



FY24 Budget Preview to School Committee

January 23, 2023



Agenda

- **FY23 and FY24 context**
- **FY24 budget drivers**
- **Impact of override funding**
- **Development of two budgets**
- **Next steps and timeline**

FY23 Budget Update

The 2022-23 budget is on target and being managed effectively:

- Newton Early Childhood Program (NECP) building opened on time and on budget.
- Will continue to monitor and provide data in regular fiscal reports.



FY23 Budget Context (Review)

- **Reduced 12.2 FTE due to enrollment**
- **Eliminated 17.7 FTE additional positions**
 - Included curricular leadership, literacy support, counseling, and technology support
- **Added 13.2 FTE crucial in-district special education programming**
- **Utilized \$4.6M of one-time funding to balance FY23 Budget and avoid additional losses to essential programming:**
 - **\$1,710,000** of staffing and technology costs from the ESSER grant paid by the City
 - **\$2,470,000** from City ARPA funds to cover direct COVID expenses and other expenses in FY22
 - **\$410,000** reduction to NPS maintenance budget using alternate funding from the City

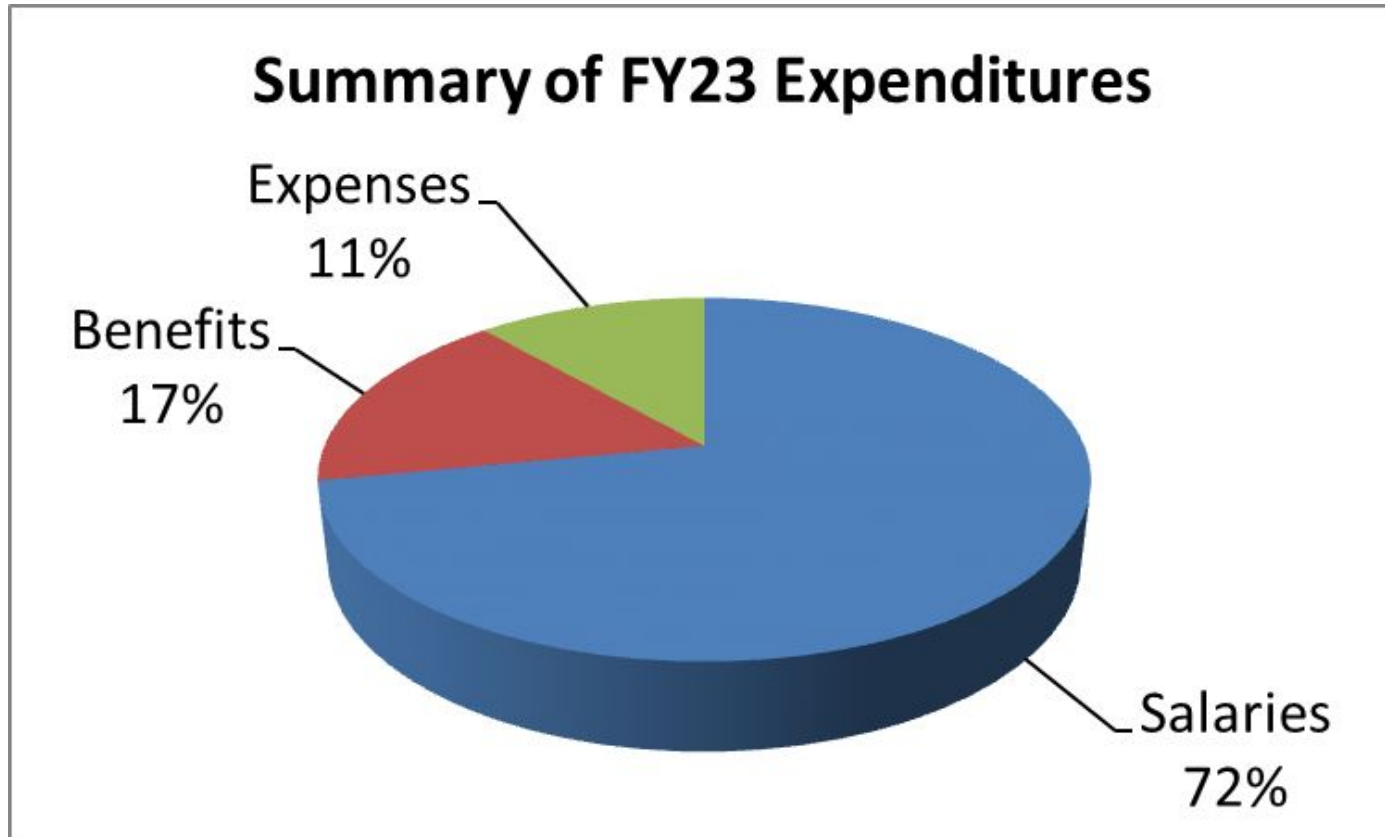


FY23 Budget Update (cont.)

Given the FY24 budget forecast, the district instituted a non-essential purchasing and hiring freeze in January 2023.

- Savings from freeze will increase carryforward from FY23 to help manage anticipated FY24 budget gap.
- Carryforward allows the district to bring previous year funds into the next year through the Circuit Breaker account.
- Current projection of \$2,000,000 in carryforward.

FY23 Budget Categories



FY24 Budget Goal

Maintain the current level of service provided to students and build a sustainable budget over time.

What does the FY24 Budget Goal Include?

- Support the [School Committee FY24 Budget Guidelines](#) and [NPS System Wide Goals](#)
- Provide optimal class sizes at all grade levels, adjusted for current enrollment
