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Bringing the information together

- Town of Groton has presented their report.
- Town of Dunstable has presented their report.
- School District has previously shared estimated assumptions and deficits.

The following is a summary of how it relates to the district.

Assumptions and rankings vetted

The school district, Groton and Dunstable have made and shared funding assumptions within working groups. All assumptions currently being used appear reasonable and acceptable to all involved.

The school district, Groton and Dunstable have compared their spending to comparable communities to vet whether or not projected expenditures were in line with like communities. The data would support that we are spending in the median range of our comparable communities, thus the expenditures appear reasonable and acceptable to all involved.

See "Groton-Dunstable Regional School District By The Numbers" presentation.

Assessment vs. Budget Increase

Assessments are Revenues

Budget reflects Expenditures

Budget Increase

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): \$51,634,200*

Estimated Budget Increase (w/o debt): \$ 4,320,052 9.13% increase

^{*}Budget is still being developed, this was summer estimate.

Assessment 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, 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	14.49%	\$8,864,776
Groton Assessment	\$23,481,350	3.57%	\$24,319,318	6.65%	\$25,937,716	16.12%	\$30,118,409

Assessment Increase

FY24 Dunstable Assessment: \$7,742,721

FY25 Est. Dunstable Assessment: \$8,864,776

Assessment Increase: \$1,122,052

FY24 Groton Assessment: \$25,937,716

FY25 Est. Groton Assessment: \$30,118,409

Assessment Increase: \$ 4,180,693

Total Assessment Increases: \$ 5,302,745

Groton's ability to pay

The estimated revenue projections discussed at the Groton Town-School Working Group indicated the school district would typically receive 60% of the new revenues or approximately \$660,000.

FY25 Estimated Groton Assessment:

\$30,118,409

FY24 Groton Assessment Funding:

\$25,937,716

FY25 Estimated Additional Funding*:

\$ 1,829,848*

FY25 Estimated Available Funding

\$27,767,564

Projected School Deficit

(\$ 2,350,845)

^{*}In the event the town does not positively vote a Prop 2 ½ increase, the formula used by the town would produce this amount. However, this is at the decimation of the town budget (less services) in addition to the school deficit.

Dunstable's ability to pay

The estimated revenue projections discussed at the Dunstable Town-School Working Group indicated the school district would receive 62% of the new revenues or \$144,307.

FY25 Estimated Dunstable Assessment:

\$8,864,776

FY24 Dunstable Assessment Funding:

\$7,742,721

FY25 Estimated Additional Funding:

\$ 144,307

FY25 Estimated Available Funding

\$7,887,028

Projected School Deficit

(\$977,748)

This is not a one year problem

The towns have estimated town revenues for the next 5 years.

The school district has estimated town assessments for the next 5 years.

FY25 shows a large deficit between the two estimates, but this also occurs in the following years, but not to the same extent. The funding gap is projected to be over \$1 million per year in Groton and \$535K-\$633K per year in Dunstable.

Thus, this is not a one year problem, it is a perpetual problem for the foreseeable future.

How did we close the gap in FY2024?

School district administration has already been hearing the feedback "you always say you have a deficit, but you always find the money". We worked collaboratively with many stakeholders last year and the gap was closed by:

- School Committee used additional \$111,740 of E & D (total of\$911,740) to preserve
 - o Elementary librarian paraprofessional
 - o Middle School Coordinator stipends
 - 1.0 FTE Social Studies position
- Groton added \$400K more to funding than they originally budgeted to close the gap
- Health insurance renewal reduced from 15% budget to 5.9% (\$367K reduction)
- Reduced Assistant Principal HS
- Reduced Guidance position HS
- Reduced Wellness teacher HS
- Reduced ELA teacher HS (vacancy not filled)
- Reduced Technology/Library FTE at SU
- Moved additional \$120K paraprofessional salaries to grant (reduced contract services)
- Moved additional \$150K OOD tuitions to circuit breaker funding (reduced reserves)

Given the magnitude of the estimated gap in FY25, there must be an expectation of devastating reductions that will be necessary if the revenue base in each town is not raised.

Budget challenges - Now and in the future

- Utilities inflationary increases unpredictable
- Negotiation outcomes with all bargaining units
- School District not using E & D to balance budget
- Towns not using free cash to balance budget
- Health insurance renewals between 5.9% and 19.9%

Documents available online

www.gdrsd.org

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Departments = Business & Finance
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FY2025 Budget Folder

Groton Dunstable Regional School District by the numbers