



Our **vision** is to provide high-quality educational opportunities that inspire a community of learners

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Our **mission** is to develop engaged, well-balanced learners through collaborative, caring relationships

Superintendent's FY2022 Recommended Budget

February 4, 2021

February 8, 2021

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Presentation Goals

- Review remaining timeline and process for budget adoption
- Refresher overview of FY22 Preliminary Budget (Jan. 21 presentation)
- Feedback about Preliminary Budget approach to inform next steps
- Review of budget changes; summary of Recommended Budget (V. #1)
- Additional feedback; anticipation of preliminary budget vote (Feb. 11)

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FY22 Budget Presentation Schedule

January 21, 2021	Presentation #1	Superintendent's Preliminary Budget Overview <ul style="list-style-type: none"> Budget Guidelines & District Goals Preliminary Revenues & Budget Drivers Aspects of Level Services Budget Overall Budgetary Impact on Reserves and Preliminary Assessments
February 4-8, 2021	Presentation #2	Superintendent's Recommended Budget v. 1 <ul style="list-style-type: none"> Line Item Budget Details All Day Kindergarten (SC Vote Tuition Rate) CIP Project and Funding Update
February 11, 2021	Presentation #3	Superintendent's Recommended Budget v. 2 (if applicable) <ul style="list-style-type: none"> School Committee Preliminary Budget Vote (at least 20 days before expected final budget vote)
Thursday, March 4, 2021	Presentation #4	Comprehensive Budget and Program Presentation <ul style="list-style-type: none"> (in lieu of traditional Budget Saturday presentation)
March (11 or 18), 2021	Presentation #5	Superintendent's Final Budget Recommendation Public Hearing on Proposed FY22 Budget School Committee Votes FY22 Budget

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Important Dates - Regional Agreement

Town Meetings:

- Boxborough: Begins May 10, 2021
- Acton: Begins June 21, 2021
 - Budget vote deadlines are counted backwards from earlier Town Meeting*

Final SC Budget Vote:

- March (11 or 18), 2021 - Public Hearing
 - 45 Days before earliest Town Meeting
 - Vote is $\frac{2}{3}$ of weighted votes of full School Committee

Budget and Program Presentation:

- March 4, 2021

Preliminary SC Budget Vote:

- February 11, 2021**
 - 25 Days before final budget deadline
 - Vote is majority of members from each town

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Level-Service Budget

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FY22 Preliminary Budget - Summary (presented Jan. 21)

	FY21 Final Budget	FY22 Preliminary Level Services
Total Appropriated Budget	\$96,912,701	\$100,525,643
\$ Increase from prior year	\$5,930,590	\$3,612,942
Percent Increase from prior year	6.52% <small>(first year of new school debt)</small>	3.73%
Revenue Offsets	(\$18,060,536)	(\$17,904,214)
Use of Reserves:		
E&D	(\$1,145,000)	(\$965,000)
Trans Stabilization	n/a	(\$200,000)
Capital Stabilization	n/a	(\$150,000)
Final / Preliminary Assessments	\$77,707,165	\$81,306,429 4.63%
Acton - Total Assessment	\$65,584,049	\$68,460,013
% Change	7.10%	4.39%
Boxborough - Total Assessment	\$12,123,116	\$12,846,416
% Change	5.21%	5.97%

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What Did “Level Service” Budget Represent?

1. Decline in anticipated FY22 revenues (-\$156K)
2. 4.0% contractual increase in staffing costs; no new staff, -2.0 FTE
3. Health Insurance (+7%), MCRS Assessment (+12%), resuming funding of CIP plan (+\$345K) are the other main budget increase drivers
4. Line Item Preliminary (Level Service) Budget; net increase \$3.6M (3.73%)
5. Reduced use of E&D Reserve (-\$180K); partial funding fm. Transportation (\$200K) and Capital (\$150K) Stabilization Funds
6. **Total Assessments +\$3.6M (4.63%); Acton 4.39%, Boxborough 5.97%**

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Budget and Assessments are not the same

- **Budget:** All of the combined costs to operate our schools
- **Revenue:** Sources of funds that come from places other than the towns (state & federal)
- * **Reserves:** The District’s “savings” accounts
- **Assessment:** The portion of the budget that the towns are responsible for

* *Note: The **Circuit Breaker Reserve** is unique and is applied directly to the budget and **decreases the overall budget**.*

*E&D, Transportation & Capital Reserves are applied AFTER the budget is set. They do not reduce the budget, but **reduce the assessments** to the towns.*

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Going from the Budget to the Assessments

The Budget

(Total Operating Costs) - (Circuit Breaker Reserve Use) = (Total Budget Increase)

The Assessment

(Total Budget Increase) - (Revenue) - (Reserve Use) = (Total Assessments)

