

SOMERSET BERKLEY REGIONAL SCHOOL DISTRICT

Fiscal Year 2021-2022 Tentative Budget

March 16, 2021



Somerset Berkley Regional School District
FY22 Budget Public Hearing
Agenda

1. FY22 Tentative Budget
2. Budget Process
3. Components of the Initial FY22 Budget Proposal
4. Adjustments to the Initial FY22 Budget Proposal
5. Debt Service Detail
6. Regional School District Assessments
7. Report on Regional School District Excess/Deficiency and Stabilization Funds
8. Summary
9. Questions

FY22 Budget Process

The District is in the process of building a new strategic plan that builds upon the objectives cited in the 2017-2020 Strategic Plan and takes into consideration feedback from the recent Community Vision Workshop as well as stakeholder interviews. This will provide the roadmap where the District needs to focus their efforts and financial responsibility.

2017-2020 District Strategy Objectives

Objective I Student Learning	Objective II Teaching	Objective III Family & Community Engagement	Objective IV Sustainable Funding Model
Promote 21st century skills and cultivate partnerships that extend and support teaching and learning to prepare students for success in collect, careers, and life in a rapidly changing and challenging global society.	Create a collaborative learning culture that fosters creativity, inquiry, collaboration, reflection, and date-use to address individual student needs in order to improve learning for all students.	Increase parent and community engagement and build community support for vision, mission and ongoing success of Somerset Berkley Regional High School	Support the goals of the district by improving efficiencies, developing key performance indicators (KPIs) and constructing a model of sustainable funding.

Emerging themes from our recent work emphasize social-emotional learning, financial literacy, cultural diversity and world language offerings, civics, college and career readiness skills, and more students supports for all students.333

FY22 Budget Process

- October 17, 2020 – SBRSD Budget Subcommittee met with Administration to review FY21 Financial Report, received an overview of expected non-negotiables (special education, bargaining units, transportation, etc.) , new initiatives, and anticipated capital needs
- November 2020 – During this month the High School Administration met with District Leadership Team to review FY22 budget process
- January 14 – January 19, 2021 – School Administration and District Leadership meet with Content Coordinators to review budget request in detail and made adjustments as needed.
- February 5, 2021 – Budget Sub-committee continued review of the FY21 Budget Status and established budget timetable. District leadership presented the FY22 preliminary Maintenance Budget, Regular Transportation, Special Education Out of District Tuition, and Special Education Transportation and Debt Service Schedule.

FY22 Budget Process

- February 9, 2021 – Technology Director with District Leadership presented the technology needs with a focus on enhanced security and one to one Chromebook plan.
- February 16, 2021 – Continued discussion with Special Education Director on Special Education Out of District Tuition and Transportation.
- February 23, 2021 – Reviewed the FY22 preliminary Budget detail by line item. Budget discussion on Athletic and Student Activities with the Athletic Director. Director of Curriculum & Assessment with provide and overview on the textbook
- March 2, 2021 – Revised Maintenance Budget and fixed cost line items with a more focused discussion with the Director of Technology on needs
- March 9, 2021 – Review of the FY22 Preliminary Budget Detail by line item with Salaries with budget reductions

FY22 Budget Process

- March 16, 2021 – Re-cap of work done to date. Modeling and projections of Assessments. Vote on Preliminary Budget
- March 16, 2021 – Full School Committee Discussion and review of work done to date. District Leadership present FY22 Preliminary Budget
- March 23, 2021 – Public Hearing on the Budget

FY22 Budget Drivers:

Contracted Services and Increased Expenses

- **Staffing and Labor Costs**
 - Custodians and Admin Assistant expired 6/30/2020 – Tentative Agreement
 - Teachers' Contract expires 8/31/2021, negotiations has begun
 - Café and Paraprofessional Staff contract expires 8/31/21
 - Salaries and Fringe Benefits equal approximately 70% of total gross costs
- **Enrollment Changes (excludes school choice students)**
 - Somerset recognizes a increase of 8 student for FY22
 - Berkley recognizes an decrease of 11 students for FY22
- **Net increase of \$669k for Special Education Tuitions and related services**

FY21 Budget Drivers:

State Mandates and Designations

- **Student Opportunity Act (SOA)** – Chap. 70 increase is required to be used to fund initiatives that will close achievement gaps and prepare students college and careers (Innovation Pathways);
- **Innovation Pathways** – a designation awarded by the state to the District to establish three areas of study to support college and career readiness;
- **New legislation** requiring the District to implement civics project-based learning;
- **Recent Targeted District Review** identified the need of a reading specialist and the implementation of a comprehensive in-school suspension program.

