



*January 14, 2021*



# THE FINANCE EDUCATORS

Dr. Anna Nolin, 25 years in MA, serving 4 districts, 17 yrs. in Natick

- Adjunct Professor, Framingham State in Instructional Technology,
- Adjunct Professor Boston College Master's Program, Instructional Leadership, Principal Training
- Adjunct Professor Boston College Superintendent Doctoral Program, Leading Strong Teams/Organizational Dynamics

Dr. Peter Gray, 36 years School Finance, in 11 districts in MA and ME, 5 yrs. in Natick

- Adjunct Faculty Wentworth Institute of Technology, Leadership, Organizational Behavior and Accounting
- DESE Panel Review Member for new finance administrator candidate license and portfolios

***Our primary goal is to advocate for the needs of students so all students can achieve at high levels through high-quality instruction.***



# PRESENTATION OBJECTIVES

## Overview

- the current landscape for school management and resources
- FY22 Proposed Budget at this time prior to all factors being in focus

## Describe

- budget drivers impacting school finances with a historical and current analysis
- how the school system has tried to add outside appropriations and creative management to withstand the financial impact of these drivers
- impact of yearly structural deficit on staffing and salaries (which may be true for town departments, too).

## Celebrate

- our current work with the town finance department and the collective willingness to solve this budget deficit.



# YOUR SCHOOL DISTRICT

- Consistently in top 20 in local district rankings (Tri-County) and top 50 in National district rankings
- Almost all of our students are matriculating to competitive colleges (95.09%) and landing jobs (17 or 3.97%) and placement in military (2 students or .2%)
- 2 students went on in our vocational training ACHIEVE program for students 18-22
- 3 students (.3%) took a year at a prep school

[Total List and details for 2020 graduates](#)





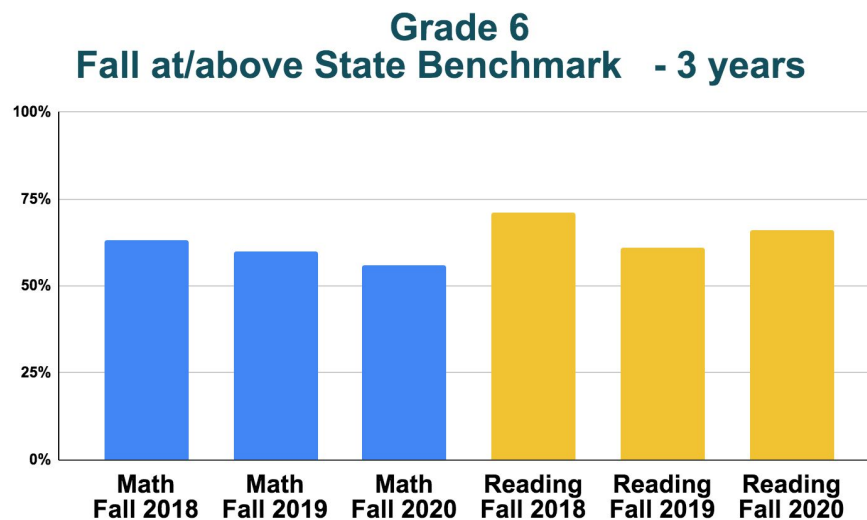
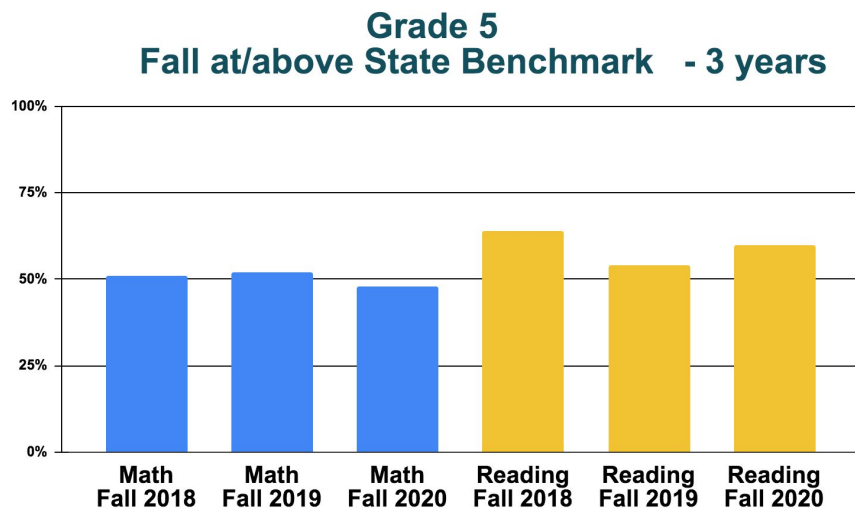
# YOUR RESILIENT AND PREPARED SCHOOLS

Natick's Investment in Schools has allowed:

- Adequate technology and infrastructure to adapt to remote learning school closure
- Instructional expertise to adapt to teaching online and creating more school engagement and attendance during a difficult time in our world
- Capital investment in our air flow systems to adapt to hospital grade expectations for public safety
- Social work and instructional support staff to reduce abuse and neglect during closure or now in hybrid learning

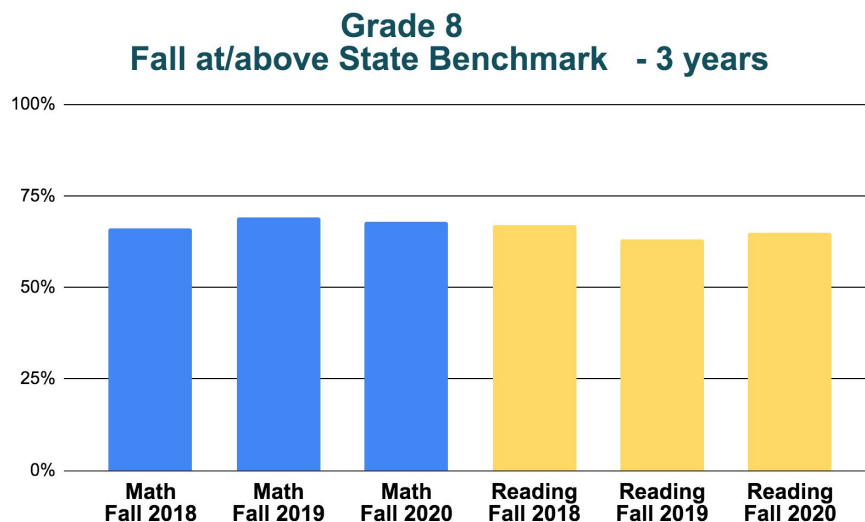
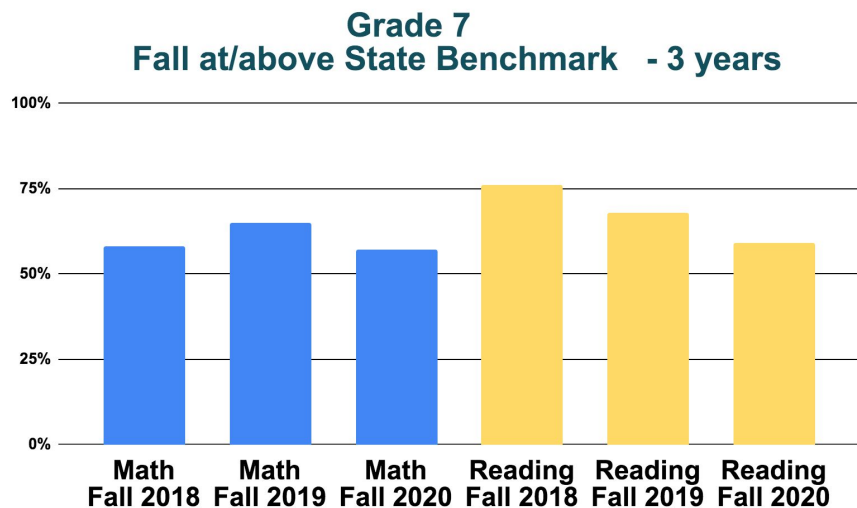


