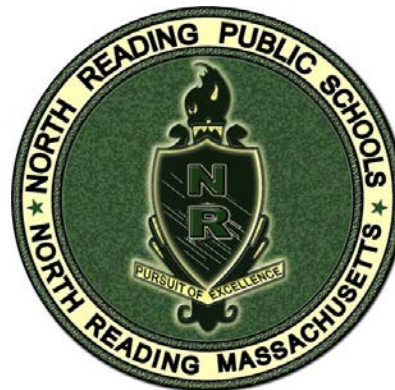
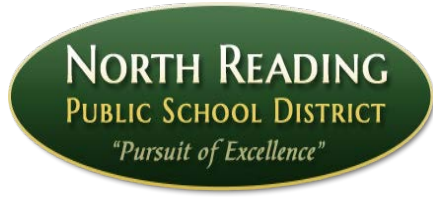


North Reading Public Schools

FY 2021 Preliminary Budget Presentation

March 2, 2020



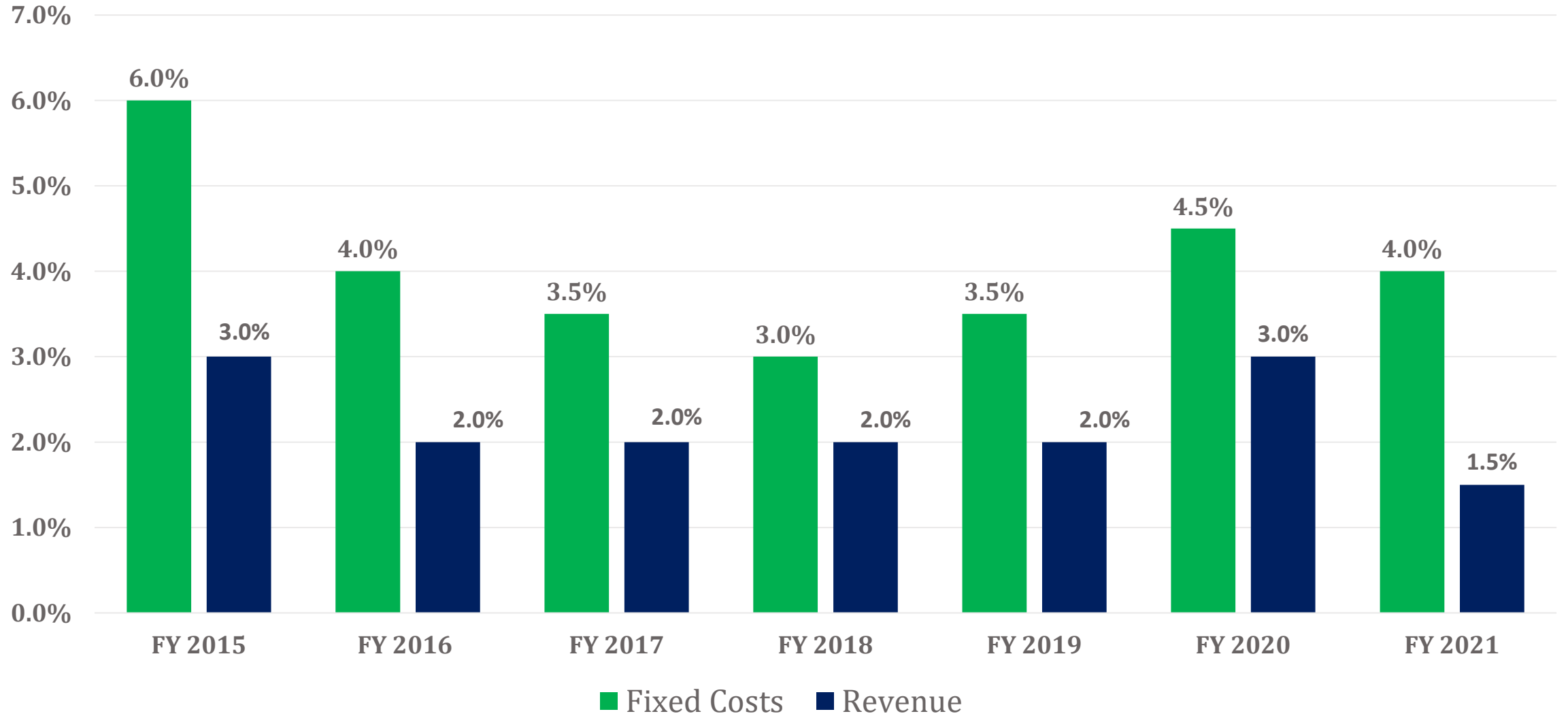


Budget Challenges

- **Flat State Aid**
- **Constrained Local Revenue**
- **Increased Fixed Costs (Health Insurance, County Retirement, Worker's Compensation)**
- **Limited School Revenue Offsets (Grants, Revolving, Circuit Breaker)**
- **Contractual Obligations**

