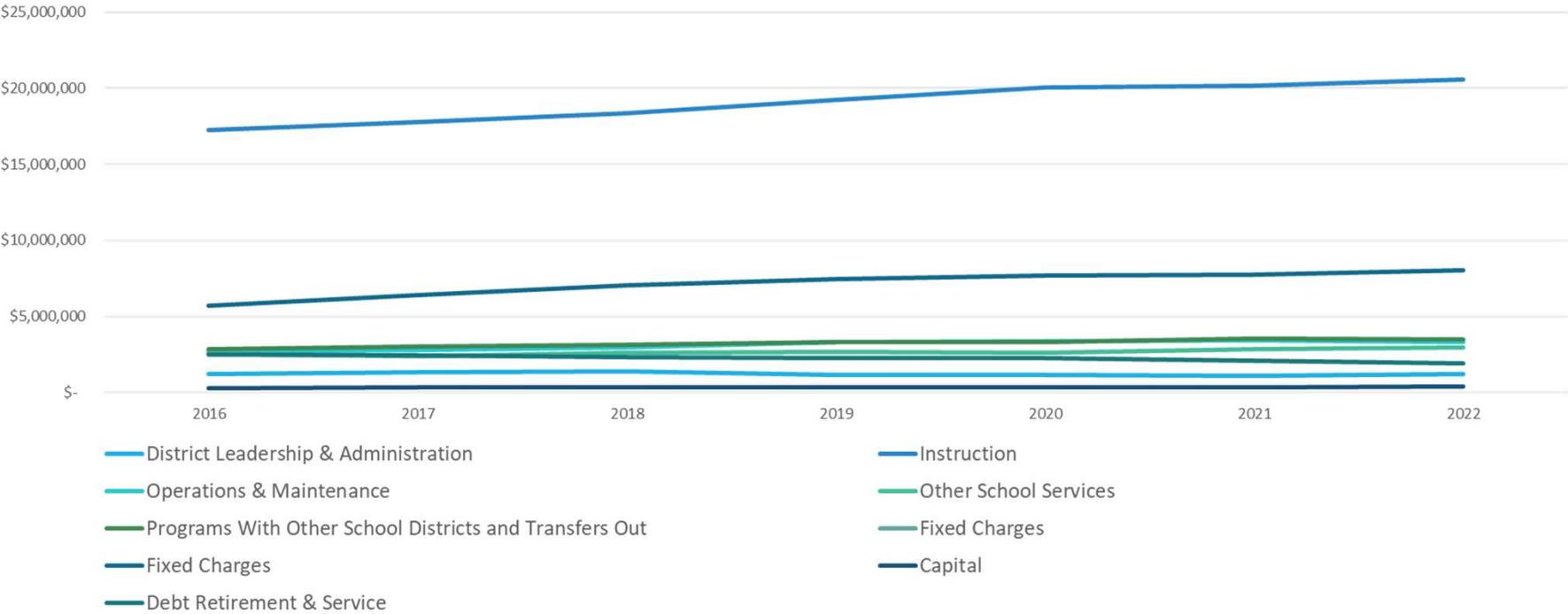
No increase in health insurance in FY20 or 21.



Budgets By Category (2016-2022)

