

**Hamilton-Wenham
Regional School District**



**Superintendent's Initial FY22
Budget Recommendation**

as of January 6, 2021

School Committee Meeting

Presented by Mary Beth Banios, Superintendent of Schools

Vincent Leone, Assist. Super. of F & A

Developing a budget is a series of decisions that represent an organization's values, its priorities for achieving its goals, and its needs – within the constraints of what is possible.





Budget Realities

- Level Service budget accounts for a 3% increase
- Chapter 70 funding will remain uncertain through budget process
- No surplus to offset tax rates
- Looming facilities issues need to be addressed



FY22 Proposed Budget

\$1.8 M increase year over year
(5.02%)

Net town operating assessments:
4.48%

Hamilton 5.43%

Wenham 2.80%



Breakdown of \$1.8M Budget Increase

- 55% Level Service (\$1.0M)
- 40% Recovery (\$734K)
- 5% OPEB (\$100K)



FY22 Budget Priorities

- Restore a teaching and learning leadership structure (District Goal #2)
- Implement a systemic intervention model (District Goal #4)
- Restore the middle school model
- Respond to enrollment needs
- Respond to fiscal realities facing the towns of Hamilton and Wenham

FY22 must take into
account decisions
made in FY21.

20%
STATE REDUCTION = \$**1.274** MILLION

AS A RESULT OF STATE BUDGET REDUCTIONS THE HWRSD WAS FORCED TO ALTER OUR RECOMMENDED BUDGET BY MAKING THE FOLLOWING REDUCTIONS AS OF JUNE 17

- Reduce total District staffing by over 22 FTE
- 8.1 FTE of Professional Teaching Staff
- 7.14 FTE Teaching Assistants
- Director of Curriculum, Instruction, and Assessment
- Elementary Literacy Administrator
- Elementary Mathematics Administrator
- 2 Maintenance Positions
- Human Resource, Benefits, and Payroll Administrator

FY21 SCHOOL DISTRICT BUDGET AS OF JUNE 17

\$37,023,572

A 3.3% REDUCTION FROM THE FEBRUARY RECOMMENDED BUDGET

5.93%
increase

Principal Panel: Impact of FY21 Reductions

	FY21 Reductions	FY22 Recovery
Professional Staff	8.1	4.0
Curriculum Administrators	2.75	.8
HR/Payroll	1.0	.5
Maintenance	2.0	1.0
Teaching Assistants	7.1	9.0

Total FTE

15

21



Teaching and Learning Leadership Structure

Elementary Director of Curriculum (.8)

NEW

Secondary Director of Curriculum (.5)

RESTRUCTURE

Elementary Instructional Coaches (3.0)

RESTRUCTURE

Middle School Instructional Coach (1.0)

NEW FY23

6-12 Curriculum Coordinators (1.4)

EXISTING



Restructure Elementary Teaching Positions

June 2020

- 3 Elementary Library/Media Specialists
- 3 Elementary Reading Specialists

July 2021

- 1 K – 5 Technology Coordinator
- 1 K – 5 Literacy Coordinator
- 1 6 – 8 Reading Specialist
- 3 Elementary Instructional Coaches



Restructure Secondary Administration

June 2020

- 4.0 Building Administrators
- (1.4) 6-12 Curriculum Coordinators (No Supervision and Evaluation Responsibilities)

July 2021

- 0.5 Secondary Director of Curriculum
- 3.5 Building Administrators
- (1.4) 6-12 Curriculum Coordinators (Supervision and Evaluation Responsibilities)



Professional Development – 157.1% Year over Year

Represents 21.3% of the \$1.8M increase or \$396,105

Major Budget Drivers Include:

- \$5K for curriculum writing
- 3.0FTE Elementary Instructional Coaches
- 0.8FTE Elementary Curriculum Director



Systemic Intervention Model

K-5 Literacy Coordinator	RESTRUCTURE
3.0 Elementary Literacy Tutors	EXISTING
6.3 Elementary Literacy Tutors	NEW
1.0 M.S. Reading Specialist	RESTRUCTURE
HWRHS After-School Program	NEW



Other Teaching Services – 8.7% Year over Year

Represents 13.1% of the \$1.8M increase or \$242,537

Major Budget Drivers Include:

- \$230K for 8.9FTE TA supports across district. This includes positions cut during FY21 Budget Reductions as well as recommended reorganization.



