

North Reading Public Schools

FY 21 SCHOOL BUDGET UPDATE

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TOPICS

- FY 21 Budget Calendar
- State Budget Update –Student Opportunities Act
- Chapter 70 Program – North Reading
- Preliminary Budget Challenges
- Access to Key Budget Information



FY 21 BUDGET CALENDAR

Date	Budget Event
Monday, March 2, 2020	Present preliminary budget to School Committee
Friday, March 27, 2020	FY 21 School Budget Webinar (12:00 p.m.)
Wednesday, April 1, 2020	FY 21 Budget Workshop # 1
Monday, April 13, 2020	Public Hearing on FY 21 budget (6:30 p.m. DLL)
Monday, April 29, 2020	FY 21 Budget Workshop # 2 (If necessary)
Monday, May 4, 2020	School Committee votes recommended budget
Wednesday, May 6, 2020	Present recommended budget to Finance Committee
Monday, May 11, 2020	Select board vote town meeting warrant
Monday, June 8, 2020	Town Meeting votes budget



STATE BUDGET OUTLOOK

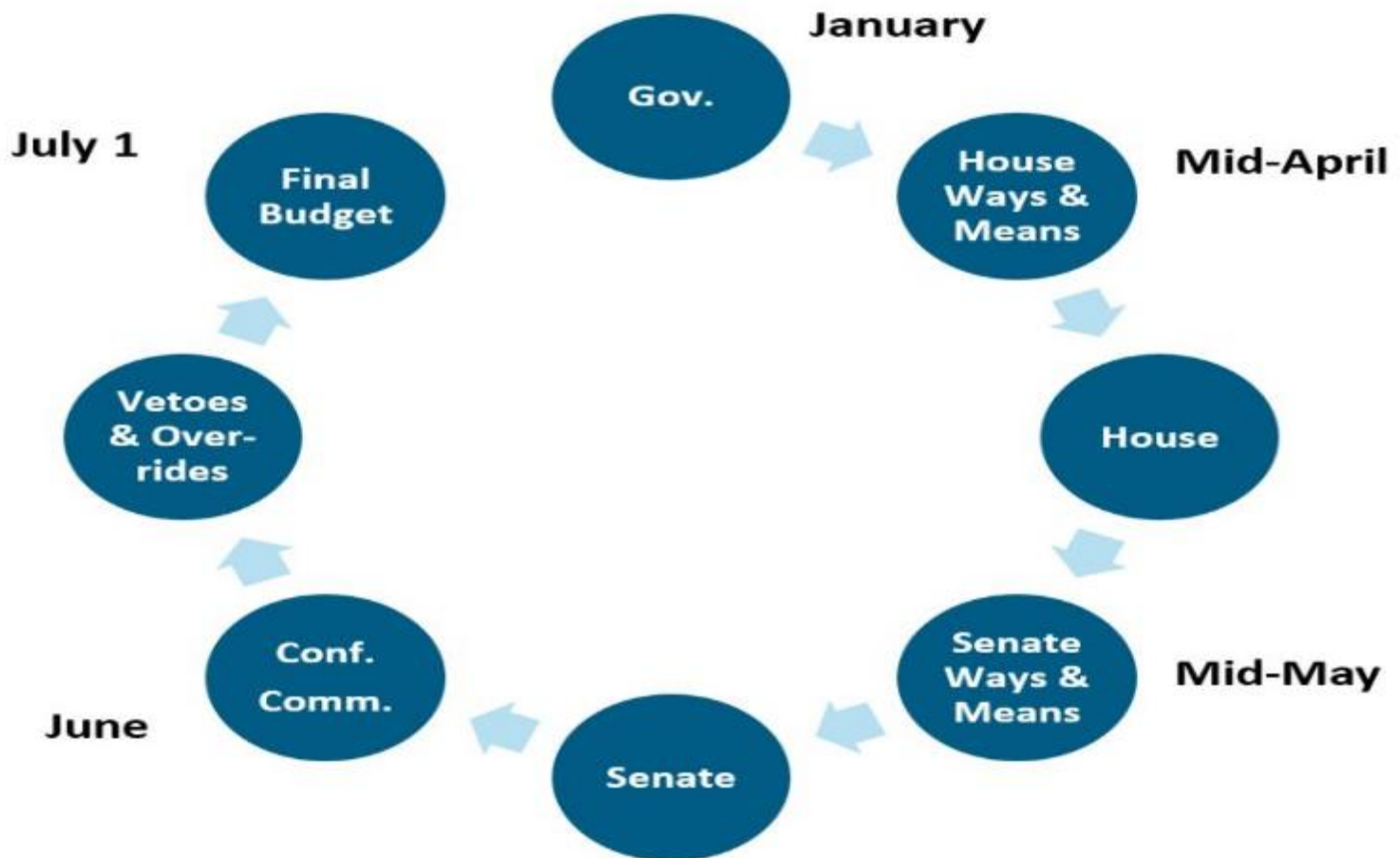
STUDENT OPPORTUNITIES ACT

- State Budget was released Wednesday, January 22nd
- Fully funds the first year of the SOA Initiative to increase Educational funding by 1.5 billion over a 7 year period;