FY22 Tentative Budget

Tentative Net Budget by function:

Net Operating Budget	\$18,018,843
Capital Assessment - Debt Service	<u>\$ 2,176,771</u>
Total Net Budget	\$20,195,614

Total Net Operating Budget increase is \$1,673,719 or 10.24% over FY21. This increase includes \$1,084,010 in Special Education Cost for students transiting from the Middle School which represent 5.85% of the total increase.

Includes new initiatives In-School Suspension, Reinstate Library Media, and continued rollout of Innovation Pathways (Healthcare, Biotechnology, and Computer Science/IT).

Revenue:

- Chapter 70 is relatively flat over FY21.
- School Choice Revenue decreased by (\$177,348).

Components of Initial FY22 Budget Proposal

- \$20,195,614 Total Budget
- \$18,018,843 Net Operating Budget
- \$ 1,673,719 or 10.24% increase over FY21 Net Operating Budget

Town of Somerset Operating Assessment would increase to \$8,608,888 which is \$1,482,435 or 20.80% more than FY21

Town of Berkley Operating Assessment would increase to \$3,223,537 which is \$385,207 or 13.57% more than FY21

SBRSD Tentative FY22 Budget Comparison of Net Operating Costs

OPERATING BUDGET	FY20-21 Approved Budget	FY21-22 Tentative Budget	FY22 Incr/Decr	Percent Change
SALARIES	9,144,359	9,985,158	840,799	9.19%
TECHNOLOGY (*)	421,387	507,871	86,484	20.52%
SPECIAL EDUCATION	2,099,347	2,768,827	669,480	31.89%
PROFESSIONAL DEVELOPMENT	64,630	64,630	-	0.00%
TEXTBOOKS & LIBRARY BOOKS	16,775	39,236	22,462	133.90%
EDUCATIONAL & OFFICE SUPPLIES	221,982	237,732	15,750	7.10%
COMPETITIONS	31,725	23,825	(7,900)	-24.90%
GUIDANCE, HEALTH AND SECURITY	115,818	117,708	1,890	1.63%
REGULAR/HOMELESS TRANSPORTATION	378,139	352,447	(25,692)	-6.79%
ATHLETICS / STUDENT ACTIVITIES	131,314	115,698	(15,617)	-11.89%
MAINTENANCE	598,500	609,000	10,500	1.75%
EMPLOYEE BENEFITS & INSURANCE	2,694,773	2,770,040	75,267	2.79%
SCHOOL CHOICE/CHARTER SCHOOL	345,975	346,271	296	0.09%
TV STUDIO EXPENSES - REVOLVING	80,400	80,400	-	0.00%
NET OPERATING BUDGET	16,345,124	18,018,843	1,673,719	10.24%

SBRSD Tentative FY22 Budget Comparison of Net Capital Assessments

CAPITAL ASSESSMENT				
CAPITAL (DEBT SERVICES)	<u>2,181,944</u>	<u>2,176,771</u>	<u>(5,173)</u>	
TOTAL CAPITAL ASSESSMENT	2,181,944	2,176,771	(5,173)	-0.24%
GROSS OPERATING BUDGET	<u>18,527,068</u>	<u>20,195,614</u>	<u>1,668,546</u>	<u>9.01%</u>

Adjustments to FY22 Initial Budget Proposal - Net Operating Budget \$18,249,143 (11.65% increase)

