
Groton-Dunstable Regional School District FY25 Budget Outlook/Update for Town of Groton

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FY25 Preliminary Budget Highlights

Highlights of budget outlook:

- It is a level services budget
- Major Drivers of the budget increase
- Difference between budget increase and assessment increase
- Assessment changes to both towns
- Enrollment shifting higher percentage to Dunstable in near future

FY25 Proposed budget is Level Services

A level services budget means that the proposed budget includes anticipated expenses to provide the same level of service currently being provided.

A level service budget is NOT a level funded budget.

There are no new programs or initiatives being proposed.

There are new positions included in the proposal, but they are to maintain services already being delivered.

FY25 - Summary of Major Drivers of Assessment Increase

| | |
|---|--------------------|
| Using less E&D (\$911K to \$500K) | \$ 400,000 |
| Adding \$100K of Full Day Kindergarten Salaries | \$ 100,000 |
| Anticipated new positions* | \$ 285,000 |
| Estimated Wages & Salaries Increases | \$1,930,037 |
| Health Insurance - Active & Retired | \$ 769,136 |
| Utilities (water usage & PFAS) | \$ 209,615 |
| Total Major Drivers of Assessment Increase | \$3,693,788 |

*see next slide for positions

Anticipated new positions

| | | |
|--|-------------------|----------|
| 1.0 FTE Grade 2 Teacher (if class size dictates) | \$ 70,000 | FloRo |
| 1.0 FTE Behaviorist Interventionist | \$ 70,000 | District |
| 1.0 FTE ELL Teacher (compliance with ratio) | \$ 70,000 | District |
| 1.0 FTE Maintenance Position | \$ 62,000 | FloRo |
| 0.4 FTE Administrative Assistant (from PT to FT) | <u>\$ 13,000</u> | FloRo |
| Total anticipated new positions | \$ 285,000 | |

FY25 Considerations that have increased \$ implications

Salary projections

As discussed in previous budget updates to the school committee and both towns, the school district is currently negotiating salary and benefits with many groups. This also includes step and lane changes for all collective bargaining units as well as market adjustment considerations for positions on individual contracts. Supporting data can be reference in the “Groton-Dunstable By the Numbers” presentation on the district website.

FY25 Considerations that have increased \$ implications

Health Insurance

The school district has projected a 10% annual increase in health insurance premiums. This is what is in the 5 year plan. As of November, our claims seem to be running in a favorable direction, however it is still premature to reduce this line item until the actual renewal is presented by Harvard Pilgrim in late February/early March.

Point of reference - FY24 renewal was at 7.52%.

FY25 Considerations that have increased \$ implications

Utilities/PFAS Expenses

There is \$100,000 in the budget for PFAS expenses. Until the project is complete to connect the high school to Groton town water supply, we are required to provide:

- Drinking water delivery to homes testing above PFAS limit
- Have drinking water supply tested to all homes to monitor PFAS levels
- Install POET filtration systems to homes testing above
- Contracting with Tighe & Bond to prepare documentation for EPA filing requirements.

Note: This is not in the FY24 budget currently, we will be requesting a budget transfer from contingency.

FY25 - Stayed within the 5 year plan projections

For most other budget categories, the projected budget reflects increase estimates that were used to develop the 5 year projection plan.

- Heat and utilities (with the exception of a small water adjustment) are between 2% to 10% as projected.
- Transportation - we projected a 4.8% increase, however we received more reimbursement funding in FY23 that will offset the assessment to the towns (saving \$75K)
- Middlesex Retirement - we projected an 8.5% increase, however our assessment only increased by 6.6% (saving \$26K)

FY24 Budget vs FY25 Proposed Budget

Budget Increases: The amount of total General Fund Expenses from FY24 to FY25

FY24 Actual General Fund Budget (w/o debt): \$47,314,148

FY25 Estimated General Fund Budget (w/o debt): \$50,762,165

Estimated Budget Increase (w/o debt): \$ 3,448,017

7.29% increase

5 Year Historical increases

| <u>Fiscal Year</u> | <u>\$ Increase</u> | <u>% Increase</u> |
|--|--------------------|--------------------------|
| FY24 - FY25 | \$3,448,017 | 7.29% operating increase |
| FY23 - FY24 | \$2,841,635 | 6.39% operating increase |
| (Note: ESSER & ARPA gone - expenses added to GF) | | |
| FY22 - FY23 | \$1,029,038 | 2.37% operating increase |
| (Note: ESSER & ARPA funding available) | | |
| FY21 - FY22 | \$1,956,213 | 4.71% operating increase |
| FY20 - FY21 | \$1,494,556 | 3.74% operating increase |