(Total Assessments) * (Acton % Enrollment) = (Acton Assessment)

(Total Assessments) * (Boxborough % Enrollment) = (Boxborough Assessment)

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Going from the Budget to the Assessments

The Budget

(Total Additional Operating Costs) - (Additional Circuit Breaker Reserve Use) = **(Total Budget Increase)**
(+\$3.6M or 3.73%)

...On
\$97M

The Assessment

(Total Budget *Increase*) - (*New Revenue*) - (*Additional Reserve Use*) = (Total Assessment *Change*)
 (+\$3.6M) - **(-\$156K)** - (+\$170K) = **(+\$3.6M or +4.6%)**

...On
\$77M

(Total Assessments) * (Acton % Enrollment) = **(Acton Assessment = \$68.5M or 4.39%)**

(Total Assessments) * (Boxb. % Enrollment) = **(Boxb. Assessment) = \$12.8M or 5.97%**

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Recommended Budget (V. 1)

Guiding Questions

1. Meeting our students' post-pandemic educational needs
2. The financial impact of our budget on the communities?

Levers to Moderate Impact to Towns

1. Reduce Budget
 - a. Reduce Expenses - (Personnel, Capital, Other)
 - b. Increase use of Circuit Breaker (CB) Reserve

2. Increase Use of Reserves
 - a. E&D, Transportation & Capital Reserves

FY22 Preliminary Budget - Summary

	FY21 Final Budget	FY22 Prelim - Level Services	FY22 Recommended (Feb 4-8 Presentation)
Total Appropriated Budget	\$96,912,701	\$100,525,643	
\$ Increase from prior year	\$5,930,590	\$3,612,942	
Percent Increase from prior year	6.52% <small>(first year of new school debt)</small>	3.73%	FYI - 3.17%
Revenue Offsets	(\$18,060,536)	(\$17,904,214)	
Use of Reserves:			
E&D	(\$1,145,000)	(\$965,000)	
Trans Stabilization	n/a	(\$200,000)	
Capital Stabilization	n/a	(\$150,000)	
Final / Preliminary Assessments	\$77,707,165	\$81,306,429	
Acton - Total Assessment	\$65,584,049	\$68,460,013	
% Change	7.10%	4.39%	FYI - 3.46%
Boxborough - Total Assessment	\$12,123,116	\$12,846,416	
% Change	5.21%	5.97%	FYI - 5.02%

Administration Identified Budget Adjustments

1. Reduce Budget
 - a. Reduce Expenses
 - b. Increase use of CB

\$543K Savings

1. Reduced building-based operating expense budget **(\$100K)**
 - a. Anticipated levels in-person
 - b. Elem. allocations projected enrollment
2. Reduced system-wide budgets **(\$50K)**
 - a. Teaching & Learning; Facilities (\$25K each)
3. FY20 CASE Collab. Credit **(\$165K)**
4. "ESSER Two" federal relief **(\$100K)**
5. Cap total spending for MCRS & OPEB **(\$129K)**

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Administration Identified Budget Adjustments

1. Reduced operating expense budget requests **(\$100K)**
2. Reduced selected system-wide exp. budgets **(\$50K)**
3. Apply a *portion* of FY20 CASE Collab. Credit **(\$165K)**
 - a. Total Surplus Credit \$494K
 - b. 3-year plan
 - i. \$165K per year FY22-FY24

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Administration Identified Budget Adjustments

4. Apply a portion of ESSER Two federal relief grant (\$100K)

Similar to use of FY21 ESSER One allocation:

- \$114.8K - Used to purchase Grade 9 Chromebooks
- FY21 Ed Tech budget reduced by that amount

FY21-23 “ESSER Two” Grant Allocation = \$418.6K

- Reduce FY22 Ed Tech budget by \$100K
- Remainder (\$319K) can be used from FY21-23

Administration Identified Budget Adjustments

5. Cap total spending on combined appropriations for MCRS Assessment (M) and OPEB Trust contrib. (O)

- FY22 MCRS Assessment anomaly (11.8% increase)
- Cap combined annual increase (M + O) at 5.5%
- Reduce FY22 OPEB Contribution by \$129K

See short-term and long-term impact, next slides

MCRS & OPEB Strategic Funding Initiative - FY22

(Preliminary)

	FY21	FY22	Incr.
MCRS Assessment*	\$2,845K	\$3,180K	11.8%
OPEB Contribution	\$ 900K	\$ 900K	-
Combined Costs	\$3,745K	\$4,080K	8.9%
Capped Costs (year 1 of L-T strategy)		\$3,951K	5.5%
Recommended Budget Reduction		\$ 129K	

* - System projects annual assessment of 6.5% thru FY30; assessment increase based on impact of new employees (bus drivers) in FY19.

