

Monomoy FY18 DRAFT Budget

January 13, 2017

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The budget process involves reflection on the past and present, as well as planning for the future.

Looking back at the current FY17 Budget

- ◆ The FY17 budget process came to an end on Beacon Hill when the Governor signed the budget on July 8, 2016, nearly two months after the Harwich and Chatham Annual Town Meetings. Changes in the final FY17 budget signed by the Governor increased the Chapter 70 funds by \$498,587, but this additional funding came in after our Town Meetings. The additional funds will roll into the district's certified Excess & Deficiency account and are partly used to offset the district's FY18 Budget.
- ◆ The State's final FY17 budget numbers released by DESE increased the minimum required contributions for both Harwich and Chatham, but more so for Chatham. This increase in the minimum required contribution has a significant impact on the Chatham FY18 assessment.

Chapter 70 Statutory Funding

- ◆ Chapter 70 is the Commonwealth's formula which defines the "foundation budget," the amount which needs to be spent to provide children an adequate education – this can vary based on the demographics and programs offered in districts. The foundation budget is adjusted annually by an "inflation factor."
- ◆ Within this formula is a minimum required contribution, based on a city or town's fiscal ability to provide its children an adequate education. The minimum required contribution is based on a combination of property value and income within the community. The minimum required contribution is adjusted each year by the Municipal Revenue Growth Factor, determined by the State, which is a measure of a community's change in annual revenues.
- ◆ Chapter 70 Aid from the state augments the community's "required minimum contribution" to bring the minimum school funding up to an adequate level (the foundation budget). Many municipalities, like Chatham and Harwich, choose to spend more on schools than their minimum required contribution.
- ◆ $\text{Foundation Budget} = \text{Minimum Required Contribution} + \text{Chapter 70 Aid}$

Chapter 70
State Aid is
ultimately
determined
by the
annual State
budget.

For Immediate Release - July 08, 2016

Governor Baker Signs Fiscal Year 2017 Budget

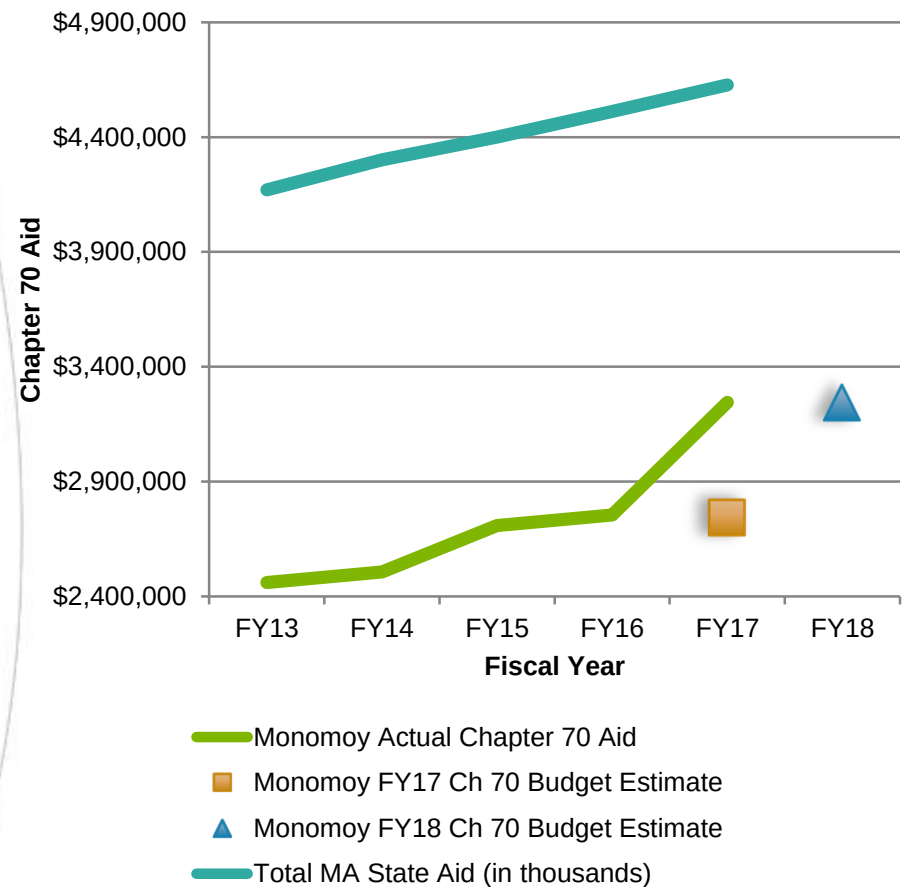
Second consecutive budget supporting increases to local aid, education and opioid abuse prevention services

BOSTON – Governor Charlie Baker today signed the Fiscal Year 2017 (FY17) budget into law, providing a second consecutive year of increased state support for local aid, education and opioid abuse prevention services and without raising taxes or drawing down on the stabilization fund despite lower than expected tax revenues. The Baker-Polito Administration's fiscally responsible plan represents spending growth of 1.3% and keeps spending in line with recently adjusted revenue predictions for the upcoming fiscal year. The \$38.92 billion Fiscal Year 2017 budget makes critical investments in several core state services, our communities' infrastructure and schools. The administration also filed a \$177 million net supplemental budget today to address underfunded accounts and fully fund opioid abuse prevention services for the coming year.

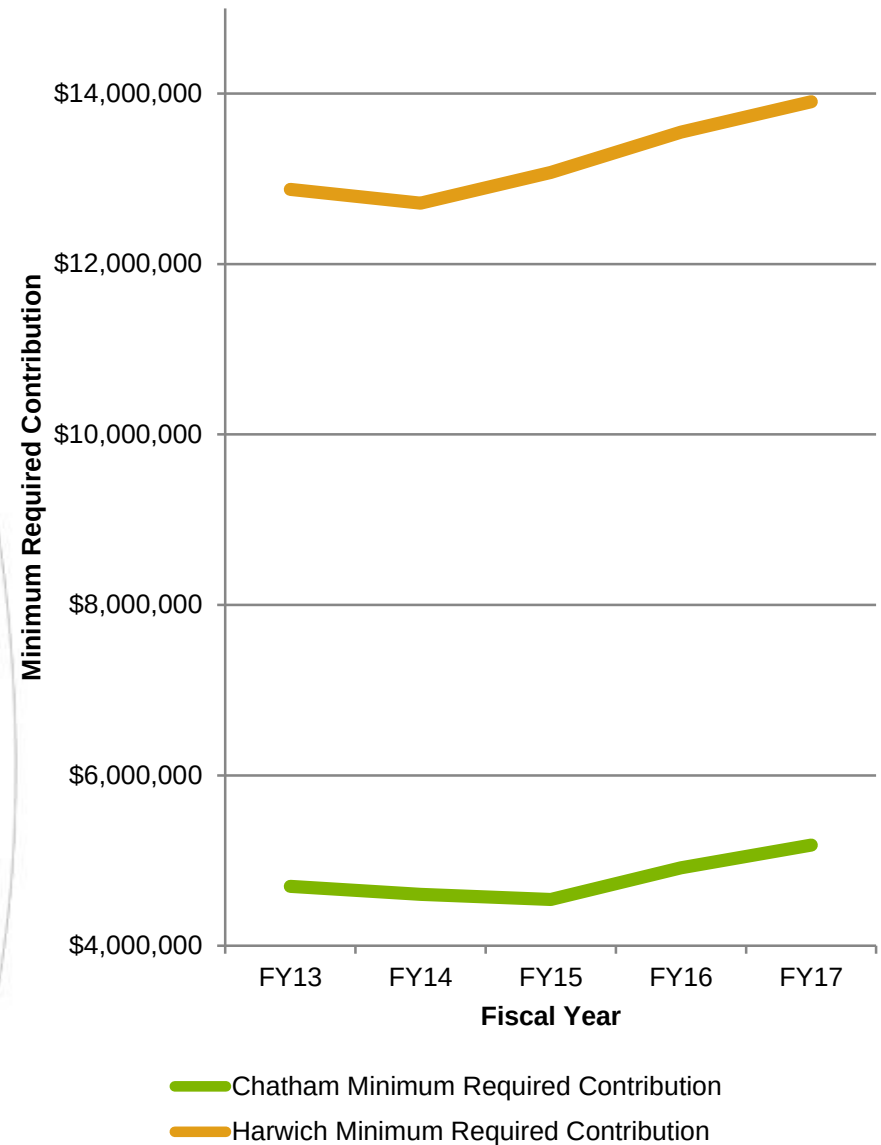
"I am proud of our administration's progress over the last two years to increase investments in education, local aid and efforts to fight the opioid epidemic, all without raising taxes," **said Governor Charlie Baker.** "I appreciate the Legislature's collaboration to address the lower-than-anticipated revenue growth over the past few months and I look forward to continuing our work together to ensure state government lives within its means for the taxpayers of Massachusetts."

