



Dedham
Public
Schools



**FY
2025**



SCHOOL OPERATING BUDGET REQUEST

*Submitted to Dedham Finance
& Warrant Committee*

MARCH 2024



TABLE OF CONTENTS

MESSAGE TO THE COMMUNITY	2
ALIGNING TO PRIORITIES	3
FISCAL YEAR 2024 DEFICIT	4
OPERATING BUDGET OVERVIEW	4
FY25 BUDGET DRIVERS	6
STAFFING DETAILS & TRENDS	7
ENROLLMENT AND CLASS SIZE	10
TRANSPORTATION	13
OUT OF DISTRICT TUITION	14
SUPPLEMENTAL FUNDING	15
GRANT FUNDING	16
SPECIAL EDUCATION CIRCUIT BREAKER	17
MEDICAID REIMBURSEMENT	19
CHAPTER 70	20
FACILITIES OPERATING BUDGET	21
SCHOOL CAPITAL BUDGET PLAN	24

MESSAGE TO THE COMMUNITY

It is my privilege as the New Superintendent for Dedham Public Schools to present the Operating Budget Request for Fiscal Year 2025 (FY25). The Dedham School Committee unanimously voted to approve this proposed budget at their meeting on February 7, 2024. 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 FY25 Budget was developed during the opening months of the 2023 – 2024 school year. The fiscal year ahead presents significant challenges for the School Department and the community. Extraordinary increases in costs associated with off contract transportation, an enrollment increase of approximately 6%, a proportionate increase in out of district special education tuitions, and a 4.69% increase to out of district special education tuitions created a significant budget deficit for FY24 which, subsequently, manifests in increased costs for recurring expenses in FY25. Given these increases, the FY25 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 FY25, a level service budget represents an 11.3% increase over FY24 funding levels. After many hours of thoughtful deliberation, the Budget Subcommittee, and ultimately the full Committee, voted to support an 8.06% increase for FY25. In order to achieve an 8.06% budget I have worked closely 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 2024 – 2025 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,



Nan Murphy
Superintendent of Schools

ALIGNING TO PRIORITIES

The mission of the Dedham Public Schools (DPS), in partnership with the broader community to promote excellence in learning, self-discipline, and motivation for all children. DPS strategic priorities remain aligned to this mission and fall into three broad categories: teaching and learning, student services, and management and operations.

TEACHING AND LEARNING These efforts include maintaining class sizes consistent with the expectations of the community, 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.

STUDENT SERVICES The strategic plan for student services includes (1) the development of a comprehensive, (2) culturally affirming System of Care model for mental and behavioral health services, (3) removing barriers that may result in differential outcomes for traditionally marginalized groups, (4) eradicating health disparities and other sources of disproportionality, (5) providing a high-quality continuum of services and programs for students with disabilities, implementing research-based specially designed instruction to meet the unique needs of students with learning differences and multilingual learners, and (6) maintaining a service delivery model that prioritizes inclusion and open participation in the Least Restrictive Environment for ALL students.

MANAGEMENT AND OPERATIONS Strategic efforts in management and operations for FY25 and beyond remain primarily focused on ensuring that all seven of the District's school facilities remain structurally sound, safe, ADA compliant, and conducive to achieving our collective goals for teaching and learning. The FY25 capital budget represents strategic investments in facilities and infrastructure that aim to replace aging roofs, provide enhanced security at DMS through a robust internal security camera system, and significant renovations at DHS that improve ADA compliance and ensure the operational stability of our food services department.



FISCAL YEAR 2024 DEFICIT

In Fiscal Year 2024 (FY24) the Dedham School Department is tracking a \$2.6 million dollar operating deficit. This deficit is primarily a function of:

- an ~ 6% increase in overall student enrollment.
- an increase in out of district special education placements for students proportionate to the overall ~6% increase in enrollment.
- unanticipated and extreme increases in costs associated with student transportation.

The school department is working to address this deficit by ceasing all non-essential spending, enacting a hiring freeze, and pursuing financial relief via state aid. While these fiscal issues are present and problematic in FY24, they will, unfortunately, materialize into significant challenges for the FY25 budget cycle. The overwhelming majority (~\$2.3 million) of the \$2.6 million deficit are recurring costs that must be planned for and budgeted in FY25. This \$2.3 million in additional costs translates into a 4.2% increase over the FY24 school department budget. This increase does not include increases to fixed and variable costs that the District requires to operate safely and effectively.

OPERATING BUDGET OVERVIEW

LEVEL SERVICE BUDGET The annual budget development process begins with the articulation of a level service budget. The level service budget reflects the cost of operations to maintain the same level and quality of service in the next fiscal year. The level service budget factors predictable increases to fixed costs and estimated increases for the variable costs of goods and services. When existing fixed costs, estimates on existing goods and services, and the FY24 deficit carry over are combined, a level service budget would require a ~12% increase over the FY24 appropriation.