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ABRSD
 FY22 MCRS and OPEB Appropriation - Proposed Funding Combination
 (\$ amounts in thousands)

	MCRS Increase (A) =	6.5%	(through FY28)			
	MCRS Increase (B) =	4.0%	(through full funding)			
	A-B Proposal Target =	5.5%	(combined MCRS/OPEB)			
FY	MCRS	OPEB	Total	\$ Change	\$ Change	
2020	2,663	900	3,563			
2021	2,845	900	3,745	182	5.1%	
Initial Request	2022	3,180	900	4,080	335	8.9%
		11.8%				
Cap Combined increase at X% (cell F5-6)						
2022	3,180	771	3,951	(129)	< FY22 Budget Savings	
2023	3,387	782	4,168	217	5.5%	
2024	3,607	791	4,398	229	5.5%	
2025	3,841	798	4,639	242	5.5%	
2026	4,091	804	4,895	255	5.5%	
2027	4,357	807	5,164	269	5.5%	
2028	4,640	808	5,448	284	5.5%	
2029	4,826	922	5,747	300	5.5%	
2030	5,019	1,045	6,064	316	5.5%	
2031	5,219	1,178	6,397	333	5.5%	
2032	5,428	1,321	6,749	352	5.5%	
2033	5,645	1,475	7,120	371	5.5%	
Incremental OPEB funding through FY2033 \$ 699						

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Administration Identified Budget Adjustments

2. Increase Use of Reserves

- 1. E&D, Transportation & Capital Reserves

\$180K Savings

1. Level-fund E&D from FY21

(\$180K)

Acton-Boxborough Regional School District							
Analysis of E&D since Full Regionalization							
(\$ amounts in 000s)							
Budget FY	Regional Budget	Current Year Activity		Subseq. Year Appropriated from E&D	Certification Date	Cert. E&D Balance	E&D as a % (max = 5%)
		Transferred from E&D *	Net Turnback/ Adj to E&D				
2014						\$ 1,072.5	1.4%
2015	\$ 77,100.5		\$ 1,378	\$ 500	July 1, 2015	\$ 1,950.4	2.4%
2016	\$ 80,296.4		\$ 988	\$ 200	July 1, 2016	\$ 2,738.7	3.3%
2017	\$ 83,073.2		\$ 1,720	\$ 450	July 1, 2017	\$ 4,008.3	4.7%
2018	\$ 86,090.5	\$ 710	\$ 1,559	\$ 775	July 1, 2018	\$ 4,082.3	4.6%
2019	\$ 88,721.5	\$ 1,000	\$ 1,234	\$ 690	July 1, 2019	\$ 3,626.6	4.0%
2020	\$ 90,982.1		\$ 948	\$ 1,145	July 1, 2020	\$ 3,429.8	3.5%
2021	\$ 96,912.7		TBD	Recommended \$1,145	July 1, 2021	TBD	

* - FY18 to fund feasibility study (Douglas School project); FY19 initial funding of Capital Stabilization

Administration Identified Budget Adjustments

1. **\$100K** Reduce building and dept. requests by 3.5%
2. **\$ 50K** Reduce Curriculum & Facilities requests
3. **\$165K** Reflect 1/3 of FY20 CASE Collab. Surplu credit
4. **\$100K** Use ESSER Two grant to offset Ed Tech request
5. **\$129K** Cap MCRS/OPEB at combined 5.5% increase

\$543K = Total Identified Budget Adjustments

(reduces budget increase from 3.73% to 3.17%)

6. **\$180K** Level Fund Usage of E&D Reserve (\$1,145K)

\$723K = Total Identified Assessment Adjustments

(reduces **total** assessment increase from 4.63% to 3.70%)

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FY22 Recommended Budget (V. 1) - Summary

	FY21 Final Budget	FY22 Prelim - Level Services	FY22 Recommended (Feb 4-8 Update)
Total Appropriated Budget	\$96,912,701	\$100,525,643	\$99,982,546
\$ Increase from prior year	\$5,930,590	\$3,612,942	\$3,069,845
Percent Increase from prior year	6.52% (first year of new school debt)	3.73%	3.17%
Revenue Offsets	(\$18,060,536)	(\$17,904,214)	(\$17,904,214)
Use of Reserves:			
E&D	(\$1,145,000)	(\$965,000)	(\$1,145,000)
Trans Stabilization	n/a	(\$200,000)	(\$200,000)
Capital Stabilization	n/a	(\$150,000)	(\$150,000)
Final / Preliminary Assessments	\$77,707,165	\$81,306,429	\$80,583,332
Acton - Total Assessment	\$65,584,049	\$68,460,013	\$67,849,527
% Change	7.10%	4.39%	3.46%
Boxborough - Total Assessment	\$12,123,116	\$12,846,416	\$12,733,805
% Change	5.21%	5.97%	5.02%