State Aid Trends and Assumptions

Trajectory of Chapter 70 State Aid FY13-FY17



Minimum Required Contribution Trends FY13-FY17



The DRAFT FY18 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 Strategic Plan Objectives
 - ◆ *Develop engaging, appropriately challenging, and interdisciplinary curriculum*
 - ◆ *Strengthen parent and community partnerships in support of student learning*
 - ◆ *Support learners of all ages in a supportive and safe environment*
 - ◆ *Create an inspiring, positive culture that promotes and celebrates achievement*
- ◆ Maintain programs across the grade-levels and educationally supportive class size guidelines of 19±2 students per class at the middle & high school level 18±1 at the elementary level
- ◆ Complementary to the budget guidelines and fiscal circumstances of the Towns of Chatham and Harwich.

FY18 Budget Assumptions

This is a Level-Staff Budget

- ◆ Projected level enrollment.
- ◆ Level-staff, advancing staff with contractually-obligated steps and lanes
- ◆ Chapter 70 State Aid presumed to be level with the final July 2016 FY17 Governor's numbers
- ◆ Minimum required contributions for each town presumed the same as final FY17
- ◆ Level fund School Choice and Circuit Breaker offsets with FY17
- ◆ Health Insurance for Active Employees increase anticipated at 15%
- ◆ Health Insurance for Retirees increase anticipated at 10%
- ◆ Three-year rolling average for Transportation shifts modestly towards Chatham by .48%
 - ◆ 25.32% (C) 74.68% (H)
- ◆ Three-year rolling average for Operations and Debt shifts modestly towards Chatham by .20%

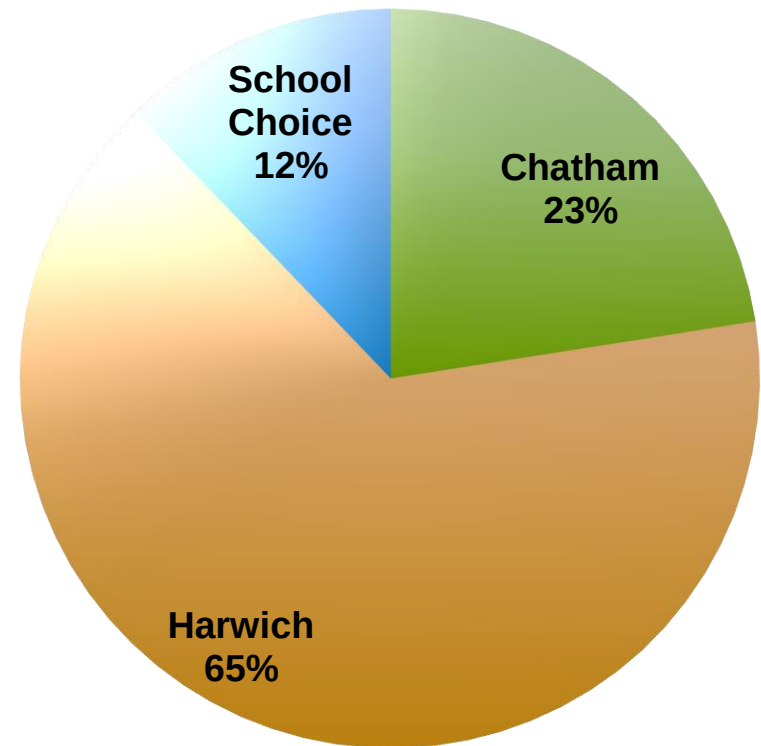
Important Factors Behind School Budgets

- Enrollment
- Class Size
- Staffing

District Enrollment 2016-2017

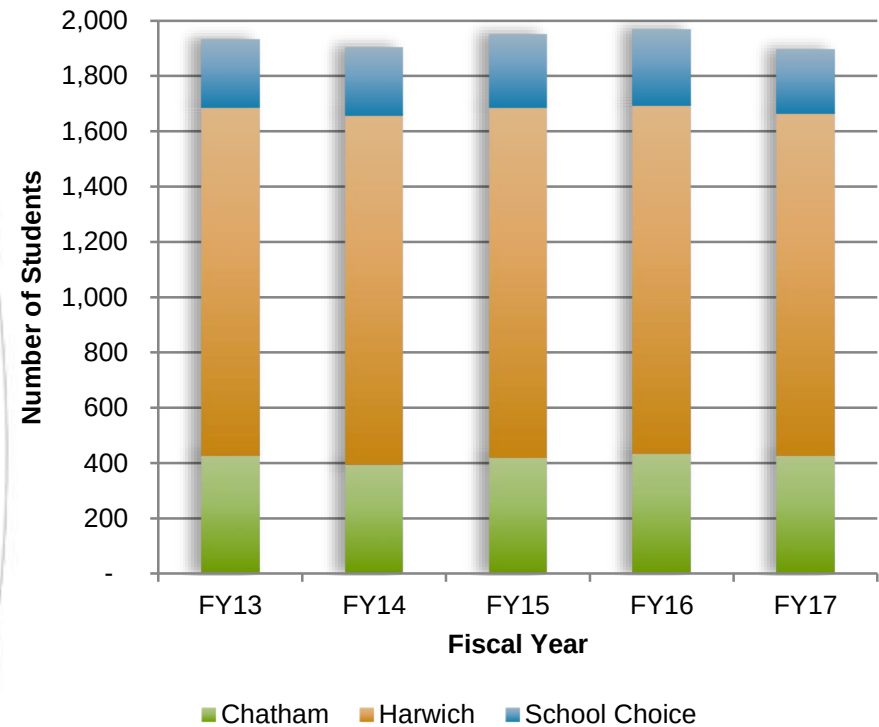
The three-year rolling average for foundation enrollment is used to calculate the Assessment -- this does not include school choice students coming into the district. Foundation enrollment does include school choice students, attending other districts and charter schools, who live in Chatham and Harwich.