Restore Middle School Model/Address Elementary Enrollment

2.0 Middle School Teachers

2.0 Elementary Teachers

- 7th Kindergarten teacher (added to FY21)
- 7th First grade teacher



Teachers – 1.5% Year over Year

Represents 10.3% of the \$1.8M increase or \$191,435

Major Budget Drivers Include:

- Net increase of 1.0FTE budgeted at \$64K
- \$83K* for 34 applications for salary advancement (lane changes)
- \$245K* in step increments
- \$139K* in retirement savings

* = Value spread out over multiple DESE categories



Teachers – Continued

DESE Category	Teachers		FTE Increase
	FY21	FY22	(Decrease)
Administration	-	-	-
Capital, Operations, Maintenance	-	-	-
Guidance, Counseling, Testing	12.00	12.00	-
Inst. Materials	-	-	-
Instructional Leadership	-	-	-
Insurance, Retirement, Other	-	-	-
Other Teaching Services	10.50	10.50	-
Prof. Dev.	-	3.00	3.00
Pupil Services	4.50	4.50	-
Teachers	152.70	153.70	1.00
Tuitions	-	-	-
Grand Total	179.70	183.70	4.00



Administration – 12.5% Year over Year

Represents 8.3% of the \$1.8M increase or \$153,732

Major Budget Drivers Include:

- Additional 0.5FTE Payroll Support
- \$12K for HR Consultant
- Reclassification of Technology from “Instructional Hardware” to “Administrative Technology” of \$112K. Items such as School Spring, website supports or network support programs



Capital, Operations, Maintenance – 3.5% Year over Year

Represents 4.8% of the \$1.8M increase or \$80,540

Major Budget Drivers Include:

- 2.5% increase to all utility accounts
- Holds funding for an additional 1.0FTE maintenance staff member if year-end analysis reflects the need. (Position was cut as part of FY21 budget reductions)



Guidance, Counseling, Testing – 0.5% Year over Year

Represents 0.3% of the \$1.8M increase or \$5,506

Major Budget Drivers Include:

- \$13K reduction due to staff retirement
- \$24K increase for column advancements and step increments



Instructional Materials – 5.3% Year over Year

Represents 2.5% of the \$1.8M increase or \$46,032

Major Budget Drivers Include:

- \$34K for software additions/upgrades
- \$20K for science materials (Materials were cut as part of FY21 budget reductions)



Instructional Leadership – 1.8% Year over Year

Represents 2.5% of the \$1.8M increase or \$47,091

Major Budget Drivers Include:

- \$7K addition for an after-school support program
- \$15K one time addition for NEASC accreditation, scheduled for spring FY22
- \$10K for restructure of tech support personnel (1.0 FTE was cut as part of FY21 budget reductions)



Insurance, Retirement, Other – 9.8% Year over Year

Represents 28.4% of the \$1.8M increase or \$527,209

Major Budget Drivers Include:

- Includes COLA of all staff – to be reclassified once negotiations are complete
- \$77K placeholder for retirement appropriation (waiting final numbers from Essex Retirement Board)
- \$100K to formally start OPEB Trust
- 7% increase to healthcare premiums



Pupil Services – 6.8% Year over Year

Represents 10.0% of the \$1.8M increase or \$186,350

Major Budget Drivers Include:

- \$64K transportation
- \$35K Café deficit
- \$50K PPE



Tuitions – (0.4%) Year over Year

Represents (1.1%) of the \$1.8M increase or (\$19,510)

Major Budget Drivers Include:

- Slight decrease in projected OOD placements
- OSD tuition increase of 2-2.5%

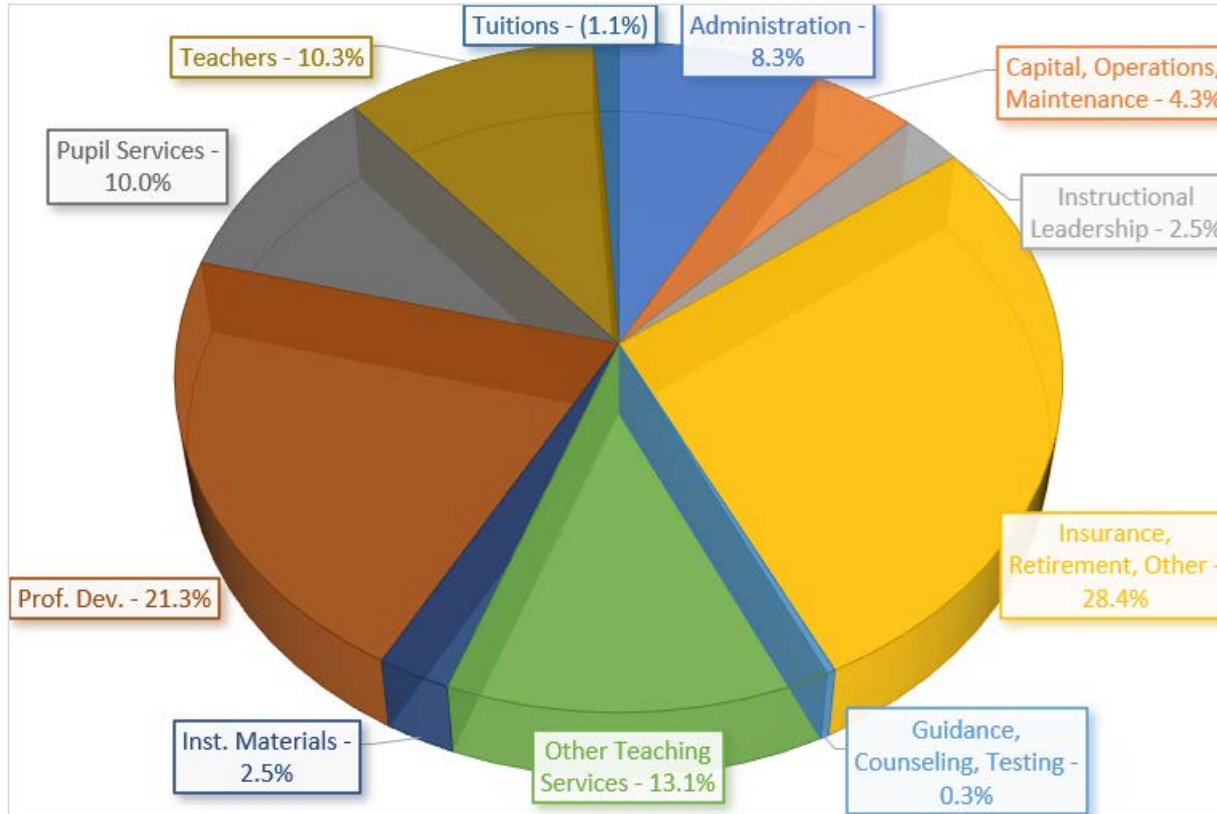


Operating Budget – By DESE Category

Summary	FY18	FY19	FY20	FY21	FY21	FY22	FY22	Change FY21	To FY22
by DESE Category	Actuals	Actuals	Actuals	FTE	Budget	FTE	Budget	\$	%
Administration	\$ 1,107,495	\$ 1,097,981	\$ 992,140	6.94	\$ 1,229,833	7.47	\$ 1,383,565	\$ 153,732	12.50%
Capital, Operations, Maintenance	\$ 2,288,962	\$ 2,221,673	\$ 2,071,927	15.25	\$ 2,285,561	16.25	\$ 2,366,101	\$ 80,540	3.52%
Guidance, Counseling, Testing	\$ 1,067,619	\$ 1,118,011	\$ 1,126,908	13.78	\$ 1,141,839	13.78	\$ 1,147,345	\$ 5,506	0.48%
Inst. Materials	\$ 831,931	\$ 870,461	\$ 685,373	-	\$ 872,397	-	\$ 918,430	\$ 46,032	5.28%
Instructional Leadership	\$ 2,831,552	\$ 3,027,285	\$ 2,954,380	26.17	\$ 2,571,133	26.17	\$ 2,618,224	\$ 47,091	1.83%
Insurance, Retirement, Other	\$ 3,933,325	\$ 4,206,515	\$ 4,534,453	0.86	\$ 5,399,815	0.86	\$ 5,927,024	\$ 527,209	9.76%
Other Teaching Services	\$ 2,266,182	\$ 2,532,491	\$ 2,482,888	59.90	\$ 2,796,326	68.87	\$ 3,038,862	\$ 242,537	8.67%
Prof. Dev.	\$ 181,488	\$ 171,951	\$ 138,886	-	\$ 262,196	3.80	\$ 658,301	\$ 396,105	151.07%
Pupil Services	\$ 2,055,694	\$ 2,343,752	\$ 2,473,423	8.97	\$ 2,728,507	8.90	\$ 2,914,857	\$ 186,350	6.83%
Teachers	\$ 11,692,876	\$ 12,240,941	\$ 12,805,737	152.70	\$ 12,973,972	153.70	\$ 13,165,407	\$ 191,435	1.48%
Tuitions	\$ 3,209,626	\$ 3,498,978	\$ 5,106,171	-	\$ 4,761,992	-	\$ 4,742,482	\$ (19,510)	-0.41%
Grand Total	\$ 31,466,748	\$ 33,330,038	\$ 35,372,286	284.56	\$ 37,023,572	299.80	\$ 38,880,598	\$ 1,857,027	5.02%



\$1.8M increase by DESE category





Operating Budget – By DAC

Summary By Site & Support Program	FY18	FY19	FY20	FY21	FY21	FY22	FY22	Change FY21	To FY22