# READING AND MATH DATA: IMPACT OF CLOSURE





# READING AND MATH DATA: IMPACT OF CLOSURE



# MAIN MISSION



## COMMUNICATION

Students articulate thoughts and ideas effectively using oral, written, and nonverbal communication skills in a variety of forms and contexts



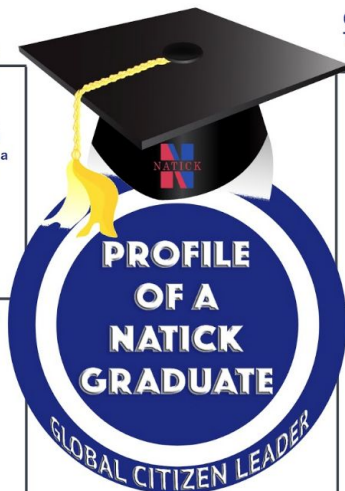
## COLLABORATION

Students demonstrate the ability to work effectively and respectfully with diverse teams



## EMPATHY

Students demonstrate understanding of others' perspectives and needs and listen with an open mind to understand others' situations



## CREATIVITY, CRITICAL THINKING, & PROBLEM SOLVING

Students collect, assess, and analyze relevant information, reason effectively, use systems thinking, and make sound judgments and decisions.



## RESILIENCE

Students persist to accomplish difficult tasks and to overcome academic and personal barriers to meet goals.










## INITIATIVE & SELF-DIRECTION

Students set goals with tangible and intangible success criteria, while balancing tactical (short-term) and strategic (long-term) goals



# STUDENT OUTCOMES

## CIVIC DISPOSITIONS

	<b>Commitment to Social Justice</b> Promotion of and respect for the rights of others to have an equal voice in government and to be treated equally and fairly.
	<b>Individual Responsibility</b> Involvement in one's community through active participation, accepting the consequences of one's actions, and an effort to stay informed.
	<b>Promotion of the Common Good</b> Support of beliefs, efforts and actions that benefit the community.
	<b>Open-Mindedness</b> Willingness to consider the perspectives of others and respect differences.
	<b>Critical-Mindedness</b> Ability to ask probing questions, evaluate positions (including one's own), and consider possible actions.
	<b>Compassion &amp; Empathy</b> Care and concern for the well-being of others.
	<b>Negotiation &amp; Compromise</b> Ability to share ideas and work together to solve problems and reach agreements.

**(THE STRATEGIC PLAN +  
MANDATES+ENROLLMENT) EMERGENCY =**

**OUR BUDGET DEVELOPMENT**

# THE STRATEGIC PLAN

**Goal 1:** *Excel in academic achievement, and Profile of a Natick Graduate (POG) competencies for all groups and sub groups of students.*

**Goal 2:** *Develop a systematic, developmentally appropriate social-emotional learning (SEL) and healthy living framework for student learning and parent engagement and partnership.*

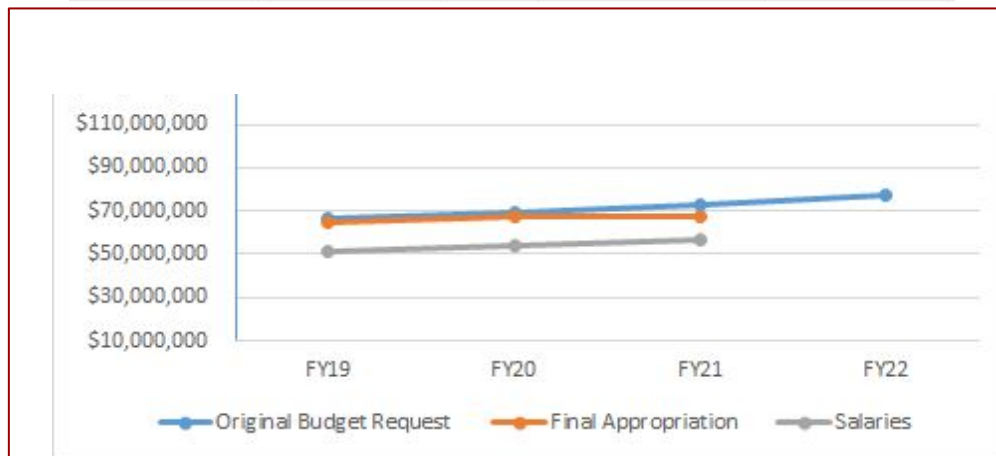
**Goal 3:***Excel in strategic planning and financial management.*

**Goal 4:** *Establish communication procedures and philosophy that build trust, transparency and engagement with our community.*



# HISTORICAL BUDGETS AND ACTUALS

	Original Budget Request	Final Appropriation	Salaries
FY19	\$ 66,149,117	\$ 64,952,439	\$ 51,399,596
FY20	\$ 68,834,209	\$ 67,810,345	\$ 53,717,447
FY21	\$ 72,842,760	\$ 67,097,246	\$ 56,761,974
FY22	\$ 77,418,227		





