



FY24 OPERATING BUDGET REQUEST

Submitted to Dedham Finance
and Warrant Committee

March 2023

TABLE OF CONTENTS

MESSAGE TO THE COMMUNITY	2
ALIGNING TO PRIORITIES	3
BUDGET OVERVIEW	4
KEY BUDGET DRIVERS	6
STAFFING DETAILS & TRENDS	7
ENROLLMENT TRENDS	9
SPECIAL EDUCATION CIRCUIT BREAKER	10
MEDICAID REIMBURSEMENT	11
CHAPTER 70	12
FACILITIES OPERATING BUDGET	13
FY2024 COLLECTIVE BARGAINING	14
SCHOOL CAPITAL BUDGET PLAN	15



MESSAGE TO THE COMMUNITY

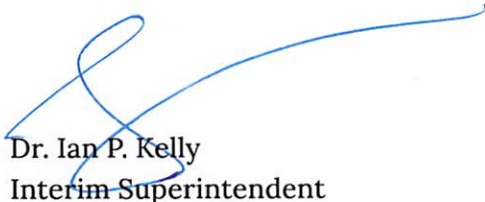
On behalf of the Dedham Public Schools, I am pleased to present the FY2024 Operating Budget Request. The Dedham School Committee unanimously voted to approve this proposed budget at their meeting on February 1, 2023. This vote endorsed over three months of work within the district and the many hours of effort and deliberation contributed by the Budget Subcommittee guided by Chairman Chris Polito. I greatly appreciate the committee's collective commitment to investing in our schools while balancing fiscal responsibility to Dedham tax payers.

This FY24 Budget was developed during the opening months of the 2022 – 2023 school year. Fiscal 2024 presents significant budgeting challenges for the School Department and the community. Extraordinary increases in utilities and other fixed operating costs represent increases beyond the control of the District and the Town. Given these increases, the FY24 budget request required the DPS administrative team and the Budget Subcommittee to carefully weigh priorities and develop a plan for fiscal resources that ensures all students continue to receive a high quality learning experience in school facilities that are safe, welcoming, and provisioned for an engaging educational environment.

Given the extraordinary circumstances for FY24, a level service budget represents an 8.76% increase over FY23. After many hours of thoughtful deliberation, the Budget Subcommittee, and ultimately the full Committee, voted to support a 6.95% increase for FY24. In order to close this gap I worked with our District Leadership Team to carefully reduce spending on goods, services, and personnel. These were difficult reductions to make and they will have a direct impact on the quality of service we are able to provide students during the 2023 – 2024 school year.

I hope this publication provides you with insight into our budget development process, as well as the information you need to inform your decisions for the upcoming fiscal year. Thank you for your continued efforts on behalf of our students and the residents of Dedham.

Sincerely,



Dr. Ian P. Kelly
Interim Superintendent

ALIGNING TO PRIORITIES

The mission of the Dedham Public Schools, in partnership with the community, continues to be one that promotes excellence in learning, self-discipline, and motivation. The Dedham Public Schools strategic priorities remain aligned to this mission and fall into two broad categories: teaching and learning and management and operations.

TEACHING AND LEARNING. These efforts include maintaining optimal class sizes, ensuring a cohesive and rigorous PK-12 curriculum, expanding enrichment and intervention systems, sustaining a welcoming and inclusive district culture, enhancing social and emotional learning systems, and supporting robust professional development structures for our valued educators and instructional support staff.

MANAGEMENT AND OPERATIONS. Strategic efforts in management and operations for FY24 and beyond remain primarily focused on ensuring that all seven of our school buildings remain structurally sound, safe, ADA compliant, and conducive to achieving our collective goals for teaching and learning. The FY24 proposed budget represents strategic investments to continue to bring Dedham High School into compliance with ADA requirements, repair aging mechanical systems throughout the District, maintain security at a number of our aging facilities, ensure that all communication systems remain operational, and begin preparations for long term, significant capital investments for improvements to the exterior envelope of DHS.



BUDGET OVERVIEW

The FY24 Operating Budget reflects careful planning and strategic efforts to balance our ability to maintain excellence in educational programming for students with extraordinary cost increases driven by the post pandemic economy. The FY24 Operating Budget request includes a 6.95% increase over FY23 fueled by unprecedented increases in utilities, special education out of district tuition rates, and transportation costs. These extraordinary budget drivers represent 2.56% of the overall request. The remaining 4.39% supports general operating expenses, an increase consistent with overall budget trends over the last five fiscal years.