Monomoy Enrollment 2016-2017



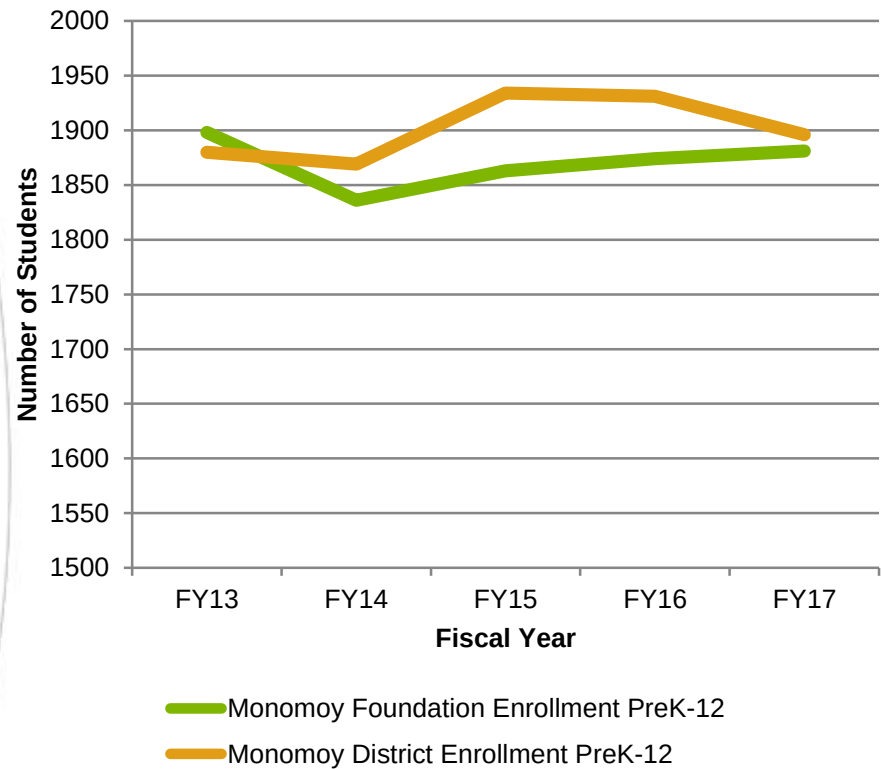
District Enrollment Trend

Monomoy District Enrollment Trends

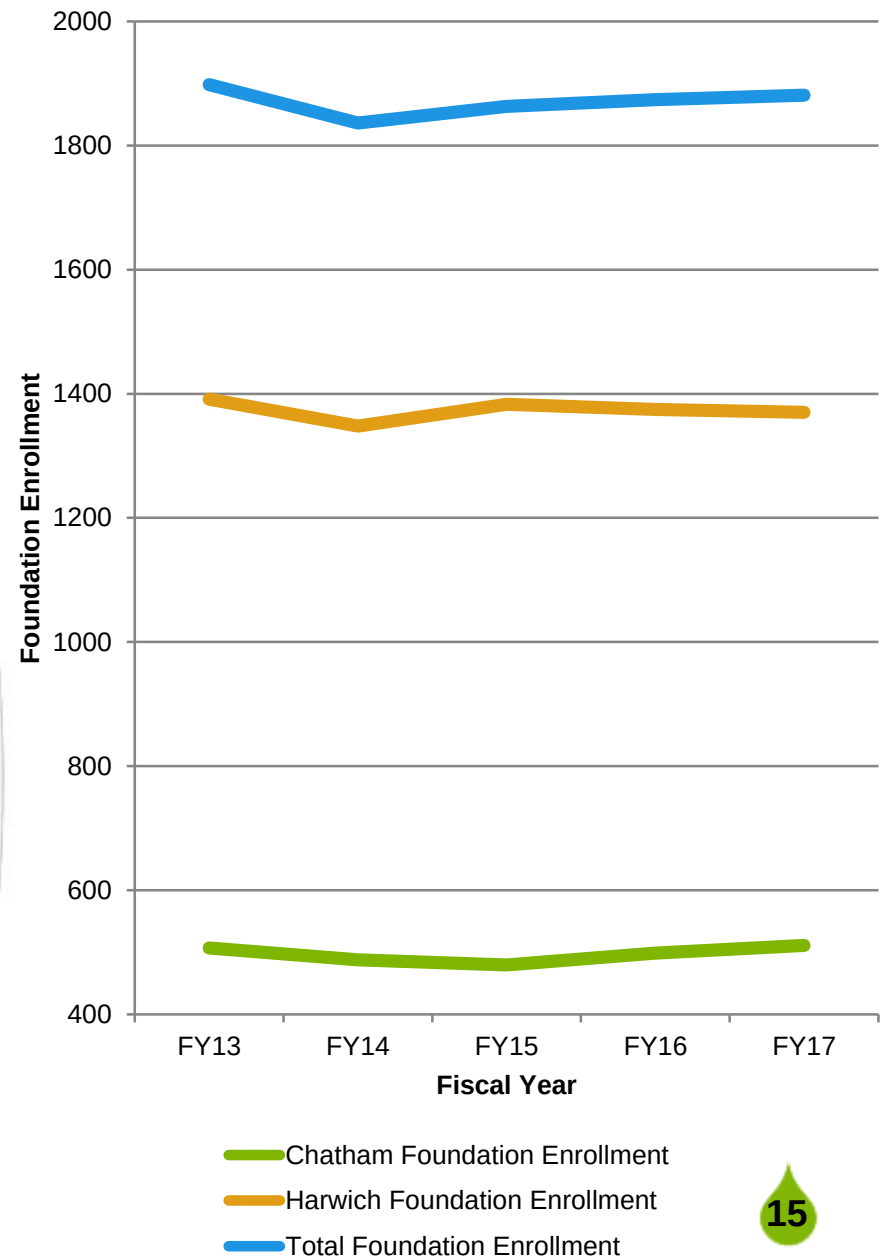


Enrollment

Monomoy Enrollment: Foundation vs. District



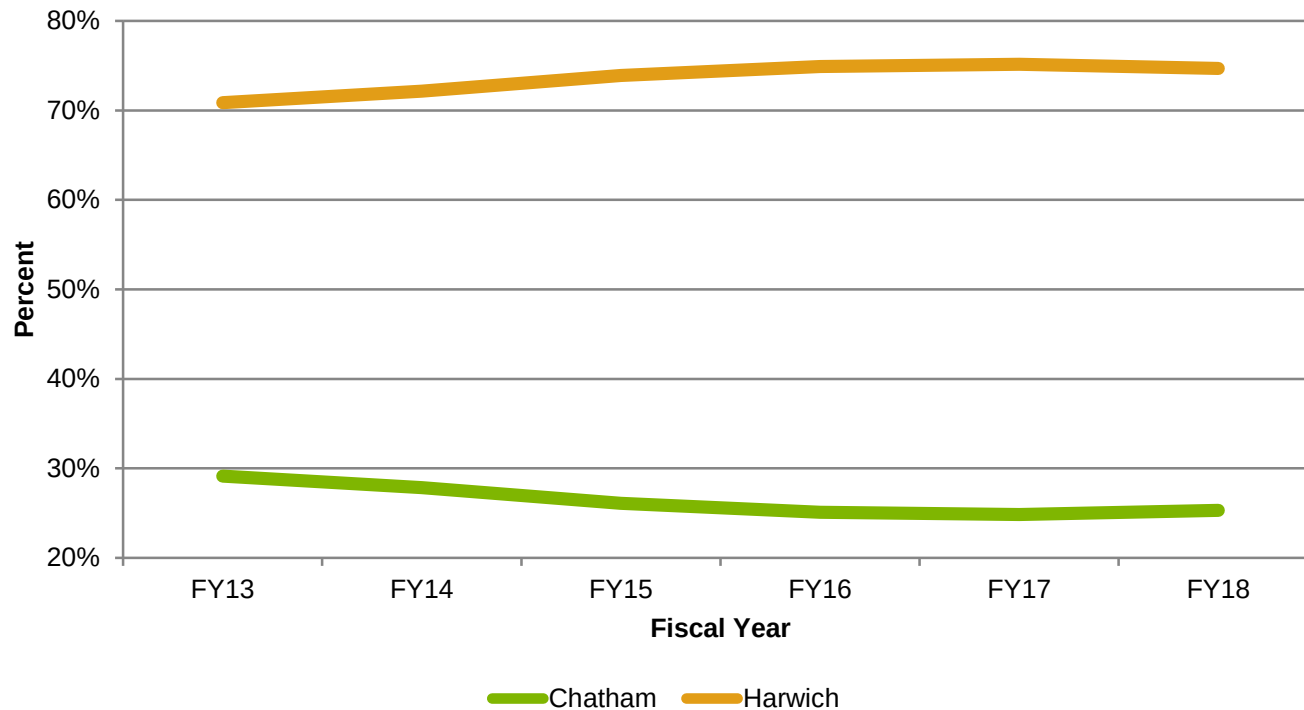
Foundation Enrollment Trends FY13-FY17



TOTAL DISTRICT ENROLLMENT (based on October 1 DESE numbers)

	FY10	Percent	FY11	Percent	FY12	Percent	FY13	Percent	FY14	Percent	FY15	Percent	FY16	Percent	FY17	Percent
CHATHAM	522	30%	493	29%	444	28%	411	26%	365	24%	413	24.75%	431	25.62%	423	25.59%
HARWICH	<u>1201</u>	70%	<u>1185</u>	71%	<u>1165</u>	72%	<u>1142</u>	74%	<u>1151</u>	76%	<u>1256</u>	75.25%	<u>1251</u>	74.38%	<u>1230</u>	74.41%
	1723		1678		1609		1553		1516		1669		1682		1653	

3-Year Rolling Average of Foundation Enrollment Trend



Average Class Sizes

2016-2017

Chatham Elementary

Kindergarten	16
1st Grade	14
2nd Grade	19
3rd Grade	16
4th Grade	21

Harwich Elementary

Kindergarten	20
1st Grade	16
2nd Grade	17
3rd Grade	19
4th Grade	21

Monomoy Regional Middle School

5th Grade	18
6th Grade	17
7th Grade	17

Monomoy Regional High School

8th Grade	16
ELA 9-12	18
History 9-12	17
Math 9-12	16
Science 9-12	16

Staffing Comparisons

FTEs by Category	FY18	FY17	FY16	FY15
School Building Administration	8.0	8.0	8.0	8.0
Unit A - Teachers	190.4	190.4	191.8	196.0
Unit A - Nurses	4.5	4.5	4.5	4.5
Unit B - Teaching Assistants	68.4	68.4	67.5	67.7
Unit B - Secretarial	12.0	12.0	12.0	12.0
Custodians/Facility Director	20.0	20.0	20.0	19.5
Food Services/ Food Service Director	12.0	12.0	12.0	13.0
Network Technicians	4.0	4.0	4.0	4.0
Program Managers	3.0	3.0	3.0	4.7
District Administration	6.0	6.0	6.0	6.0
District Administrative Support	7.0	7.0	8.0	8.0
District-wide Positions	<u>4.4</u>	<u>4.4</u>	<u>3.0</u>	<u>3.0</u>
<i>*The distribution of these FTE may shift slightly between categories as the budget process continues</i>	*339.7	339.7	339.8	346.4

Budget Offsets & Expenses