Category	2016	2017	2018	2019	2020	2021	2022
[-] District Leadership & Administration	\$ 1,237,591	\$ 1,300,405	\$ 1,379,600	\$ 1,140,616	\$ 1,125,290	\$ 1,112,597	\$ 1,190,874
+ Salaries	\$ 847,951	\$ 951,887	\$ 944,408	\$ 696,902	\$ 733,416	\$ 741,302	\$ 720,701
+ Supplies, Cont Svc and Other Exp	\$ 389,640	\$ 348,518	\$ 435,192	\$ 443,714	\$ 391,874	\$ 371,295	\$ 470,173
+ Instruction	\$ 17,276,599	\$ 17,779,593	\$ 18,345,313	\$ 19,256,677	\$ 20,083,289	\$ 20,158,611	\$ 20,572,579
[-] Operations & Maintenance	\$ 2,667,576	\$ 2,795,168	\$ 2,939,415	\$ 3,304,154	\$ 3,377,263	\$ 3,402,746	\$ 3,314,529
+ Salaries	\$ 1,052,583	\$ 1,114,073	\$ 1,153,365	\$ 1,484,705	\$ 1,474,024	\$ 1,508,169	\$ 1,411,192
+ Supplies, Cont Svc and Other Exp	\$ 1,614,993	\$ 1,681,095	\$ 1,786,049	\$ 1,819,449	\$ 1,903,239	\$ 1,894,577	\$ 1,903,337
[-] Other School Services	\$ 2,535,205	\$ 2,357,695	\$ 2,627,704	\$ 2,646,664	\$ 2,605,564	\$ 2,821,413	\$ 2,964,292
+ Salaries	\$ 721,808	\$ 761,951	\$ 850,186	\$ 845,571	\$ 962,202	\$ 1,022,382	\$ 1,185,243
+ Supplies, Cont Svc and Other Exp	\$ 1,813,397	\$ 1,595,744	\$ 1,777,518	\$ 1,801,093	\$ 1,643,362	\$ 1,799,031	\$ 1,779,048
+ Programs With Other School Districts and Transfers Out	\$ 2,844,399	\$ 3,031,165	\$ 3,147,889	\$ 3,299,567	\$ 3,285,848	\$ 3,557,153	\$ 3,480,128
+ Fixed Charges					\$ -		
+ Fixed Charges	\$ 5,728,122	\$ 6,373,538	\$ 7,045,213	\$ 7,471,900	\$ 7,703,424	\$ 7,742,699	\$ 8,058,706
+ Capital	\$ 250,000	\$ 305,000	\$ 305,000	\$ 355,000	\$ 313,460	\$ 355,000	\$ 363,813
+ Debt Retirement & Service	\$ 2,473,481	\$ 2,411,471	\$ 2,324,931	\$ 2,233,776	\$ 2,257,343	\$ 2,110,916	\$ 1,934,625
Grand Total	\$ 35,012,972	\$ 36,354,036	\$ 38,115,065	\$ 39,708,354	\$ 40,751,482	\$ 41,261,134	\$ 41,879,545