FY25 PROPOSED OPERATING BUDGET The FY25 proposed operating budget reflects careful planning and strategic efforts to balance the District's ability to maintain excellence in educational programming for students while working within the reasonable and real limitations of the Town's budget and overall levy capacity. The FY25 proposed operating budget request includes an 8.06% increase over FY24 driven primarily by:

- ~6% increase in overall PK-12 enrollment (~7%)
- a proportionate increase in out of district special education placements for students
- 4.69% state regulated increase to out of district private school tuitions
- unanticipated and extreme increase in costs associated with student transportation.

OPERATING BUDGET REQUEST OVERVIEW

	Education	Facilities	TOTAL
<i>FY'24 Final Budget</i>	\$49,408,896	\$4,729,779	\$54,138,675
Proposed FY'25 Budget	\$53,266,762	\$5,224,710	\$58,502,252
Increase (\$)	\$3,857,866	\$494,931	\$4,363,577
Increase (%)	7.81%	10.46%	8.06%

DPS OVERALL BUDGET – 5 YEAR HISTORY

	FY21	FY22	FY23	FY24	FY25	5-YR AVG
TOTAL BUDGET	\$46,645,729	\$48,549,509	\$50,622,385	\$54,138,675	\$58,502,252	\$51,691,710
Change	\$1,922,832	\$1,903,780	\$2,072,876	\$3,516,290	\$4,363,577	\$2,755,871
Percent	4.30%	4.08%	4.27%	6.95%	8.06%	5.53%

DPS OVERALL BUDGET BREAKDOWN – 5 YEAR HISTORY

EDUCATION	FY2021	FY2022	FY 2023	FY 2024	FY 2025	5-YR AVG
<i>Approved Budget</i>	\$42,576,992	\$44,371,206	\$46,321,576	\$49,408,896	\$53,266,762	\$47,189,086
<i>Change From Prior Year</i>	\$1,743,892	\$1,794,214	\$1,950,370	\$3,087,320	\$3,857,866	\$2,486,732
<i>Percent Change</i>	4.27%	4.21%	4.40%	6.66%	7.81%	5.47%
FACILITIES						
<i>Approved Budget</i>	\$4,068,737	\$4,178,303	\$4,300,809	\$4,729,779	\$5,224,710	\$4,500,468
<i>Change From Prior Year</i>	\$178,940	\$109,566	\$122,506	\$428,970	\$494,931.00	\$266,983
<i>Percent Change</i>	4.60%	2.69%	2.93%	9.97%	10.46%	6.13%

FY25 BUDGET DRIVERS



ENROLLMENT INCREASE

~\$655k

+1.20%

Between October 1, 2022 and October 1, 2023, the District's foundation enrollment has grown by approximately 6%. This is an unprecedented increase of, at last count, 144 new students. Across the state (320 communities) over 50% of communities experienced decreased enrollments for the current school year. Of the 147 communities whose enrollments increased, the average increase was 43. An enrollment increase of the magnitude Dedham is experiencing is well outside the norm and necessitates the addition of teachers, instructional support staff, and instructional materials. These costs are recurring and, as a result, are reflected as a significant driver for the FY25 operating budget request.

TRANSPORTATION

~\$1.2 Million

+2.2%

The cost of transportation has increased dramatically over the last three years. Overhead costs associated with fuel prices, appropriate insurance, and the purchase and maintenance of vehicles have risen with inflation rates in recent years and are now stabilizing. These inflationary increases coupled with a labor market that is desperately short on drivers for vans and buses have coalesced into extreme escalation in rates. As a result the District has incurred over \$1 million in unanticipated transportation costs during FY24 which must be carried as a recurring cost to FY25.

OUT OF DISTRICT ENROLLMENT AND TUITION

~\$500k

+0.92%

Increased costs associated with out-of-district (OOD) enrollment are driven by (1) a normal increase in the number of students in OOD placements and (2) a projected tuition increase to tuitions for OOD placements of 4.6% established by the Massachusetts Operational Services Division (OSD). Historically OSD has estimated inflationary cost increases in the 2%-3% range; for FY25 OSD has estimated a 4.6% increase following an unprecedented increase of 14% in FY24.

STAFFING DETAILS & TRENDS

Dedham Public Schools currently employs approximately 600 employees of which ~475 are educators and instructional support personnel. Staffing patterns are monitored closely over time for alignment to the needs of our students and the District's strategic priorities and initiatives. Salaries and wages for all employees represent ~80% of the District's overall FY25 proposed operating budget.

