

Superintendent's Fiscal Year 2023 Recommended Budget

***Staying the Course to Ensure
Student Success***

January 2022

General Considerations

- Major differences from 2022 budget to the 2023 budget
- State Legislation and Mandates
- Creating Student Service structures that build upon our current work
- Updating infrastructure to ensure efficiencies and improved communication and safety measures
- Capital Improvements
- How ESSER Funds have impacted the budget planning
- A strong focus on in-person learning for the FY 20-21 school year

Impact of ESSER III Funds

District received \$2,638,343.00

- Math and English Language Arts Curricular Resources
- Professional Development and Instructional Coaching
- Legislation and requirements for all Districts
 - Right to Read Act- RIGL 16.11.4-6
 - High Quality Curriculum -RIGL 16.22.30-33
 - The Nathan Bruno and Jason Flatt Act- RIGL 16-21.7
- Extended Student Learning Opportunities
- Technology Upgrades
- HVAC

Operational Budget Savings Impact as a result of ESSER III Funds

Initiative	Rationale	Costs
<u>K-12 Mathematics Curricula Materials</u>	HQCM- RI Curriculum legislation. <u>RIGL 16.22.30-33</u>	\$435,000.00
<u>Right to Read Act</u>	<u>RIGL 16-11.4-6</u>	\$268,118.00
K-5 Reading Curricula resources	HQCM- RI Curriculum legislation. <u>RIGL 16.22.30-33</u>	\$61,000.00
Student Support Programming	<u>RIGL 16-21.7-3</u>	\$35,000.00
Professional Learning for K-12 ELA and Mathematics Implementation of HQCM	HQCM- RI Curriculum legislation. <u>RIGL 16.22.30-33</u>	\$25,000.00
Suicide prevention	<u>RIGL 16-21.7</u>	\$25,000.00
Total		\$849,118.00

Operational Budget Savings Impact as a result of ESSER III Funds

Initiative	Rationale	Costs
Upgrade Student Devices K-8	Maintain District 1:1 Initiative	\$338,690.00
Student Support Specialists	Increased support to needs of our students	\$223,538.06
Updating and redesigning data systems and network or warehousing infrastructure	Upgrade student information systems	\$100,466.58
Interactive display panels for K-4	Upgrade outdated display panels	\$99,212.94
HVAC HEPA FILTERS	Maintain air quality in schools	\$40,000.00
Leadership Data Tracking- Vision 2023 results and planning for Vision 2028	Update the district 5-year strategic plan	\$5,000.00
Total		\$806,907.58

Operational Budget Savings Impact as a result of ESSER II Funds

Initiative	Rationale	Costs
Macbook Air computers	Maintain District 1:1 Initiative	\$412,112.00
Professional Learning for K-12 ELA and Mathematics Implementation of HQCM	HQCM- RI Curriculum legislation. <u>RIGL 16.22.30-33</u>	\$120,018.42
Chromebook computers	Maintain District 1:1 Initiative	\$154,230.00
<u>K-12 Curricula Materials</u>	HQCM- RI Curriculum legislation. <u>RIGL 16.22.30-33</u>	\$20,917.72
Total		\$707, 278.14

Operational Budget Savings Impact as a result of ESSER II Funds

Initiative	Rationale	Costs
Replace (2) AHU's in the middle school gym	Maintain safe air quality in schools	\$178,274
Repair/replace rooftop HVAC unit (RTU)	Maintain safe air quality in schools	\$125,000
Replace (10) operable sash windows	General maintenance and repair	\$62,530
Install new rooftop HVAC unit (RTU) that serves Marine Tech area	General maintenance and repair	\$48,000
Updates to increase air quality	Maintain safe air quality in schools	\$22,000
Replacement estimate for improvement of IAQ, replace skylights to access outside air.	General maintenance and repair	\$20,000
Total		\$455,804

Operational Budget Savings Impact as a result of ESSER Funds

- **Savings to Operational Budget as a result of:**
 - ESSER III: \$1,656,025.58 (FY23 & 24)
 - ESSER II: \$ 1,163,082.10 (FY22 & 23)
 - ESSER: \$315,655.00 (FY 21 & 22)
- **Total Savings: \$3,134,762.68**

All of our ESSER III funds are being allocated to support initiatives that we would have needed to place in our operational budget and by having access to these funds it allows us to remove this burden and accelerate our plan to be able to meet the needs of our students.