Budget By Category – Trends



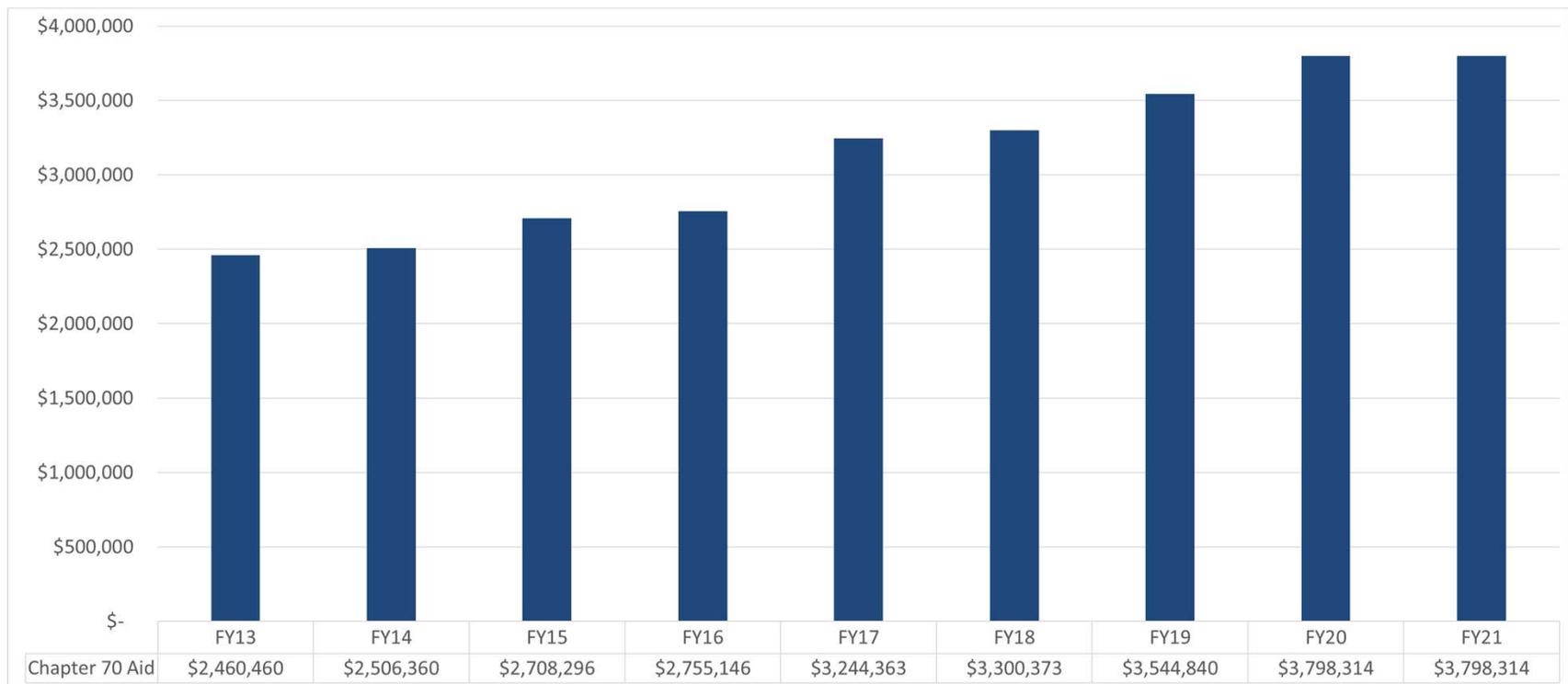
Step 2

DETERMINE REVENUE

State Funding

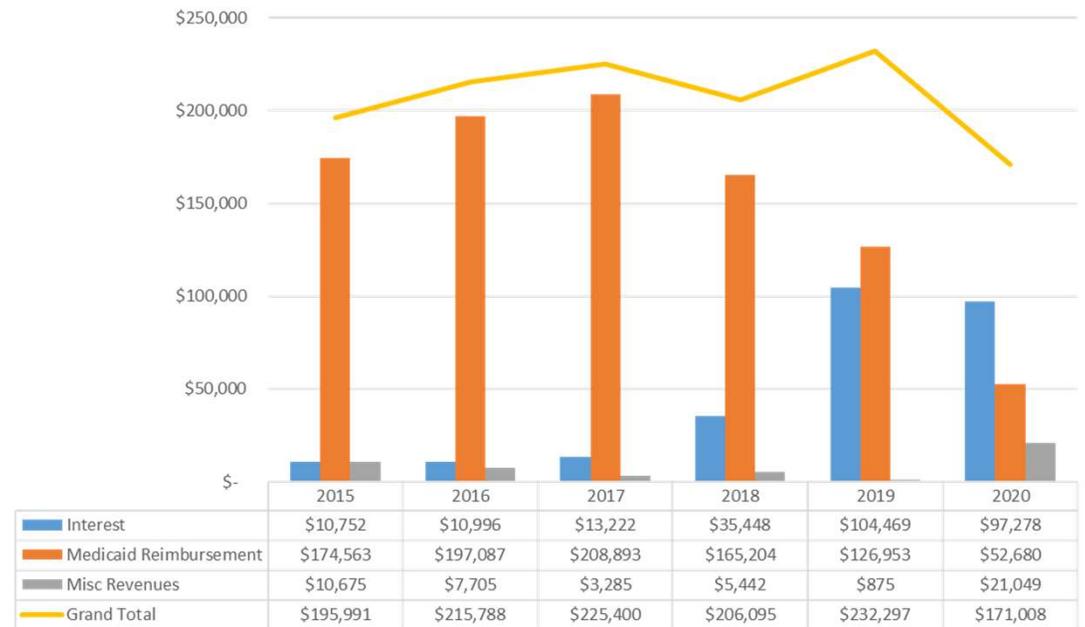
- We rely on the state for:
 - Chapter 70
 - Charter School Funding
 - School Choice Funding
 - Transportation aid
- FY22 Preliminary figures normally published in mid to late January.
- As well as the fiscal consequences of COVID on the state budget, enrollment is down across the state, particularly in PreK and K. It's not clear what impact this might have on Chapter 70 funding.