OPERATING BUDGET REQUEST OVERVIEW

	<i>Education</i>	<i>Facilities</i>	<i>TOTAL</i>
<i>Final FY23 Budget</i>	\$46,321,576	\$4,300,809	\$50,622,385
Proposed FY24 Budget	\$49,408,896	\$4,729,779	\$54,138,675
Increase (\$)	\$3,087,320	\$428,970	\$3,516,290
Increase (%)	6.66%	9.97%	6.95%

DPS OVERALL BUDGET – 5 YEAR HISTORY

	<i>FY20</i>	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>	FY24	<i>5-YR AVG</i>
TOTAL BUDGET	\$44,722,897	\$46,645,729	\$48,549,509	\$50,622,385	\$54,138,675	\$48,935,839
<i>Change</i>	\$1,932,915	\$1,922,832	\$1,903,780	\$2,072,876	\$3,516,290	\$2,269,739
<i>Percent</i>	4.52%	4.30%	4.08%	4.27%	6.95%	4.82%



DPS OVERALL BUDGET BREAKDOWN – 5 YEAR HISTORY

EDUCATION	FY2020	FY2021	FY2022	FY 2023	FY 2024	5-YR AVG
Approved Budget	\$40,833,100	\$42,576,992	\$44,371,206	\$46,321,576	\$49,408,896	\$44,702,354
Change From Prior Year	\$1,832,000	\$1,743,892	\$1,794,214	\$1,950,370	\$3,087,320	\$2,081,559
Percent Change	4.70%	4.27%	4.21%	4.40%	6.66%	4.85%

FACILITIES

Approved Budget	\$3,889,797	\$4,068,737	\$4,178,303	\$4,300,809	\$4,729,779	\$4,233,485
Change From Prior Year	\$271,741	\$178,940	\$109,566	\$122,506	\$428,970	\$222,345
Percent Change	7.51%	4.60%	2.69%	2.93%	9.97%	5.54%



KEY BUDGET DRIVERS



PERSONNEL SALARY INCREASES	\$2,387,428	+4.72%
-----------------------------------	--------------------	---------------

Unsettled collective bargaining agreements represent a challenge in forecasting for FY24. As of March 1, 2023, six of our eight bargaining units do not have settled contracts. The District is currently in negotiations with Unit A Educators, by far our largest unit, with five other units to follow. With no defined COLA for these units, the proposed FY24 budget includes reasonable estimated placeholders. The resulting impact of the estimated “level service” increases on all salaries accounts for 4.72% of the overall proposed budget.

UTILITIES	\$342,144	+0.67%
------------------	------------------	---------------

The School Department has been affected by an extraordinary market increase in the supply cost for gas and electricity. This is due to the previous contract ending this past fall at the same time that the market pushed a substantial increase to consumers. The district recognized a 50% increase in the gas supply pricing and over 100% in the electricity supply pricing.

OUT OF DISTRICT TUITION	\$624,375	+1.23%
--------------------------------	------------------	---------------

The Massachusetts Operational Services Division (OSD) is required to provide the state with estimated inflation rates for social services programs. Tuitions for out of district special education placements are included in these social service cost projects. Historically OSD has estimated inflationary cost increases in the 2%-3% range; for FY24 OSD has estimated an unprecedented increase of 14%. This coupled with minor adjustments in District placement in private special education programs will have a significant impact on the District's operating budget.

TRANSPORTATION**\$286,700****+0.62%**

The District's current yellow school bus transportation contract has been finalized for the next five years, however transportation budget impacts will still need to be right-sized due to non-yellow bus transportation cost increases. This account line pays for the contracted yellow bus transportation provided by Michael J Connolly and Sons. The account line also pays for transportation of homeless students and students with medical needs.

Homeless and medical transportation has seen a dramatic increase in Dedham since the pandemic accounting for over \$100,000 of unplanned and unanticipated transportation costs. To support these new needs, we must separate these costs from contracted yellow bus accounts and budget accordingly.

The District also is in a bid year for Transportation for Special Education. A recent survey of local districts has shown that year one of a new contract is seeing an average of 10% increases, and for this first year we are projecting a \$106,000 increase.

STAFFING DETAILS & TRENDS

Dedham Public Schools currently employ over 475 educators and instructional support personnel, across seven schools. Staffing patterns are carefully monitored over time for alignment to the needs of our students and the District's strategic priorities and initiatives. The following pages provide a detailed breakdown of staffing patterns and trends over time by job type.

