



# Budget Update FY22 & FY23

Presentation to School Committee

Updated - September 20, 2022

# FY22 Budget Update

- ▶ General Fund Revenue: +\$235K vs. budget
  - ▶ \$150K excess transportation aid: recommend transfer to Transportation Stabilization to offset FY23 expense (*compares to \$91K transfer in prior year*)
  - ▶ \$53K Medicaid surplus (partly due to higher OOD)
  - ▶ \$36K health insurance reimbursements (from FY21 COVID-suppressed utilization)
  - ▶ \$85K revenue surplus after funding Transportation Stabilization - reduces \$335K E&D use/need to \$250K
- ▶ General Fund Expense: +\$100K vs. budget (0.3%)
  - ▶ In-line with June presentation to School Committee
  - ▶ \$100K savings would reduce E&D use/need further to \$150K (\$185K return/unused)
  - ▶ **Recommend: \$60K transfer to close Food Service Deficit; \$40K to reduce COVID deficit (see next slide)**
- ▶ COVID
  - ▶ **\$240K deficit through FY22**
  - ▶ \$167K additional non CARES expenses pending 2<sup>nd</sup> FEMA reimbursement

Vote to approve  
transfer 9/20/22

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# FY-22 Close - Update for 9/20/22

- ▶ Recommend use of \$100K FY22 General Fund expenditure savings to close \$60K Food Service deficit and reduce COVID deficit by \$40K
- ▶ Auditor recommendation to close COVID expenses to reserves for spending after 12-31-21 (CARES expiration date)
- ▶ Food Service: \$60K carryforward deficit
  - ▶ FY20 - \$75K deficit, in line w/prior years
  - ▶ FY21 - CARES funding brings program to nearly break even (\$5K added to deficit)
  - ▶ FY22 - \$20K surplus due to DESE funding for 'free meal program' expansion. Reduces \$80K carryforward deficit from FY20/FY21 to \$60K.
- ▶ COVID Deficit: \$240K through FY22
  - ▶ Use remaining \$40K from FY22 General Fund expenditure savings (\$100K less \$60K for food service)
  - ▶ \$200K balance - charge to School Choice fund as previously anticipated

Vote to approve

transfer 9/20/22



# FY22 Reserves Update - Revised

- ▶ **School Choice: \$1.29 million est. at year end**
  - ▶ \$116K temp. reduction from OOD costs - reimbursed by sending towns in FY23
  - ▶ \$200K absorption of COVID deficit
- ▶ **Stabilization: \$389K at year end**
  - ▶ \$75K spent in FY22 to close out EES Playground (\$366K total)
  - ▶ \$43K EES tech (\$170K total)
  - ▶ \$45 security equalization (\$23K EES; \$22K MSHS), Phase 1
- ▶ **E&D: \$1.14 million est.**
  - ▶ \$1.58 million FY21 + \$85K FY22 return (revenue surplus only) - \$520K FY23 commitment
- ▶ **Facilities Rental: \$270K**
  - ▶ +23K in FY22 vs. FY21
- ▶ **Total: \$3.09 million estimated FY22 ending balance (10.7% of FY23 budget)**

# FY23 Reserves Needs

## ▶ Stabilization Commitments- **\$235K**

- ▶ \$100K EES Boiler (est.)
- ▶ \$71K Gale contract - turf design
- ▶ \$47K Habeeb FCI contract for EES & MSHS
- ▶ **\$16K Project Adventure equalization at EES**

*Commitments + Phase 2 Security Proposals brings Stabilization balance to \$77K at FY23 year end*

## ▶ **FY23 Security Equalization Proposals (Phase 2) - \$75K**

Priority	School	Security	\$76,500	Notes
1	EES	Cameras	\$12,000	External and internal; align to MMES footprint
1a	District	Panic Buttons	\$5,000	
1a	EES	Alarm	\$12,000	
1a	EES	Door Alert	\$2,500	
2	EES	Rekey Int.	\$20,000	Doors between classrooms, locker room
2	EES	Rekey Ext.	\$10,000	
3	District	Raptor	TBD	<i>Future</i>
3	MSHS	Won Door	\$15,000	<i>Future</i>

Vote to approve spending 9/20-22



# Reserves Outlook

- ▶ **\$2.8 million heading into FY24 available to fund:**
  - ▶ \$800K Hyland Field replacement (updated estimate from Gale)
  - ▶ \$400K Brook Street Field replacement (plug assumption 50% share w/MBTS)
  - ▶ Any near-term findings from Habeeb FCI at EES & MSHS (report due Nov/Dec)
  - ▶ Operating deficit of >\$1 million if FY24 revenue correction does not materialize

# FY23 Update *(no changes)*

- ▶ Revenue
  - ▶ Chapter 70 signed by Governor 7/28/22 - +\$36K vs. MERSD budget
  - ▶ FY22 Circuit Breaker reimbursement (offsets FY23 expense): +\$110K vs. budget due to rising OOD and DESE's new transportation reimbursements
- ▶ Expense:
  - ▶ Staffing: potential for \$100K overage on LT subs needed for leaves
  - ▶ Health Insurance: \$50K savings compared to 10% budgeted rate assumption
  - ▶ OOD/Transportation: \$53K over budget estimates, due to transportation
  - ▶ Utilities: estimated \$150K-200K potential overage due to global spike in rates
- ▶ Full FY23 forecast precedes development of FY24 budget as school year staffing and health insurance enrollment tend to stabilize by October