Chapter 70 Funding – 2013 to 2021



Other Revenue

- Historically, Medicaid has been the largest part of 'other revenue' however, this has fallen in recent years.
- The reduction in Medicaid has been partly offset by an increase in interest and miscellaneous revenue (primarily building rental payments).



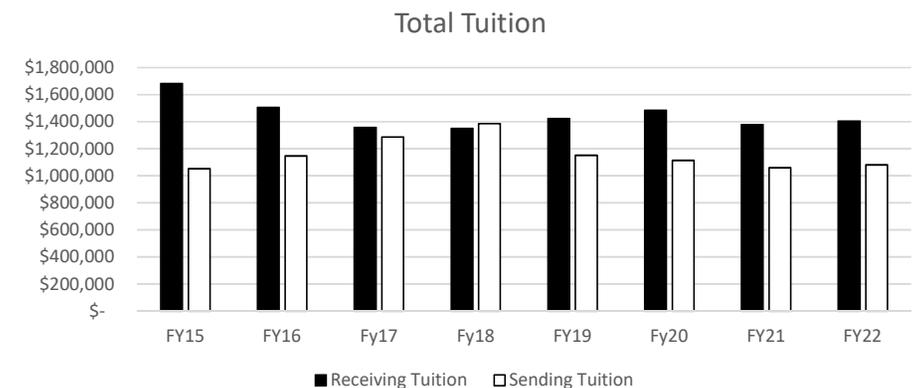
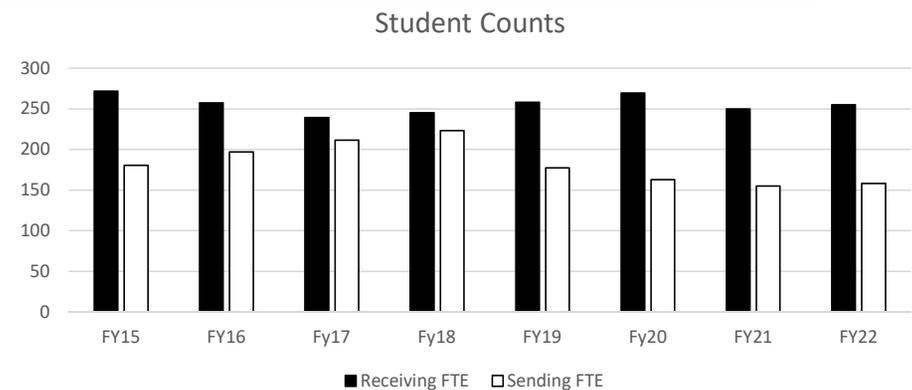
Offsets

- District expenditure is offset by revenue from a number of major sources.
- Historically, the offset has been relatively stable. The table below shows actual revenue, until 2020. 2021 and 2022 are budget.
- The dip from 2020 actual to 2021 budget is driven by the assumption made for circuit breaker revenue.



School Choice – offset vs cost

- FY21 and FY22 figures are forecasts.
- There had been general upward trend from 2017 to 2020.
- Likely that COVID had an impact on the decisions of school choice families.
- From FY20 to FY21 School Choice enrollment fell by 5.3% compared to an overall drop in enrollment of 6%.
- Forecasting a slight increase from FY21 to FY22, however, still below FY20.



Excess and Deficiency

- Awaiting certification by the State – unlikely to be confirmed until January (at the earliest).
- FY21 E&D, which could be used to support the FY23 Budget may be down due to impact of COVID and late approval of budget.