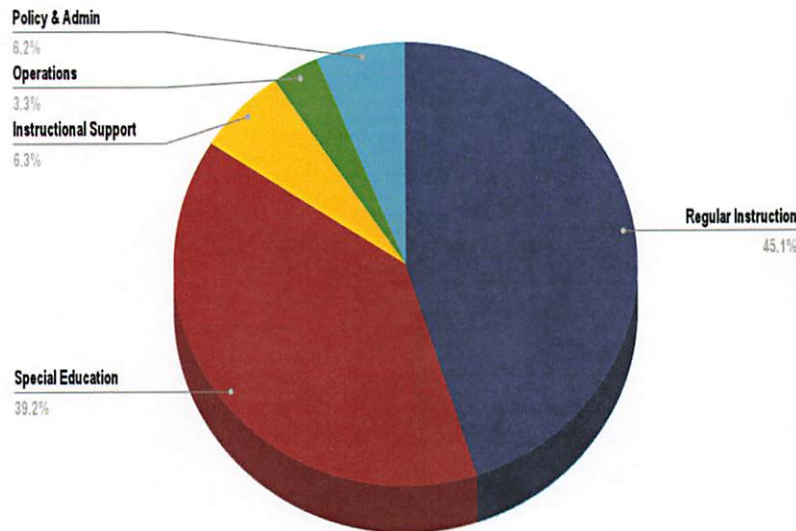
DPS STAFFING TRENDS – 5 YEAR HISTORY

	FY2020	FY2021	FY 2022	FY 2023	FY 2024
Education FTE	465.6	476.4	472.8	477.8	481.17
<i>Education Personnel Budget</i>	\$34,791,434	\$36,516,516	\$37,782,790	\$39,433,121	\$41,820,549
School Facilities FTE	27.65	29.4	29.5	29.5	29.5
<i>Facilities Personnel Budget</i>	\$2,013,306	\$2,097,000	\$2,145,193	\$2,267,699	\$2,256,348
TOTAL FTE	493.25	505.8	502.3	507.3	510.67
<i>Total Personnel Budget</i>	\$36,804,740	\$38,613,516	\$39,927,983	\$41,700,820	\$44,076,897

STAFFING TRENDS BY JOB CLASSIFICATION

	2020	2021	2022	2023	2024
Regular Instruction	208.9	205.8	201.9	206.9	207.9
Special Education	177.1	193	191.8	191.8	192.8
Instructional Support	34	33	33.5	34.5	35.5
Operations	16	15	15	15	16
Policy & Admin	29.6	29.6	30.6	30.6	30.6
Total	465.6	476.4	472.8	478.8	482.8

FY24 Personnel Cost Distribution



DPS Job Classification Reference

REGULAR INSTRUCTION

Licensed classroom teachers, department chairs, curriculum coordinators, instructional coaches, educational interventionists, English Language Learner (ELL) teachers, technology educators, general education paraprofessionals.

SPECIAL EDUCATION

Special Education administrators, Special Education paraprofessionals, licensed special educators, speech/language teachers, psychologists, occupational/physical therapists, behavioral specialists, alternative program, extended school year.

INSTRUCTIONAL SUPPORT

Guidance counselors, instructional substitutes, athletic coaches and expenses, school nurses, librarians, library paraprofessionals, extracurricular stipends, technology support specialists.

OPERATIONS

Traffic crossing guards, lunchroom supervision, attendance officer.

POLICY & ADMINISTRATION

Principals, central office administrators, human resources, business office, administrative assistants.



ENROLLMENT TRENDS

The District monitors student enrollments carefully and continuously to inform staffing patterns and fiscal impact year over year. Enrollments for the 2022 - 2023 school year remain relatively stable with an overall decrease of 11 (.005%) students from the 2021 - 2022 school year. Dedham Public Schools continues to maintain class sizes that are optimal for student learning and consistent with the communities expectations.