- Continue current educational programming (academic and extracurricular) and resources (technology & facilities)
- Preserve the rich and diverse mental health supports and social emotional learning critical to the pandemic recovery
- Support our staff through meaningful professional development

Current FY24 Preliminary Budget

- **FY24 Proposed Budget Goal**

Current preliminary estimated FY24 budget amount needed to meet Budget Goal:

\$280 - \$282 million (6.8% to 7.6% increase)*

- **FY24 Proposed Budget Increase**

Override approved: \$275.7 Million (5.2% increase over FY23)

Override not approved: \$271.2 Million (3.5% increase over FY23)

*Includes reductions for lower projected enrollment



FY24 Budget Override Impact

	Budget #1 Override Approved	Budget # 2 Override Not Approved
<u>FY24 Estimated Preliminary NPS Budget</u>	\$280 to \$282 Million	\$280 to \$282 Million
FY24 Budget Increase	\$275.7 Million (5.2% increase over FY23)	\$271.2 Million (3.5% increase over FY23)
Carryforward from FY23	-\$2 Million	-\$2 Million
FY24 Budget Gap	\$2 to \$4 Million	\$6 to \$8 Million

Budget #1 - Override Passes

	Budget #1 Override Approved
<u>FY24 Estimated Preliminary NPS Budget</u>	\$280 to \$282 Million
FY24 Budget Increase	\$275.7 Million (5.2% increase over FY23)
Carryforward	-\$2 million
FY24 Gap	\$2 to \$4 Million

Goal: Maintain the current level of service provided to students and build a sustainable budget over time.

Possible reductions to address remaining gap:

- Increase fees
- Charter maintenance
- Additional risk assumptions
- Further targeted reductions in operational and educational areas



Budget #2 - Override Does Not Pass

	Budget #2 Override NOT Approved
<u>FY24 Estimated Preliminary NPS Budget</u>	\$280 to \$282 Million
FY24 Budget Allocation	\$271.2 Million (3.5% increase over FY23)
Carryforward	-\$2 million
Remaining Gap	\$6 to \$8 Million