Fiscal Year	E&D	E&D Used	To support
FY13	\$514,648		
FY14	\$1,401,630	\$600,000	FY16 Budget
FY15	\$967,615	\$331,821	FY17 Budget
FY16	\$1,665,707	\$371,326	FY18 Budget
FY17	\$1,891,678	\$705,000	FY19 Budget
FY18	\$1,592,984	\$550,000	FY20 Budget
FY19	\$2,095,281	\$850,440	FY21 Budget
FY20	\$2,100,000 (tbc)	\$500,000	FY22 Budget
FY21			FY23 Budget

Step 3

CALCULATE THE ASSESSMENTS

Budget vs. Assessment

The Monomoy FY22 Draft Budget is how much it costs to fund the education of children in Harwich and Chatham.

The Assessment is how much each town pays to fund the Monomoy Regional School District according to the formula in the district's Regional Agreement.

Chapter 70 State Aid is anticipated to offset the cost of funding our schools by almost \$3.8M. The school district also receives funding from the state to defray the cost of bus transportation, expensive Special Education placements (Circuit Breaker), and a small portion of charter school tuitions.

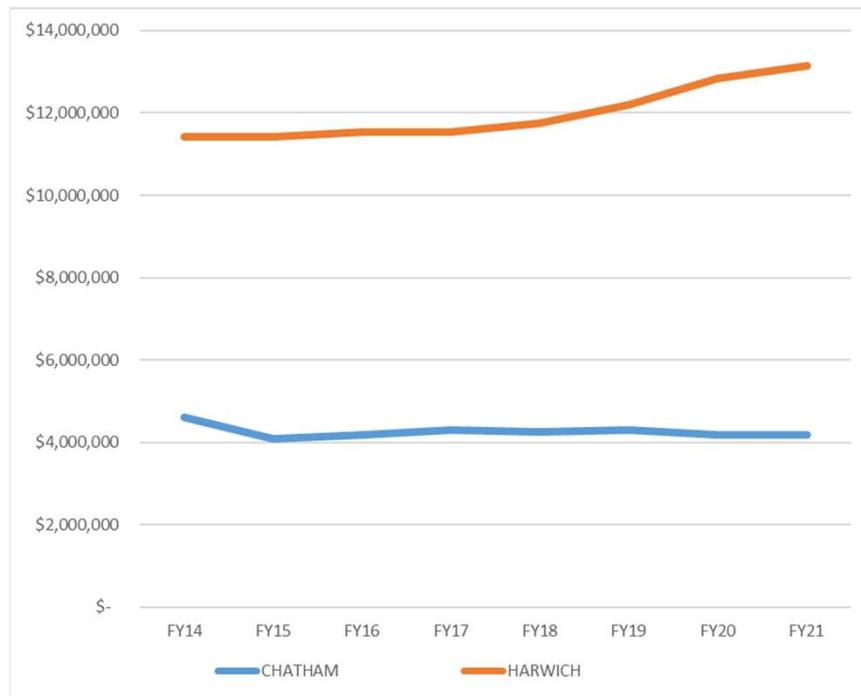
Each town also has a "minimum required contribution," calculated by the State, using the number of school aged children in the town attending public schools and real estate and income wealth within the town.

The enrollment of students attending public schools in each town is calculated using three-year rolling average of the enrollments to determine how much each town pays for the Operating, Transportation, Debt, and Capital portions of the Monomoy budget.

Town Assessments

Element	Assessment Basis
Minimum Required Contribution	Provided by the state based on the town's fiscal ability to provide its children an adequate education. Calculated using a combination of property value and income within the community and adjusted each year by the Municipal Revenue Growth Factor.
Operating Budget (remaining after minimum required contribution)	Town's three year rolling average of foundation enrollment.
Transportation	Three year rolling average of number of students residing in each town who attend the District's schools based on the average of the most recent three years' October 1 enrollment figures as reported to DESE
Debt	Town's three year rolling average of foundation enrollment.
Capital	Town's three year rolling average of foundation enrollment.