DPS ENROLLMENT TRENDS

SCHOOL YEAR	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2012-13	113	225	208	200											2826
2013-14	99	212	231	208	205										2818
2014-15	109	194	238	237	204	210									2776
2015-16	112	182	186	225	244	202	213								2748
2016-17	95	187	178	194	220	244	205	203							2693
2017-18	97	173	201	174	200	221	255	197	198						2658
2018-19	98	201	177	207	183	210	216	255	194	198					2687
2019-20	129	229	196	186	207	182	211	221	258	195	169				2730
2020-21	72	202	217	183	175	187	171	203	209	247	163	172			2548
2021-22	108	224	201	214	187	174	186	166	201	205	191	165	170		2560
2022-23	109	207	219	216	202	191	175	180	169	203	179	198	170	171	2589
Cohort Dif.			-5	15	-12	4	1	-6	3	2	-26	7	5	1	-11

SPECIAL EDUCATION CIRCUIT BREAKER

Dedham's access to Special Education Circuit Breaker reimbursement is based upon the prior year's costs for out-of-district tuition and transportation for its students placed in collaborative programs or private schools. The formula that the State uses to determine eligible costs reimbursement is complex:

"Subject to appropriation, for each student the state's share shall equal 75% of the prior year's approved instructional costs in excess of four times the full amount of the prior year's state average per pupil foundation budget as defined in M.G.L. c.70 and as set by the Department."

However, the full funding of the Circuit Breaker (at 75%) can be adjusted downward should the annual State budget not permit full funding:

"In the event that appropriations are insufficient to fully fund all reimbursements due under 603 CMR 10.07, the total due to each district shall be prorated by an equal percentage."

In FY22, Dedham received reimbursement totaling \$1,559,705 through the Circuit Breaker for the 54 students it had placed in out-of-district placements. In FY23, Dedham is projected to receive reimbursement totaling \$1,984,967 (increase of 27%) for the 42 students who were outplaced. The Governor has submitted her budget proposal for the 2024 fiscal year to the Legislature including a \$62.8 million (~14%) increase to Circuit Breaker Reimbursement funding. This proposed commitment from the Governor is a positive signal indicating that we should see consistent if not slightly increased Circuit Breaker receipts in the year ahead.

SPECIAL EDUCATION CIRCUIT BREAKER REIMBURSEMENT

<i>Fiscal Year</i>	<i>Eligible Students Claimed</i>	<i>Total Eligible Expenses</i>	<i>Net Claim</i>	<i>Payment</i>	<i>Increase/ Decrease</i>
22/23	42	\$4,635,860	\$2,646,610	\$1,984,967	\$425,262
21/22	54	\$4,041,160	\$2,079,599	\$1,559,705	\$181,320
20/21	42	\$3,844,454	\$1,837,846	\$1,378,385	\$104,430
19/20	35	\$3,278,428	\$1,698,604	\$1,273,955	-\$140,069
18/19	50	\$3,234,690	\$2,892,577	\$1,414,024	\$101,696
17/18	49	\$3,275,752	\$2,885,259	\$1,312,328	-\$373,926

MEDICAID REIMBURSEMENT

The Dedham School Department routinely generates additional revenue to the Town's General Fund in the form of reimbursements from the School Based Medicaid Program. Some services provided by school personnel (mainly in the form of psychological and counseling services) can be billed to Medicaid. These reimbursements must be carefully tracked and recorded by school personnel providing these services.

The Dedham Public Schools Office of Business and Finance has aggressively pursued reimbursement of these federal funds over the past eight years. Due to the complexity of these reimbursements the Dedham School Department has paid for the services of an outside vendor to provide expertise in this area and ensures that the maximum amount is received by the Town. In return, this tracking and back-billing of Medicaid qualifying services annually generates more than a quarter million dollars in revenue returned to the Town's General Fund.

DPS MEDICAID REVENUE & BILLING OVERVIEW – 5 YEAR HISTORY

	<i>Medicaid Revenue</i>	<i>Collection Fees</i>	<i>Net Revenue to Town</i>	<i>FY2021</i>
2022	\$566,983	\$35,268	\$531,715	Collection Fees Paid by DPS
2021	\$298,013	\$7,269	\$290,744	Collection Fees Paid by DPS
2020	\$172,840	\$4,585	\$168,255	Collection Fees Paid by DPS
2019	\$290,548	\$15,186	\$275,362	Collection Fees Paid by DPS
2018	\$269,947	\$10,527	\$259,420	Collection Fees Paid by DPS



CHAPTER 70

"The Chapter 70 program is the major program of state aid to public elementary and secondary schools. In addition to providing state aid to support school operations, it also establishes minimum spending requirements for each school district and minimum requirements for each municipality's share of school costs."

In FY23, the Town of Dedham received \$6,786,428 via the Town's Cherry Sheet. These funds are intended to help cities and towns support their schools, while also providing an incentive for them to establish a Foundation Budget, a required contribution, and a net school spending limit as a critical part of the funding formula.