- Reductions 3/12 (\$230,300)
- 1.00 FTE Certified position \$58,000
- Athletic / Student Activities adjustments totaling \$12,000
- Additional reduction in Educational Supplies, Textbooks \$20,300
- Special Transportation \$40,000
- Plans to prepaid \$100k in Special Education Out of District Tuition

Reductions prior 3/12 (\$216,800)

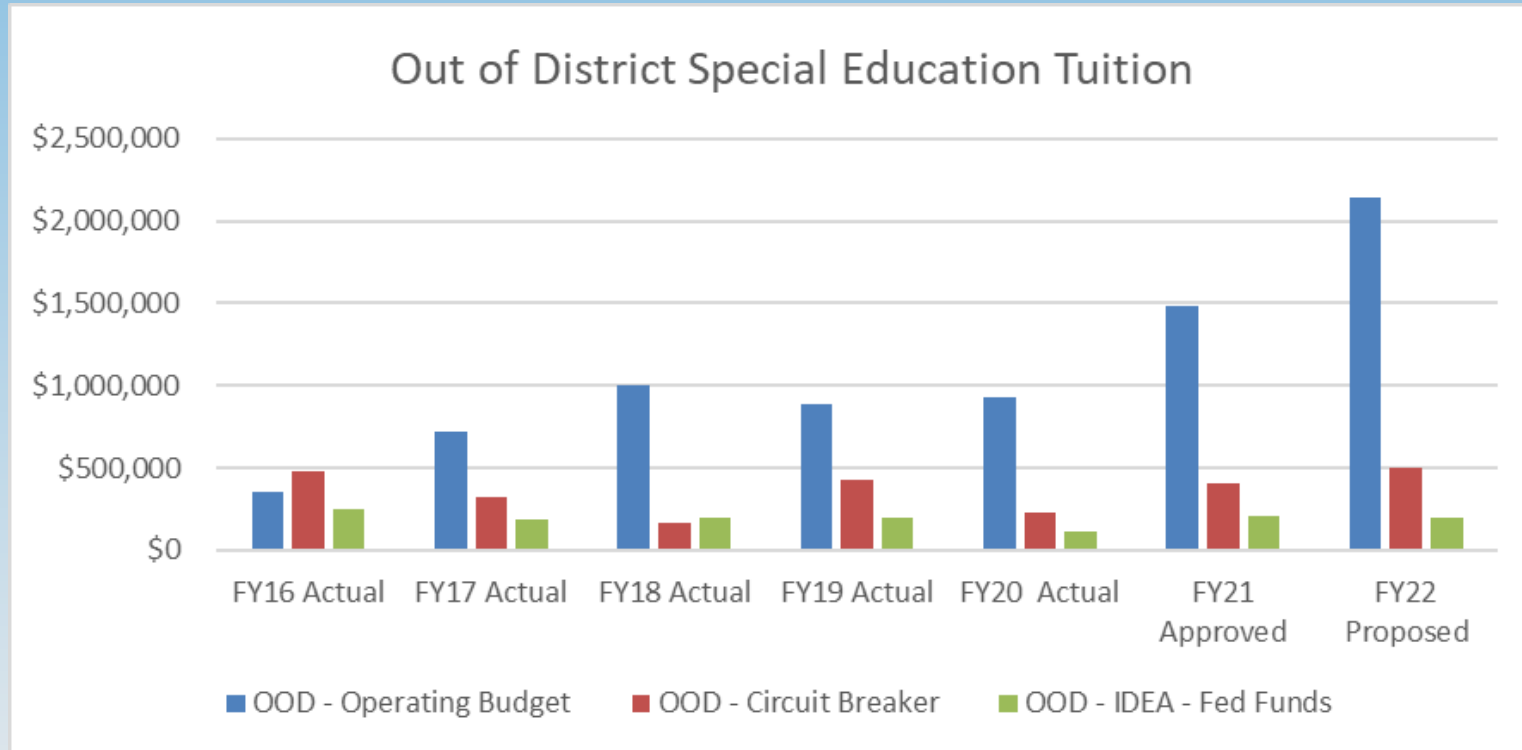
- Eliminated / Reduced 2.50 FTEs Guidance, School Adjust Counselor \$149,600
- Deferred repainting tennis courts \$42,000
- Reduction in Educational Supplies, Textbooks \$25,200