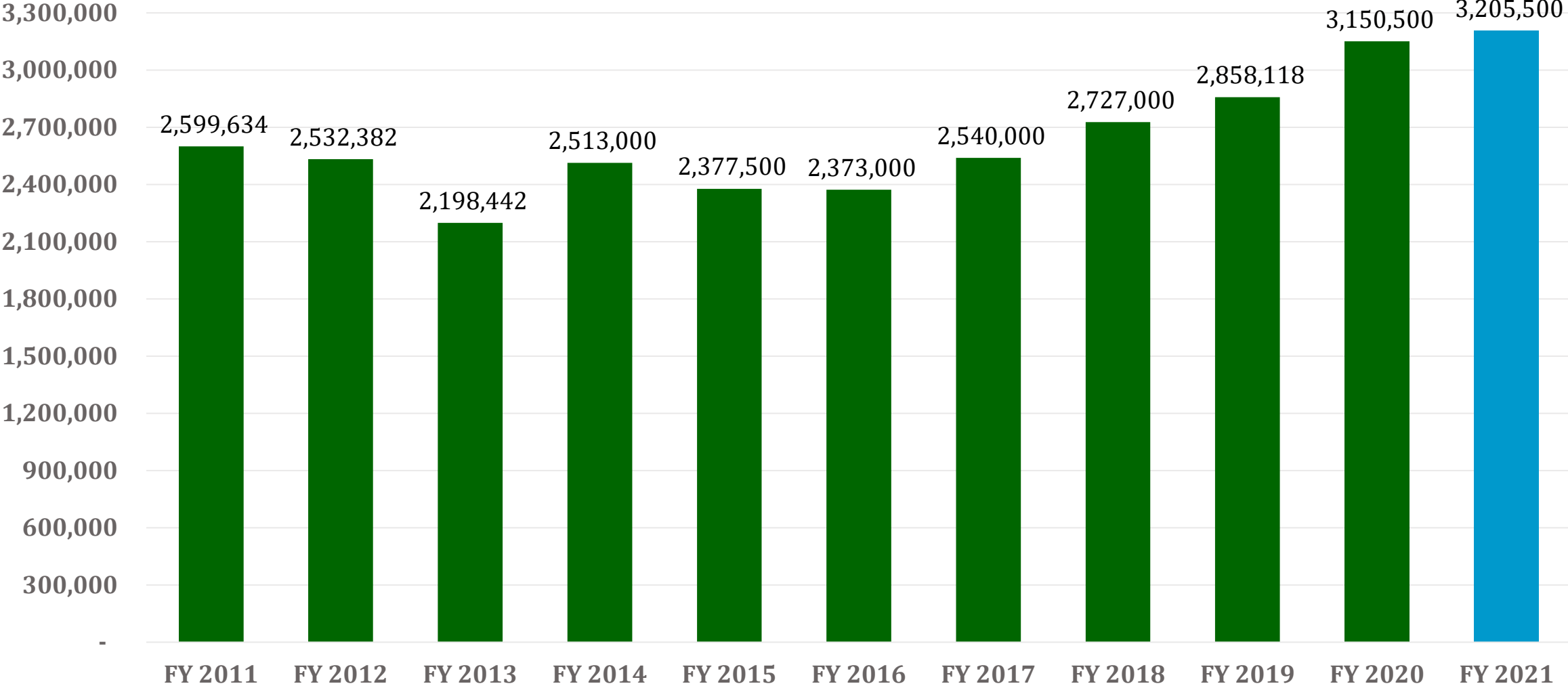


Fixed Costs vs. Revenue Growth



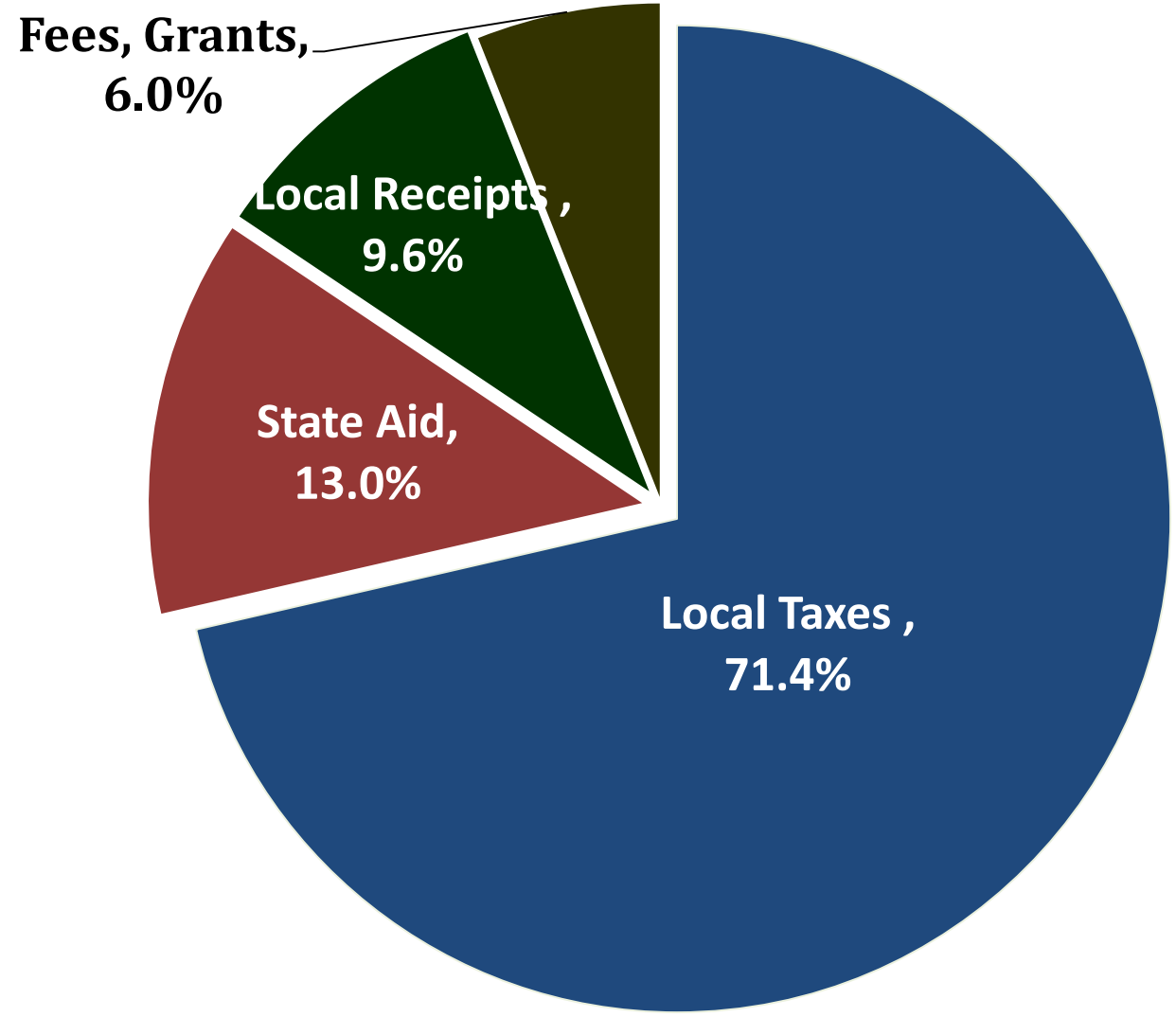


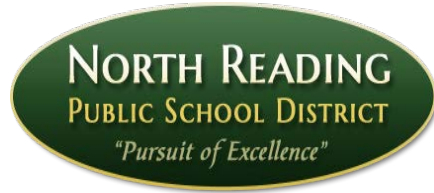
School Revenue Offset History





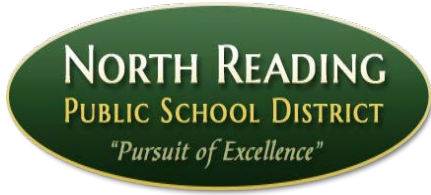
FY 21 Funding Sources for School Budget





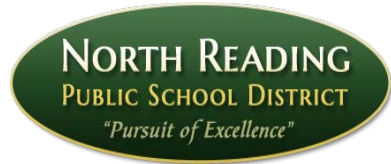
Budget Priorities

- **Strive to maintain the established student teacher ratio guidelines of the School Committee**
- **Implement Year 5 of “NRPS 2021”**
- **Support the buildings and ground needs at all schools**
- **Commit to continued restoration of school and department operating budgets**
- **Develop a school district budget that meets the needs of all students while collaborating with the Finance Planning Team**



Budget Drivers

- **Contractual salary obligations**
- **Enrollment Needs (Elementary Schools)**
- **Year 5 of “NRPS 2021”**
- **Operational costs (building maintenance, busing, utilities, technology)**
- **Special Education Costs**

