

**Finance Committee Meeting
Agenda & Meeting Packet**
Wednesday, December 7th, 2022
7:00 PM

Meeting will be held at the Municipal Building
2nd floor, Council Chambers
355 East Central Street

A NOTE TO RESIDENTS: All citizens are now welcome to attend public board and committee meetings in person. Additionally, in an effort to maximize citizen engagement opportunities, citizens will be able to continue to participate remotely via phone OR Zoom. The meetings will also be [live-streamed by Franklin TV](#) and shown on Comcast Channel 11 and Verizon Channel 29.

- **Link to access meeting:** December 7th, 2022 FinCom Meeting Link [HERE](#) -- Then click "Open Zoom"
 - Or copy and paste this URL into your browser: <https://us02web.zoom.us/j/82326482902>
 - **Call-In Phone Number:** Call 1-929-205-6099 & enter Meeting ID # 823 2648 2902 --Then press #
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Agenda

1. Call to Order
2. Public Comment
3. Approval of Minutes: November 9, 2022
4. 2023 Finance Committee Schedule
5. Updates:
 - a. [S&P Bond Ratings Report - November 2022](#)
 - b. Stabilization Funds
 - c. FY23 Budget Update
6. The Bill Dowd "Deep Dive" Series
 - a. Discussion: Franklin Public School Department
7. Future Agenda Items
8. Executive Session:
 - a. Considering the purchase, exchange, lease or value of real property, because an open meeting may have a detrimental effect on the negotiating position of the Public Body
9. Adjourn



Franklin
MASSACHUSETTS

Finance Committee

Meeting Date: November 9, 2022

Present: Chairman Conley, Vice Chairman Riley, Clerk Corbosiero, Koke, Grace, Hamilton, Wiech

1. **Call to Order:** 7:01 PM
2. **Public Comment**
3. **Approval of Minutes – 10/26/22 – approved 7-0**
4. **FY 2023 Operating Budget Adjustment**
 - a. **Town Administrator Memo – Budget is right on track for the first quarter of the fiscal year (through 9/30/22).**
 - b. **FY23 Budget Revenue and Control sheet**
 - c. **Resolution – Increase overall operating budget by \$542,567 – approved 7-0**
5. **Future Agenda Items**
 - a. **School Committee – December**
 - b. **Permitting/Inspections**
 - c. **Storm Water**
 - d. **Health**
6. **Adjourn – 7:40 p.m.**



Finance Committee 2023 Meeting Schedule

Meetings are held Wednesdays at 7:00pm in the Municipal Building
Council Chambers unless otherwise noted.

2023 DATES

January	11	
February	8	
March	8	(FYI: Joint Budget Subcommittee Meeting)
April	5	
May	8	Budget Hearing
May	9	Budget Hearing
May	10	Budget Hearing
May	11	Budget Hearing
June	14	
July	No Meeting	
August	No Meeting	
September	13	
October	25	
November	8	
December	13	

RatingsDirect®

Summary:

Franklin, Massachusetts; General Obligation

Primary Credit Analyst:

Victor M Medeiros, Boston + 1 (617) 530 8305; victor.medeiros@spglobal.com

Secondary Contact:

Melissa Stoloff, Boston (1) 617-530-8030; melissa.stoloff@spglobal.com

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Credit Highlights

Outlook

Credit Opinion

Related Research

Summary:

Franklin, Massachusetts; General Obligation

Credit Profile

US\$3.8 mil GO land acquis bnds ser 2022 dtd 12/15/2022 due 12/15/2042

Long Term Rating

AAA/Stable

New

Credit Highlights

- S&P Global Ratings assigned its 'AAA' long-term rating to the Town of Franklin, Mass.' \$3.8 million series general obligation (GO) land acquisition bonds.
- The outlook is stable.