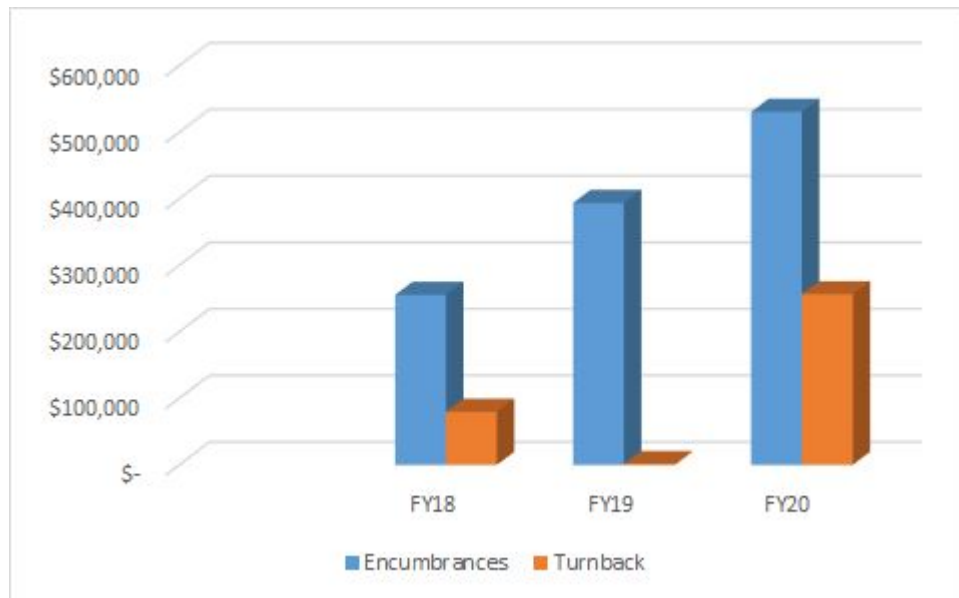
# NPS TURN BACK HISTORY - FY18-FY20

## Natick Public Schools Encumbrances/Turnbacks FY18-FY20

### Encumbrances Turnback

FY18	\$255,581	\$79,937
FY19	\$393,858	\$1,398
FY20	\$530,678	\$256,536

Note: Encumbrances are established for anticipated invoices received after the close of the fiscal year. The majority of these encumbrances relate to utilities, out of district tuitions and large monthly invoices. **Any remaining balance is returned to free cash after another fiscal year is completed.** Town reports do not discern whether town or school has contributed this turnback of encumbrances.

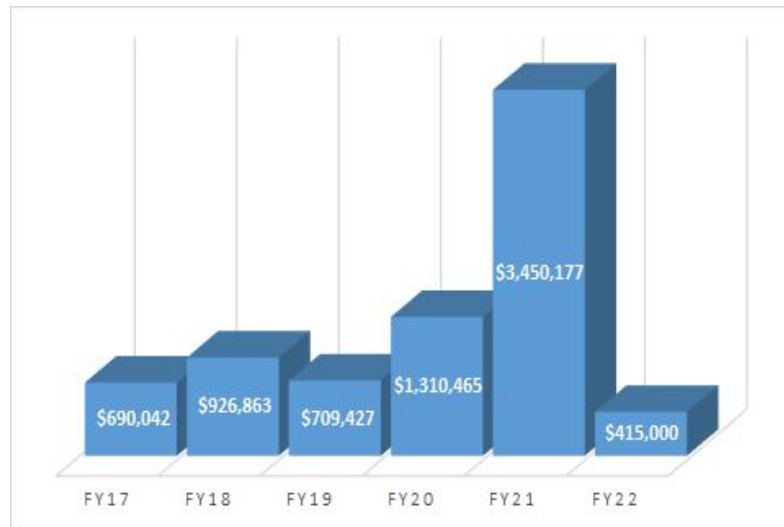






## ADDITIONAL OFFSETS OUTSIDE OF APPROPRIATION

	FY17	FY18	FY19	FY20	FY21	FY22
School Choice	\$ 385,089	\$ 420,863	\$ 309,427	\$ 230,468	\$ 204,468	\$ 200,000
Additional Circuit Breaker	\$ -	\$ 185,000	\$ 70,000	\$ 300,000	\$ 712,000	\$ -
Bus Fees	\$ 304,953	\$ 321,000	\$ 330,000	\$ 430,000	\$ 430,000	\$ 215,000
Instrumental Music				\$ 100,000		
Technology				\$ 179,997		
ASAP					\$ 200,000	
Prepaid OOD SPED					\$ 1,903,709	
Parking Fees - NHS				\$ 70,000		
Totals	\$ 690,042	\$ 926,863	\$ 709,427	\$ 1,310,465	\$ 3,450,177	\$ 415,000





# HISTORICAL BUDGET IMPACTS

## 2004-2013

Impact Time	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
student enrollment increases	4,604	4,577	4,620	4,567	4,648	4,727	4,734	4,825	4,947
Financial shift/emergencies/un anticipated	first year of new WMS impact					NHS begun	NHS opens	First year of full NHS utilities	ADA compliance bleachers
DESE Audit Requirements	ELA grade 3, 5, 7; Supplement to MA		New HS standards SpEd Program Review		K standards			Math Update	Kindergarten Teaching Strategies Gold
Internal Audit Findings	ELA	Math	World language	STEM	Reading	Reading		Math	