DPS STAFFING TRENDS – 5 YEAR HISTORY

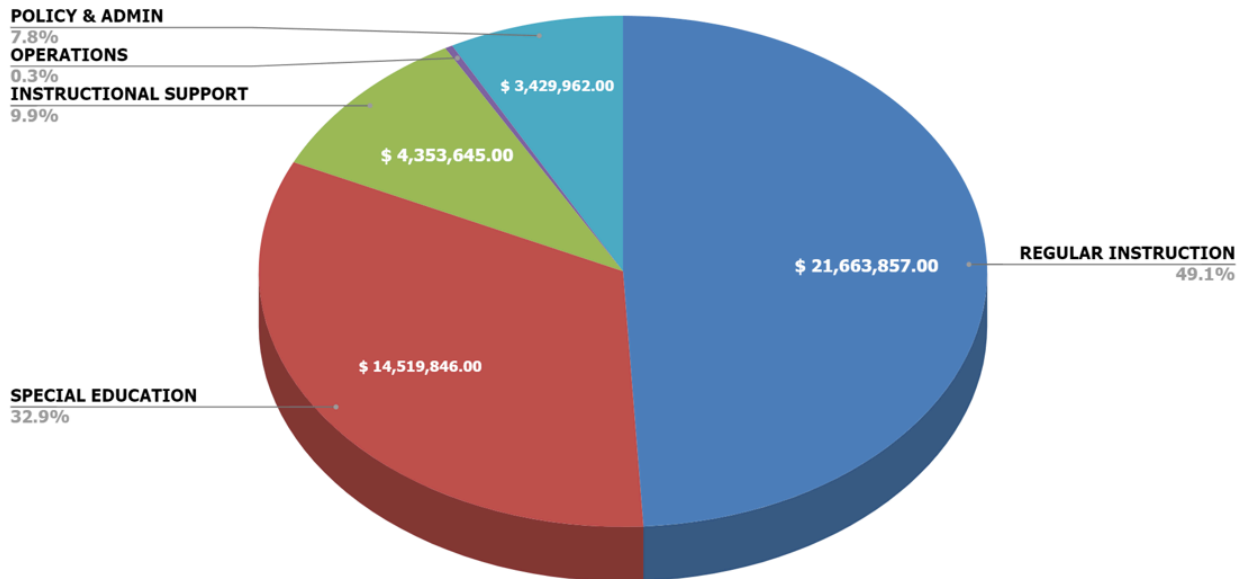
	FY2021	FY 2022	FY 2023	FY 2024	FY 2025
Education FTE	476.4	472.8	477.8	477.7	462.2
<i>Education Personnel Budget</i>	\$36,516,516	\$37,782,790	\$39,433,121	\$41,820,549	\$44,054,326
School Facilities FTE	29.4	29.5	29.5	29.5	27.5
<i>Facilities Personnel Budget</i>	\$2,097,000	\$2,145,193	\$2,267,699	\$2,256,348	\$2,542,137
Total FTE	505.8	502.3	507.3	507.2	500.2
<i>Total Personnel Budget</i>	\$38,613,516	\$39,927,983	\$41,700,820	\$44,076,897	\$46,596,463

DPS STAFFING DISTRIBUTION - 5 YEAR HISTORY

	2021	2022	2023	2024	2025
<i>Regular Instruction</i>	205.8	201.9	206.9	208.9	198.9
<i>Special Education</i>	193	191.8	191.8	185.8	185.8
<i>Instructional Support</i>	33	33.5	34.5	39	38
<i>Operations</i>	15	15	15	16	16
<i>Policy & Admin</i>	29.6	30.6	30.6	28	25.5
Total	476.4	472.8	478.8	477.7	464.2

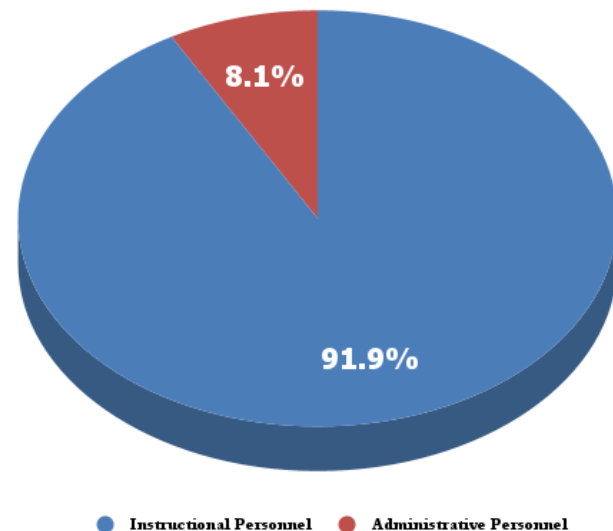
DPS STAFFING - COST DISTRIBUTION

	FY24	FY25
REGULAR INSTRUCTION	\$21,159,336	\$21,663,857
SPECIAL EDUCATION	\$12,769,496	\$14,519,846
INSTRUCTIONAL SUPPORT	\$4,264,980	\$4,353,645
OPERATIONS	\$149,363	\$149,187
POLICY & ADMINISTRATION	\$3,477,374	\$3,429,962



FY25 PERSONNEL COST DISTRIBUTION: STUDENT-FACING

DPS invests approximately 92% of funds allocated for personnel to teachers, related service providers, and instructional support staff. The remaining 8% of personnel funding supports administrative positions that ensure the safe and efficient operation of the District.



