



1. Developing our
Workforce



2. Academic
Excellence for All



3. Systems of
Support



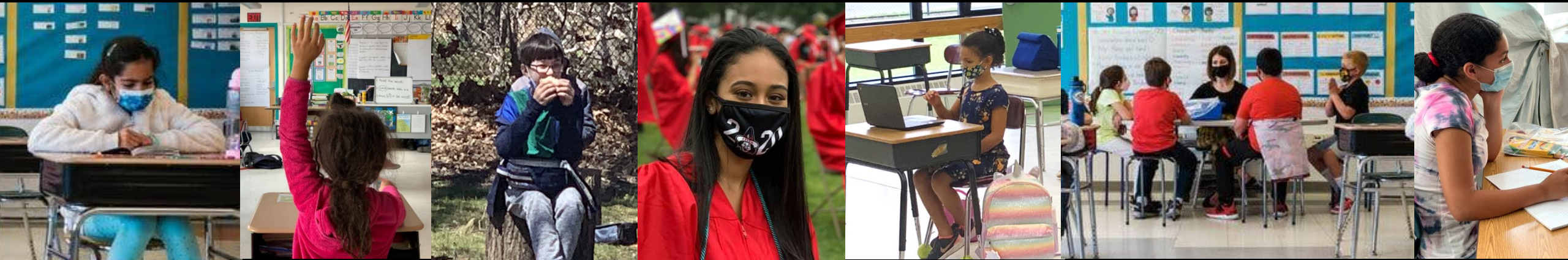
4. Strategy &
Accountability



SALEM PUBLIC SCHOOLS

Where belonging leads to opportunity.

FY23 Budget
May 16, 2022





SALEM
PUBLIC SCHOOLS
Where belonging leads to opportunity

- **Belonging:** We believe all members of our **community** are valued and that our **relationships** are built on **empathy** and respect.
- **Equity:** We believe in promoting **social justice** to ensure an **inclusive** school community where all members are **empowered** and **engaged**.
- **Opportunity:** We believe all students should receive a **personalized** experience to achieve academic success, find **joy** in their learning, and have multiple choices for their post-secondary plans.

Strategic Priorities



1. The best educators & leaders: Support & grow the best adults for our students



2. Academic excellence for all: Strengthen opportunities from pre-K to post-secondary



3. Systems of Support: Effectively meet social-emotional needs & engage families



4. Strategy & Accountability: Design & run efficient & equitable systems

Initial Budget Proposal, Fiscal Year 2023

	INCREASE		FY2023 RECOMMENDED	FY2022 ADOPTED
Total Budget	4.6%	3,077,295	69,675,213	66,597,918
<i>Adjusted for Contract Settlements</i>	<i>3.8%</i>	<i>2,577,295</i>		<i>67,097,918</i>
FY2023 Personnel Budget	3.6%	1,902,823	54,667,234	52,764,411
Contractual			2,331,685	1,244,038 ⁽¹⁾
New Requests			1,782,333	
<i>Savings and Offsets</i>			<i>2,211,195</i>	
FY2023 Non-Personnel Budget	8.5%	1,174,472	15,007,979	13,833,507
Contractual			1,076,013	397,559
New Requests			877,132	
<i>Savings and Offsets</i>			<i>778,673</i>	
FY2023 Special Revenue Fund Offsets			(2,558,000)	
<i>Circuit Breaker</i>			<i>(1,900,000)</i>	
<i>School Choice</i>			<i>(500,000)</i>	
<i>Special Education Tuition</i>			<i>(128,000)</i>	
<i>Facility Rental</i>			<i>(30,000)</i>	
<i>(1) FY2022 contractual increase does not include the additional \$500,000 necessary to cover unbudgeted CBA settlements.</i>				

If the FY2022 Adopted Budget were adjusted for the unbudgeted contract increases, the FY2023 Recommended Budget increase would be 3.8% rather than 4.6%.

Not coincidentally, negotiated compensation for educators – which accounts for over half of the school department budget – increases 3.785% in FY2023.

Finance Subcommittee Asked Us To Examine Reductions

	FY22 Adopted	FY23 Recommended	
4.62%	66,597,918	69,675,213	
4.25%	69,428,330	246,883	Reduction to
3.90%	69,195,237	479,976	Recommended
3.75%	69,095,340	579,873	
3.50%	68,928,845	746,368	
3.25%	68,762,350	912,863	
3.00%	68,595,856	1,079,357	
2.30%	68,129,670	1,545,543	

Finance Subcommittee requests administration to evaluate reductions from 4.6% to 3.0%.

Look for innovative solutions that minimize impact on students, staff, and schools.