Minimum Local Contribution

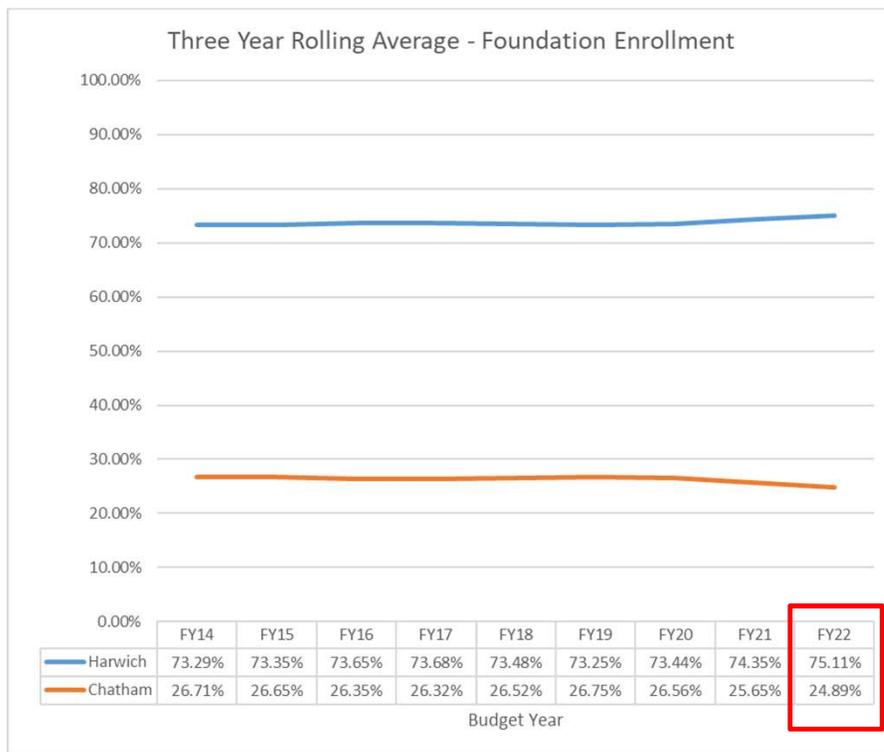


Minimum Required Contribution normally released by the state in late January.

Since FY18 there has been a notable increase in Harwich's Minimum Local Contribution.

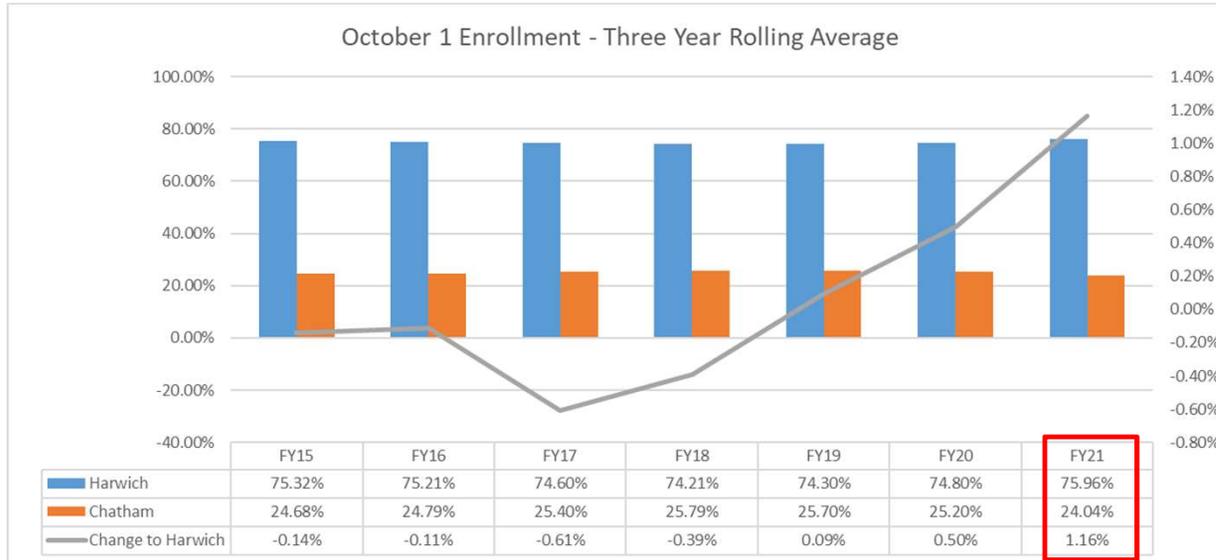
This is largely due to the foundation enrollment trends – which also drives other elements of the assessment.