HOW ARE EMPLOYEES COMPENSATED?

The majority of Dedham Public School employees are represented by eight collective bargaining units and collective bargaining agreements (CBA). CBAs are contracts between the Dedham School Committee and the bargaining unit. These agreements establish and govern the working conditions and compensation for various employee groups.

Compensation can take the form of salaries, hourly wages, stipends, and longevity bonuses. Unit A educator compensation also includes step advancement (an annual increase in pay commensurate with years of service to the District), lane advancement (increase in pay commensurate with continuing education and advanced degrees), and a negotiated cost of living adjustment (COLA).

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, secretaires, clerks
FOOD SERVICE	
TRAFFIC DIRECTORS	



ENROLLMENT AND CLASS SIZE

The Dedham School Department continuously monitors student enrollments to inform staffing patterns and associated fiscal impact year over year. Enrollments for the 2023 - 2024 school year increased dramatically with the addition of 144 students (~6%) over the previous school year's enrollment of 2,555, bringing the current student enrollment in Dedham Public Schools to 2,699 students as of January 2024. In order to provide appropriate support for student learning and to maintain class sizes that are consistent with community expectations, it was necessary for the school department to hire 8.5 full time equivalent (FTE) additional educators and instructional support personnel in 2023-2024. These 8.5 FTE were not budgeted for FY24 and represent approximately \$655k of a \$2.6 million deficit in FY24 and the proposed 8.06% increase for the FY25 budget.

AVERAGE CLASS SIZES

Average class sizes are an important consideration in maintaining the quality of PK-22 programming throughout the District and are a key driver of per-pupil expenditures associated with ensuring excellence in that programming. The average class size data below provides direct insight into how many students one could expect to find in a classroom anywhere in the District with a certified lead teacher.

ELEMENTARY CLASS SIZES (K - 5)

	Sections	Average Class Size
<i>Kindergarten</i>	12	19
<i>Grade 1</i>	12	18
<i>Grade 2</i>	11	21
<i>Grade 3</i>	12	18
<i>Grade 4</i>	10	19
<i>Grade 5</i>	11	20





UPPER SCHOOL CLASS SIZES (GRADES 6-12)

	<i>DMS</i>	<i>DHS</i>
<i>English</i>	17	14
<i>Mathematics</i>	14	15
<i>History and Social Sciences</i>	19	19
<i>Science</i>	17	16
<i>World Language</i>	18	15
<i>Fine and Performing Arts</i>	17	13
<i>Computer Science</i>	16	16
<i>Health and Physical Education</i>	21	17
<i>Technology and Engineering</i>	16	-
<i>Occupational Ed.</i>	-	16



STUDENT TO TEACHER RATIOS

Student to teacher ratios are another metric used by the school department when looking at and understanding Dedham's practices and staffing patterns relative to geographically and demographically similar communities. Student to teacher ratios are different from class size averages in that they consider all instructional staff (i.e. guidance counselors, special educators, paraprofessionals, etc.) relative to the overall population of students.

While class size averages provide insight into what classrooms generally look like, the student:teacher ratio is a metric that provides insight into the level of adult support available to students throughout the district. Low student:teacher ratios equate to high levels of support for students.

District	Student:Teacher Ratio	Comparison Basis
Dedham	11 : 1	-
Ayer-Shirley	11 : 1	Demographic
Stoneham	11 : 1	Demographic
Northampton	11.5 : 1	Demographic
Norwood	12 : 1	Demographic
Westwood	12 : 1	Geographic
Foxborough	12.5 : 1	FWC Request
Norton	12.5 : 1	Demographic
Needham	13 : 1	Geographic
Bellingham	13 : 1	Demographic
Medfield	13 : 1	FWC Request
Canton	14 : 1	Geographic
Milton	14 : 1	Geographic
Amesbury	16 : 1	Demographic



TRANSPORTATION

Dedham Public Schools provide transportation to approximately 1,000 children in grades PK-22 throughout the school year and summer months. The majority of the District's transportation needs are serviced via contracts with vendors who provide yellow school bus and van services. In some instances, the transportation needs of the District exceed the scope of existing vendor contracts and, as a result, the District must use off-contract vendors to transport students.

Increased costs associated with transportation are a major driver for the District's FY25 proposed operating budget. Supply chain issues, inflation, and an unprecedented labor shortage have created significant, unanticipated increases in service fees and rates for van transportation. Route rates have spiked during the current fiscal year and range between \$150 - \$750 per day, per student.