# HISTORICAL BUDGET IMPACTS

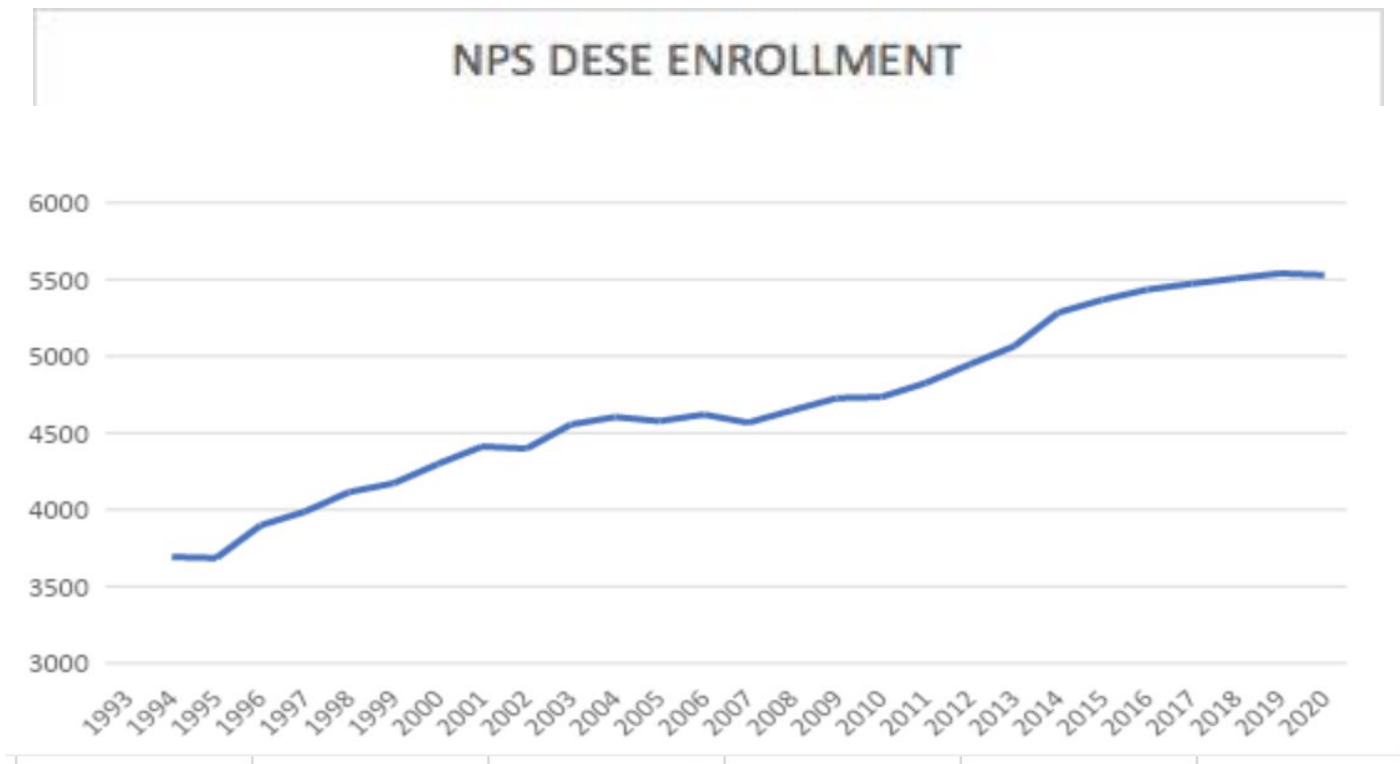
## 2013-2021

Impact Time	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
student enrollment increases	5,065	5,285	5,368	5,434	5,472	5,507	5,540	5,529
Financial shifts/emergencies /unanticipated			Nursing and Guidance Ratios, PACE Mental Health grant discontinued, added to operating	"Hey NHS Where are You" grant discontinued, added to operating Mental Health Need Spikes,Nursing and Guidance Ratios	legal challenges SpEd Federal and other personnel , ELL Regulation Change to add 4-year monitor, Nursing Ratios/Visits	1st amendment case/ METCO settlement, SpEd 1st Circuit, ELL Population Increase & PrK Screening, MV Grant Shift	Medicaid Shift, Reduction in Title I, SpEd Supreme Court, SpEd Federal	COVID, Reduced transportation revenue, increased staffing, energy needs KMS Opens
DESE Audit Requirements	revised ELA curric ELL Inst. Hours SpEd Staffing		SpEd Mid-Cycle Review-IEP Facilitation	Revision to ELA Curric; Added Comp Sci Curric,	Civics Standards, STEM overhaul	STEM overhaul ELL Audit-Staffing Sp/Ed Review	Social Studies (delayed by COVID)	Disproportionate racial imbalance: SPED
Internal Audit Findings	Health Curriculum revision						World Language, Literacy	Proposed Math, Literacy,



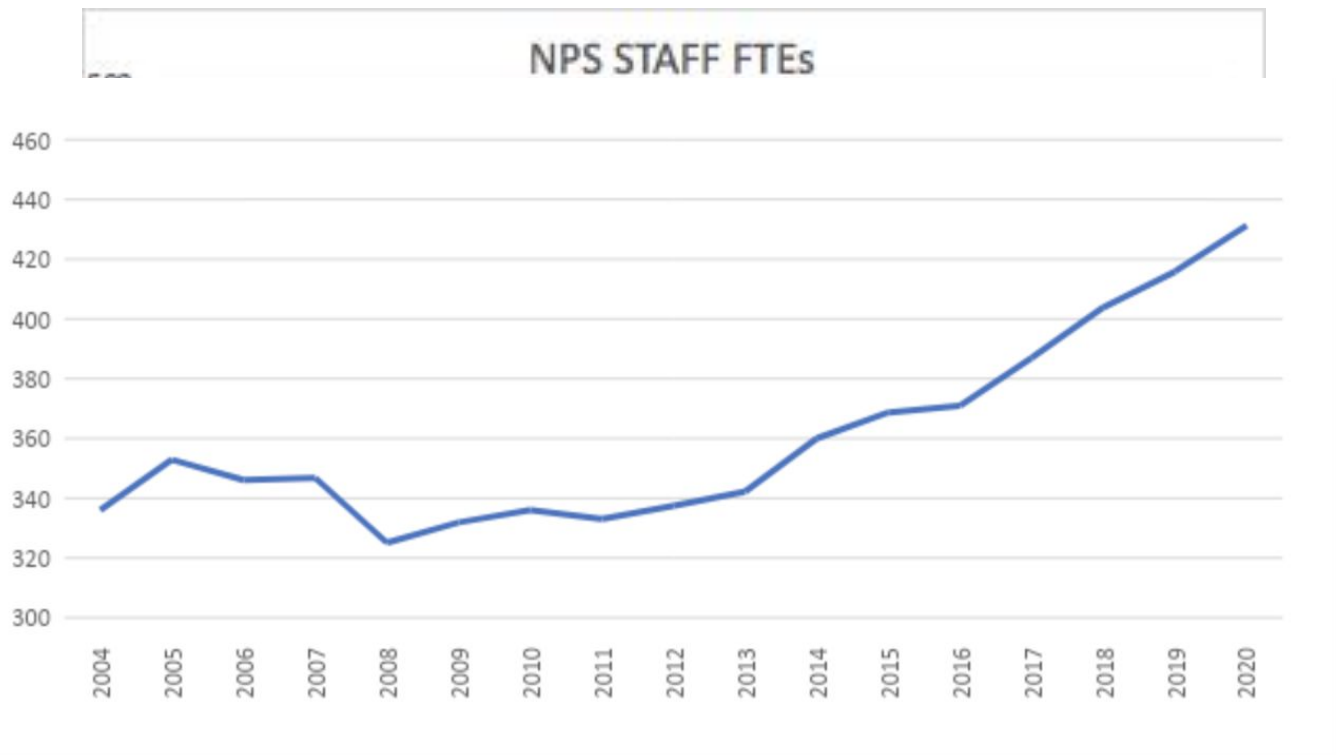
# RELEVANT DATA ON ENROLLMENT, SALARIES, STAFF AND STUDENT TO TEACHER RATIOS

Note: for blank years, there is no available DESE data.