Dedham has consistently exceeded the Foundation Budget amount established for the Town as well as the required contribution amount and thus receives its full share of Chapter 70 funds. In the Governor's proposed budget for FY24, Dedham would receive \$6,992,697, a \$206,269 increase over the FY23 Cherry Sheet estimate representing a modest 3% increase. It should be noted that the Governor's Budget Proposal is only the first step in the process of approving the state's overall budget.



There are 8 more opportunities for these figures to change:

- ▶ House Ways & Means Budget
- ▶ House Debate
- ▶ House Budget
- ▶ Senate Ways & Means Budget
- ▶ Senate Debate
- ▶ Senate Budget
- ▶ Conference Committee
- ▶ Final Budget

While these Chapter 70 funds do not come directly to the School Department, they can be used by the Town to help offset the School Department's proposed budget increase for FY24.

FACILITIES OPERATING BUDGET

In addition to the budgeted operating expenses related to Education, the proposed FY24 Operating Budget includes a \$428,970 or 9.97% increase in the Facilities budget. The increase in the Facilities budget is driven by two factors.

The School Department has been affected by extraordinary market increases in the supply cost for gas and electricity. This is due to the previous contract ending this past fall at the same time that the market pushed a substantial increase to consumers. The District recognized a 50% increase in the gas supply pricing and over 100% in the electricity supply pricing. This has translated to a \$342,141 increase to the utility accounts.

The balance of the increase is a net sum of a reduction in the total salary lines combined with an increase in material costs. Employees have returned to work from paid leaves of absence and the long term substitutes hired to cover the openings have been released, resulting in a decrease to the salary lines of (\$11,351). This decrease is netted against an increase to the supply lines in response to material cost increases of \$98,180, resulting in the balance of the Operating Budget increase at \$86,829.

DPS FY23 FACILITIES BUDGET - OVERVIEW

<i>FY'23 Final Budget</i>	\$4,300,809	
FY2024 Collective Bargaining "Level Service" Increases	\$39,792	0.93%
Long Term Substitute Position Ended in FY2023	-\$51,143	-1.19%
Extraordinary Increase in Utility Supply Costs	\$342,141	7.96%
Inflationary Increase of Supplies and Materials	\$67,380	1.57%
Tree Removal, Pest Control, Building Repairs Increases	\$29,250	0.68%
Uniform/Footwear Cost Increase	\$1,550	0.04%
Total FY2024 Budget Request	\$428,970	9.97%

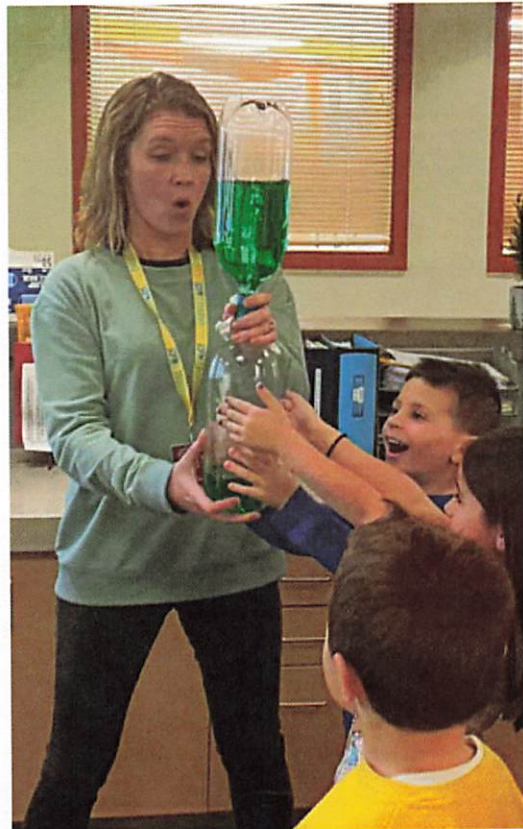
FY2024 COLLECTIVE BARGAINING

The Dedham Public Schools are operated by over 600 employees represented by eight collective bargaining units (listed below for reference). Approximately 92% of the FY24 Operating Budget request represents our contractual obligations to all faculty and staff for salaries, negotiated cost of living adjustments (COLA), step/lane increases, and longevity payments.

Unsettled collective bargaining agreements represent a challenge in forecasting for FY24. As of March 1, 2023, six of our eight bargaining units do not have settled contracts. The District is currently in negotiations with Unit A Educators, by far our largest unit, with five other units to follow. In most years, a negotiated COLA is in place for the bargaining units and this readily translates into a defined cost for the coming fiscal year. With no defined COLA for these units, we have included reasonable estimated placeholders, with 3.96% of the budget representing anticipated “level service” increases.