These extraordinary service cost increases coupled with an equally extraordinary increase in student enrollment, create a situation in which the school department anticipates exceeding its FY24 transportation appropriation by \$1.2 million. These are recurring costs that must be accounted for and included in the FY25 budget.



OUT OF DISTRICT TUITION

The Individuals with Disabilities Education Act (IDEA) requires that public school districts provide a full continuum of services and alternative placements for students with disabilities at no cost to the child's family. These alternative placements for children are referred to as out of district placements. The specific type and significance of a child's needs determine if an out of district placement is necessary and, if so, what kind of school would best meet the needs of that child. Out-of-district placements may be in private special education schools, residential schools, and home/hospital settings. Each educational setting and program has an associated tuition that the school department budgets for annually.

Out-of-district placements are part of a broad continuum of programming and services that the District provides to ensure that all children have access to a free and appropriate public education (FAPE). This continuum of services can include:

- **General Education Classroom:** The child spends the full day in a general education classroom with consultative supports and/or related services
- **General Education Classroom:** The child may receive services either in a small group or individual instruction within the classroom.
- **Partial General and Special Education Classroom:** The child spends part of the day in a general education class and part in a special education class.
- **Special Education Classroom:** The child spends most of the day in a specialized program with other students with disabilities.
- **Separate Public School:** The child spends the full day in a specialized program in a separate (no non-disabled peers) public school.
- **Separate Private School:** The child spends the full day in a specialized program outside of the school district.
- **Separate Residential School:** The child both goes to school and lives with other children with disabilities.
- **Hospital and Home Instruction:** The child receives one-on-one instruction in a hospital or home setting.

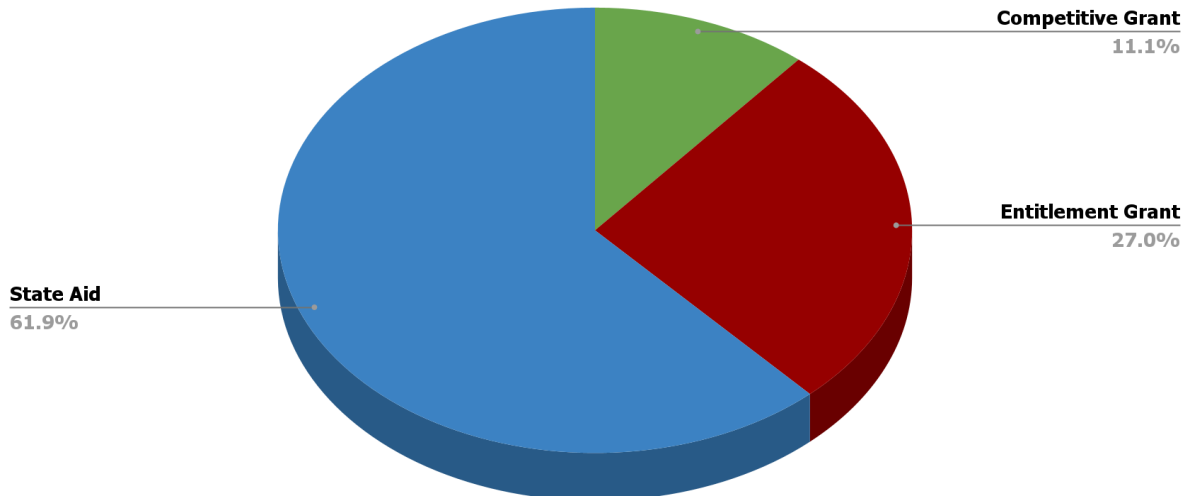
SUPPLEMENTAL FUNDING

The Town-appropriated operating budget provides the majority of funding expended to educate children in Dedham. However, each year, the operating budget is supplemented by two primary sources of supplemental funding: grants and State aid. In FY24, the Town and District have received approximately \$12.4 million in supplemental funding to support operational costs and educational programs for students throughout the school system.

SUPPLEMENTAL FUNDING SOURCES

FUNDING TYPE

Competitive Grants	\$ 854,876.00
Entitlement Grants	\$ 2,084,097.00
State Aid	\$ 9,531,295.00
TOTAL	\$ 12,470,268.00



GRANT FUNDING

The District benefits from supplemental funding via entitlement and competitive grants. Entitlement grants are distributions from State and Federal funding mechanisms established by law. These two statutory funding sources are the Every Student Succeeds Act (ESSA) and the Individuals with Disabilities Education Act (IDEA). Competitive grants come from state agencies, non-profits, for profit organizations, and other philanthropic sources. Unlike entitlement grants, these competitive grants are awarded based on the merit of the application proactively submitted by members of the District Leadership Team.