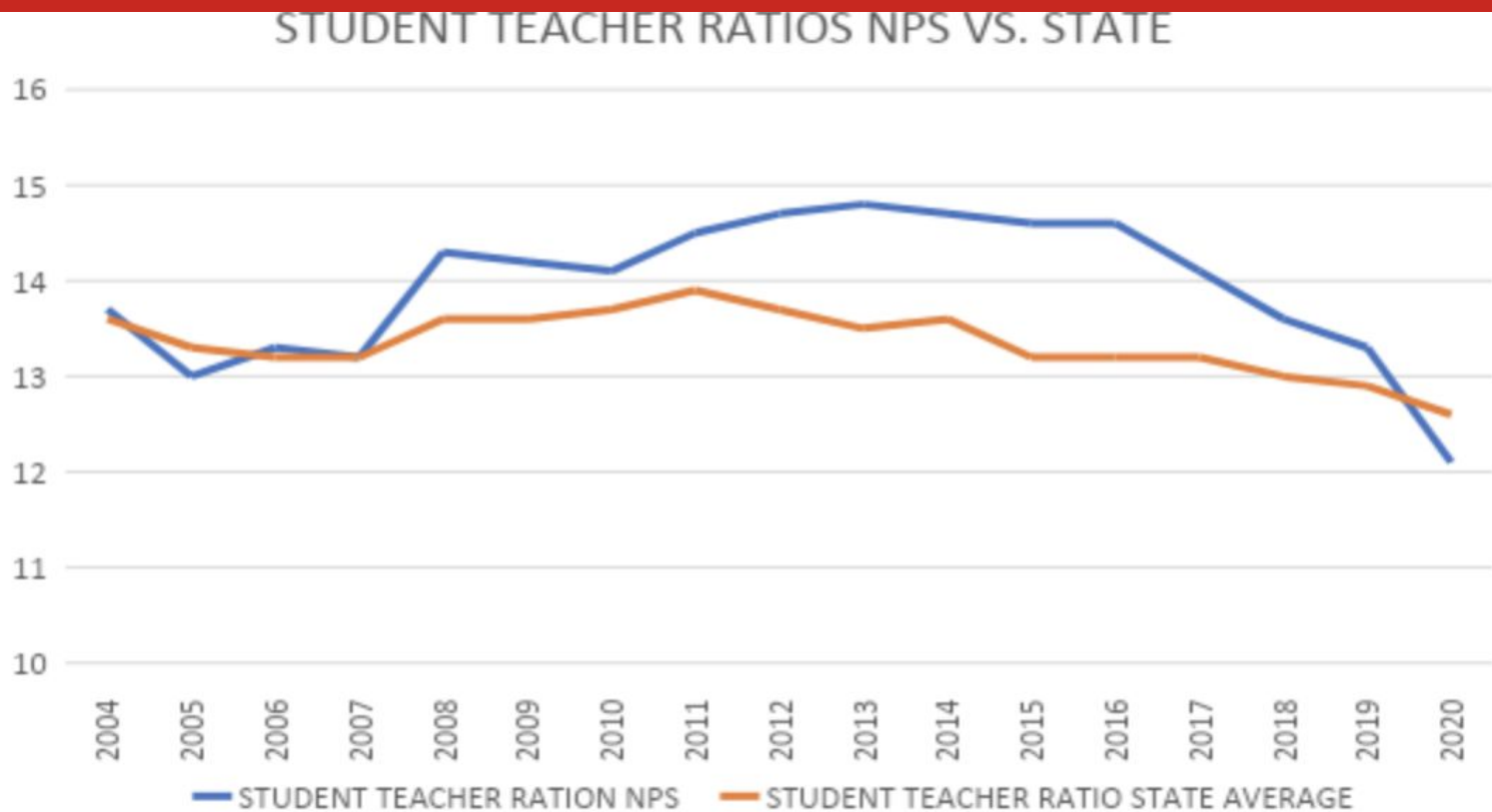


# RELEVANT DATA ON ENROLLMENT, SALARIES, **STAFF** AND STUDENT TO TEACHER RATIOS





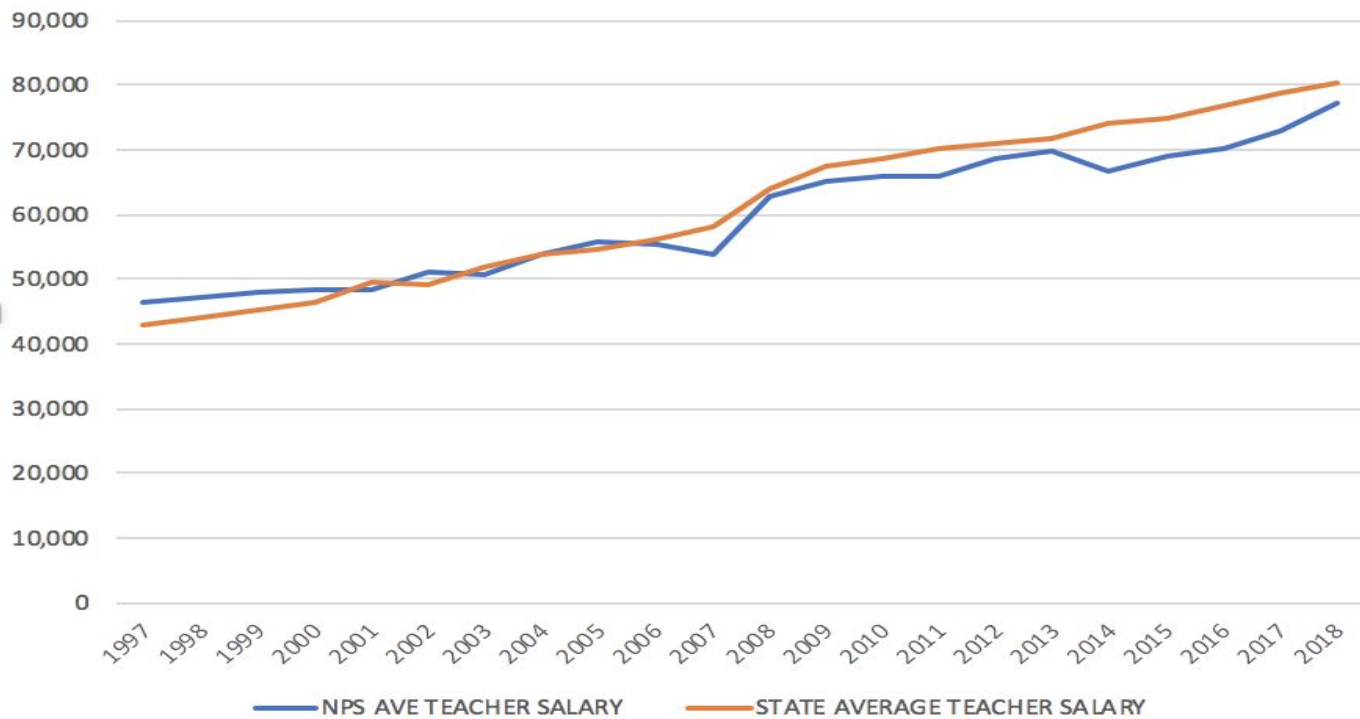
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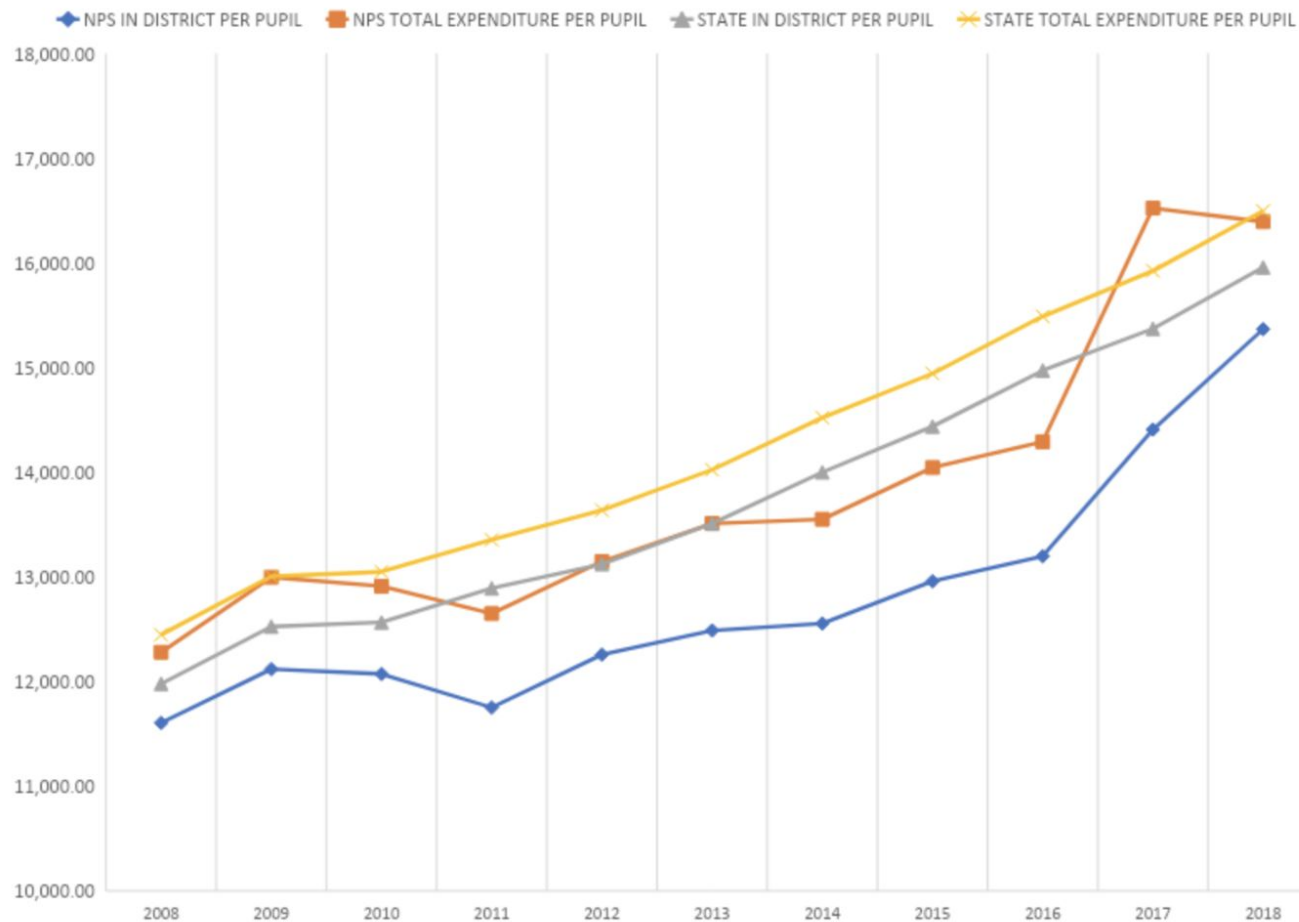
NPS AVE TEACHER SALARY VS. STATE AVERAGE TEACHER  
SALARY





# RELEVANT DATA ON ENROLLMENT, SALARIES, STAFF AND STUDENT TO TEACHER RATIOS

PER PUPIL IN DISTRICT AND TOTAL EXPENDITURE NPS VS. STATE







# COMPARISONS

(SALARIES, PER PUPIL SPEND, FY 19 TAXES PER SINGLE FAMILY, SATs, STATE AND LOCAL RANKINGS)

**What?:** District Analysis and Review (DART) and Contiguous Comparison towns used in teacher negotiations.

**Why?:** DART is the cohort of towns the Department of Education places us in each year as comparable. We add contiguous towns for negotiation purposes since these towns often compete with us for teachers and comprise the landscape of teacher salaries and town/school comparisons for value and achievement.

[Link to Analysis](#)



# THE LANDSCAPE FOR PROFESSIONAL STAFF: SALARY ATTRACTIVENESS AND DISTRICT RETENTION

Median Percentile	50%	This is the method used during 2019 negotiations						18.3%	40.8%	25.8%	15.0%
Average Percentile	49%										
Lane Codes	1	10	15	30	45	60	75	100			