Recommendation: Utilize existing operational resources to fund next year obligations where legally permitted

- **Sources of operational resources**

- Existing unspent balances in FY2022 supply and material accounts
- Turnover savings and unfilled FY2022 positions
- Unspent, unobligated special education tuition

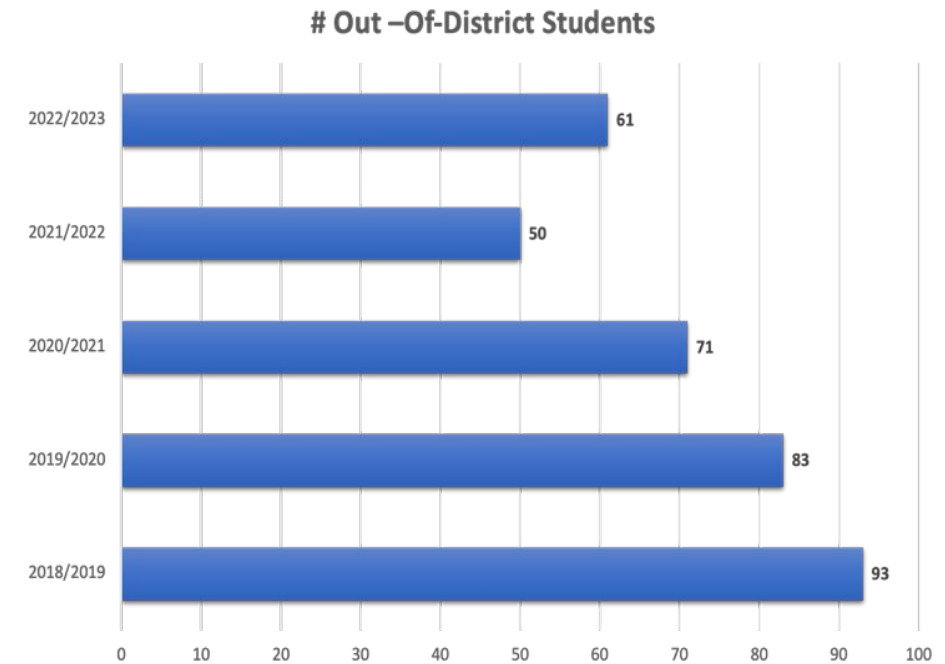
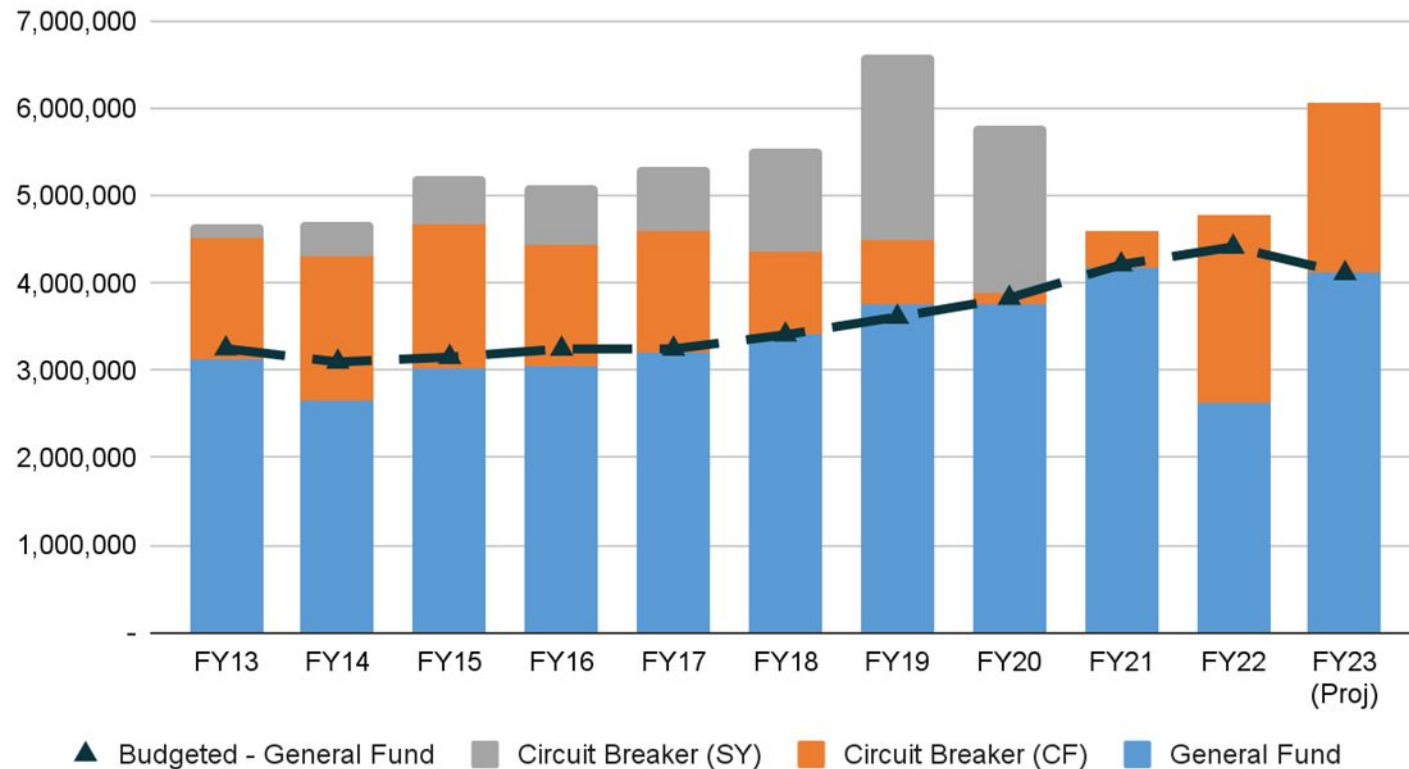
- **Considerations**