GRANT	TYPE	F24
Title I	Entitlement Grant	\$ 369,338.00
Title IIA	Entitlement Grant	\$ 62,620.00
Title III	Entitlement Grant	\$ 28,487.00
Title IVA	Entitlement Grant	\$ 25,720.00
IDEA	Entitlement Grant	\$ 963,741.00
Early Childhood	Entitlement Grant	\$ 29,191.00
Migrant Aid Relief - FC 344	Entitlement Grant	\$ 64,000.00
Migrant Aid Relief - FC 344	Entitlement Grant	\$ 477,000.00
Homeless Emergency Support	Entitlement Grant	\$ 64,000.00
High Quality Instructional Materials	Competitive Grant	\$ 255,000.00
High Quality Instructional Materials	Competitive Grant	\$ 15,000.00
Open Sci Ed	Competitive Grant	\$ 4,980.00
One 8 Foundation	Competitive Grant	\$ 3,600.00
ST Math	Competitive Grant	\$ 18,000.00
New IEP Grant	Competitive Grant	\$ 27,017.00
Comprehensive School Health Services	Competitive Grant	\$ 95,000.00
Department of Public Health	Competitive Grant	\$ 91,279.00
Beth Israel Deaconess Hospital	Competitive Grant	\$ 345,000.00

SPECIAL EDUCATION CIRCUIT BREAKER

Funding for special education programming in Massachusetts is provided via (1) local funds appropriated through the Town's operating budget, (2) state aid through Chapter 70 and Circuit Breaker, and (3) Federal grant funding. Circuit Breaker is a special reimbursement mechanism adopted by the state in 2004. Circuit Breaker reimburses districts for a portion of eligible expenses associated with out-of-district tuitions and transportation. The Dedham School Department submits detailed expense records to the State annually and receives reimbursement for a percentage of eligible expenses in the following fiscal year.

HOW DOES CIRCUIT BREAKER WORK?

The State establishes a Circuit Breaker threshold annually. This threshold helps districts understand the portion of a child's out of district tuition and transportation costs that are eligible for reimbursement. Up to 75% of eligible out of district tuition and transportation costs can be reimbursed depending on funding available via the State's budget.

Current Circuit Breaker Reimbursement Example

Out of District Student Tuition	\$100,000
State Established Threshold	\$51,500
Tuition Eligible for Circuit Breaker Reimbursement (\$100,000 tuition - \$54,000 Circuit Breaker Threshold)	\$48,500
Final Reimbursement to District (75% of \$48,500 Eligible Tuition)	\$36,375

HOW DOES THE DISTRICT USE CIRCUIT BREAKER?

Costs associated with out-of-district placements can shift suddenly and significantly in a given year subsequent to the school department's budget development and approval process. The state's Operational Services Division (OSD) may establish increases to state-approved tuition rates, students requiring out of district placements may move in, and/or students currently attending Dedham schools may develop needs that require out-of-district placement.

DESE regulations allow communities to carry forward up to the total Circuit Breaker reimbursement amount for one fiscal year. The fund is structured this way to encourage communities to build balances in their Circuit Breaker accounts so that, in years when special education expenses increase suddenly or the reimbursement rate is lower than 75%, there will be sufficient funds available to cover most, if not all unforeseen costs.

Both the Department of Elementary and Secondary Education (DESE) and the Department of Revenue's Division of Local Services (DLS) recommend that in years when special education costs are consistent with what is budgeted, districts should build a Circuit Breaker balance to mitigate the future risks involved in these highly volatile expenses.

HOW MUCH ASSISTANCE DOES CIRCUIT BREAKER PROVIDE THE DISTRICT?

In FY24, Dedham received Circuit Breaker reimbursement totaling \$2,284,301 for eligible costs associated with the out-of-district placements for 54 students. In FY25, Dedham is projected to receive reimbursement totaling approximately \$3.3 million for eligible tuition and transportation. The Governor's proposed budget for FY25 includes approximately \$492.2 million for Circuit Breaker reimbursement. This is a positive signal from the State indicating that the District should realize reimbursement rates at or above those in FY23 and FY24.

DPS SPECIAL EDUCATION CIRCUIT BREAKER REIMBURSEMENT HISTORY

<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>
2024	44	\$5,445,807	\$3,268,071	\$2,284,301	\$299,334
2023	42	\$4,635,860	\$2,646,610	\$1,984,967	\$425,262
2022	54	\$4,041,160	\$2,079,599	\$1,559,705	\$181,320
2021	42	\$3,844,454	\$1,837,846	\$1,378,385	\$104,430
2020	35	\$3,278,428	\$1,698,604	\$1,273,955	-\$140,069



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 the 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, helping to ensure 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

	Medicaid Revenue	Collection Fees	Net Revenue to Town
2023	\$263,652	\$9,355	\$254,297
2022	\$566,983	\$35,268	\$531,715
2021	\$298,013	\$7,269	\$290,744
2020	\$172,840	\$4,585	\$168,255
2019	\$290,548	\$15,186	\$275,362
2018	\$269,947	\$10,527	\$259,420



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 FY24, the Town of Dedham received \$6,992,697.00 Chapter 70 state aid. These funds are intended to help cities and towns support 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 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 FY25, Dedham is positioned to receive \$9,739,000.00, a \$2,746.303 increase over the FY24 state appropriation. This represents a 39% increase which is unprecedented growth in state aid. 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.