Enrollment - 5 year rolling average FY 24 to FY 25

Regional Agreement dictates a 5 year rolling average of certified October 1st enrollment.

| | | | |
|------|-----------|--------|----------------------------|
| FY24 | Dunstable | 22.74% | current year only = 23.35% |
| | Groton | 77.26% | current year only = 76.65% |
| FY25 | Dunstable | 22.82% | |
| | Groton | 77.18% | |

Assessment Increases versus Budget Increases

Once all projected revenues have been estimated, the remaining balance is funded through assessments to the towns. Increases to assessments can occur when:

- A. Another **revenue** source is reduced or eliminated (Example: Excess & Deficiency, Kindergarten Fees, etc.)
- B. **Expenses** increase (Example: Salary increases, inflation, utilities, new positions, etc.)

Both conditions are occurring in the draft FY25 Budget

FY25 Estimated Assessment Comparisons

| Description | FY22 | % 22-23 | FY23 | % 23-24 | FY24 | % 24-25 | FY25 |
|----------------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| Dunstable Assessment | \$7,000,663 | 2.87% | \$7,201,464 | 7.52% | \$7,742,721 | 11.73% | \$8,650,942 |
| Groton Assessment | \$23,481,350 | 3.57% | \$24,319,318 | 6.65% | \$25,937,716 | 10.81% | \$28,741,942 |

Assessment Increase

| | |
|------------------------------------|---------------------|
| FY24 Dunstable Assessment: | \$7,742,721 |
| FY25 Est. Dunstable Assessment: | <u>\$8,650,942</u> |
| Assessment Increase: | \$ 908,221 |
| | |
| FY24 Groton Assessment: | \$25,937,716 |
| FY25 Est. Groton Assessment: | <u>\$28,741,942</u> |
| Assessment Increase: | \$ 2,804,226 |
| | |
| Total Assessment Increases: | \$ 3,712,447 |

Groton Town Manager's Budget

Mark Haddad, Town Manager for the Town of Groton, submitted his Proposed Operating Budget dated December 24, 2023 (updated January 26, 2024).

| | |
|--|---------------------|
| Groton Operating Assessment as of January 26, 2024 | \$28,741,942 |
| Town Manager Placeholder for GDRSD | <u>\$28,741,942</u> |
| Difference | \$ 0 |

This is contingent upon a successful operational override passing at Annual Town Meeting and at the ballot.

Dunstable Town Manager's Budget

Jason Silva, Town Manager for the Town of Dunstable, submitted his Proposed Operating Budget dated December 29, 2023.

| | |
|---|--------------------|
| Dunstable Operating Assessment as of January 10, 2023 | \$8,650,942 |
| Town Manager Placeholder for GDRSD | <u>\$8,650,942</u> |
| Difference | \$ 0 |

This is contingent upon a successful operational override passing at Annual Town Meeting and at the ballot.

This is not a one year problem

The towns have estimated town revenues for the next 3 years.

The school district has estimated town assessments for the next 3 years.

The FY25-FY27 comparisons illustrate a deficit between the two estimates that occurs every year. School Administration has informed the leadership team that we are committed to stay within our projections and that any future unplanned increases need to be balanced with a corresponding reductions.

What happens if override votes are not successful?

The result of a failed override vote would be devastating to the school district.

Salary and benefits are 77% of the operating budget, thus a majority of the reductions would have to be staff. Most likely the proposed anticipated positions would not be filled in addition to at least 31 additional FTE's by our estimations. This will include all categories of staff. Note: teachers, guidance & paraprofessional = 81% of FTEs

Increased class sizes, reduced course offerings, reduced support services are examples of what is expected to happen with that amount of cuts to make.