	Actual	Actual	Actuals	FTE	Budget	FTE	Budget	\$	%
Buker Elementary School	\$ 2,247,695	\$ 2,220,140	\$ 2,287,290	31.62	\$ 2,389,099	32.84	\$ 2,407,690	\$ 18,592	0.78%
Cutler Elementary School	\$ 2,634,253	\$ 2,730,842	\$ 2,759,824	38.67	\$ 2,831,852	41.32	\$ 2,894,071	\$ 62,219	2.20%
Winthrop Elementary School	\$ 3,332,011	\$ 3,434,478	\$ 3,628,235	56.91	\$ 3,737,685	60.93	\$ 3,893,251	\$ 155,566	4.16%
Miles River Middle School	\$ 4,179,593	\$ 4,384,171	\$ 4,413,413	50.97	\$ 4,460,423	54.98	\$ 4,841,303	\$ 380,880	8.79%
Regional High School	\$ 5,879,244	\$ 6,164,288	\$ 6,183,131	72.18	\$ 6,480,886	71.18	\$ 6,469,626	\$ (11,260)	-0.17%
Athletics	\$ 337,590	\$ 500,785	\$ 424,499	1.75	\$ 452,152	1.75	\$ 460,633	\$ 8,480	1.88%
Central Office	\$ 2,741,909	\$ 2,843,761	\$ 2,863,786	9.92	\$ 3,014,550	12.25	\$ 3,504,902	\$ 490,353	16.27%
District Maintenance	\$ 697,181	\$ 694,292	\$ 571,160	2.25	\$ 441,860	3.25	\$ 516,208	\$ 74,348	16.83%
Fringe Benefits	\$ 3,933,325	\$ 4,206,515	\$ 4,534,453	0.86	\$ 5,399,815	0.86	\$ 5,927,024	\$ 527,209	9.76%
Special Education	\$ 4,604,498	\$ 5,284,501	\$ 6,816,632	13.44	\$ 6,940,620	13.44	\$ 6,962,481	\$ 21,861	0.31%
Technology	\$ 879,448	\$ 866,264	\$ 889,864	6.00	\$ 874,629	7.00	\$ 1,003,408	\$ 128,778	14.72%
District Totals	\$ 31,466,748	\$ 33,330,038	\$ 35,372,286	284.56	\$ 37,023,572	299.80	\$ 38,880,598	\$ 1,857,027	5.02%



Operating Budget - Overview

FY22 Tentative Operating Budget Calculation

General Fund Operating Overview

	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference	%
Operating Expense - Gross, before offsets & Overlays	\$ 31,466,748	\$ 33,330,038	\$ 35,372,286	\$ 37,023,572	\$ 38,880,598	\$ 1,857,027	5.02%