- Excess & Deficiency
- School Choice
- Circuit Breaker
- School Choice and Charter School Tuitions

Excess and Deficiency

At the end of every fiscal year, any surplus or deficit in the district's general fund are closed out to the Excess & Deficiency fund (E&D). These are certified by the Department of Revenue annually. If the certified balance exceeds 5% of the proposed budget, the regional school committee must use the amount in excess of 5% as a revenue source to offset its proposed budget.

Fiscal Year	E&D Balance	E&D Used	Fiscal Year offset by E&D <i>(2 years later)</i>
FY13	\$514,648		
FY14	\$1,401,630		
		\$600,000	to support FY16 Budget
FY15	\$967,615		
		\$331,821	to support FY17 Budget
FY16 <i>Awaiting certification</i>	Current balance \$635,794		
		\$333,326	to support FY18 Budget

School Choice

School Choice	FUND BALANCE	FY13	FY14	FY15	FY16	FY17 Budget	FY18 DRAFT Budget	
Chatham	\$364,000.00							
Harwich	<u>\$1,101,261</u>							
School Choice Revenue	\$1,465,261	\$1,555,378	\$1,507,345	\$1,683,336	\$1,508,000	\$1,507,000	\$1,507,000	
								Projected Balance
School Choice Expenditures		\$1,817,251	\$1,563,244	\$2,548,062	\$1,474,350	\$1,507,001	\$1,507,000	\$70,051

Circuit Breaker

Circuit Breaker	FUND BALANCE	FY13	FY14	FY15	FY16	FY17 Budget	FY18 DRAFT Budget	
Chatham	\$44,909							
Harwich	<u>\$147,903</u>							
Circuit Breaker Revenue	\$192,812	\$454,141	\$525,197	\$492,116	\$348,691	\$289,750	\$289,750	
								Projected Balance
Circuit Breaker Expenditures		\$420,408	\$598,902	\$463,934	\$323,316	\$277,025	\$277,025	\$231,847

Tuitions

General Fund Expenses	FY13	FY14	FY15	FY16	FY17 Budget	FY18 DRAFT Budget
School Choice Tuitions	\$1,072,669	\$1,062,677	\$1,052,745	\$1,474,350	\$1,043,743	\$1,043,743
Charter School Tuitions	<u>\$707,868</u>	<u>\$996,558</u>	<u>\$1,052,136</u>	<u>\$1,055,982</u>	<u>\$1,030,409</u>	<u>\$1,030,409</u>
	\$1,780,537	\$2,059,235	\$2,104,881	\$2,530,332	\$2,074,152	\$2,074,152