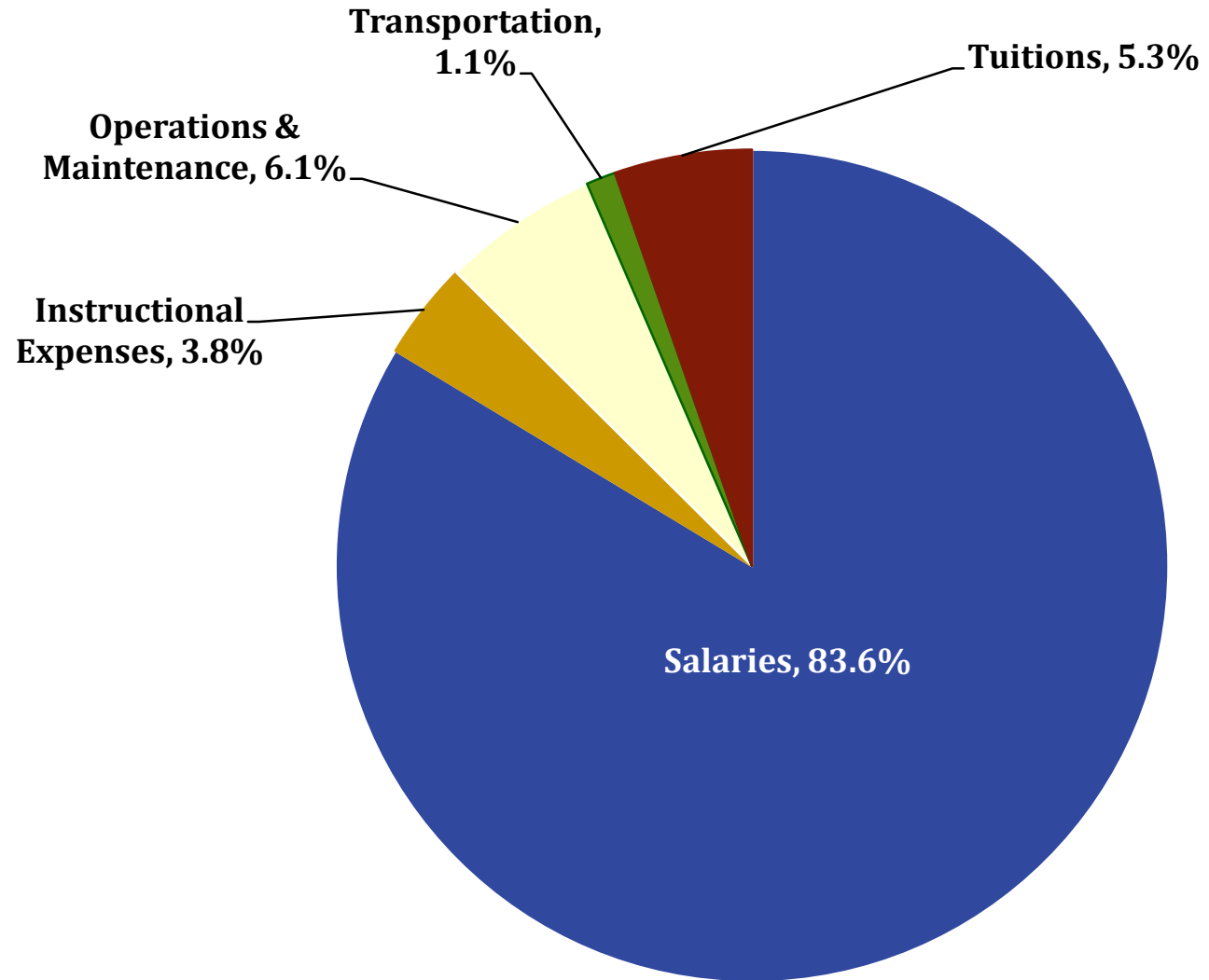


FY 21 Preliminary Budget

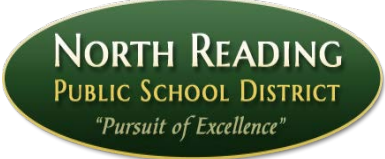
Expense Category	FY 20 Budget	FY 21 Budget	Change	% Increase
Salaries	26,433,390	27,771,180	1,337,790	5.1%
Instructional Expenses	1,113,775	1,260,225	146,450	13.1%
Operations & Maintenance	1,933,575	2,015,925	82,350	4.3%
Transportation	395,000	381,000	-14,000	-3.5%
Tuitions	1,882,033	1,771,200	-110,833	-5.9%
Total	31,757,773	33,199,530	1,441,757	4.5%