- Increase Chapter 70 aid by 303.5 million;
- Increase special education circuit breaker program by 17.3 million;
- Increase in charter school reimbursement program by 23.2 million or 17.8%;
- Adds 10 million for a New 21st Century Education Trust fund which will supplement funds for targeted assistance to close achievement gaps in low-performing schools;
- Next Steps is for the budget to move on to House then to the Senate then to Conference Committee and is not officially approved until Mid to late June.

For more information on the FY 21 State budget click here:
<https://budget.digital.mass.gov/bb/h1/fy21h1/index.html>

STATE BUDGET PROCESS

The state budget process



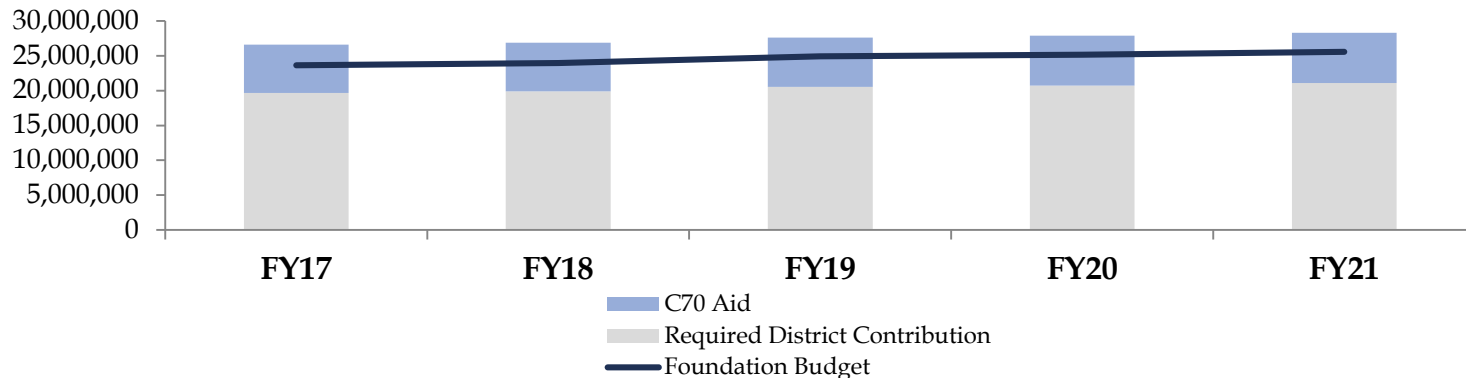


CHAPTER 70 PROGRAM

Comparison to FY20

	FY20	FY21	Change
Enrollment	2,347	2,320	-27
Foundation budget	25,154,643	25,577,033	422,389
Required district contribution	20,752,580	21,101,052	348,472
Chapter 70 aid	7,153,937	7,223,537	69,600
Required net school spending (NSS)	27,906,517	28,324,589	418,072
Target aid share	17.50%	17.50%	
C70 % of foundation	28.44%	28.24%	
Required NSS % of foundation	110.94%	110.74%	