FY18 Budget Drivers over the FY17 Budget

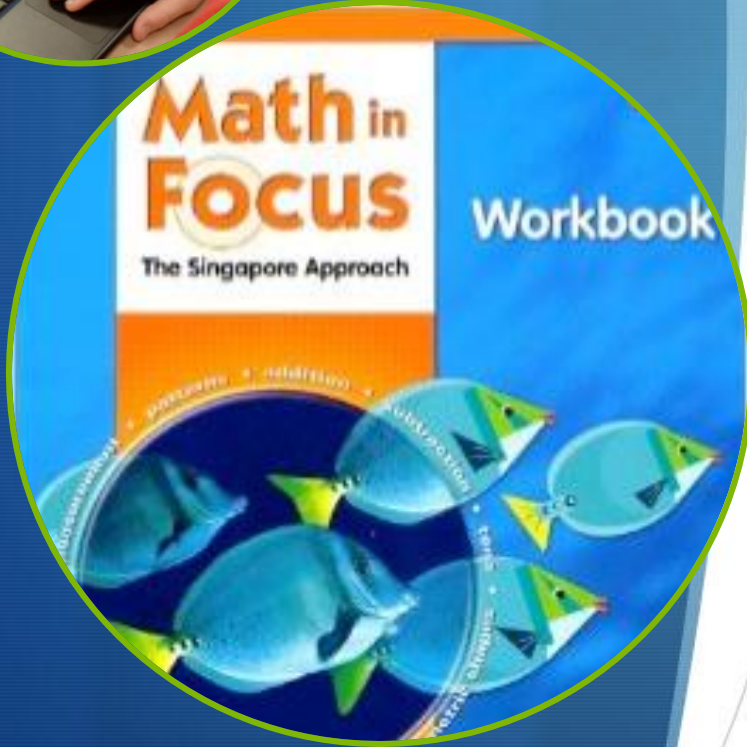
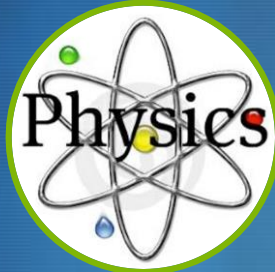
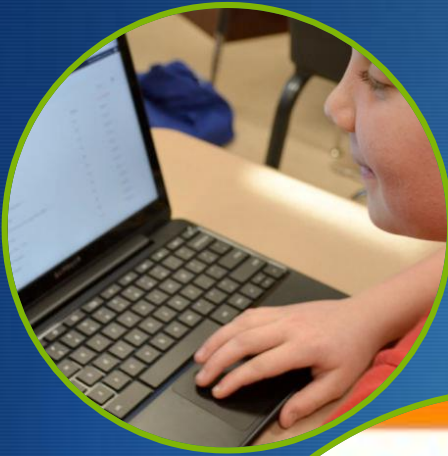
- Increases in contractually obligated lines
- Continuation of current initiatives
- Sought after improvements



Contractually Obligated Drivers

Contractually obligated drivers are responsible for 92% of Monomoy's total FY18 budget increase.

Special Education Tuitions	\$240,868
Transportation Contractual	\$17,005
Level Staff Contractual Obligations	\$639,401
New leases: High School Mac video lab, District Van, and SCALE hyperconvergence system	\$37,894
Health Insurance Active - 15%	\$395,795
Health Insurance Retiree - 10%	\$432,112
Dental - 10%	\$19,997
Insurance - Property + Liability	\$19,246



Continuation of Current Initiatives

Math in Focus workbooks	\$32,589
High School physics and science texts	\$26,000
Monomoy Cable Channel 22 Manager Stipend	\$15,000
Lexia (Reading software)	\$18,000
Leasing a Chromebook for every Monomoy Regional Middle School student (1:1 initiative)	\$33,833



Improvements Incorporated in current iteration of FY18 DRAFT Budget

Adding an additional bus	\$62,190
Adding a Volunteers in Public Schools Coordinator	\$65,000
Adding part-time clerical support for the Monomoy Athletics program	\$23,000
Visions (Diversity) Training	\$35,000

The FY18 DRAFT budget reflects an increase in health insurance of 15%. If the FY18 rates are finalized by CCMHG at a lower percentage, then some of the improvements (in red) could be returned to the FINAL FY18 budget.

The DRAFT FY18 Budget

In Detail

Comparative Budgets by Category

		FY18 DRAFT Budget	FY17 Budget	FY16 Actuals	FY15 Actuals	FY14 Actuals	FY13 Actuals
	District Leadership & Administration Salaries & 1000 Wages	\$876,320	\$921,636	\$847,951	\$853,512	\$784,061	\$869,734
	1000 District Leadership & Administration Expenses	\$500,192	\$450,780	\$284,447	\$409,021	\$336,019	\$356,515
	2000 Instruction Salaries & Wages	\$17,366,730	\$16,691,261	\$16,175,914	\$15,046,779	\$15,825,415	\$15,540,773
	2000 Instruction Expenses	\$991,671	\$1,064,158	\$865,727	\$884,357	\$772,188	\$934,713
	3000 Other School Services Salaries & Wages	\$840,186	\$798,503	\$667,226	\$648,333	\$689,621	\$681,118
	3000 Other School Services Expenses	\$1,777,518	\$1,619,543	\$1,628,509	\$1,525,209	\$1,445,879	\$1,369,492
	4000 Operations & Maintenance Salaries & Wages	\$1,122,684	\$1,104,277	\$1,035,728	\$1,072,424	\$1,068,108	\$1,115,414
	4000 Operations & Maintenance Expenses	\$2,005,974	\$2,051,994	\$1,533,944	\$1,501,620	\$1,612,756	\$1,512,243
	5000 Fixed Charges	\$7,117,635	\$6,187,496	\$5,827,507	\$5,864,593	\$4,746,181	\$4,884,180
	9000 Programs With Other School Districts	\$2,988,784	\$2,747,916	\$2,835,637	\$2,561,647	\$2,703,846	\$2,644,405
	Total General Fund Operating	\$35,587,694	\$33,637,564	\$31,702,590	\$30,367,495	\$29,984,074	\$29,908,587
	7000 Capital	\$305,000	\$305,000	\$250,000	\$49,864	\$24,722	\$28,473
	8000 Debt Retirement & Service	\$2,337,931	\$2,411,471	\$2,473,481	\$804,423	\$305,912	\$264,734
		\$2,642,931	\$2,716,471	\$2,723,481	\$854,287	\$330,634	\$293,207
29	Total General Fund	\$38,230,625	\$36,354,035	\$34,426,071	\$31,221,782	\$30,314,708	\$30,201,794

FY18 Capital Plan

Maintenance & Technology

Maintenance

Chatham Elementary School

Tile classroom (2 to 4)	\$7,000
Screen and seal gym floor	\$2,000
Remove tile in front foyer and replace with carpet squares	\$5,000
Kitchen floor (remove tile and replace with tile)	\$6,000
Irrigation phase 2 (electric)	\$6,000
Roof repairs	<u>\$9,500</u>
	\$35,500

Technology

Chatham Elementary School

Upgrade Wireless connectivity - Aerohive	\$36,000
Switch replacements as part of wireless upgrade	<u>\$7,200</u>
	\$43,200

FY18 Capital Plan

Maintenance & Technology

Maintenance	
Harwich Elementary School	
Cafeteria Floor Remove and Replace	\$85,000
Paint cafeteria	\$5,000
Replace Trees in Front of Building	\$2,000
Interior Paint (trim) Phase 2 of a 5 Year Plan	\$5,000
Repair Rubber Membrane on roof	\$5,000
Tile Repair in Halls and outside Gym	<u>\$5,000</u>
	\$107,000

Technology	
Harwich Elementary School	
Replace Interactive Whiteboard projectors	\$20,000

FY18 Capital Plan

Maintenance & Technology

Maintenance

Monomoy Regional Middle School

Exterior Cedar Shingle Maintenance	\$8,000
Replace Carpet in Classrooms with Carpet Squares (1 per year)	<u>\$5,000</u>
	\$13,000

Monomoy Regional High School

Repaint Parking Lot Lines	\$7,000
Screen and Reseal gymnasium floor	\$2,500
Roofing Inspection and Repair as needed	<u>\$5,000</u>
	\$14,500