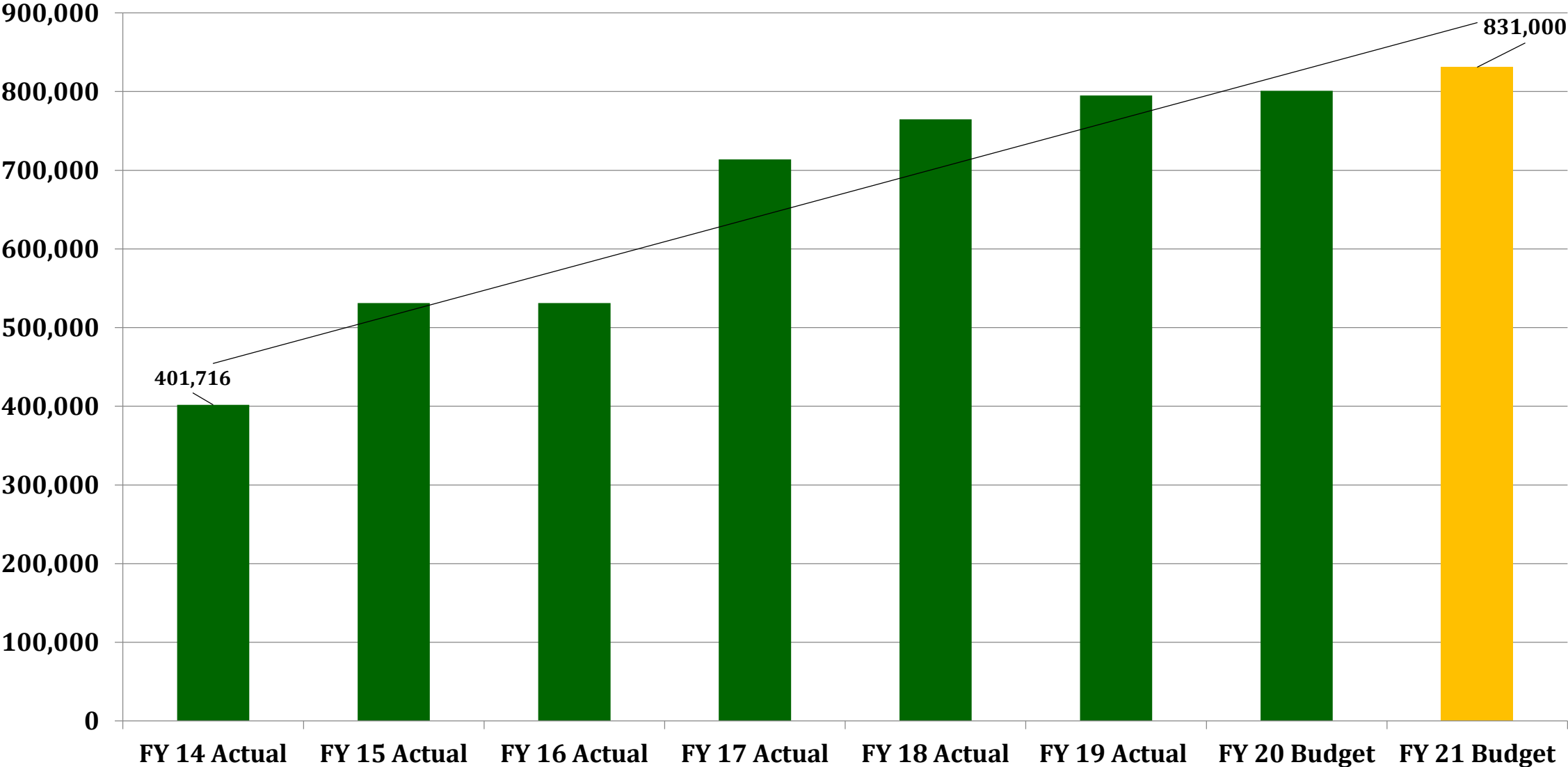
FY 21 Preliminary Budget

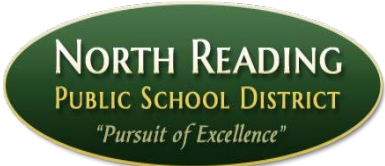


Total Budget Request = \$33,199,530 4.5% Increase

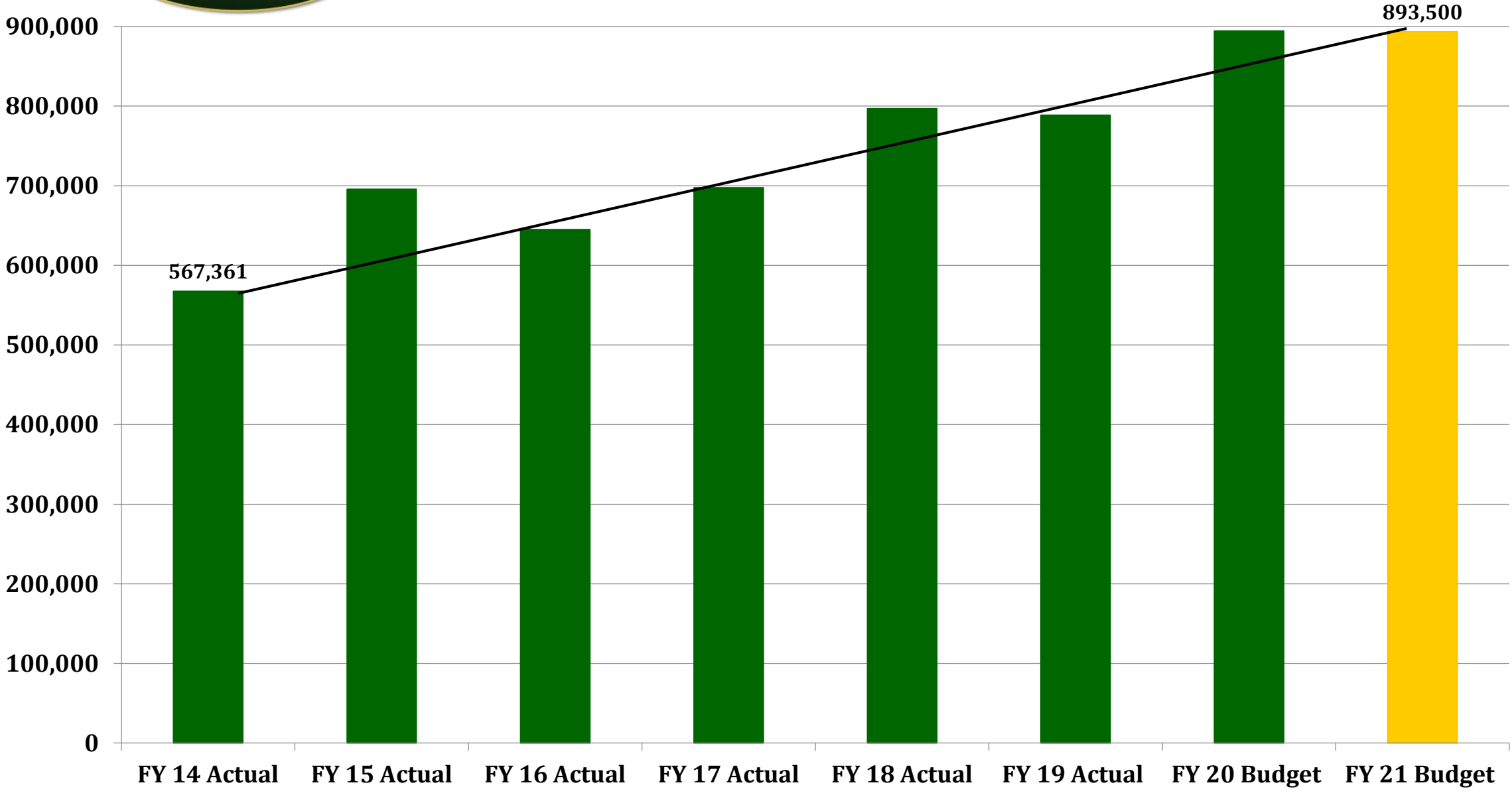


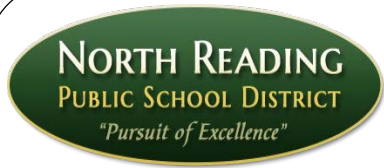
Building Grounds & Maintenance Costs



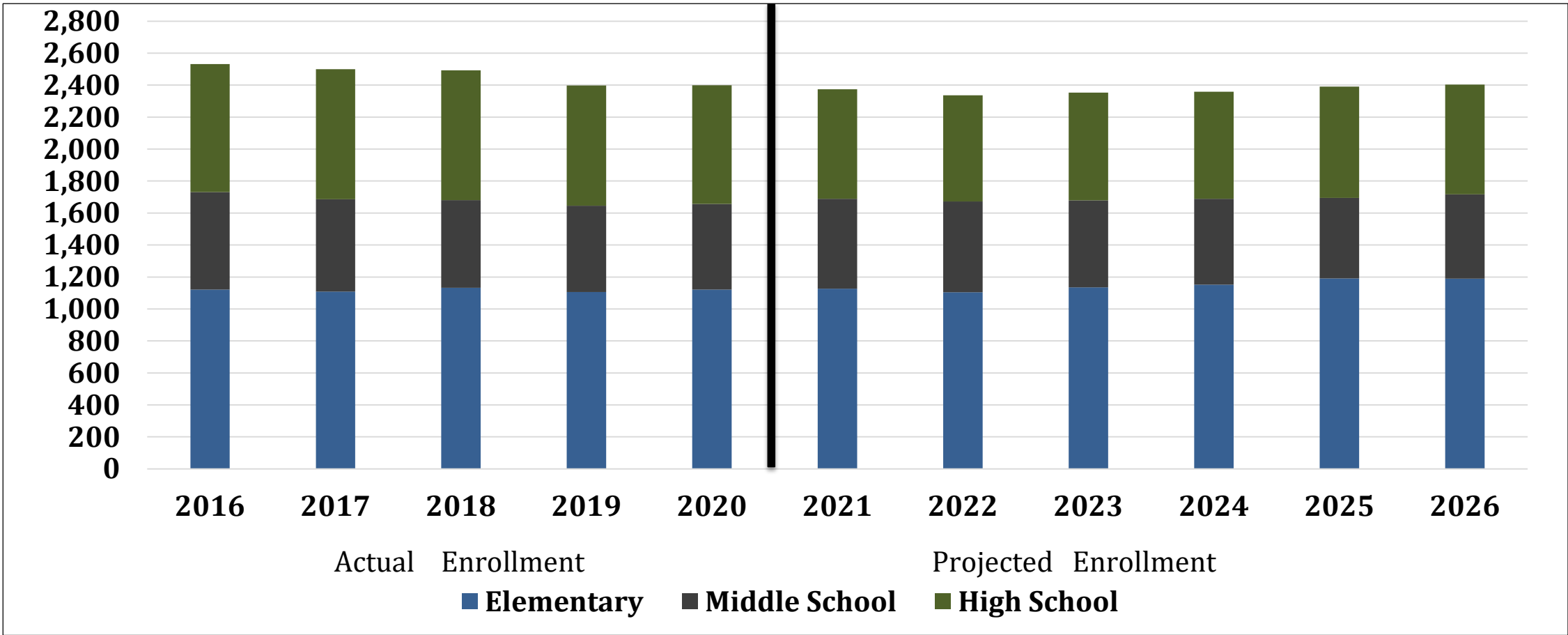


Utility Costs (Gas, Electricity, Water)

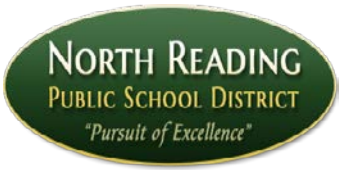




North Reading Enrollment History and Projections



The biggest change in enrollment across the District over the next three years will be at the high school level, where enrollment is anticipated to decline by 68 students. The Elementary enrollment should experience a moderate increase of 20 students, and the Middle School will remain stable averaging about 550 students.



FY 2021 Proposed New Staffing Positions

Strategy	Proposal	School	Cost
Enrollment Need	1.5 FTE Classroom Teachers (Elementary)	Elementary	\$145,209
<i>NRPS: Teaching & Learning</i>	<i>2.0 FTE Academic Teachers</i>	<i>Middle School</i>	<i>\$137,236</i>
<i>NRPS: Teaching & Learning</i>	<i>1.0 Elementary Teaching & Learning Coordinator</i>	<i>Elementary</i>	<i>\$108,109</i>