In the months ahead the Governor's proposed budget will proceed through:

- ▶ 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 FY25.

FACILITIES OPERATING BUDGET

The Dedham School Department operates seven school facilities that provide dedicated space for the teaching and learning needs of approximately 600 employees and 2,700 children in grades PK-22. These school facilities account for over 700,000 sq ft of space, with an average age of 57 years. The operation and maintenance of the District's facilities requires careful and thorough monitoring of the structure, mechanical systems, and grounds. These responsibilities are managed by the Director of Facilities and carried out by 27 full time maintenance and custodial employees. The proposed FY25 Facilities Operating Budget includes a \$334,931 or 6.85% increase over FY24. This increase is driven primarily by (1) utility costs, (2) wages & salaries, and (3) the rising costs of supplies and materials necessary for cleaning and maintaining the facilities and grounds.

	Schools (#)	Schools Average Age	Square Feet Total	Square Feet per Student	Difference from Mean (197 sq ft) per Student
Dedham	7	57	711,187	274.77	77.77
Milton	6	68	678,500	154.7	-42.3
Canton	6	56	619,097	190.89	-6.11
Northampton	6	75	616,014	230.69	33.69
Needham	8	66	610,806	109.83	-87.17
Norwood	8	76	562,400	160.03	-36.97
Foxborough	5	65	554,000	222.82	25.82
Stoneham	6	36	551,742	245.29	48.29
Bellingham	7	46	529,539	265.95	68.95
Westwood	7	73	474,500	163.28	-33.72
Norton	5	52	466,884	195.92	-1.08
Medfield	5	68	456,212	180.14	-16.86
Amesbury	4	55	428,000	160.28	-36.72
Ayer-Shirley	4	59	330,836	205.35	8.35

UTILITIES

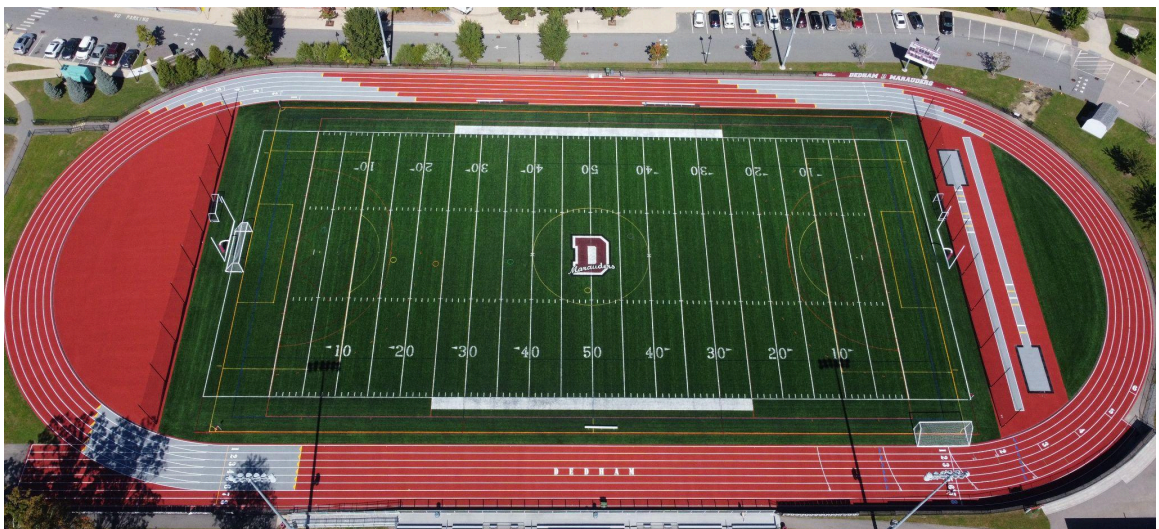
The dramatic increases to utility rates that drove unprecedented increases in the FY24 operating budget have leveled off as anticipated. That being said, the cost escalation of gas and electric still hovers in the 3%-5% range. Costs associated with utilities are established via contracts with providers and, as a result, are relatively predictable. While these costs are governed by contract, the school department is working to further control utilities by installing solar infrastructure at the ECEC, DMS, and DHS to extend control over and reduce costs.

CUSTODIAL AND BUILDING MAINTENANCE SUPPLIES

Prices for custodial supplies continue to increase at unprecedented rates. Consumables such as paper products and cleaning supplies are averaging 6% - 10% increases year over year. To control and reduce spending, the school department is evaluating the costs, quality, and sustainability of all custodial supplies. Many products are being replaced to use more efficient, lower-cost, and environmentally friendly products.