Technology

Monomoy Regional Middle School

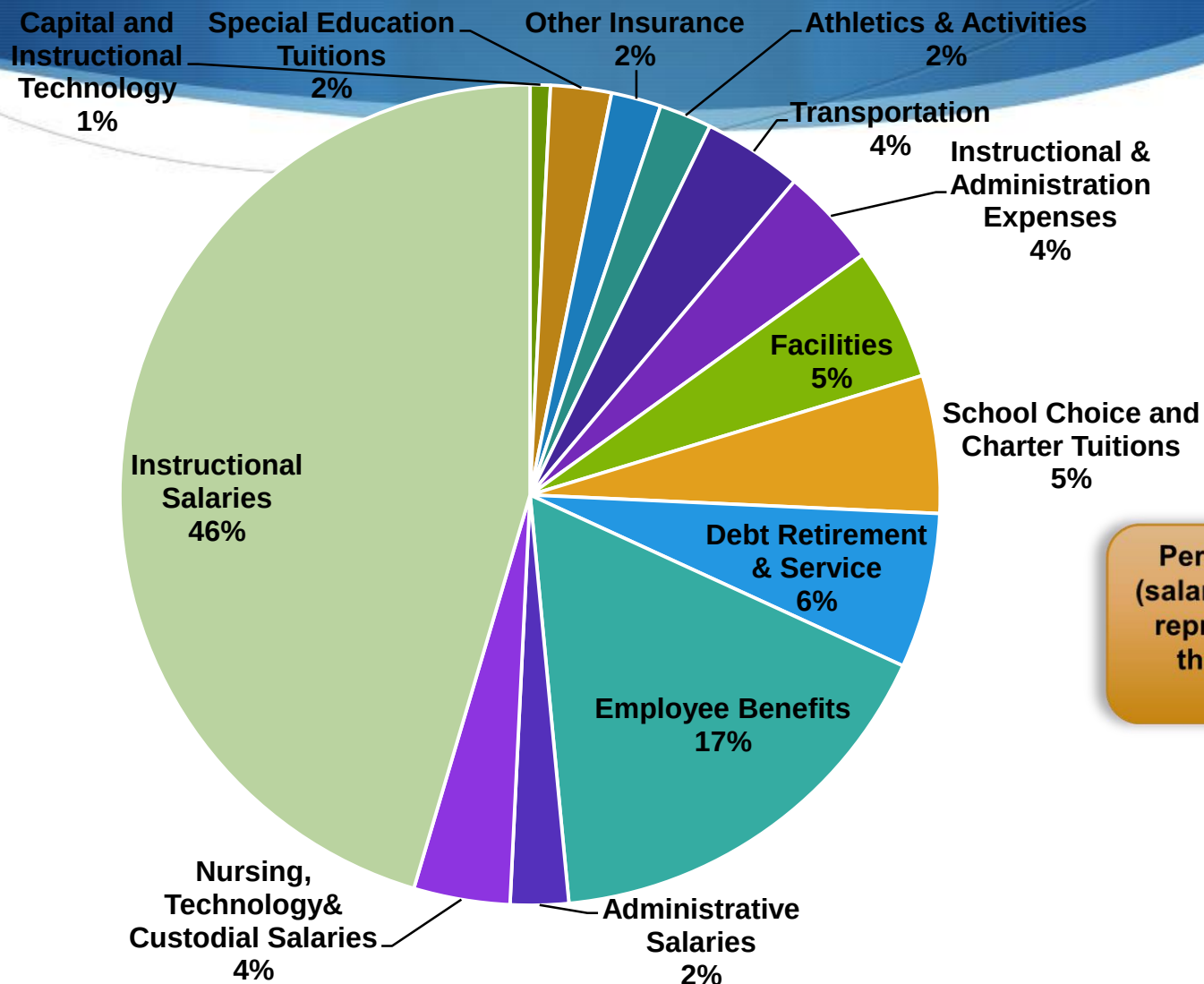
Chromebook initiative	\$38,000
Camera Installs (Library Hall and Back Hallway)	<u>\$5,000</u>
	\$43,000

Monomoy Regional High School

Student Chromebook replacements	\$28,000
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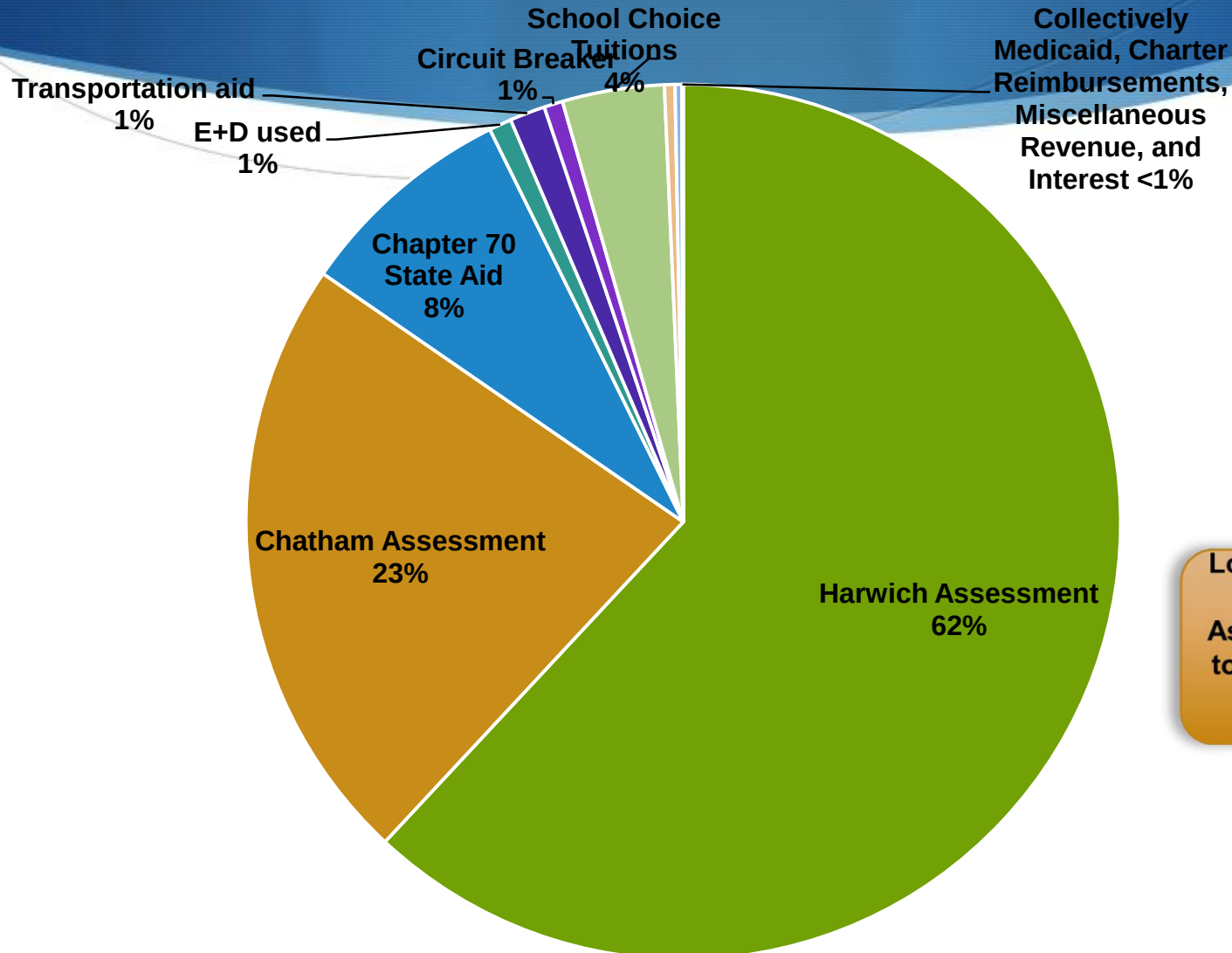
Within the DRAFT FY18 Budget, total combined Maintenance is \$170,800 and Technology is \$134,200, for all four schools. Totaling \$305,000. Harwich's share would be \$224,114 and Chatham's \$80,886.