Historical Changes in Net Operating Budget

Fiscal Year	Net Budget	Increase/(Decrease) Dollars	Increase/(Decrease) Percentage
FY13	\$13,300,000	\$242,000	1.86%
FY14	\$13,381,225	\$81,225	0.61%
FY15	\$13,418,803	\$37,578	0.28%
FY16	\$13,262,824	\$ (155,979)	-1.16%
FY17	\$14,039,006	\$776,182	5.85%
FY18	\$14,530,171	\$491,165	3.50%
FY19	\$15,218,439	\$688,268	4.74%
FY20	\$15,425,075	\$206,636	1.36%
FY21	\$16,345,124	\$635,049	4.04%
FY22 (Tentative)	\$18,018,843	\$1,673,719	10.24%

The FY22 Tentative Net Operating Budget is \$1,673,719 more than FY21 Adjusted Net Operating Budget, for an increase of 10.24%.

Major Increases - FY22 Budget: Tuitions



Special Education Increase by \$659,376

School Choice Increase by \$4,448

Major Increases - FY21 Budget: Transportation

Transportation Category	FY20	FY21	Increase
Out of District Transportation - SPED	\$ 466,125	\$ 585,135	\$ 119,010
In District Transportation - SPED	\$ 120,164	\$130,628	\$ 10,464
Regular Education - Basic Routes	\$ 509,708	\$526,185	<u>\$ 16,477</u>
TOTAL:			\$ 145,951

Transportation increase of \$145,951 or 13.32%

FY22 Annual Debt Service Summary

Somerset Berkley Regional School District			
Capital Budget			
FY22 Proposed Budget			
Long Term Bond Issuances	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
- \$9.28M Bond Issuance - February 2014 (3.67%)	\$ 305,000	\$ 282,850	\$ 587,850
Less: \$52k Premium credit		\$ (2,741)	\$ (2,741)
- \$9M Bond Issuance - August 2014 (2.933%)	\$ 395,000	\$ 211,900	\$ 606,900
Less: \$138k Premium credit		\$ (8,926)	\$ (8,926)
- \$6.275M Bond Issuance - February 2015 (2.67%)	\$ 285,000	\$ 133,165	\$ 418,165
Less: \$87k Premium credit		\$ (5,609)	\$ (5,609)
- \$5,978,500 Bond Issuance - July 2015 (2.92%)	\$ 255,000	\$ 152,490	\$ 407,490
Less: \$109k Premium credit		\$ (7,452)	\$ (7,452)
- \$2.5M February 2018 Borrowing (2.98%)	\$ 95,000	\$ 79,513	\$ 174,513
Less: \$41k Premium credit		\$ (3,419)	\$ (3,419)
Total Long Term Issuance Payments	\$ 1,335,000	\$ 831,771	\$ 2,166,771
Stabilization	\$ 10,000		\$ 10,000
GRAND TOTAL FOR FY22 CAPITAL BUDGET	\$ 1,345,000	\$ 831,771	\$ 2,176,771
		FY21 Approved	\$ 2,181,944
		FY22 Change	\$ (5,173)

FY22 Tentative Budget – District Revenue Sources

The FY22 Tentative Gross Operating Budget of \$19,501,630 is the actual cost of operating the SBRSD, excluding Debt Service and Other Capital Expenses. It is offset by other District Revenue Sources totaling \$1,482,787. This brings the Adjusted FY22 Tentative Gross Operating Budget to \$18,018,843 and increase of \$1,722,367.