Security

Securing the bonds is Franklin's full-faith-and-credit GO pledge, subject to Proposition 2-1/2 limitations. Despite limitations imposed by the commonwealth's levy limit law, we do not make a rating distinction between the limited- and unlimited-tax GO pledges because the ad valorem tax pledged is not from a measurably narrower property tax base and there are no fungibility resource limitations.

We rate the town above the sovereign because we believe it can maintain better credit characteristics than the U.S. in a stress scenario, based on its predominantly locally derived revenue base and our view that pledged revenue supporting debt service on the bonds is at limited risk of negative sovereign intervention. The rating above the sovereign is based on our criteria "Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions," published Nov. 19, 2013, on RatingsDirect.

Proceeds from the bonds will finance the acquisition of land.

Credit overview

Franklin has had consecutive operating surpluses, increasing reserves to very strong levels. The town did well managing through the pandemic. Reserves are at their strongest level ever, and management is projecting ongoing maintenance at these levels, even as it continues to work through its capital improvement plan (CIP) and despite the prospect of a recession. The town maintains good financial policies, and its local economy is affluent and proved resilient during the pandemic, as its employment and tax base saw little deterioration. Ongoing economic development projects and a strong real estate environment have led to substantial tax base growth, keeping tax rates low and affordable. Moreover, the town has maintained a favorable debt profile and pension and other postemployment benefit (OPEB) costs are manageable.

Additional factors considered in our 'AAA' rating include the town's:

- Strong growing per capita taxable market values, very high residential incomes as a percentage of the U.S., and participation in the broad and diverse Boston metropolitan statistical area (MSA) economy;

- Good financial policies under our Financial Management Assessment (FMA) methodology, and strong institutional framework score;
- Strong budgetary performance exhibited over the course of the pandemic and increasing reserves and liquidity to their highest level ever, which should provide the town flexibility to manage unforeseen budgetary challenges; and
- Strong debt and contingent liability profile. The city's debt burden is low and affordable when compared with its tax base. Pensions and other long-term liabilities are also low and manageable.

Environmental, social, and governance

When analyzing the town's environmental, social, and governance (ESG) risks relative to its economy, budgetary outcomes, management, and debt and liability profile, we view them as consistent with those of the sector. We note Franklin's favorable demographics, including a growing population base as well as affluent wealth and income indicators, along with voter support for increasing revenues, are a social opportunity, and support the town's historically strong and balanced financial operations through consistently strong economic activity.

Outlook

The stable outlook reflects strong budgetary performance and maintenance of very strong reserves. Franklin's very strong economy and broader participation in the Boston MSA also lend stability to its credit profile.

Downside scenario

Although unlikely, if management is unable to maintain structural balance, resulting in what we view as a period of sustained weak budgetary performance and flexibility, we could lower the rating.

Credit Opinion

Growing local economy and tax base within the broad and diverse Boston-Cambridge-Newton MSA

Franklin is an affluent community about 30 miles from Boston and Providence. Its residents have access to employment throughout the broad and diverse Boston MSA. The town is on Interstates 95 and 495, and the Massachusetts Turnpike is in proximity. It also maintains direct commuter rail service to Boston.

In recent years, the town has invested in revitalization initiatives to its downtown area to foster economic development, which management indicates has helped fuel growth. The tax base is very diverse, and its values reflect the town's strong real estate and commercial and industrial base. Since 2018, taxable market values in Franklin have increased 23%, due in part to strong commercial and industrial development, along with general real estate appreciation. This has boosted property tax revenues while maintaining steady competitive tax rates.

The regional economy in Norfolk County is well-diversified, proving resilient amid the pandemic. The county unemployment rate has come down back to pre-pandemic levels. With that said, S&P Global Economics now expects full-year U.S. GDP growth of just 1.6% in 2022, and a mere 0.2% for 2023, with the likelihood of a recession. For more information on S&P Global Economics' view, see "Economic Outlook U.S. Q4 2022: Teeter Totter," published Sept. 26, 2022, on RatingsDirect.