How school funding is used in the FY18 DRAFT Budget



Personnel costs (salaries + benefits) represent 68% of the Monomoy budget.

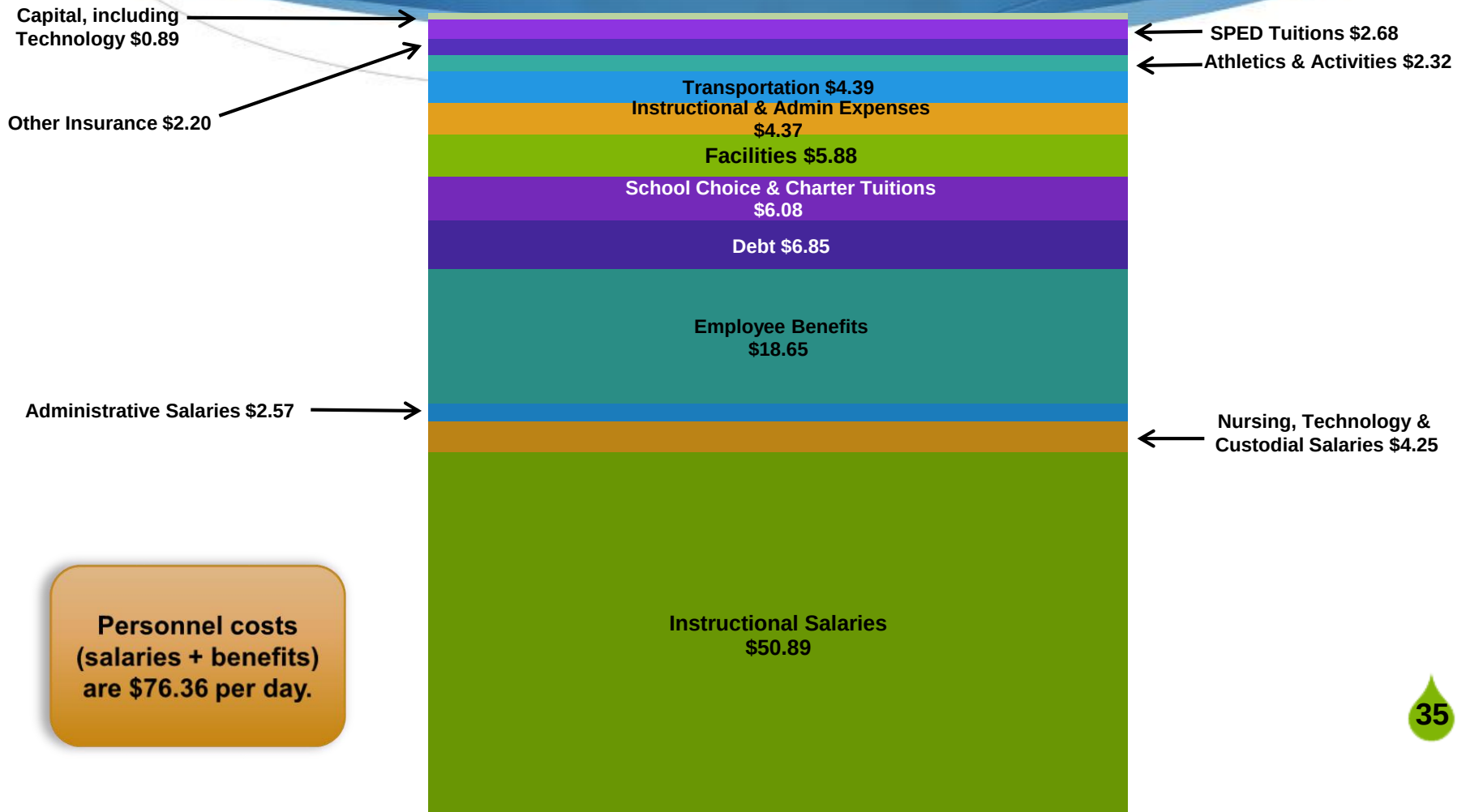
How the DRAFT FY18 Budget is funded



Local tax dollars, in the form of the Assessments to the towns, fund 85% of the district's budget.

\$112.02

FY18 Daily Cost to Educate a Monomoy Student



Comparative Budgets by Category

	FY18 DRAFT Budget	FY17 Budget	FY16 Actuals	FY15 Actuals	FY14 Actuals	FY13 Actuals
Salaries & Wages	\$20,205,920	\$19,515,677	\$18,726,819	\$17,621,048	\$18,367,205	\$18,207,039
Expenses	\$5,275,355	\$5,186,475	\$4,312,627	\$4,320,207	\$4,166,842	\$4,172,963
Fixed Charges	\$7,117,635	\$6,187,496	\$5,827,507	\$5,864,593	\$4,746,181	\$4,884,180
Programs With Other School Districts	<u>\$2,988,784</u>	<u>\$2,747,916</u>	<u>\$2,835,637</u>	<u>\$2,561,647</u>	<u>\$2,703,846</u>	<u>\$2,644,405</u>
	\$35,587,694	\$33,637,564	\$31,702,590	\$30,367,495	\$29,984,074	\$29,908,587
Capital and Debt Retirement & Service	<u>\$2,642,931</u>	<u>\$2,716,471</u>	<u>\$2,723,481</u>	<u>\$854,287</u>	<u>\$330,634</u>	<u>\$293,207</u>
Total General Fund	\$38,230,625	\$36,354,035	\$34,426,071	\$31,221,782	\$30,314,708	\$30,201,794

Comparative Budgets by Category

Expenditure Budget %	FY18 DRAFT Budget	FY17 Budget	FY16 Actuals	FY15 Actuals	FY14 Actuals	FY13 Actuals
Salaries & Wages	52.85%	53.68%	54.40%	56.44%	60.59%	60.28%
Expenses	13.80%	14.27%	12.53%	13.84%	13.75%	13.82%
Fixed Charges	18.62%	17.02%	16.93%	18.78%	15.66%	16.17%
Capital and Debt Retirement & Service	6.91%	7.47%	7.91%	2.74%	1.09%	0.97%
Programs With Other School Districts	<u>7.82%</u>	<u>7.56%</u>	<u>8.24%</u>	<u>8.20%</u>	<u>8.92%</u>	<u>8.76%</u>
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Budget Increase Over Prior Fiscal Year

FY18 Budget		FY17 Budget	Δ	
\$35,600,694	Operating	\$33,637,564	\$1,963,130	5.84%
\$305,000	Capital	\$305,000	\$0	0.00%
	Chatham Middle/High School Debt			
\$83,847		\$124,346	-\$40,499	-32.57%
<u>\$2,241,084</u>	MRHS Debt	<u>\$2,287,125</u>	<u>-\$46,041</u>	<u>-2.01%</u>
\$38,230,625		\$36,354,035	\$1,876,590	5.16%

Moving from Budget to Assessment

The district's \$38,230,625 budget does not cost the towns
\$38,230,625.