FY24 Budget Drivers

**Growing Student
Needs**

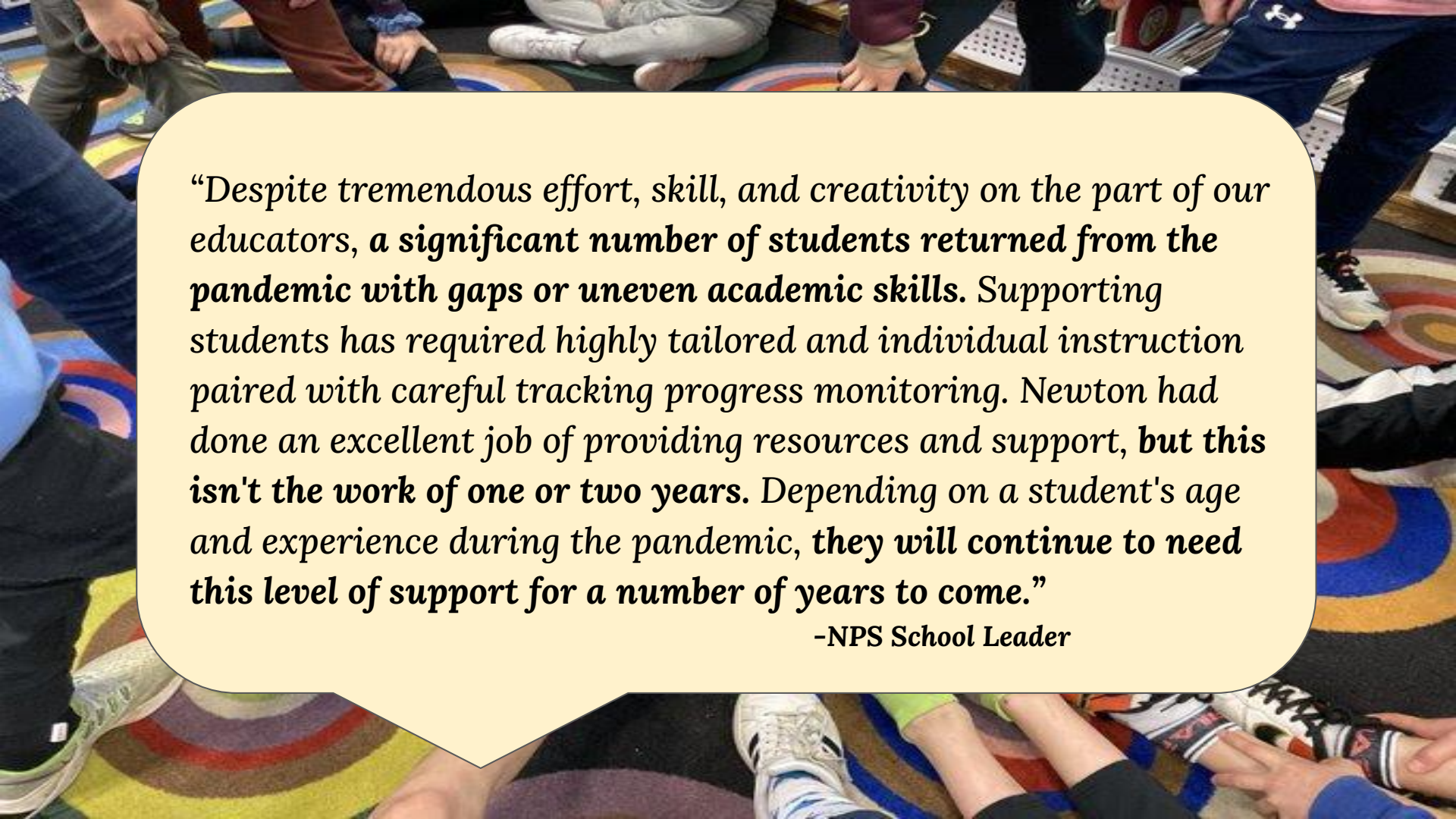
**Rising Costs and
Expenses**

**Using One-Time
Funds**



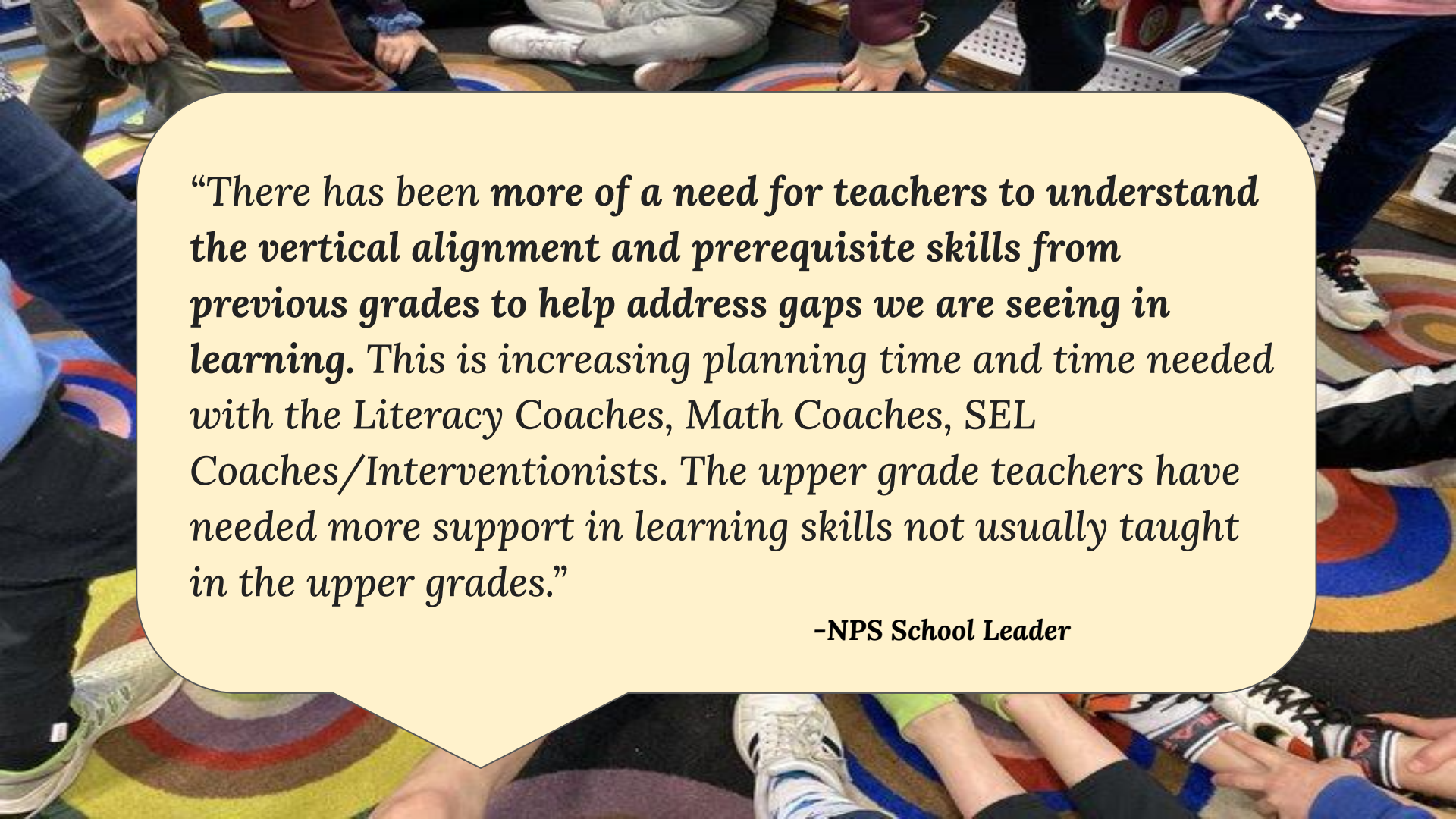


Budget Driver: Growing Student Needs



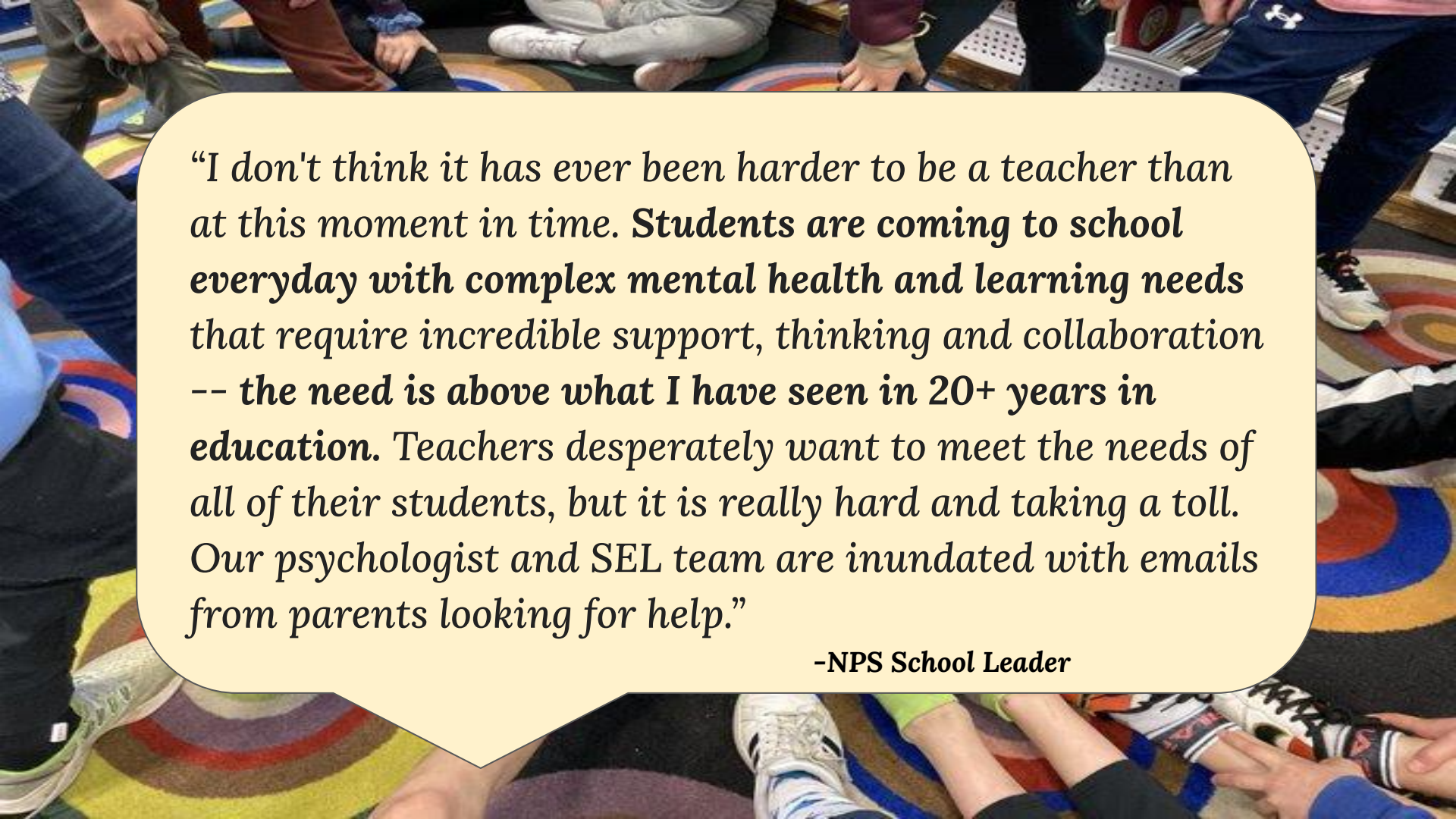
“Despite tremendous effort, skill, and creativity on the part of our educators, a significant number of students returned from the pandemic with gaps or uneven academic skills. Supporting students has required highly tailored and individual instruction paired with careful tracking progress monitoring. Newton had done an excellent job of providing resources and support, but this isn't the work of one or two years. Depending on a student's age and experience during the pandemic, they will continue to need this level of support for a number of years to come.”

-NPS School Leader

A group of people, likely students and teachers, are sitting on a colorful, circular patterned rug in a classroom setting. The rug features concentric circles in various colors like red, blue, yellow, and green. The people are wearing casual clothing and sneakers. The background shows a classroom environment with a whiteboard and other furniture.

“There has been more of a need for teachers to understand the vertical alignment and prerequisite skills from previous grades to help address gaps we are seeing in learning. This is increasing planning time and time needed with the Literacy Coaches, Math Coaches, SEL Coaches/Interventionists. The upper grade teachers have needed more support in learning skills not usually taught in the upper grades.”

-NPS School Leader

A group of people, likely students and a teacher, are sitting on a colorful, circular patterned rug in a classroom setting. The rug features concentric circles in various colors like red, blue, yellow, and green. The people are wearing casual clothing and sneakers. The background shows a classroom environment with a desk and a chair.

