



FY2023 SCHOOL DEPARTMENT ADDITIONAL BUDGET CONSIDERATIONS

January 13, 2022

FY2023 PRELIMINARY BUDGET

PERSONNEL (82%)	\$78,636,969
GENERAL EXPENSE (18%)	\$17,428,717
TOTAL	\$96,065,706
TM RECOMMENDATION	\$96,065,706 3.75%

STUDENT FEES

➤ **Transportation**

- Currently \$300 per student (7th to 12th grade) annually, max \$600 per family
- \$100 reduction in fee equates to \$100,000 operating dollars (transportation offset)

➤ **High School Athletics**

- Currently \$450 per student annually, max \$900 per family
- \$100 reduction in fee equates to \$85,000 operating dollars (athletic budget)

➤ **High School Parking**

- Currently \$200 per spot
- \$100 reduction in fee equates to \$30,000 operating dollars (crossing guard offset)

➤ **Middle School Extra-Curricular Fee**

- Currently \$125 per student, max \$250 per family
- Full reduction in fee equates to \$43,302 operating dollars (individual school budgets)

CAPITAL NEEDS: PLANT & FACILITIES (1 of 2)

- **Andover High School Design: \$1,700,000 or \$2,500,000**
 - Building project widely-recognized as necessary; scope and timing under evaluation
 - \$ 1,238,419.73 allocated at 2021 Town Meeting toward feasibility and design (repurposed from Bancroft project audit; no new cost to taxpayers)
 - Estimated \$1,700,000 (for town project) or \$2,500,000 (for MSBA project) additional needed to complete design work

- **Doherty Middle School Improvements: \$8,000,000**
 - Items identified by facilities and architects to improve function until future major renovation
 - Scope includes: installation of an elevator; reuse of ramp area outside the gymnasium; construction of new, accessible, single-user restrooms near auditorium; installation of HVAC for that area; installation of sprinklers throughout building
 - Currently in CIP (SCH-5) for \$8,000,000 in FY2025

CAPITAL NEEDS: PLANT & FACILITIES (2 of 2)

- **Schoolwide Site Paving Work: \$5,000,000**
 - Improve or replace crumbling or otherwise failing pavement surfaces throughout the district
 - Currently in CIP (SCH-5) for \$5,000,000 in FY2025
- **Air Conditioning: \$10,700,000**
 - Design and/or installation of AC in schools to allow comfortable learning environment and extend building to year-round use
 - Currently in CIP (SCH-5) for \$10,700,000 in FY2025 (Sanborn \$3.5M, South \$3.2M, West Middle \$4M)

CAPITAL NEEDS: TECHNOLOGY

➤ Student Devices

- Provides for leasing student devices (iPads and Chromebooks)
- Devices are used for daily learning and annual MCAS testing
- Currently in CIP (IT-2) for \$436,477 (down from \$619,084 request)

BUDGET PLANNING

FY2022 Operating Budget	\$ 92,593,451
Proposed FY2023 Operating Budget	\$ 96,065,706 (3.75% increase)
Difference	\$ 3,472,254

FY2023 BUDGET FRAMEWORK

Obligations (non-discretionary)

- Salary increases, including step and track changes
- Transportation increases (general and special education)
- Reduction in out-of-district tuitions and required use of circuit breaker funding
- Retirements of tenured staff replaced by new hires at lower end of pay scales
- Transition of remaining full-day kindergarten expenses to general fund

Improvements

- Teaching & Learning (Dr. Riley)
- Student Services (Dr. Stetson)
- Elementary, Middle, High School requests (Principals)
- Fine & Performing Arts (Mr. Walsh)
- Athletics (Mr. Martin)
- Operational improvements, including back-office efficiencies (Dr. Parvey)
- Student Fee reductions

Capital Projects

- Expense of larger capital projects makes it difficult (often prohibitive) to absorb in annual CIP
- Expense escalates over time; acceleration brings cost savings
- Need plan for how and when to address outside of normal CIP funding
- For IT, consideration of shifting device leases from Capital to Operating expense

WHY IS CAPITAL SPENDING ON THE LIST OF CONSIDERATIONS?

- Potential opportunity created by:
 - Significant drop in out-of-district tuitions
 - Strategic and thoughtful management of circuit breaker funds
 - New hires districtwide (shift to lower portion of salary scales)
 - New superintendent conducting district-wide assessment: areas of strength and areas for investment
- Normal/steady-state budget increases (~3.75%) in future budgets
- Address high priority capital needs by supplementing normal CIP funding
- Investing in Capital projects would require prioritizing these in FY2023 over other identified needs

NEXT STEPS

- Consider requests and priorities; provide feedback to Dr. Parvey
- Ongoing refinement of costs by Dr. Parvey and team
- Work with Town Manager to define:
 - Potential package of capital project investments for consideration
 - Costs and term based on project(s) and estimated borrowing rates (example: \$10,000,000 loan at 3.0% is \$672,000 per year for 20 years)
- Superintendent FY2023 budget recommendation and School Committee vote - January 27th
- Submit School Department budget to Town Manager



THANK YOU