Required Services that Chariho **MUST** Provide

- Tuition to other High Schools- \$326,074
- Tuition to Charter Schools- \$910,940
- Transportation Non Public \$644,079
- Transportation Out of District and CTC \$20,000

*Note on Inflation-There are budget lines that are impacted by inflation specifically (oil, supplies, food services). The US Bureau of Labor Statistics may be regarded as a source of accurate information regarding economic conditions and measurement of inflation in different regions of the United States. In **2013 the decade we are in was estimated** to run an average 2.6% inflation rate. As of the most recent **BLS report for November of 2021** the general Consumer Price Index (CPI) rose by 6% in the Northeast region, and by 2.7% in the Education/Communication categories. **The St Louis Federal Reserve Bank** has posted a helpful graph of their estimates for inflation which ranges from 5.3% in 2021, 2.6% in 2022 and 2.3% in 2023. While there is absolutely no way to guarantee any of these estimates it is reasonable to expect a budget in our region to require between 2.5% and 6% to deliver services.*

FY 2023 Budget Development Process

October 8– November 29: School and department level budget development

November 17 – November 29: Principals' internal review of budget

November 3 – December 3: Central Office budget review

January 4 – January 27: School Committee review and adjustment of recommended budget during public workshops

FY 2023 Budget Development Process

January 19: Presentation of budget to Finance Committee and to member towns during Omnibus Meeting

February 8: Budget approval during School Committee meeting

March 1: Public hearing on budget during Annual Regional School District Meeting

March 8: Budget adoption during School Committee meeting

April 5: Referendum on adopted FY 2023 budget

IMPORTANT MATTERS TO NOTE

- Reduction to State Aid to Charlestown and Hopkinton
- Negotiations with NEARI Certified and NEARI/ESP
- Increase in Department of Children Youth, & Families placements
- Utilities and Oil increases due to inflation
- Transportation- Statewide and inability of the state to run routes
- Out of District Tuitions- Increases to Narragansett and South Kingstown
- Supply inflation - Ex. Welding, Construction Materials etc
- Grant Opportunities

THE NUMBERS

General Fund Expenses

\$ 63,458,648.62

or +2.97% percent increase over FY22

General Fund and Capital Expenses

\$63,527,121.62

or +3.08% increase over FY22

General Revenue (i.e. state aid, tuition, Medicaid) \$(6,224,279.00)

which is a 2.5% increase due to restoration of Medicaid and out of district enrollments

THE IMPACT

Enrollment Shifts

Charlestown 24.79% or +0.18%

Richmond 37.85% or +0.09%

Hopkinton 37.36% or -0.27%

**Member Towns' Contributions w/o Debt Service
after Re-Allocation of Fund Balance +2.77%**

**Member Towns' Contribution w/Debt Service
after Re-Allocation of Fund Balance +2.72%**

NOTE: The amount paid to the District by each town is determined by that town's share or percentage of enrolled students.

Final Impact on Member Towns

Charlestown +3.51%

Richmond +2.96%

Hopkinton +1.96%

Final Impact After Application of Projected State Aid

Charlestown +\$547,050.22, or +4.48%

Richmond +\$381,698.24, or +2.47%

Hopkinton +\$461,388.81, or +3.08%

FUND BALANCE OVERVIEW

CATEGORIES:

Non-Spendable: Portion of fund balance that cannot be spent because it is either not in spendable form or there is legal requirement for funds to remain intact. (Example: WB Health deposits)

Restricted: Portion of fund balance restricted for specific purposes because of external (e.g., laws, regulations) constraints. (Example: CTC Categorical Aid)

Committed: Portion of fund balance restricted for specific purposes because of School Committee action. (Examples: Potential cost of litigation, re-appropriated fund balance applied to current year)

FUND BALANCE OVERVIEW

CATEGORIES CONTINUED:

Assigned: Portion of fund balance restricted for specific operational purposes as designated by the Director of Administration and Finance.

Unassigned: Portion of fund balance that includes all amounts not contained in other categories. These funds are not subject to constraints and are available for any purpose. These funds are subject to School Committee policy or action.

UNASSIGNED FUND BALANCE POLICY

The Chariho Regional School District Committee shall maintain an undesignated fund balance of a minimum of two percent (2%) and a maximum of four percent (4%) of general fund actual expenditures from the previous fiscal year. The Committee shall strive to maintain an undesignated fund balance of three percent (3%) of general fund actual expenditures from the previous fiscal year.

During the budget development, approval and adoption process, the Committee shall consider the re-appropriation of available unassigned funds that are in amounts greater than indicated above to reduce the impact of the District budget on the member towns. Any amount so re-appropriated shall be applied at the individual member town level in accord with that town's contribution to the District in the previous fiscal year.

MAJOR REASONS FOR FUND BALANCE

As discussed in the December 14th School Committee meeting the general fund contribution to fund balance from FY21 operations was \$758,175. This was due to savings in transportation, and state and federal offsets to reduce the impact of Covid related operating expenses (cleaning supplies, personal protective equipment-PPE, air filters, etc.).

FY23 will be supported by ESSER III funds, though mostly designated for teaching and learning 'learning support' activity to overcome educational impacts during Covid/distance learning, some funds will overlap operating budget. This in turn supports an aggressive 2.25% reserve posture.