*“I don't think it has ever been harder to be a teacher than at this moment in time. **Students are coming to school everyday with complex mental health and learning needs that require incredible support, thinking and collaboration -- the need is above what I have seen in 20+ years in education.** Teachers desperately want to meet the needs of all of their students, but it is really hard and taking a toll. Our psychologist and SEL team are inundated with emails from parents looking for help.”*

-NPS School Leader



Budget Driver: Rising Costs and Expenses



Statewide
out-of-district
tuition increase
(14%)

\$1,800,000



Health Insurance
(5%)

\$1,700,000



Van
transportation
(7-10%)

\$500,000



Gas and
Electric Utilities
(22%)

\$1,100,000



Budget Driver: Using One-Time Funds

Using One-Time Funds

Sources of current and past NPS one-time funding:

- CARES Act
- ARPA funding
- ESSER funding
- Carryforward reliance (FY23 \$4.6 million)

FY24 Budget Unknowns

- Outcome of March 14th operational override
- Contractual costs
 - All three collectively bargained contracts expire at the end of this school year
- Full impact of inflationary pressure on expenses
- State aid, Chapter 70, circuit breaker, and grants

City of Newton Voter Questions for March 14, 2023

Two Debt-Exclusions

	Annual amount to service 30-year bonds
Countryside Elementary	\$2,300,000
Franklin Elementary	\$3,500,000

One Operational Override

Horace Mann Elementary	\$775,000
Streets and Sidewalks	\$1,400,000
Parks, Fields, Courts and Playgrounds	\$1,000,000
Plant and Nurture Trees	\$500,000
Sustainability and Climate Resiliency	\$500,000
Senior Services and Programs	\$500,000
Supporting Student Needs	\$4,500,000
	\$9,175,000

[NPS Override Information](#) and [City of Newton Override Information](#)



Budget Process

Two budgets will be developed

- Both budgets include a baseline addition of \$9.2M, a 3.5% increase

Budget #1 - Override Approved by the Voters

- Includes additional \$4.5 million for NPS operating budget
- Budget gap remains, but is smaller. Will likely require some additional fee revenue, reductions and/or risk assumptions.

Budget #2 - Override Not Approved by the Voters

- Significant budget gap exists, which will require extensive reductions to educational services and infrastructure

Reductions to Close \$6-\$8 Million Budget Gap



Non-personnel expenses



Administrative and operations (personnel and expenses)



Extracurricular activities (athletics, fine arts, clubs)



Classroom and school personnel

Non-Personnel Expense Reduction Areas

- **Building Maintenance** - Limit summer project work to Life/Safety/Mandated improvements only.
- **Professional Development** - Reduce System wide Professional Development
- **Technology devices, and software** - Reduce software licenses, rollback the 1:1 Technology program in grades K-5, introduce bring-your-own-device (BYOD) program in grades 11 and 12
- **Non-core academic programs**
- **Contracted service providers**

Administration and Operations Reduction Areas

- **Administrators** - Central staff, district and school-based supervisors
- **Support Staff** - Custodians & administrative assistants
- **Transportation** - Significant reductions to the transportation program

Extracurricular Activities Reduction Areas

- Athletic programs at middle and high schools
- Music programs
- Theater programs
- Clubs and activities

Classroom and School Personnel Reduction Areas

Eliminate 40-50 educator positions, resulting in the following impact on students:

- **Larger class sizes** at all levels
- **Increased caseloads** (more students to support)
 - Social Emotional Learning (SEL) & mental health professionals
 - Guidance, counseling, and college and career support
- **Decreased elective options** for students
 - Waitlists for high school classes and specialized electives
 - Increased free blocks and study halls at high school
- **Reductions in academic and social emotional support** systems

Without Override Funding

- Across the board budget reductions to all departments
- Increased class sizes
- Reductions to breadth and depth of programming for students
- Significant changes to staffing and structures
- Increased fees and other revenues sources
- Challenging to meet Systemwide Goals and School Committee Budget Guidelines

With Override Funding:

Provides NPS with critical funding to:

- Remain a premier school district providing every student with:
 - A personalized learning experience
 - A strong and engaging academic program with challenging classes and coursework
 - Robust and meaningful mental health supports
 - Modern, innovative, and readily accessible technology

Next Steps

- Update and refine the assumptions built into the budget scenarios
- Develop detailed reductions necessary for Budget #1 and Budget #2
- Build community awareness of the override impact on the NPS budget for all stakeholders
- Updates at School Committee meeting moving forward
- March 3: Hosting breakfast with State Legislatures to support advocacy for schools