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Administration Identified Budget Adjustments

Preliminary (Level Service) Budget		\$100,525,643
Identified Budget Adjustments		- <u>543,097</u>
Recommended Budget (V. 1)	(3.17%)	\$ 99,982,546
Revenue Offsets (no changes)		(17,904,214)
Preliminary Use of Reserves		(1,315,000)
Additional Use of E&D (Level with FY21)		<u>(180,000)</u>
Recomm. Total Assessment (V. 1)	(3.70%)	\$ 80,583,332
Acton Assessment Increase	3.46%	(from 4.39%)
Boxborough Assessment Increase	5.02%	(from 5.97%)

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Additional Admin-Identified Budget Adjustments

Misc. Budget Adjustments Since 1/31/21

- Resolved error that double counted ADK Assistants - \$180K
- Health Ins. Trust voted 7% Rate Increase + \$185K
 - Increase is 2% Higher than Anticipated
- Staff not returning in FY2022 - \$198K
 - Retirements and Leaves (Feb. 1 deadline)

Adjustments Identified since Jan 31 (net budget reduction)

- \$193K

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FY22 Recommended Budget (V. 1) - Summary

	FY21 Final Budget	FY22 Prelim - Level Services	FY22 Recommended (Add'l Adjs -\$193K)
Total Appropriated Budget	\$96,912,701	\$100,525,643	\$99,789,846
\$ Increase from prior year	\$5,930,590	\$3,612,942	\$2,877,145
Percent Increase from prior year (first year of new school debt)	6.52%	3.73%	2.97% (operating budget increase = 2.75%)
Revenue Offsets	(\$18,060,536)	(\$17,904,214)	(\$17,904,214)
Use of Reserves: E&D	(\$1,145,000)	(\$965,000)	(\$1,145,000)
Trans Stabilization	n/a	(\$200,000)	(\$200,000)
Capital Stabilization	n/a	(\$150,000)	(\$150,000)
Final / Preliminary Assessments	\$77,707,165	\$81,306,429	\$80,390,632
Acton - Total Assessment	\$65,584,049	\$68,460,013	\$67,687,444
% Change	7.10%	4.39%	3.21%
Boxborough - Total Assessment	\$12,123,116	\$12,846,416	\$12,703,188
% Change	5.21%	5.97%	4.78%

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Guidance and Consensus Needed

1. What is the Target -
 - a. IMPORTANT - Acton at Levy Limit
 - b. What is Assessment Target?
 - i. What is the Budget Target?
2. Use of Reserves
 - a. Appropriate Level of Reserve Use
 - b. Feedback E&D Proposed Use
3. Reductions To Budget
 - a. MCRS/OPEB Contribution Proposal?
 - b. Additional Reductions - Staffing?

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What is the Target?

Sample Budget and Assessment Changes

1. \$100K Budget Reduction = 0.1% Reduction to Budget Increase
2. \$100K Assessment Reduction = 0.13% Reduction to Assessment Increase

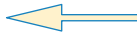
Example 1: Reduce Budget by \$200K Increase Reserve Use by \$150K	
BUDGET Increase is now	2.96%
ACTON Assessment Increase	3.01%
BOXB. Assessment Increase	4.57%

Example 2: Reduce Budget by \$350K No change in Reserve Use \$ 0	
BUDGET Increase is now	2.81%
ACTON Assessment Increase	3.01%
BOXB. Assessment Increase	4.57%

Guidance and Consensus Needed

1. What is the Target -
 - a. IMPORTANT - Acton at Levy Limit
 - b. What is Assessment Target?
 - i. What is the Budget Target?
2. Use of Reserves
 - a. Appropriate Level of Reserve Use
 - b. E&D Proposed Use
3. Reductions To Budget
 - a. MCRS/OPEB Contribution Proposal?
 - b. Additional Reductions - Staffing?


Staffing Implications:
2.0 FTE Certified Teacher = c. \$120K



FY22 Recommended Budget (V. 1) What It Does Not Consider

1. Increases in Class Size
2. Potential staffing reductions
3. Extend deferral of CIP appropriations
4. Restoration of ADK Tuition to previous level
5. Increase use of E&D Reserve (over FY21 level)
6. Potential for yet unidentified federal relief
7. Continuation of Remote Learning Program in FY22

Next Steps

1. Recommended Budget (V. 1) - Feb. 4-8 
2. Upcoming week:
 - a. SC feedback
 - b. Administrative discussions re staffing
 - c. Refinement of budget data
3. Recommended Budget Update (if appl.)
Scheduled SC prelim. budget vote - Feb. 11
4. Comprehensive Program and Budget
Presentation (time TBD) - Mar. 4
5. Final SC budget vote - (Mar. 11 or 18)

Are there any questions? Yes...you, sir?



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