<i>NRPS: Teaching & Learning</i>	<i>1.0 FTE Reading Specialists</i>	<i>Elementary</i>	<i>\$68,618</i>
Operational Need	1.0 FTE Floater Custodian (OT Savings)	District	\$24,000
Total Increase	6.5 FTE		\$483,172

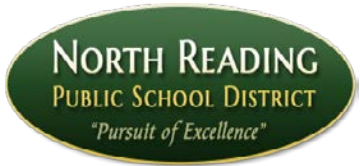
The above are the new positions (NRPS 2021 in italics) reflected in the recommended budget. In Year 5, of the strategic budget vision, the proposal as presented would result in an expenditure of \$313,963, representing an overall increase of 0.90% to the FY 2021 budget request.



Budget Summary

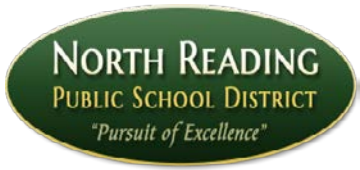
	FY 20	FY 21	Difference
General Fund	\$31,757,773	\$33,199,530	\$1,441,757 4.5%
Grants, Revolving	\$3,150,500	\$3,205,500	\$55,000
Total School Funds	\$34,908,273	\$36,405,030	\$1,496,757

Other Funds Not Included in School Budget (Annual Average)	
School Committee Accepted Donations	\$250,000
PTO In-Kind Gifts / Budgets	\$75,000



FY 2021 Budget Breakdown

Category	Gross	Offsets	Request
Salary	\$28,781,680	\$1,010,500	\$27,771,180
Expenses	\$7,623,350	\$2,195,000	\$5,428,350
TOTAL	\$36,405,030	\$3,205,500	\$33,199,530