Step	BA	MA	MA+15	MA+30	MA+45	MA+60	MA+75	Doc	Med/Avg	Med/Avg	
1	33%	42%	75%	67%	75%	67%	75%	92%	70.9 66.3	66.7 65.2	
2	33%	50%	75%	67%	75%	67%	75%	92%			
3	33%	50%	75%	75%	67%	67%	75%	92%			
4	25%	58%	83%	67%	67%	67%	75%	83%	66.7 62.2		
5	33%	33%	75%	58%	67%	67%	75%	83%			
6	33%	42%	67%	58%	67%	58%	67%	83%			
7	25%	33%	50%	58%	67%	50%	58%	75%	54.2 48.3	54.2 49.4	
8	8%	25%	50%	58%	58%	58%	58%	75%			
9	8%	17%	42%	58%	50%	58%	50%	67%			
10	8%	17%	42%	58%	50%	50%	50%	67%	37.5 34.7	33.3 31.7	
11	8%	8%	42%	50%	33%	42%	50%	58%			
12	8%	0%	17%	33%	25%	33%	33%	50%			
13	0%	0%	8%	17%	25%	33%	42%	42%	33.3 32.3		
14	0%	0%	17%	8%	33%	42%	42%	67%			
15	25%	25%	42%	58%	50%	58%	67%	75%			
	Med/Avg	Med/Avg	Med/Avg	Med/Avg	Med/Avg	Med/Avg	Med/Avg	Med/Avg			33.3 36.0
	25.0 18.9	25.0 26.7	50.0 50.6	58.3 52.8	58.3 53.9	58.3 54.4	58.3 59.4	75.0 73.3			



# COVID IMPACT ON SCHOOLS NATIONALLY

“COVID-19 and learning loss—disparities grow and students need help”

McKinsey & Company Report: 12/8/21

- **Report Summary:** Nationally, average learning loss over the 1.5 years is predicted to be 6-9 mos of progress and students of color and other vulnerable sub groups are impacted more.
- Early results in Natick indicate less impact
- This budget strives to balance COVID recovery and normal budgeting while we open the new KMS facility.



