

FY21 Budget

What is the problem we are trying to solve?

- Revision the FY21 Budget to meet local economic shortfalls without full understanding of the economic impact to state funding of schools.
- Preparation for potential level funding scenario in which town ATMs do not occur prior to 6/30/20

FY21 Budget

- FY21 Budget Recap
 - FY21 Level Services Budget approved February in collaboration with both Essex and Manchester
 - Increases:
 - 3.82% spending = \$996K > level funding
 - 3.18% assessments (2.94% MBTS/3.61% Essex)
 - Key drivers – health care and out of district costs
 - Utilized \$250K of reserves to balance the budget and prevent reduction of services
 - Identified capital investment projects for coming year
 - EES Playground Replacement
 - Hyland Field Replacement

FY21 Budget

- COVID -19 Impact
 - Predicted loss of revenues state and town require reexamination of local budgets
 - Request by Manchester to reduce school budget by \$150,000 results in a \$235,000 reduction when factoring through the assessment

FY21 Budget

- COVID -19 Impact
 - State revenue shortfalls will likely impact traditional state funding for schools (Chapter 70, Transportation, Circuit Breaker), with unknown impact for Federal Grants (Title I, II, IV, IDEA and Early Childhood) and potentially delay implementation of increased funding through Student Opportunity Act
 - Reduction predictions range as high as 10-16%
 - Bill Bell, CFO DESE *“10% is not an unreasonable number to use for planning purposes”*

State & Federal Aid Overview

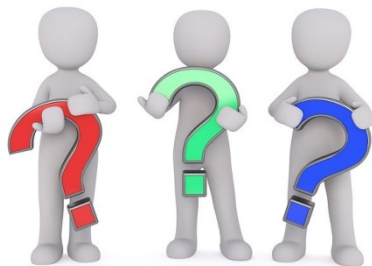
	Initial FY21 Budget	
Chapter 70	\$3,082,013	<ul style="list-style-type: none">• 10% potential State Aid reduction = \$360K• 10% including Federal = \$420K
Transportation	\$230,000	
Circuit Breaker	\$279,000	
State Aid	\$3,591,013	
	FY20 Allocation	
Title I	\$65,694	
Title II	\$23,113	
Title IV	\$10,000	
IDEA	\$375,176	
Early Childhood	\$8,478	
Free/Reduced Lunch	\$78,554 <i>FY19 Actual</i>	
Federal Grants	\$561,015	
Total State/Federal	\$4,152,028	

FY21 Budget

- COVID -19 Impact (continued)
 - State Budget will likely not be ready until late summer
 - Essex/Manchester Town Meetings moved out to end of June
 - Potential for a 1/12th Budget (\$1 million at risk) to begin FY21
 - Potential for Federal Stimulus – CARES Act
 - Assume 80% of Title I allocation to be used through September 22
 - Likely Operational Savings from FY20 Budget
 - Savings = non-recurring reserve funding, setting up FY22 deficit

FY21 Budget

- Options for Resolving Budget
 - Reduce FY21 Budget To Meet Town Request (\$235K)
 - Reduce FY21 Budget To Meet Town Request & projected reduction to State Aid
 - Reduce FY21 Budget Only to address projected reduction to State Aid
 - Make no changes at this time –
 - Consider use of additional reserve funds to address shortfalls



Discussion about path forward.

FY21 Budget

- Potential Areas for Reduction

- Revise Budgeted Health Care (\$120K)
- Defer small capital facility investments or utilize reserves to fund (\$60K)
- Staff Reduction through attrition
 - Hiring Freeze – Replace no positions / all employment groups
 - Internal shifts / reassignment to support current program
- Examine program reduction
- Further reductions to supplies, materials, etc.