	Approved Budget 2020-21	Preliminary Budget 2021-22	FY22 Incr/Decr
ASSESSMENTS W/ CAPITAL	12,144,282	12,144,282	-
FY22 Proposed Increase Assessment		<u>1,761,850</u>	<u>1,761,850</u>
TOTAL ASSESSMENTS	12,144,282	13,906,132	1,761,850
UNRESTRICTED - STATE AID			
Chapter 70	6,142,834	6,054,825	(88,009)
Chapter 70 - Student Opportunity Act	-	-	-
Charter School Reimbursement	16,552	16,257	(295)
Interest Income	20,000	15,000	(5,000)
Medicaid Reimbursement	114,000	114,000	-
eRates	9,000	9,000	-
TELEVISION PRODUCTION	<u>80,400</u>	<u>80,400</u>	-
TOTAL REVENUE	6,382,786	6,289,482	(93,304)
GROSS OPERATING BUDGET	<u>18,527,068</u>	<u>20,195,614</u>	<u>1,668,546</u>

FY22 Tentative Budget – District Revenue Sources

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	Approved Budget 2020-21	Preliminary Budget 2021-22	FY22 Incr/Decr
SPECIAL REVENUE FUNDS			
RESTRICTED - OTHER PROGRAMS			
CIRCUIT BREAKER	405,000	600,000	195,000
IDEA GRANT	206,000	200,000	(6,000)
TITLE I	24,000	24,000	-
REGIONAL TRANSPORTATION	131,569	173,738	42,169
SCHOOL CHOICE - RECEIVING	476,397	299,049	(177,348)
PARKING FEES	10,000	10,000	-
USER FEES (ATHLETICS, CLUBS)	78,000	78,000	-
TEHC FEES	28,000	28,000	-
FACILITY USE	10,000	10,000	-
ATHLETICS REVOLVING	60,000	60,000	-
TOTAL - SPECIAL REVENUE FUNDS	1,428,966	1,482,787	53,821

Massachusetts Department of Elementary and Secondary Education

Office of School Finance

1/27/2021



FY22 Chapter 70 Foundation Budget

763 Somerset Berkley

	Base Foundation Component		Incremental Costs Above the Base							TOTAL
	6	7	8	9	10	11	12	13	14	
	High School	Vocational	Special Ed In-District	Special Ed Tuitioned-Out	English learner PK-5	English learner 6-8	English learner High School/Voc	Low income		
Foundation Enrollment	978	46	39	10	0	0	1	199	1,024	
1 Administration	396,452	18,647	109,111	29,947	0	0	84	10,959	565,200	
2 Instructional Leadership	716,023	33,678	0	0	0	0	148	51,927	801,776	
3 Classroom & Specialist Teachers	4,248,755	339,729	360,037	0	0	0	1,033	506,911	5,456,465	
4 Other Teaching Services	504,628	23,735	336,162	458	0	0	148	0	865,131	
5 Professional Development	136,568	10,620	17,368	0	0	0	42	24,594	189,192	
6 Instructional Materials, Equipment & Technology*	760,317	62,582	15,159	0	0	0	105	3,769	841,932	
7 Guidance & Psychological Services	398,633	18,750	0	0	0	0	63	20,527	437,973	
8 Pupil Services	536,961	25,256	0	0	0	0	21	106,660	668,898	
9 Operations & Maintenance	958,342	84,361	121,882	0	0	0	253	0	1,164,838	
10 Employee Benefits/Fixed Charges*	1,058,744	70,019	138,074	0	0	0	232	81,998	1,349,067	
11 Special Education Tuition*	0	0	0	284,330	0	0	0	0	284,330	
12 Total	9,715,423	687,376	1,097,793	314,734	0	0	2,130	807,345	12,624,801	
13 Wage Adjustment Factor	Foundation Budget per Pupil								12,329	
Increment Per Student	9,934	14,943	28,149	31,473			2,130	4,057	12,329	

***Increase of (\$12,329 - \$12,120) \$209 per pupil (1.72% increase) from FY21**

FY22 Tentative Budget - Other Considerations

- Targeted District Review – Identified need for ISS and Reading Specialist
- Evaluated Expenses Related to Student Activities
- Reviewed Course Enrollment and Staffing Levels
- Identified One-Time Expenditures that could be Funded through E&D
- Analyzed Impact of School Choice
- Considered the impact of these increased assessments on member communities