Budget vs. Assessment

- ◆ The Monomoy FY18 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 \$3.24M. 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.

FY18 Assessment Drivers

Disproportionately Impacting Chatham

- A slight increase in the three-year rolling average in enrollment for Chatham
- A significant increase in the minimum required contribution for Chatham, compared to Harwich
- Because of the above two drivers, Chatham's FY18 Assessment will increase significantly more than

	FY18 Minimum Required Contribution	FY17 Minimum Required Contribution	Increase
Chatham	\$4,294,036	\$4,175,621	\$118,415
Harwich	\$11,547,899	\$11,544,399	\$3,500

DRAFT FY18 ASSESSMENT

\$38,230,625

FY18 Budget

\$35,600,694 Operating
 \$305,000 Capital
 CM/HS
 \$83,847 Debt
\$2,241,084 MRHS Debt
 \$38,393,425

Chapter 70 State Aid	(\$3,244,363)	level fund at FY17
E+D	(\$333,326)	5 yr plan = \$200K
Charter School	(\$99,765)	
Medicaid	(\$155,000)	
Interest	(\$7,500)	
Misc Revenues	(\$14,000)	
	(\$3,853,954)	

Non Operating Expenditures

Transportation	(\$986,296)
Capital	(\$305,000)
Debt	(\$2,324,931)
	(\$3,616,227)

Total Operating Assessment **\$30,760,444**

	Harwich	Chatham	Total
Required Minimum Contribution per DESE	\$11,547,899	\$4,294,036	\$15,841,935

	Harwich 73.48%	Chatham 26.52%	
Funds Needed to Support District Budget	\$10,962,120	\$3,956,389	\$14,918,509

Operating Assessment Per Member **\$22,510,019** **\$8,250,425** **\$30,760,444**

	Harwich 74.68%	Chatham 25.32%	
Less State Transportation Aid			<u>\$524,087</u>

Transportation Assessment Per Member **\$345,178** **\$117,031** **\$462,209** 46%+70391

FY18 Debt	Harwich 73.48%	Chatham 26.52%	
MRHS Bond (principal and interest)	\$1,635,757	\$590,368	\$2,226,125
MRHS \$2 mil BAN (interest only)	\$10,992	\$3,967	\$14,959
Chatham Middle/High School	<u>\$61,611</u>	<u>\$22,236</u>	<u>\$83,847</u>
Debt	\$1,708,359	\$616,572	\$2,324,931

	Harwich 73.48%	Chatham 26.52%	
Capital Assessment Per Member	\$224,114	\$80,886	\$305,000

FY18 Assessment

DRAFT FY18 ASSESSMENT

	Harwich	Chatham	Total
Operating Budget	\$22,510,019	\$8,250,425	\$30,760,444
Transportation	\$345,178	\$117,031	\$462,209
Capital	<u>\$224,114</u>	<u>\$80,886</u>	<u>\$305,000</u>
	\$23,079,311	\$8,448,342	\$31,527,653
Debt	<u>\$1,708,359</u>	<u>\$616,572</u>	<u>\$2,324,931</u>
TOTAL FY18 DRAFT ASSESSMENT	\$24,787,670	\$9,064,914	\$33,852,584

FY17 RE-VOTED ASSESSMENT

Operating Budget	\$21,644,248	\$7,783,493	\$29,427,741
Transportation	\$412,558	\$134,124	\$546,682
Capital	<u>\$224,724</u>	<u>\$80,276</u>	<u>\$305,000</u>
	\$22,281,530	\$7,997,893	\$30,279,423
Debt	<u>\$1,776,772</u>	<u>\$634,699</u>	<u>\$2,411,471</u>
TOTAL FY17	\$24,058,302	\$8,632,592	\$32,690,894

Δ From FY18 DRAFT to FY17 REVOTED

	Harwich	Chatham	Total
Operating Budget	\$865,771	\$466,932	\$1,332,703
Transportation	-\$67,380	-\$17,093	-\$84,473
Capital	<u>-\$610</u>	<u>\$610</u>	<u>\$0</u>
	\$797,781	\$450,449	\$1,248,230
	3.58%	5.63%	4.12%
Debt	<u>-\$68,413</u>	<u>-\$18,127</u>	<u>-\$86,540</u>
	\$729,368	\$432,322	\$1,161,690
	3.03%	5.01%	3.55%

Because of wealth/revenue factors benefiting Chatham, the State increased Chatham's minimum required contribution by \$118,000. Had the minimum required contribution not changed, the percent increase in Assessment for Chatham would be virtually identical to Harwich's.

FY18 Assessment

Stabilization

*Preparing for the district's
future capital needs.*

What is a Stabilization Fund?

- ◆ G.L. c.71, s.16 G ½ provides for the establishment of stabilization funds by regional school districts.
- ◆ Establishment and use of a stabilization fund should be based on the district's long range capital plan. The School Committee would establish the fund by a majority vote.
- ◆ Both Town's Boards of Selectmen would likewise need to approve of this action by each taking a vote to authorize establishment of the fund.
- ◆ Once established, the school committee may include a line item in each year's annual budget to appropriate monies into the stabilization fund. The amount to be appropriated to the stabilization fund is included in the assessment and is apportioned based on the regional agreement methodology for apportioning capital costs. The amount budgeted in any year may not exceed five percent of the aggregate amount assessed to the member municipalities for the preceding fiscal year.
- ◆ The regional school committee does not have authority to increase or decrease the amount appropriated into the stabilization fund for the year once the district budget has been approved. After the annual budget has been approved, the school committee may increase the amount in the stabilization account through the use of excess and deficiency funds.
- ◆ Expenditures from the fund require a two-thirds vote from the regional school committee. If the funds are to be used for a purpose for which the district is permitted to borrow (like capital needs), no further approval is required. Unexpended balances at the end of projects are returned to the stabilization fund.

Action needed in this year to fund Stabilization in FY19

- ◆ There is not a line item in this FY18 DRAFT budget to appropriate monies into the stabilization fund.
- ◆ The School Committee would need to vote to establish a stabilization fund, and
- ◆ the district would need to present to both Boards of Selectmen a recommendation to authorize the School Committee to establish the fund.
- ◆ When developing the FY19 budget, a line within the budget would be added to begin funding the new Stabilization Account.
- ◆ Over subsequent fiscal years, the district would thoughtfully plan for growth in the Stabilization Account.

Budget Timeline Milestones

ACTIVITY	DATE
Meetings with Town Managers and Finance Directors: Monomoy, Chatham, & Harwich	Monthly and ongoing
Principals and Administrators input FY18 DRAFT Budget information	October 18, 2016
Budget meetings with each Principal and Athletic Director	November 1 through 18, 2016
Meetings with MRSC Budget subcommittee	November 28, 2016 December 1, 2016 January 10, 2017
First DRAFT Budget to School Committee	December 1, 2016
Budget Discussion at School Committee Meeting	December 8, 2016
Budget Discussion at School Committee Meeting	January 12, 2017
First Draft Budget provided to Towns and placed in Libraries	January 13, 2017
Budget Discussion at School Committee Meeting	January 26, 2017
Presentation to Harwich BOS and FinCom	January 30, 2017
Presentation to Chatham BOS and FinCom	January 31, 2017
FY18 MRSC Budget Public Hearing	February 9, 2017
FY18 MRSC Budget Vote	March 9, 2017
Submit MRSC approved FY18 budget to both Towns	March 17, 2017
Harwich Town Meeting	May 1, 2017
Chatham Town Meeting	May 8, 2017