Operating Offsets

	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference	%
<i>Recurring Offsets</i>							
School Choice	\$ 241,703	\$ 265,000	\$ 385,000	\$ 476,360	\$ 399,500	\$ (76,860)	-16.13%
Preschool Tuition	\$ 75,740	\$ 84,407	\$ 94,445	\$ 95,607	\$ 75,740	\$ (19,867)	-20.78%
Facilities Rental	\$ 1,461	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	0.00%
Special Ed Grants	\$ -	\$ -	\$ 406,287	\$ 366,747	\$ 392,747	\$ 26,000	7.09%
Circuit Breaker Offset	\$ 924,160	\$ 1,094,160	\$ 1,102,223	\$ 776,000	\$ 934,096	\$ 158,096	20.37%
Total Offsets	\$ 1,243,065	\$ 1,445,567	\$ 1,987,955	\$ 1,716,714	\$ 1,804,083	\$ 87,369	5.09%

General Fund After Offsets

	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference	%
Operating Expense - Gross, after offsets & Overlays	\$ 30,223,683	\$ 31,884,471	\$ 33,384,331	\$ 35,306,858	\$ 37,076,516	\$ 1,769,658	5.01%



Operating Budget – Overview Continued

General Fund After Offsets							
	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference	%
Operating Expense - Gross, after offsets & Overlays	\$ 30,223,683	\$ 31,884,471	\$ 33,384,331	\$ 35,306,858	\$ 37,076,516	\$ 1,769,658	5.01%
Operating Funding Sources							
	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference	%
<i>Revenues</i>							
Chapter 70-Base Aid	\$ 3,606,706	\$ 3,687,076	\$ 3,714,665	\$ 2,969,125	\$ 3,555,080	\$ 585,955	19.73%
State Transportation	\$ 340,686	\$ 330,837	\$ 385,868	\$ 332,124	\$ 372,065	\$ 39,941	12.03%
Charter School Reimbursement	\$ 11,867	\$ 13,726	\$ 1,542	\$ -	\$ -	\$ -	#DIV/0!
Medicaid Reimbursement	\$ 175,036	\$ 171,954	\$ 88,455	\$ 95,000	\$ 45,000	\$ (50,000)	-52.63%
Interest Income	\$ 13,675	\$ 25,631	\$ 19,661	\$ 18,000	\$ 10,000	\$ (8,000)	-44.44%
Prior Year Unexpended Encumbrances	\$ 15,473	\$ 90,982	\$ 26,108	\$ -	\$ -	\$ -	#DIV/0!
Other Income	\$ 81	\$ 6,167	\$ 3,372	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 4,163,523	\$ 4,326,372	\$ 4,239,671	\$ 3,414,249	\$ 3,982,145	\$ 567,896	16.63%
<i>Transfers In From Other Funds</i>							
Excess and Deficiency	\$ 568,821	\$ 347,218	\$ 147,396	\$ 217,329	\$ -	\$ (217,329)	-100.00%
Other Revolving Accounts	\$ 25,983	\$ 12,662	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Transfers	\$ 594,804	\$ 359,880	\$ 147,396	\$ 217,329	\$ -	\$ (217,329)	-100.00%
Total Funding Sources	\$ 4,758,327	\$ 4,686,252	\$ 4,387,067	\$ 3,631,578	\$ 3,982,145	\$ 350,567	9.65%
NET OPERATING BUDGET	\$ 25,465,356	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 33,094,371	\$ 1,419,091	4.48%



Operating Budget - Assessment

NET OPERATING BUDGET	\$ 25,465,356	\$ 27,198,218	\$ 28,997,264	\$ 31,675,280	\$ 33,094,371	\$ 1,419,091	4.48%
Calculation of Individual Town Assessments							
	FY18 ACT	FY19 ACT	FY20 ACT	FY21 BUD	FY22 BUD	\$ Difference %	
Town of Hamilton				\$ 20,227,834	\$ 21,326,012		
Capital Debt Assessment "Shift"				\$ -	\$ -		
Net Operating Assessment	\$ 16,776,063 65.40%	\$ 17,746,438 64.65%	\$ 18,686,426 64.05%	\$ 20,227,834 63.86%	\$ 21,326,012 64.44%	\$ 1,098,179	5.43%
Town of Wenham				\$ 11,447,446	\$ 11,768,358		
Capital Debt Assessment "Shift"				\$ -	\$ -		
Net Operating Assessment	\$ 8,870,590 34.60%	\$ 9,708,859 35.35%	\$ 10,488,321 35.95%	\$ 11,447,446 36.14%	\$ 11,768,358 35.56%	\$ 320,912	2.80%