SBRSD Historical Changes to Operating Assessments

<u>Fiscal Year</u>	<u>Operational Assessment</u>	<u>Somerset Allocation</u>	<u>Dollar Change (\$)</u>	<u>Percentage Change (%)</u>	<u>Berkley Allocation</u>	<u>Dollar Change (\$)</u>	<u>Percentage Change (%)</u>
FY12	\$ 9,776,961	\$ 8,319,605			\$ 1,457,356		
FY13	\$ 9,420,233	\$ 7,725,329	\$ (594,276)	-7.1%	\$ 1,694,904	\$ 237,548	16.3%
FY14	\$ 9,323,960	\$ 7,651,883	\$ (73,446)	-1.0%	\$ 1,637,206	\$ (57,698)	-3.4%
FY15	\$ 9,261,812	\$ 7,465,508	\$ (186,375)	-2.4%	\$ 1,796,304	\$ 159,098	9.7%
FY16	\$ 9,109,266	\$ 7,075,915	\$ (389,592)	-5.2%	\$ 2,033,351	\$ 237,046	13.2%
FY17	\$ 9,725,009	\$ 7,384,458	\$ 308,543	4.4%	\$ 2,340,551	\$ 307,200	15.1%
FY18	\$ 9,462,960	\$ 7,030,991	\$ (353,467)	-4.8%	\$ 2,461,968	\$ 121,417	5.2%
FY19	\$ 9,766,864	\$ 7,288,188	\$ 257,197	3.7%	\$ 2,478,676	\$ 16,708	0.7%
FY20	\$ 9,478,447	\$ 6,899,146	\$ (389,042)	-5.3%	\$ 2,579,301	\$ 100,625	4.1%
FY21	\$ 9,964,783	\$ 7,126,452	\$ 227,306	3.3%	\$ 2,838,331	\$ 259,030	10.0%
FY22 (Tentative) Statutor	\$ 11,832,425	\$ 8,608,888	\$ 1,482,436	20.8%	\$ 3,223,537	\$ 385,206	13.6%

Since 2012-2021, Somerset Operating Assessment has **decreased** a total of \$1,193,153. During the period of 2012-2021, Somerset's cost per student (operating and capital) has **decreased** from \$13,869 to \$11,591 or 16.4%. Looking at Tentative FY22 Alternative Assessment - Somerset's cost per student is \$11,415 vs Statutory cost per student would be \$11,494.

Since 2012, Berkley Operating Assessment has **increased** a total of \$1,380,975. 2011-2021, Berkley's cost per student (operating and capital) has **increased** from \$8000 to \$11,786 or 47.3%. Looking at Tentative FY22 Alternative Assessment - Berkley's cost per student is \$11,792 vs Statutory Assessment Model, Berkley's cost per student would be \$11,722.

These changes are in line with models provided for Regionalization.

Excess & Deficiency (E&D) and Stabilization Fund

Excess and Deficiency (E&D) Funds Balance as of June 30, 2020 was \$844,715

Certified E&D at the 5% Cap as of June 30, 2020 is \$926,353

As of January 31, 2021, the balance in the SBRSD Stabilization Account is \$419,948.