# WARNING: THIS IS AN INITIAL BUDGET PROPOSAL

This is not a final budget. **It is a starting point** for recommendations and ideas. It is a public discussion of expenses and needs.

Each sector of the school budget will be presented in a “deep dive” fashion over the next months. Funding and spending will be refined and conversations in collaboration with town partners will occur.

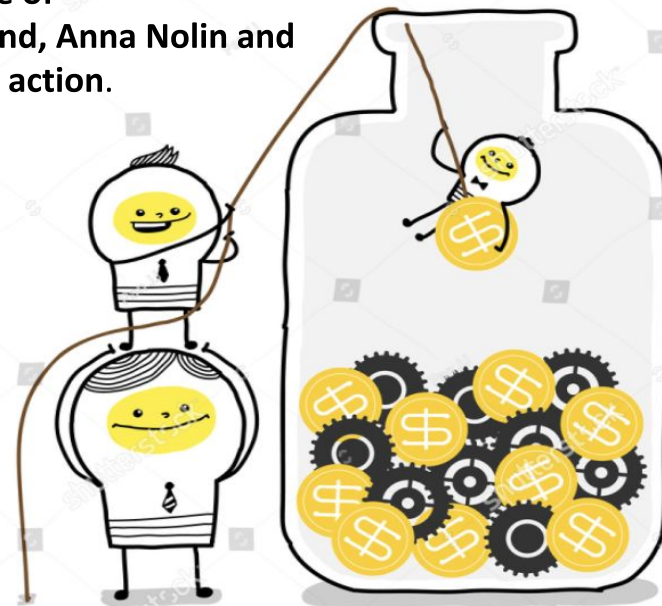


# TOWN/SCHOOL FINANCE TEAMS:

## IDEAS AND TEAMWORK

- We are committed to a **collaborative process with open dialogue and sharing of ideas and expertise.**
- We are confident we will bring you a balanced budget by March.
- No games or division at play, just a methodical approach to accurate budgeting.

Actual picture of John Townsend, Anna Nolin and Peter Gray in action.





# COLLABORATION WITH TOWN PARTNERS

## Items still coming into picture

- Possibility of additional CARES and federal relief monies
- Healthcare
- Federal monies
- Covid needs
- snow and ice scenarios
- FEMA reimbursements
- Title I monies
- New KMS actual energy use
- out to bid for new transportation contract

(the market has completely evolved--companies need to make up funding lost this year).





# PRIMARY BUDGET AND PROGRAM DRIVERS

- 94% of our budget is fixed, legally mandated or fixed on a contract
- complexity of programming required by public schools (vs prior decades)
- mandates/ regulatory and audits
- COVID and recovery and public health dictates
- pupil population changes/keeping reasonable student teacher ratios
- teacher compensation with rising complexity
- critical investments for the long-term (programs and capital)
- circuit breaker diminished means a greater burden on regular education
- minimum revolving account balances (reduced funds)
- the investment money from KMS and fire station (reduced funds)
- changes to school choice policy (reduced revenue)



# FY22 BUDGET MANDATES AND PRESSURES

## **Contractual/Inflationary**

- 3% COLA per EAN contracts, Support staff contracts
- Increase in utilities/expenses for KMS for a full school year
- Regular and SPED School Bus transportation will both require a RFP in FY21 resulting in potential additional costs in FY22
- Normal inflationary costs (2.23% roughly)

## **Kennedy Final Phase-In**

- final positions for KMS to create parity in middle school programming





# FY22 BUDGET MANDATES AND PRESSURES

## **Mandates**

- No SPED prepayment (\$1,903,780)
- Reduction of circuit breaker reimbursement (\$1.3 million less to utilize in FY22)
- Title I funding reduction
- SPED increases of \$551,042 (tuition composes approx \$450,000 of this)
- ELL positions/Audit, Student Opportunities Act expectations for achievement of subgroups
- Finish STEM implementation, Social Studies Implementation

## **COVID and Recovery**

- Potential additional COVID/Cohort costs in Fall 2021(not in this budget at this time)
- Compensatory services for regular education students who may not have mastered grade level material
- Math and English skill recovery services for all students

# **FY 20 AND 21 BUDGET FUNDING AND METHODS**

- FY20 Town appropriations for schools (\$67,810,346 (budget) + (\$410,137 (bus subsidy)) \$68,220,443
- NPS added \$829,997 to meet operating costs (NHS parking fee, bus fee, revolving accounts) \$829,997
- **Actual Total FY20 NPS budget (\$67,810,346+\$410,137+\$829,997) LEVEL FUNDING \$69,050,480**
- **March 2020: FY21 Total Operating Budget (including \$100,000 reduction in Technology) \$72,815,695**
- Less: Additional Circuit Breaker offset to Out of District Tuition (\$ 500,000)
- Less: Additional Revenue                      ASAP Allocation Agreement (\$150,000)  
   Add 2 Preschool programs (Lilja & Memorial) (\$ 212,000)
- **Total FY21 funding needed from Town to run the district \$71,953,695**
- FY21 Bus Transportation Subsidy Article (\$ 421,416)
- **FY21 NPS operating budget appropriation request \$71,532,279**



# FY 21 FUNDING AND METHODS

## **FY21 NPS operating budget appropriation request (March 9,2020)**

**\$71,532,279**

### June 2020 Budget Adjustments:

- Reduce ASAP revolving further \$ 50,000
- Reduce technology completely \$ 175,000
- Eliminate most new district positions, KMS compliance/new team maintained thru transfers, defer most student services until January (all dist - \$296,763) + (KMS - \$460,411) \$ 757,174
- 7 staff reductions due to retirements, resignations/non-renewals (\$200K savings already included in March budget) \$ 241,070
- 0% COLA--all staff/no merit--ALL UNIONS, ALL ADMINISTRATORS, SUPERINTENDENT/CENTRAL OFFICE \$1,308,000

## **FY21 revised operating budget request (June 2020)**

**\$69,001,035**



# FY 21 FUNDING AND METHODS

## Prepaid SPED

(\$1,903,789)

Bus Subsidy

\$ 421,416

FY21 Spring Town Meeting Appropriation

\$67,518,662

Since Spring Town Meeting Additional Cuts

7 unfilled positions originally cut from FY20 budget

5.6 positions transferred for SPED

2 positions (1.0 ELL, 1.0 KMS Para) still to be filled

(from staffing needed to run FY21 on a normal year, this was a net cut of 14.6 positions)

FY21 Special Town Meeting Additional Appropriation (restore COLA)