5 Year Look Back

	FY17	FY18	FY19	FY20	FY21	FY22
	Budget	Budget	Budget	Budget	Budget	Budget
Net Operating Budget	\$ 25,271,206	\$ 25,646,653	\$ 27,455,297	\$ 29,174,747	\$ 31,675,280	\$ 33,094,371
% Increase Over Prior Year	-	1.49%	7.05%	6.26%	8.57%	4.48%
5 Year Average % Increase						5.57%



FY22 Capital Budget Recommendation

Administration is recommending no new capital requests for FY22

- 1. None of the FY22 capital projects are crucial for operations to continue;*
- 2. The FY21 capital borrowing was delayed, and therefore the FY21 capital projects, are delayed, and will be completed in FY22;*
- 3. The district has submitted acceptance into an MSBA project that if approved will drive future capital requests.*
- 4. The district needs to complete its own studies approved as part of the FY21 capital projects and align them with the town's mast plans to make sure we have a shared vision for the future.*
- 5. The pandemic has hindered the operations of the district, and will need to be correct during FY22, capital projects will reduce crucial time needed to get operations back to pre-pandemic levels.*
- 6. The pandemic has burdened the taxpayers and negatively influenced the economy. A FY22 capital budget would be an additional burden to those already struggling.*



Debt Service

Debt Service Assessment Summary					
				64.44%	35.56%
	Principal	Interest	Total	Hamilton Share	Wenham Share
Cutler Roof & Summer 2013 Projects	\$ 95,000	\$ 30,100	\$ 125,100	\$ 80,614	\$ 44,486
Buker Boiler & Winthrop Boiler/Glass	\$ 95,000	\$ 23,400	\$ 118,400	\$ 76,297	\$ 42,103
Winthrop Sprinkler System	\$ 125,000	\$ 5,867	\$ 130,867	\$ 84,331	\$ 46,536
FY21 Capital Projects	\$ 191,600	\$ 9,527	\$ 201,127	\$ 129,606	\$ 71,521
Net Assessment			\$ 575,494	\$ 370,848	\$ 204,646



Debt Service – Year over Year

	FY21	FY22	Increase \$	Increase %
<u>Hamilton</u>				
Debt Service	\$ 263,903	\$ 370,848	\$ 106,945	40.52%
<u>Wenham</u>				
Debt Service	\$ 149,349	\$ 204,646	\$ 55,296	37.02%
<u>Total</u>				
Debt Service	\$ 413,253	\$ 575,494	\$ 162,242	39.26%



Combined Operating & Capital – Year over Year

	FY21	FY22	Increase \$	Increase %
<u>Hamilton</u>				
Operating Budget After Offsets and Revenue Sources	\$20,227,834	\$21,326,012	\$1,098,179	5.43%
Debt Service	\$ 263,903	\$ 370,848	\$ 106,945	40.52%
Hamilton Combined Total	\$20,491,737	\$21,696,861	\$1,205,124	5.88%
<u>Wenham</u>				
Operating Budget After Offsets and Revenue Sources	\$11,447,446	\$11,768,358	\$ 320,912	2.80%
Debt Service	\$ 149,349	\$ 204,646	\$ 55,296	37.02%
Wenham Combined Total	\$11,596,796	\$11,973,004	\$ 376,208	3.24%
<u>Total</u>				
Operating Budget After Offsets and Revenue Sources	\$31,675,280	\$33,094,371	\$1,419,091	4.48%
Debt Service	\$ 413,253	\$ 575,494	\$ 162,242	39.26%
Combined Assessment	\$32,088,532	\$33,669,865	\$1,581,332	4.93%



Questions, Comments, Feedback?