Three Budget Proposals

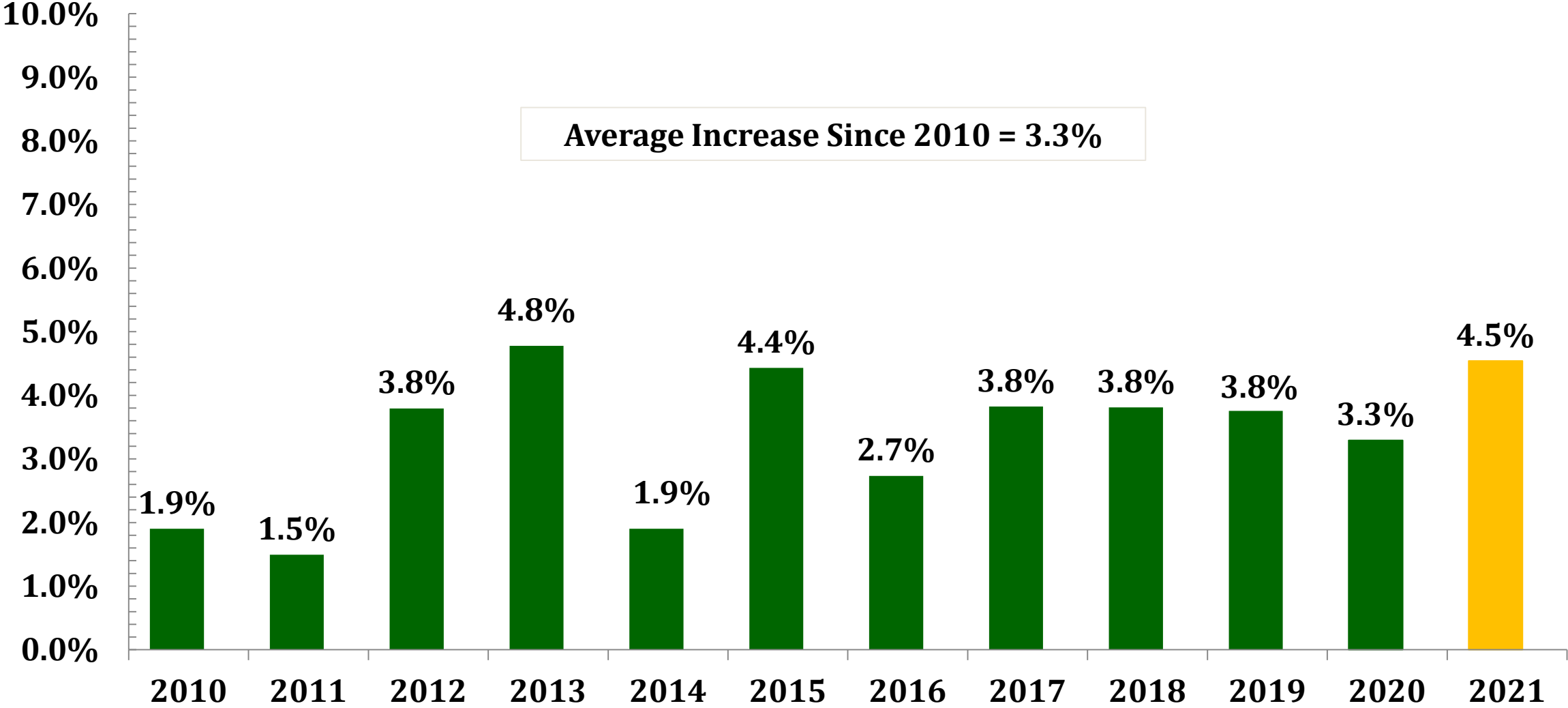
Category	Level Services	Recommended	Full Requested
Salary	\$27,570,453	\$27,771,180	\$28,423,799
Expenses	\$5,368,350	\$5,428,350	\$5,428,350
TOTAL	\$32,938,803	\$33,199,530	\$33,852,149
%	+3.7%	+4.5%	+6.6%

“NRPS 2021” Positions Not Reflected in the Recommended Budget

School /Dept.	NRPS: 2021 Additional Needs	Amount	NRPS 2021 Strategy
District	1.0 FTE Assistant Network Administrator	\$65,000	Technology Integration
6-12 (STEM)	1.0 FTE Secondary Teaching & Learning Coordinator	\$108,109	Teaching & Learning
6-12 (Humanities)	1.0 FTE Secondary Teaching & Learning Coordinator	\$108,109	Teaching & Learning
Elementary	2.0 FTE School Adjustment Counselors	\$137,236	Student Support
District	1.0 FTE Facilities Engineer (Contractual Savings)	\$70,000	Operational Need
Batchelder	0.5 FTE Digital Learning Paraprofessional (Carry Over)	\$14,165	Technology Integration
Total	6.5FTE	\$502,619	