\$1,308,000

FY21 Special Town Meeting Additional Appropriation (facilities support)

\$ 300,000

New FY21 Town Meeting Appropriation

\$69,126,662



# FY22 UPDATED BUDGET PROPOSAL

## FY22 Proposed Budget Overview



# NEW STAFFING ADDITIONS

- [FY22 Staffing Additions](#)



# NEW STAFFING SUMMARY

Must add: Final KMS Positions (ELL, Sped, Specialists): \$357,744

Must add: ELL Department Head Stipend, \$ 9,357

Critical investment (possible revenue)/Recovery:

Vocational Center Tutor \$ 50,000

Recovery from COVID: Math Specialist Coaches \$ 318,744

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Total Add New Staff \$ 735,845



# FY22 COVID/COHORT POTENTIAL NEEDS

## FY22 COVID/Cohort Potential Needs





# PRESCHOOL

FY21 Budget: Added \$212K from C/B to provide for 2 add'l Classrooms

FY21 Actual

- Added only one classroom at Memorial
- Total Cost to add classroom \$89,918 plus benefits
- Total Revenue from Tuition paying students : \$95,000
- Servicing 3 Special Education Students

Numbers have decreased overall given Covid; Tuition Supports our 3 Preschool Special Education Students enrolled at Memorial

- FY22--Projected to add 3 Additional Tuition Paying Spots, and 2 Additional Special Education Spots



# TRANSPORTATION

Transportation includes both regular education busing and in-district special education busing.

Our regular education busing contractor is Connolly Bus. They provide 24 bus routes in the Town of Natick.

Our special education in-district busing provider is JFK Transportation.

We also provide out of district specialized transportation with several other providers. They are used on a case by case basis. Our largest out of district provider is Accept Collaborative.

Both our regular education and special education in-district contracts expire June 30, 2021. We are preparing both IFBs (Invitation to Bid) documents with the Town Procurement Officer to advertise in the month of February.





# TRANSPORTATION

ACCOUNT DESCRIPTION	FY20 BUDGET	FY20 ACTUAL	FY21 BUDGET	FY22 REQUEST	FY 21 vs. FY 22 INC/ (DEC)
TRANSPORTATION - REGULAR	\$855,485	\$853,474	\$850,766	\$1,455,308	\$604,542
TRANSPORTATION - MCKINNEY VENTO	\$130,540	\$145,005	\$165,000	\$165,000	\$0
TRANSPORTATION - SPED	\$1,992,080	\$1,547,787	\$1,878,391	\$1,878,391	\$0
<b>SUB-TOTAL TRANSPORTATION</b>	<b>\$2,978,105</b>	<b>\$2,546,266</b>	<b>\$2,894,157</b>	<b>\$3,498,699</b>	<b>\$604,542</b>
OFFSETS TO REGULAR TRANSPORTATION:					
GROSS COSTS	\$1,695,622		\$1,699,106	\$2,099,106	\$400,000
LESS:					
TOWN APPROPRIATION	-\$410,137		-\$418,340	-\$428,799	-\$10,458
BUS FEES	-\$430,000		-\$430,000	-\$215,000	\$215,000
<b>NET SCHOOL APPROPRIATION</b>	<b>\$855,485</b>		<b>\$850,766</b>	<b>\$1,455,308</b>	<b>\$604,542</b>



# TRANSPORTATION

## **Explanation for potential increases to the FY22 Budget Request for Regular Education Bus Transportation:**

- Loss of Fee Revenue due to COVID-19: (\$215,000)

Due to reduced ridership and space distancing requirements on the bus we anticipate 50% of our normal bus fees will not be collected.

- Anticipated additional costs to regular education transportation - (?)

This contract is out for bid in February. It is anticipated that in addition to normal inflationary costs associated with a normal bidding process that additional costs may be added to address COVID related issues. We have added additional funds to our normal inflationary expectations in order to address this potential issue.

- We currently operate 24 daily bus routes and 7 late bus routes.



# CIRCUIT BREAKER

FY21 Anticipated Revenue: \$2,464,940

- Reduced Reimbursement to 70% (anticipated 75%)
- Delayed Transportation Reimbursement

FY21 Actual Revenue: \$ 1,981,890.00

FY21 Revenue Difference from Projection: **\$483,050**

FY21 C/B Budget Utilization: \$3,412,000

FY22 Projected C/B Budget Utilization: \$1,900,000

FY22 Difference in C/B Budget Utilization : **\$1,512,000**

Anticipated C/B Balance for Year End FY22: \$200K (Recommended \$800K)

# NATICK PUBLIC SCHOOLS

## FY 23-FY25 PROJECTED BUDGET FORECAST

		<u>FY23</u>	<u>% chg</u>	<u>FY24</u>	<u>% chg</u>	<u>FY25</u>	<u>% chg</u>
<u>Compensation</u>							
Salary Base		\$ 61,293,591		\$ 64,765,839		\$ 68,135,420	
Steps, COLA, & Merit Adjustments/Lanes		\$ 3,422,248		\$ 3,319,581		\$ 3,286,385	
Staff Additions		\$250,000		\$250,000		\$250,000	
Retirements and Turnover		\$ (200,000)		\$ (200,000)		\$ (200,000)	
<b>Compensation</b>		<b>\$ 64,765,839</b>	<b>5.7%</b>	<b>\$ 68,135,420</b>	<b>5.2%</b>	<b>\$ 71,471,805</b>	<b>4.9%</b>
<u>Expenses</u>							
Admin		\$ 474,657		\$ 484,150		\$ 493,833	
Technology		\$ 1,725,570		\$ 1,760,081		\$ 1,795,283	
Curriculum		\$ 1,025,287		\$ 1,045,792		\$ 1,066,708	
Online Learning		\$ 174,769		\$ 178,264		\$ 181,830	
Pupil Services		\$ 6,245,185		\$ 6,370,089		\$ 6,497,490	
Transportation		\$ 3,283,793		\$ 3,349,469		\$ 3,416,458	
Building Op & Maint		\$ 2,701,363		\$ 2,755,390		\$ 2,810,498	
NPS Schools		\$ 1,172,402		\$ 1,195,850		\$ 1,219,767	
<u>Athletics &amp; Activities</u>		\$ 81,273		\$ 82,898		\$ 84,556	
<b>Total Exp</b>		<b>\$ 16,884,298</b>	<b>4.7%</b>	<b>\$ 17,221,984</b>	<b>2.0%</b>	<b>\$ 17,566,424</b>	<b>2.0%</b>
<b>Total Budget Request</b>		<b>\$ 81,650,137</b>	<b>5.5%</b>	<b>\$ 85,357,404</b>	<b>4.5%</b>	<b>\$ 89,038,229</b>	<b>4.3%</b>



# THANK YOU FOR YOUR PARTNERSHIP!



## STAY CONNECTED WITH US:

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