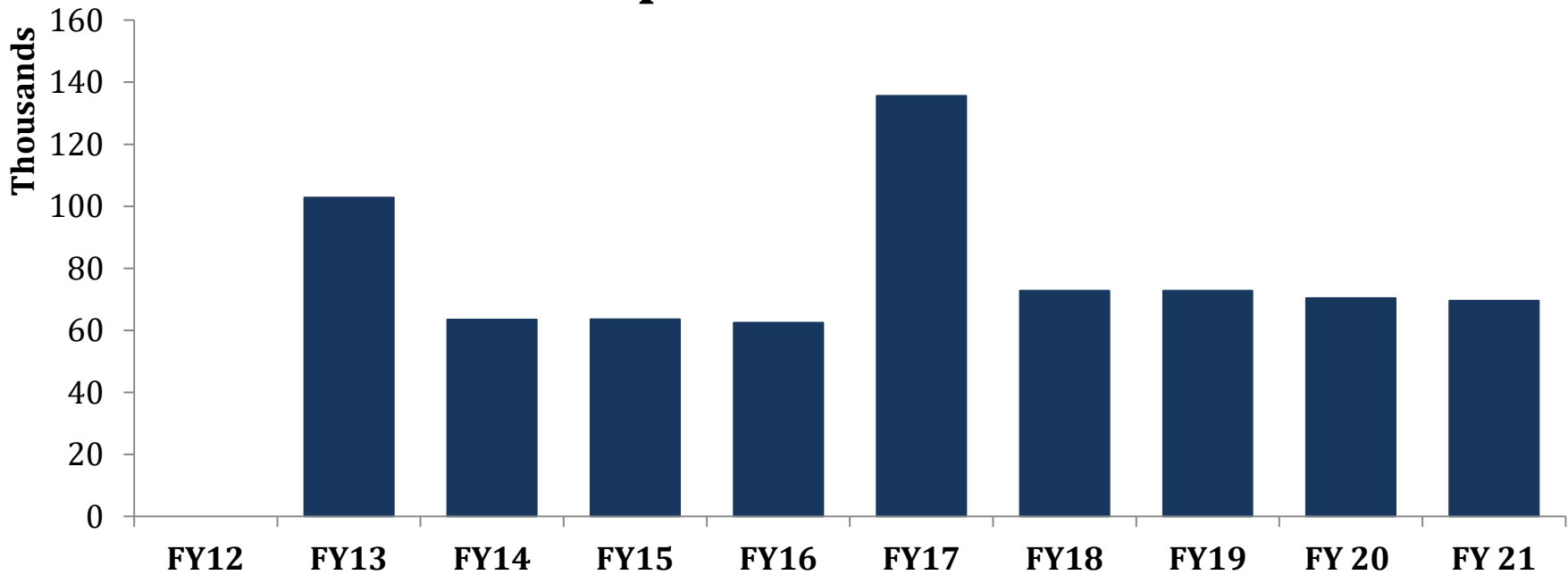
Five Year Trend





CHAPTER 70 PROGRAM

Chapter 70 Aid Increases



Foundation Aid Increase

Down Payment Aid

Growth Aid

Target Aid Phase-In

Minimum Aid

Non-Op Reduction in Aid

Chapter 70 Aid Reduction

Low Income Hold Harmless

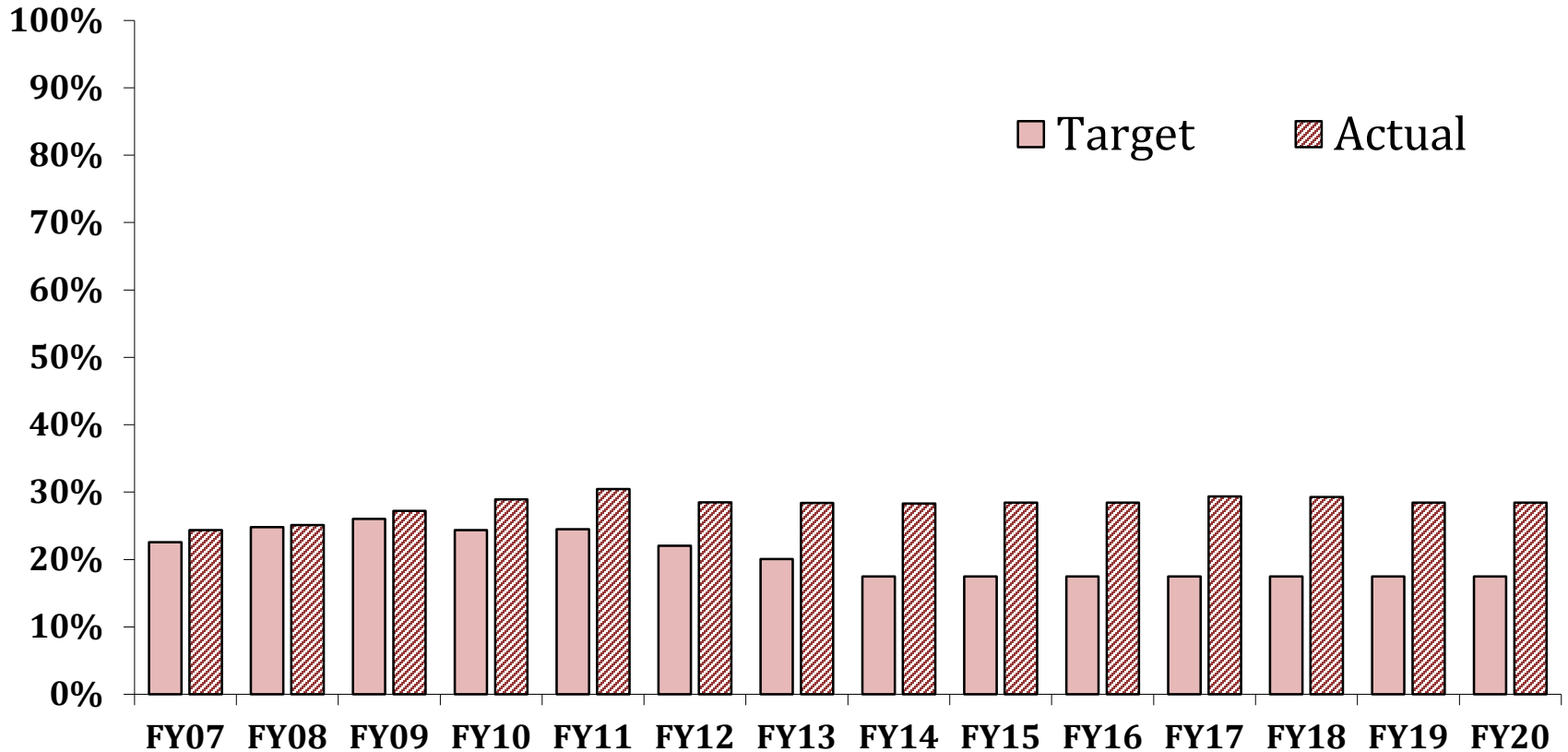
SFSF Grant

Education Jobs Grant



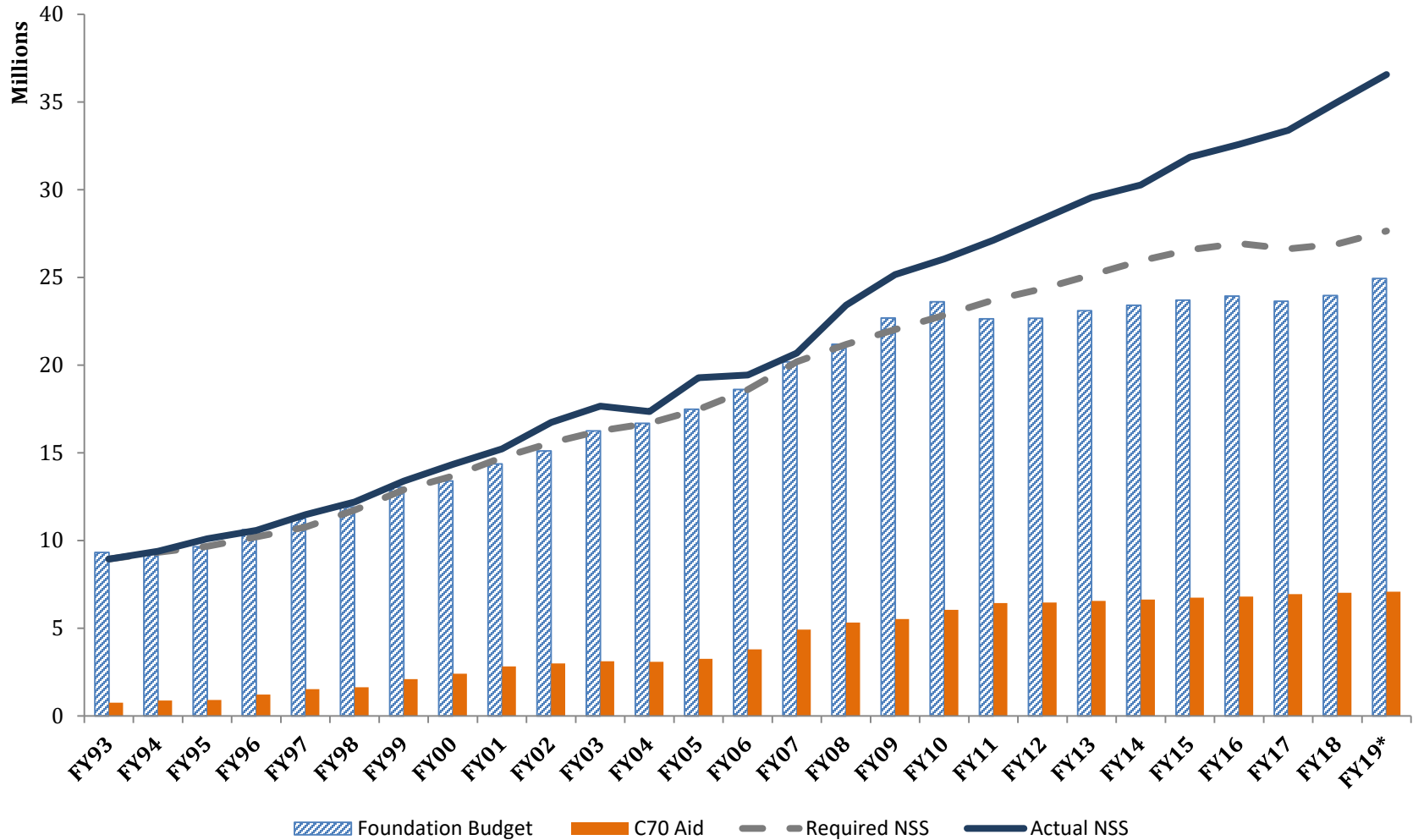
CHAPTER 70 PROGRAM