Foundation Enrollment



- Foundation enrollment continues to shift from Chatham toward Harwich.
- FY22 Assessment (excluding transportation) will be calculated based on three year rolling average of:
 - Chatham: 24.89%
 - Harwich: 75.11%
- This percentage change alone shifts approximately \$150,000 from Chatham to Harwich in FY22.

Enrollment – Three Year Rolling Average



- Used to calculate the assessment of transportation costs.
- Does not include school choice students coming into the district.
- FY22 Transportation Assessment will be calculated based on three year rolling average enrollment of:
 - Chatham: 24.04%
 - Harwich: 75.96%

Assessment: Step 1 – calculation of budget

Budget	FY22 Draft Amount
Operating	\$41,879,545
Transportation	\$1,510,308
Capital	\$363,813
Debt	\$1,934,625

Step 2 – Forecast Offsets

Source	Forecast
Chapter 70	\$3,798,314
Excess And Deficiency	\$500,000
Charter School	\$99,925
Medicaid	\$100,000
Interest	\$80,000
Misc Revenues	\$13,562
Transportation	\$713,287
Total State Aid and Other Revenue	\$5,305,088

Step 3 – Calculate Assessment

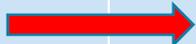
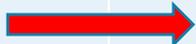
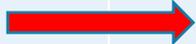
Assessment	Basis	Harwich	Chatham
Local Minimum Contribution	State Calculation	\$13,156,660	\$4,190,569
Operating assessment beyond minimum contribution	3yr rolling average of foundation enrollment	\$12,117,115	\$4,014,654
Transportation	3yr rolling average of Oct 1 enrollment	\$605,424	\$191,597
Capital / Stabilization	3yr rolling average of foundation enrollment	\$273,272	\$90,541
Debt	3yr rolling average of foundation enrollment	\$1,453,162	\$481,463
Total		\$27,605,633	\$8,968,824
<i>Increase from FY21</i>		\$785,587 2.9%	\$69,629 0.78%



These figures are not final. There are number of key variables still to be confirmed, including:

- Health Insurance
- State Chapter 70 funding
- Minimum local contributions set by the State

Different Local Minimum Contribution?

Assessment	Basis	Harwich	Chatham
Local Minimum Contribution	State Calculation 	\$13,475,924	\$4,187,136
Operating assessment beyond minimum contribution	3yr rolling average of foundation enrollment 	\$11,879,884	\$3,936,054
Transportation	3yr rolling average of Oct 1 enrollment	\$605,424	\$191,597
Capital / Stabilization	3yr rolling average of foundation enrollment	\$273,272	\$90,541
Debt	3yr rolling average of foundation enrollment	\$1,453,162	\$481,463
Total		\$27,687,666	\$8,886,791
<i>Increase from FY21</i>		\$867,620 3.2%	(\$12,404) (0.1%)

Alternative Assessment Method?

Assessment	Basis	Harwich	Chatham
Local Minimum Contribution	State Calculation	\$13,156,660	\$4,190,569
Elementary School Cost	Budgeted amount + health insurance	\$7,346,813	\$3,029,241
Operating assessment beyond minimum contribution	3yr rolling average of foundation enrollment	\$4,323,311	\$1,432,403
Transportation	3yr rolling average of Oct 1 enrollment	\$605,424	\$191,597
Capital / Stabilization	3yr rolling average of foundation enrollment	\$273,272	\$90,541
Debt	3yr rolling average of foundation enrollment	\$1,453,162	\$481,463
Total		\$27,158,643	\$9,415,814
<i>Increase from FY21</i>		\$338,597 1.3%	\$516,619 5.8%

Next Steps

- Finalize Budget
 - Health insurance
- Revenue
 - State Budget Information
 - E&D certification
- Assessments
 - Regional Agreement – possible changes to the regional agreement.
 - Town financial outlook
- Future Meetings: 1/14 (SC), 1/28 (SC), 2/11 (Public Hearing)
- Collective Agreement Negotiations