FTE comparison data

| | FY 2023 | FY 2024 - Budget | FY 2024 - Actual | FY 2025 |
|------------------------------------|----------------|-------------------------|-------------------------|----------------|
| | Budget | Budget | Actual | Budget |
| Central Office | 14.1 | 14.1 | 15.1 | 15.1 |
| School Administrators | 18.0 | 16.0 | 15.0 | 15.0 |
| Teachers - Unit A | 203.2 | 197.5 | 206.0 | 209.0 |
| Guidance - Unit A | 19.0 | 18.0 | 19.0 | 19.0 |
| Nurse - Unit A | 7.5 | 7.6 | 7.6 | 7.6 |
| Paraprofessionals - Unit D | 66.5 | 71.0 | 81.7 | 81.7 |
| Administrative Assistants - Unit C | 11.1 | 11.1 | 11.1 | 11.4 |
| Food Service | 6.0 | 5.0 | 5.0 | 5.0 |
| Custodian/Maintenance | 7.0 | 6.0 | 6.0 | 7.0 |
| Support Staff Non Union | 10.3 | 10.6 | 10.6 | 10.6 |
| Total | 362.7 | 356.9 | 377.1 | 381.3 |

Student Enrollment

2242

2246

2246

FY25 Capital Plan and Funding

The Towns were requested to put a placeholder equal to FY24's assessment for their capital assessment for consistency purposes. The Director of Building & Grounds and the Director of Finance reviewed the requested and ongoing projects and are recommending a reduced financial request for the upcoming FY25.

There are many exciting capital improvements that will require our maintenance teams attention in the upcoming months and year. Thus, the capital requests are minimal this upcoming fiscal year.

FY25 Capital Plan and Funding

Projects that are upcoming or in progress:

- Move from existing Flo Ro to new Flo Ro
- Ground repair/upkeep for Flo Ro/Middle School campus that may be necessary due to demolition of old building
- New HS stadium field - nurture natural turf planted in the Fall to ensure it is ready for use for this upcoming Fall season
- Managing irrigation at the middle school track and the high school for all fields with limited water supply
- Weatherization measures at Middle School North (part of the recently awarded Green Communities Grant)
- Flooring replacement at Middle School North

FY25 Capital Plan and Funding

New Requests for Capital Funding in FY25

| | <u>Budget</u> | <u>Groton \$</u> | <u>Dunst. \$</u> |
|--|------------------|------------------|------------------|
| ● Technology leases | \$198,500 | \$153,202 | \$45,298 |
| ● Two (2) 15-passenger vans | \$ 64,000 | \$ 49,395 | \$14,605 |
| ● Baseball/softball groomer | \$ 25,000 | \$ 19,295 | \$ 5,702 |
| ● Designer/Engineer HS Windows | \$ 25,000 | \$ 19,295 | \$ 5,702 |
| ● MSN - 8th grade bathroom renov | \$ 15,000 | \$ 11,695 | \$ 3,305 |
| ● MSN - Flooring replacement (Phase 2) | <u>\$ 55,000</u> | <u>\$ 42,884</u> | <u>\$12,116</u> |
| Total Request | \$382,500 | \$295,766 | \$86,734 |

FY25 Capital Plan and Funding

There are two large projects that need to be undertaken in the near future, but they require additional vetting at this time.

Wall of Windows replacement at the high school. This could cost upwards of \$250,000 by preliminary estimates, however we need a proper study and report prepared prior to requesting project funding.

Swallow Union roof replacement/major repair. The district will submit a MSBA Accelerated Repair Project application in coordination with the towns once the necessary discussions have taken place regarding funding commitments.

FY25 Capital Plan and Funding

There are other projects that the district has earmarked that needs attention.

- Lighting replacement in the common areas at the High School
- LED lighting upgrade at Middle School North and South
- Concrete sidewalk repair and 2 sets of steps at the High School
- Lobby tile repair at the High School
- Ductless A/C installed at Middle School South on second floor
- Potential piloting a EV Charging Station at the Middle School Campus (thank you Charlotte Weigel for your help and guidance)

We are looking for energy efficiency funding for the lighting projects and charging stations. Additionally, there are excess funds in our capital revolving fund from savings on prior projects. The school committee will be presented with a request in the late spring to reappropriate unspent funds to fund a number of these requests.

Important Upcoming Dates

| | |
|-------------|--|
| January 31 | Public Hearing |
| February 7 | School Committee Certifies Budget |
| February 27 | First Budget Forum (Both Towns and School Districts) |
| March 6 | Second Budget Forum (Both Towns and School District) |
| March 26 | Potential Spring Town Meeting for Budgets |
| April 2 | Potential ballot vote in both towns |