CONTRACTED SERVICES

Massachusetts has established prevailing wages and the District is required to compensate vendors for contracted services under the prevailing wage law. These wages apply to all maintenance and service contracts not governed or fulfilled by collective bargaining agreements.



DPS FY25 Facilities Budget Overview

PERSONNEL

Salaries Facilities, Custodians & Maintenance	\$ 2,256,348.00	\$ 2,542,137.50	\$ 285,789.50	12.67%
---	-----------------	-----------------	---------------	--------

NON-PERSONNEL

Electricity	\$ 979,798.00	\$ 1,009,192.00	\$ 29,394.00	3.00%
Heat	\$ 551,379.00	\$ 581,048.00	\$ 29,669.00	5.38%
Water	\$ 55,000.00	\$ 57,750.00	\$ 2,750.00	5.00%
Telephone & Wireless	\$ 78,644.00	\$ 80,163.00	\$ 1,519.00	1.93%
P&G supplies Maintenance	\$ 182,650.00	\$ 153,180.00	\$ (29,470.00)	-16.13%
P&G supplies Custodial	\$ 179,067.00	\$ 168,185.00	\$ (10,882.00)	-6.08%
Other Operations and Maintenance	\$ 606,893.00	\$ 633,055.00	\$ 26,162.00	4.31%
Total Non-Personnel	\$ 2,633,431.00	\$ 2,682,573.00	\$ 49,142.00	

TOTAL FOR FACILITIES	\$ 4,889,779.00	\$ 5,224,710.50	\$ 334,931.50	6.85%
-----------------------------	------------------------	------------------------	----------------------	--------------



SCHOOL CAPITAL BUDGET PLAN

FACILITIES DEPARTMENT

The FY25 School Capital budget request is developed annually through a collaborative process that reviews the needs of each facility and prioritizes major repair and maintenance projects. The Director of Facilities and Deputy Superintendent work closely with building principals to determine priorities and needs. The District's primary goal for the FY25 capital request is to improve our building's roof infrastructure throughout the District, as water infiltration is impacting the operations of our buildings. The Facilities Department also continues to pursue capital funding to address the safety needs of our buildings, to replace antiquated HVAC equipment, and to improve the exterior appearance of all buildings.

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 introduced a new complication identified 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 Covid-19 pandemic. These factors translate to more expense per project without diminishing the need for upgrades and improvements.

This complication adds to the discussion that began last year around where the targeted capital investment should fall for a school district of Dedham's 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 FY2025 Facilities capital request, the district is requesting to move forward \$1,994,000 of capital requests. This request does not address many necessary projects or fully fund all the project scopes found in this year's currently requested projects identified in the capital request. Still, it is a list of projects that we feel meets the needs of the School Department at this time.

PROJECT LOCATION	PROJECT NAME	FY25 REQUEST
Dedham High School	Flat Roof Section "Z/V" Replacement	\$1,000,000
Greenlodge Elementary	Rubber Roof Section Replacement	\$324,0000
Dedham High School	Kitchen Roof Section "K" Replacement	\$240,000
Dedham High School	HVAC D Wing RTUs Repairs	\$55,000
Dedham High School	Kitchen Roof Top Unit Replacement	\$175,000
Dedham Middle School	Interior Surveillance System	\$125,000
Dedham High School	Athletic Training Facility Upgrade	\$25,000
Dedham High School	Exterior Facade	\$50,000
Grand Total		\$1,994,000

TECHNOLOGY DEPARTMENT

Technology plays a critical role in the classroom for teaching and learning and the administration of our school system. All desktops, laptops, Chromebooks, and iPads are school-owned which allows us to address economic equity, instructional burden, and privacy and security concerns. Students, staff, teachers and administration require high availability and strong network security of these technologies. The FY25 Technology Capital request continues improvements to our technology infrastructure, as well as sustains the 1:1 technology program schedule to replace 25% of our Chromebooks annually. The total Technology Capital request is \$177,836 after planned reimbursement from e-rate of 108,664.

- **EDUCATIONAL TECHNOLOGY - COMPUTER REFRESH (\$93,836):** This request represents the total cost of replacing approximately 750 chromebooks, and 80 iPads totaling \$202,500. The District is able to access \$108,664 in reimbursement funds from the Universal Service Administrative Company (USAC), reducing the computer refresh capital request to \$93,836.
- **NETWORK SWITCH UPDATE (\$84,000):** The success of our wireless system relies on the wired network switches as all 400 wireless access points are hardwired into these switches. This project will replace 60 network switches. The total cost for replacement is estimated at \$210,000. 60% of this cost is being picked up by this USAC funding (\$126,000) which makes the final cost to the District \$84,000.