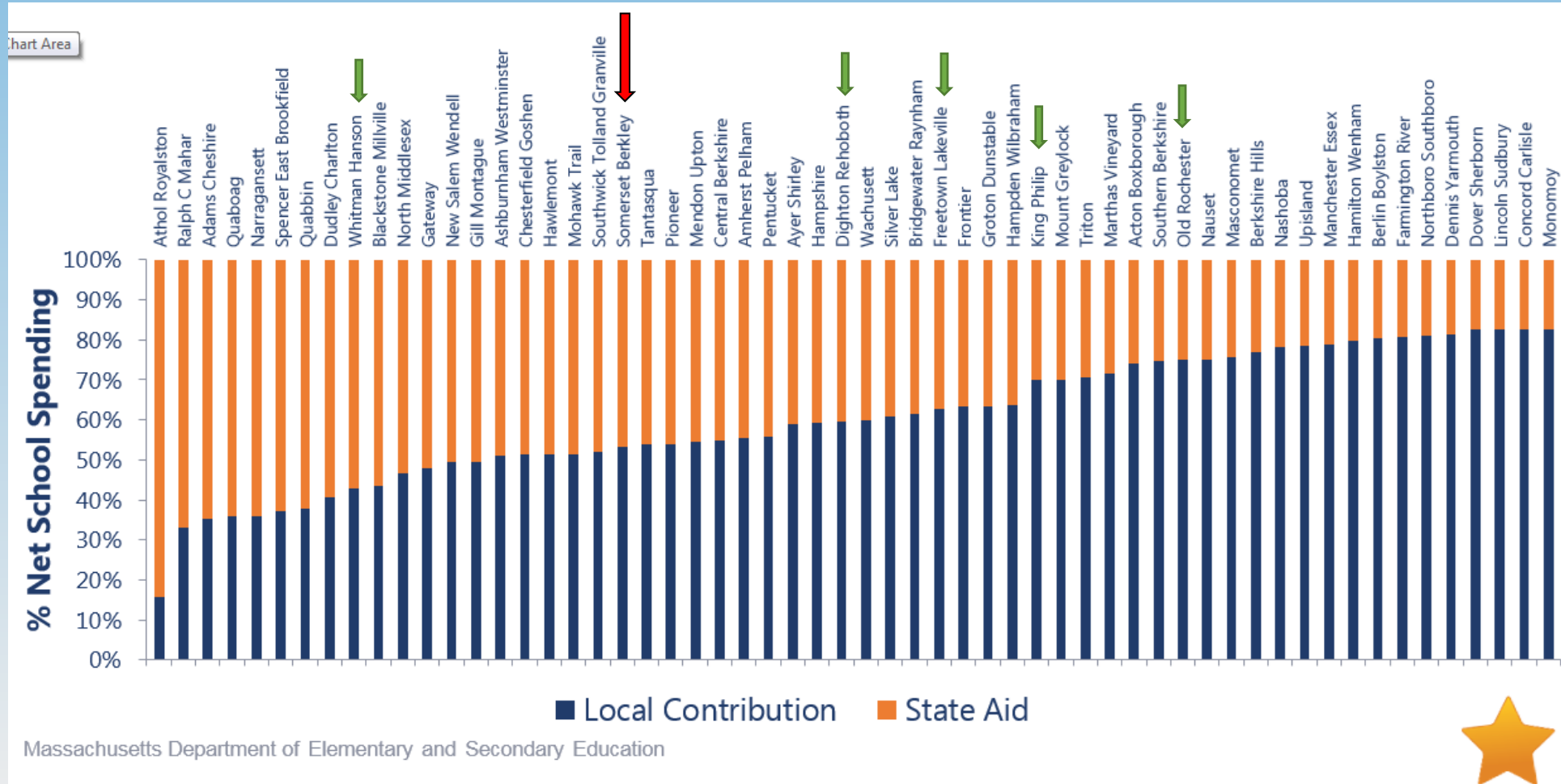
Summary

- The SBRSD FY22 Tentative Budget is 9.01% higher than the FY21 Adopted Budget and is driven by:
 - \$1,084,000 or 5.85% increase relates to regular & special education transportation costs and out of district special education tuition for students transiting from SMS.
 - \$584,536 or 3.16% increase cost include such items:
 - One additional FTE Certified Teacher
 - Labor contracts
 - Enhanced technology infrastructure and processes
 - Fixed Cost and Insurance
- Budget Subcommittee and Administration considers the current financial realities in both member communities as well as the potential economic downturn for the state and nation

Questions?

Additional Information

Districts receive different levels of Chapter 70 aid, because their community's ability to pay differs (discuss)



Somerset Berkley RSD receives approximately 48% of the annual required net school spending figure from Chapter 70 State Aid.

Required Contribution Analysis – Town of Berkley

- All School District's within a Community have a Foundation Budget that gets added together.
- State dictates a Community's Contribution as a % of Foundation Budget (FY22 Berkley 52.04% is based on Property Values & Residential Income)
- This Percentage (52.04%) gets multiplied by the total Foundation for each School District for the Fiscal Year to come up with a Required Contribution for education per District.
- Regardless of net budget increases, based on enrollment for 4 School Dept.'s, Berkley would have to pay at least \$18,193 in additional assessment for FY22.