DPS Collective Bargaining Units

UNIT A	General and special education teachers, related service providers, school nurse, counseling services,
UNIT B	Directors, Assistant Principals, Curriculum Coordinators, Educational Team Leaders
PARAPROFESSIONALS	Special education aides, general education aides, library aides
EDUCATIONAL INTERVENTIONISTS	Specialized interventionists
CUSTODIAL/ MAINTENANCE	Custodians, trades
CLERICAL	Administrative assistants, secretaries, clerks
FOOD SERVICE	
TRAFFIC DIRECTORS	



SCHOOL CAPITAL BUDGET PLAN

For the FY2024 School Capital budget request, the list of needs was addressed in a similar fashion as previous years, with Principals and the Director of Facilities meeting to review each school building, and new for this year was the inclusion of the Head Custodian of each building along with the Assistant Superintendent for Business and Finance. All improvement requests were identified and then reviewed with the School Budget Subcommittee for discussion, prioritization and approval.

This year's focus in Technology Capital investments is on refreshing educational technology devices, refreshing the wireless infrastructure, replacement of fiber switches, and updating the aging Middle School projectors. The total Technology Capital request is \$432,260 after planned reimbursement from e-rate of \$172,500.

- **EDUCATIONAL TECHNOLOGY - COMPUTER REFRESH:** This represents the total cost of replacing approximately 49 desktop computers, 425 chromebooks, and 80 iPads. This totals \$187,260 in costs; \$32,000 of the total is offset using funds from the technology fee leading to the capital request of \$155,260.
- **WIRELESS INFRASTRUCTURE REFRESH:** This project is replacing 397 wifi units in the district. The current wifi in place is five years old and is two generations behind in modernization. The request of \$100,000 is offset by district E-rate funds.
- **FIBER SWITCH REFRESH:** These are school specific switches for connection to the town-wide fiber ring. The request of \$15,000 is offset by district E-rate funds.
- **MIDDLE SCHOOL PROJECTOR UPDATES:** The current system is eight years old, and is out of warranty as well as being discontinued models (no replacement parts). The project is replacing 54 bulb-based units with the new laser projectors, and the total cost is being requested.

The process for developing the Facilities capital request uses timeline lifecycle management of assets similar to the Technology process. A known list of identified projects starts the conversation, and then meetings are held with building administrators and department heads to discuss both the existing capital needs of each building as well as to identify new needs. The projects that are moved forward then follow discussion and guidelines for selection.

The current discussion has brought in the complication around the expanding cost of materials and labor with respect to the cost of the projects that need to be completed. The Producer Price Index from the U.S. Bureau of Labor Statistics shows the

year-over-year costs are up 5.4% over last year, and up 11.6% over the two-year span. This is part of an increase of around 35% since the start of the pandemic. These factors translate to more expense per project without diminishing the need for upgrades and improvements.

This adds to the discussion that started last year of where the targeted capital investment should fall for a district of this size. Industry standards state that capital funding should fall in the range of 2-4% of the aggregate current replacement value (CRV) of a building. The Dedham Public School buildings have a general total value of approximately \$170 million based on assessed valuation, and approximately \$105 million according to the Statement of Values issued by the town insurers. The conservative range for annual capital funding using the Statement of Values would be a target of \$2.1 to \$4.2 million to meet the needs of the current buildings.

For the FY2024 Facilities capital request, the district is requesting to move forward \$2,487,000 of capital requests. This is approximately half of the \$4,909,000 of projects discussed this year as potential capital requests, but is a list of projects that we feel meets the needs of the school department at this time. The summary below also contains a link to the source document to review the details behind these numbers:

SCHOOL BUILDING	FY 24
Avery Total	\$220,000
DHS Total	\$1,130,000
District Total	\$225,000
DMS Total	\$720,000
Greenlodge Total	\$52,000
Oakdale Total	\$30,000
Riverdale Total	\$110,000
Grand Total	\$2,487,000

The items in the detailed report are identified as Type SS (Safety and Structure) which represents projects that are safety related or are necessary to maintain the building envelope, and TL (Teaching and Learning) which are items that directly impact staff and students. Included in this capital request is additional funding to design and build a new elevator strictly for ADA student and staff access at the high school, a topic of discussion at the most recent Town Meeting.