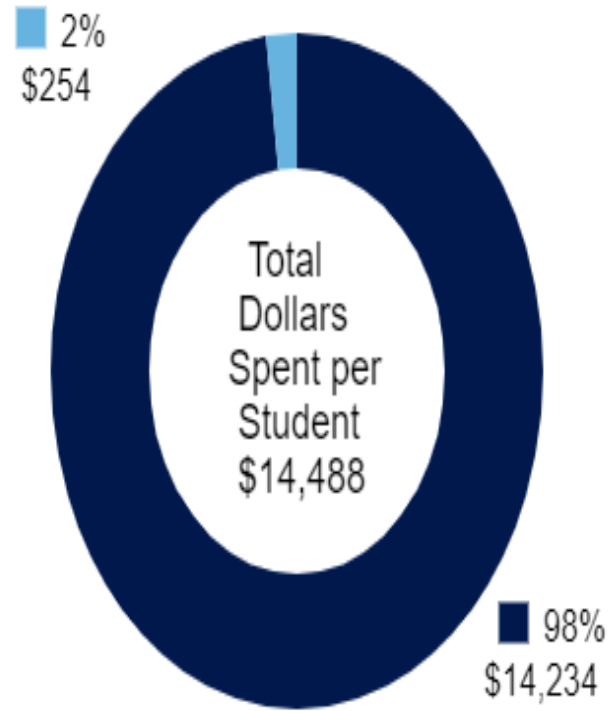


Operating Budget History

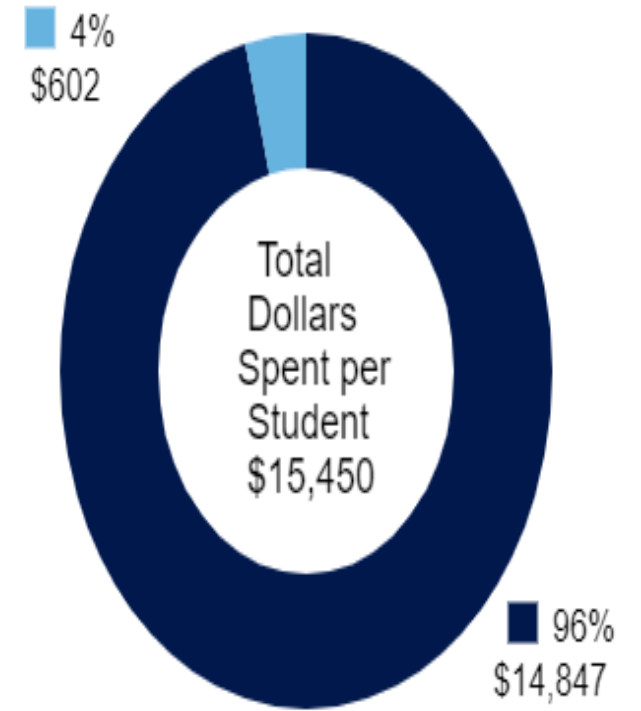




FY 18 Per Pupil Spending vs. State



Our District

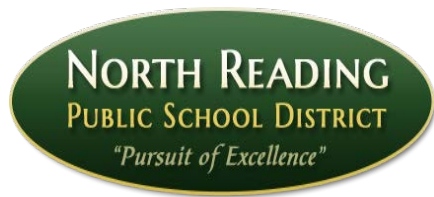


Massachusetts

■ State & Local Funds ■ Federal Funds

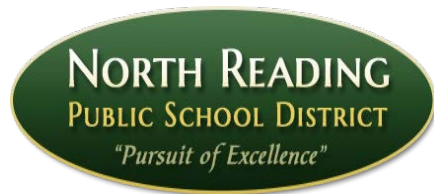
Budget Offsets

Program	FY 21 Direct Cost	User Fee Contribution	Current User Fee
Bus Transportation (Non-Special Education)	\$676,000	\$285,000 (42%)	\$400 Per Pass / \$650 Family Cap
Athletics (Salaries, Coaches, Expenses)	\$717,502	\$300,000 (42%)	\$400 – 1st Sport \$200 – 2nd Sport \$200 – 3rd Sport \$1,300 Family Cap
Extra-Curricular Activities (MS & HS Clubs)	\$106,621	\$70,000 (65%)	\$200 (MS/HS)
Performing Arts (Music, Drama, Theater)	\$54,398	\$15,500 (30%)	\$100 (HS) \$75 (MS) \$60 (Elem)
Kindergarten Program (Teacher, Para. salaries)	\$948,952	\$560,000 (59%)	\$4,250 Full Day
Pre-School Program (Teacher, Para. salaries)	\$324,164	\$140,000 (43%)	\$6,000 Full Day \$3,000 Half Day
Total	\$2,827,637	\$1,370,500 (48%)	



Efforts at Cost Containment

- School Expense Budgets
 - Purchasing from state bid lists
- Utilities – Natural Gas & Electricity
 - Modulating Boilers/Occupancy Schedules /Lighting Controls
 - Gas Rates – Power Options Purchasing Consortium Contract
- Special Education
 - Continued commitment to keep students in our schools through the design of customized programming
 - SEEM Collaborative shared transportation model
 - Memberships with SEEM Collaborative and Northshore Education Consortium
- Food Services Program
 - Significant reduction in program subsidy over last five years
 - Managing production/labor costs and increasing sales district wide
- Constant vigilance with respect to daily operations
- Pursuit of Erate opportunities under the new federal program for category II filing (Technology savings)
- Pursuit of Energy Saving Initiatives – LED Lighting & Solar Options



FY 21 Budget Conclusions

- Includes funds to meet contractual obligations with employees and employee unions
- Includes additional staffing to achieve:
 - To maintain educationally sound student/teacher ratios, particularly at the elementary level.
 - Advancing the academic program at the secondary level with an emphasis on expanding opportunities in foreign language and STEM (science, technology, engineering, and mathematics);
 - Adding administrative support to enhance the curriculum, professional development opportunities, and to address supervision and evaluation needs at the elementary level;
 - Addressing the operational needs of all five schools with a focus on maximizing cleaning, maintenance, and energy consumption efficiencies.
- Continuation of the Districts 1:1 program in grades 7 thru 12;
- Associated operational costs to properly maintain all five schools and surrounding campuses

Financial Risks

- Potential for additional outside placements
- Revenue estimates may not meet projections
- Estimated teacher attrition savings may not be realized
- Utility costs remain variable
- FY 20 carry over assumptions may not be realized
- Snow and Ice budget remains uncertain
- Unforeseen building maintenance needs have been increasing especially at the elementary school buildings
- Food Service program performance can be difficult to predict

Next Steps

1. Ongoing discussions with Finance Planning Team about available revenues.
2. Budget Webinar March 27th 12:00 p.m. to 1:00 p.m.
3. School Committee Budget Workshop on April 1st (3:00 p.m.)
4. Public Hearing on April 13th
5. School Committee Budget Workshop # 2 April 29th (If necessary 3:00 p.m.)
6. School Committee vote on May 4th
7. Present budget to Finance Committee May 6th
8. Town Meeting on June 8th
9. Await state budget actions
10. Discussion