27 Berkley					Combined Total
	Berkley	Somerset Berkley	Bristol Plymouth	Bristol County	for All Districts
1 FY21 foundation enrollment	764	286	80	11	1,141
2 FY21 foundation budget	8,014,902	3,435,011	1,390,464	191,918	13,032,295
3 Each district's share of municipality's combined FY21 foundation	61.50%	26.36%	10.67%	1.47%	100.00%
4 FY21 required contribution	4,170,576	1,787,417	723,532	99,865	6,781,390
% of Reequred Contribtion to Foundation Budget	52.04%	52.04%	52.04%	52.04%	52.04%
6 FY22 foundation enrollment	733	275	95	9	1,112
7 FY22 foundation budget	7,936,944	3,384,731	1,714,128	159,354	13,195,157
8 Each district's share of municipality's total FY22 foundation	60.15%	25.65%	12.99%	1.21%	100.00%
9 FY22 Required Contribution	4,234,022	1,805,610	914,415	85,008	7,039,055
% of Reequred Contribtion to Foundation Budget	53.35%	53.35%	53.35%	53.35%	53.35%
Enrollment Increase/Decrease from Prior Year (FY21)	(31)	(11)	15	(2)	(29)
10 Change FY22 to FY21 (9 - 4)	63,446	18,193	190,883	-14,857	257,665
Increase of Required Contribution as a Percentage	0.79%	0.53%	13.73%	-7.74%	1.98%

Required Contribution Analysis – Town of Berkley (cont.)

- ***The most important factor with the SBRSD assessments for Berkley is the percentage of total high school students.***
- ***For FY22; 62.5% attend SBRSD, 34.5% attend Bristol Plymouth and 3% attend Bristol Agriculture.***
- ***Any fluctuation with high school population will adjust the Required Contribution for each District. This will tie directly into assessment fluctuations in combination with operating budget changes and Chapter 70 Aid contributions.***

Required Contribution Analysis – Town of Somerset

- *The Town of Somerset will recognize an increase of \$302,561 in additional assessment for FY22, simply due to increase in FY22 Required Contribution.*
- *State dictates a Community's Contribution as a % of Foundation Budget (FY22 Somerset 50.84% is based on Property Values & Residential Income)*
- *This Percentage (50.84%) gets multiplied by the total Foundation for each School District for the Fiscal Year to come up with a Required Contribution for education per District.*

273 Somerset	Somerset		Greater Fall	Bristol County	Combined Total for All Districts
	Somerset	Berkley	River		
1 FY21 foundation enrollment	1,758	741	132	20	2,651
2 FY21 foundation budget	18,501,842	8,899,801	2,354,230	348,942	30,104,815
3 Each district's share of municipality's combined FY21 foundation	61.46%	29.56%	7.82%	1.16%	100.00%
4 FY21 required contribution	9,406,646	4,524,808	1,196,930	177,408	15,305,792
% of Required Contribution to Foundation Budget	50.84%	50.84%	50.84%	50.84%	50.84%
6 FY22 foundation enrollment	1,642	749	144	18	2,553
7 FY22 foundation budget	17,890,454	9,240,069	2,738,218	318,707	30,187,448
8 Each district's share of municipality's total FY22 foundation	59.26%	30.61%	9.07%	1.06%	100.00%
9 FY22 Required Contribution	9,346,663	4,827,369	1,430,551	166,505	15,771,088
% of Reequred Contribtion to Foundation Budget	52.24%	52.24%	52.24%	52.24%	52.24%
Enrollment Increase/Decrease from Prior Year (FY21)	(116)	8	12	(2)	(98)
10 Change FY22 to FY21 (9 - 4)	-59,983	302,561	233,621	-10,903	465,296
Increase of Required Contribution as a Percentage	-0.32%	3.40%	9.92%	-3.12%	1.55%

Preliminary FY21 Gross Operating Budget Expenses