Target and Actual Aid Percentages





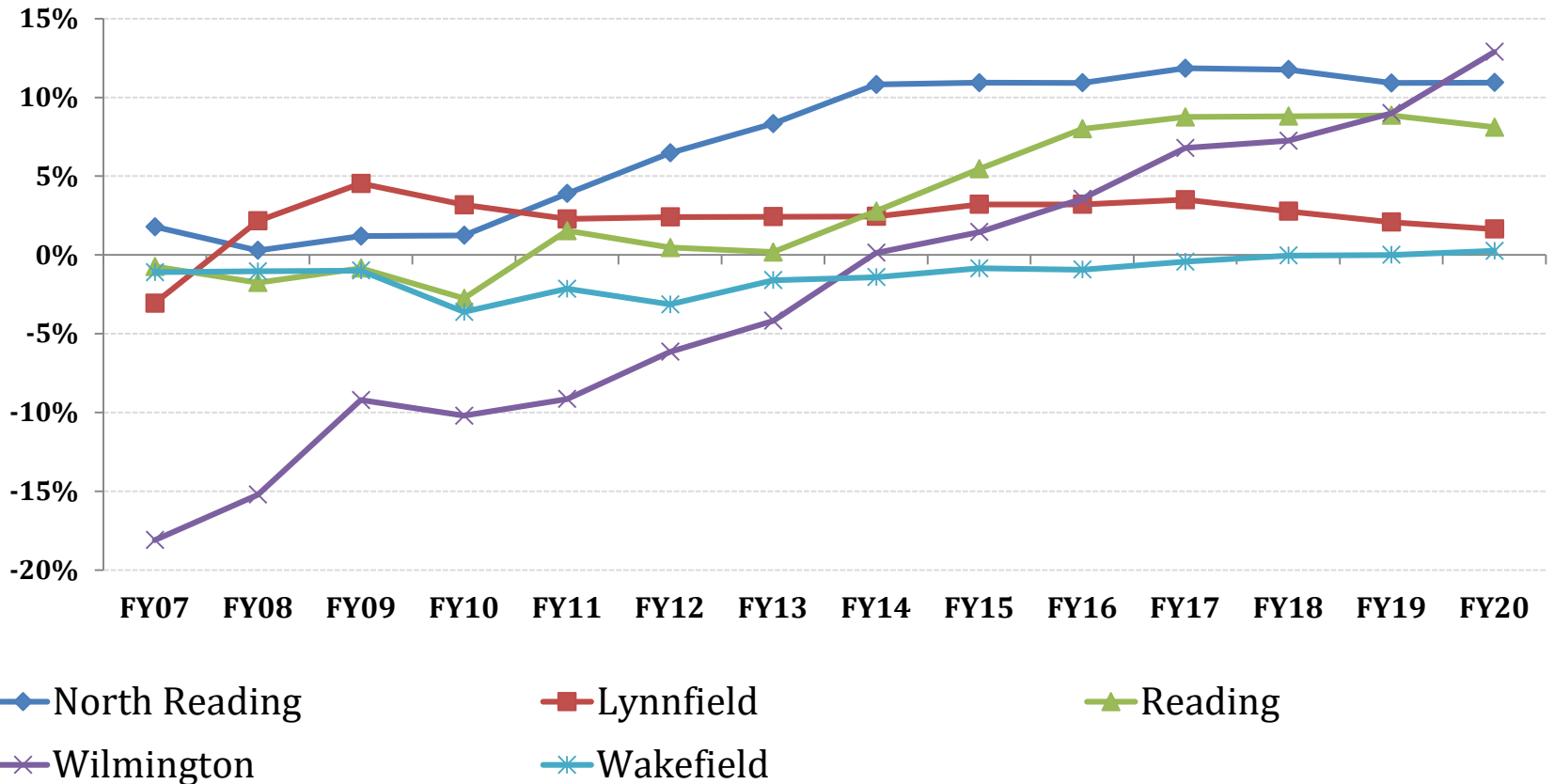
CHAPTER 70 PROGRAM





CHAPTER 70 PROGRAM

Distance from Target Aid Share





PRELIMINARY FUNDING CHALLENGES

- Significant preliminary budget gap exists which is mainly contributed to local revenue sources (taxes, state aid, local receipts) not increasing at the same pace as fixed costs (medicare, health insurance, general liability insurance, retirement costs, regional school assessment costs)
- Structural problem exists when attempting to fund school and municipal budgets
 - Property taxes capped at 2.5%
 - Other sources are relatively flat (State Aide, Local Receipts)
 - Health care costs increasing between ~4-8%/year
 - Other fixed costs increasing between ~ 4-7% /year



KEY LINKS FOR BUDGET INFORMATION

District website Budget Calendar: https://www.north-reading.k12.ma.us/system/files/uploads/fy_21_prelim_budget_development_calendar.pdf

District website Budget Link: <http://www.north-reading.k12.ma.us/budget>

District Five Year Capital Plan: https://www.north-reading.k12.ma.us/sites/northreadingps/files/pages/fy_21_prelim_north_reading_five_year_capital_plan.pdf

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