- Prepay of FY2023 special education tuition as allowed under MGL
- Create a special education tuition stabilization fund
- Shift unspent FY2022 tuition to the stabilization fund in the event the reduction in FY2023 unanticipated tuition results in a budget shortfall

Special Education Stabilization (Section 24 of Chapter 218)

- Majority vote of School Committee and City Council is required to establish and appropriate resources
- Intended to be used for unanticipated or unbudgeted costs of special education, out-of-district tuition or special education transportation
- The balance in the reserve fund cannot exceed 2% of the annual net school spending
- Majority vote of School Committee and City Council is required to expend funds

Historical Special Education Tuition Expense – All Funding Sources



Recommendation Details

• FY22 Adopted Budget	66,597,918			
• FY23 Recommended Budget	69,675,213	3,077,295	4.6%	
• Additional Offsets to FY23 Budget				
• Pre-Pay Special Education Funds with FY22 Funds	(550,000)	69,125,213	3.8%	
• Reduce FY23 Unanticipated Tuitions (1)	(300,000)	68,825,213	3.4%	
• Keep Daily Operations Manager Position on ESSER	(77,250)	68,747,963	3.2%	
• FY2023 Revised Budget	68,597,963	2,150,045	3.2%	
Less: Additional State Aid	(\$150,000)	2,000,045	3.0%	

Revised Budget, Fiscal Year 2023

	INCREASE		FY2023 REVISED	INCREASE		FY2023 RECOMMENDED	FY2022 ADOPTED
Total Budget	3.23%	2,150,045	68,747,963	4.62%	3,077,295	69,675,213	66,597,918
<i>Adjusted for Contract Settlements</i>	<i>2.48%</i>	<i>1,650,045</i>		<i>3.84%</i>	<i>2,577,295</i>		<i>67,097,918</i>
FY2023 Personnel Budget	3.46%	1,825,573	54,589,984	3.61%	1,902,823	54,667,234	52,764,411
Contractual			2,331,685			2,331,685	1,244,038 ⁽¹⁾
New Requests			1,705,083			1,782,333	
<i>Savings and Offsets</i>			<i>2,211,195</i>			<i>2,211,195</i>	
FY2023 Non-Personnel Budget	2.3%	324,472	14,157,979	8.49%	1,174,472	15,007,979	13,833,507
Contractual			1,076,013			1,076,013	397,559
New Requests			877,132			877,132	
<i>Savings and Offsets</i>			<i>1,628,673</i>			<i>778,673</i>	
<i>FY2023 Special Revenue Fund Offsets</i>						<i>(2,558,000)</i>	
<i>Circuit Breaker</i>						<i>(1,900,000)</i>	
<i>School Choice</i>						<i>(500,000)</i>	
<i>Special Education Tuition</i>						<i>(128,000)</i>	
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<i>(1) FY2022 contractual increase does not include the additional \$500,000 necessary to cover unbudgeted CBA settlements.</i>							

Note that increase in the FY2023 Revised budget appears overstated by \$150,000 which is the additional Chapter 70 funding that is assumed to be used to offset the budget increase.

Reflections

- Maintains integrity of initial proposal while working within city's fiscal constraints
- Does not resolve current issues with Chapter 70 - we must continue to ensure that Salem receive its fair share
- Without additional state support, FY24 will be even more challenging
- Conservative budgeting, circuit breaker and special education stabilization offer protection if there are unexpected special education costs in future budgets

***Scheduled vote on budget proposal– Friday, May 20th @ 4 pm (virtual)**