Strong budgetary monitoring and emphasis on capital planning highlight management's strengths

The town's financial policies emphasize structural balance in operations and maintenance of several stabilization accounts for general purposes and capital. It reviews its policies at least every two years to ensure a policy framework for good financial management. Key management practices include monthly monitoring and reporting of budget-to-actual results and investment (earnings and holdings) performance monthly. The town also maintains a reserve policy that establishes a stabilization fund floor of \$6 million, or 5% of recurring general fund revenue for its general stabilization account and a target floor of \$2 million or 2% for its budget stabilization account, which it uses to manage short-term budget issues. Additionally, Franklin maintains a five-year financial forecast, that it will resume in 2023 after a brief pause immediately following the pandemic, and a five-year CIP that management updates annually with funding sources identified. The town's debt management policies are basic, but they include debt affordability guidelines that limit net general fund debt service to 3.5% of operating revenues (less debt exclusions and MSBA reimbursements).

The institutional framework score for Massachusetts municipalities is strong.

Strong budgetary performance exhibited over the course of the pandemic improved reserves to their strongest levels ever

Budgetary performance has been strong, with the town producing four consecutive general fund surpluses and another anticipated at the close of fiscal 2022. At the onset of the pandemic, it implemented several cost-saving initiatives to preserve operating stability. It lowered its revenue estimates in several key areas and kept tight control of its operating budget. The town receives most of its general fund revenues from property taxes and intergovernmental aid, at 67% and 24%, respectively, and collections remained strong despite management's initial concerns.

The town had a bottom-line fiscal 2021 general fund surplus of approximately \$3.1 million on a GAAP basis, and management anticipates another surplus for the close of fiscal 2022 of \$4.3 million on a budgetary basis. Notably, Franklin still maintains unspent funds from the American Rescue Plan Act, and the schools are benefiting from Elementary and Secondary School Emergency Relief (ESSER) funds, which should continue to provide support to operations over our outlook period. The town has been earmarking the stimulus funds for eligible infrastructure and economic development initiatives.

The fiscal 2023 budget totals \$142.9 million, and management states it's on track to produce balanced operating results, maintaining its high reserve balances. Management currently has no plans to spend down its available reserve balances, which have grown to \$23.8 million, or a very strong 17.7% of expenditures. These balances include the town's general and capital stabilization accounts, along with smaller dedicated reserves which are in its general fund unassigned, assigned, and committed balances on a generally accepted accounting principles (GAAP) basis.

Future pensions costs will remain a budgetary pressure, given the low funded ratio of the county-administered plan. We note the town is actively managing these liabilities and mitigating this risk with stronger reserve balances, and through timely budget adjustments. Costs are currently manageable, and Franklin is funding the actuarially determined contributions (ADCs) and prefunding into OPEBs.

Very strong debt and contingent liability profile and pension and OPEB liabilities are low and manageable

Following this issuance, we estimate the town will have about \$82 million in net direct debt outstanding, and will have authorized, but unissued, debt totaling about \$53.6 million for a variety of projects. Most of the projects are for water and wastewater infrastructure and payable from the town's enterprise accounts. While management will authorize additional debt over the next several years, based on current projections, we do not expect material changes to its debt profile from current levels. Total governmental fund debt service is 4.7% of total governmental fund expenditures and net direct debt is 50.5% of total governmental fund revenue. Overall net debt is low, at 1.2% of market value, which is, in our view, a positive credit factor.

Pension and OPEBs

We think Franklin's pension costs could increase over the longer term due to a below-average pension-funded ratio, although we note that historically annual retirement costs have been very affordable, including a total pension and OPEB expense of just 6.6% of total governmental expenses in fiscal 2021.

We note the town's ADC is based on a 7.75% discount rate assumption, which is weak compared with our guidelines. This may result in the risk of unexpected contribution escalations if the equity market underperforms.

Franklin participated in the following pension and OPEB plans as of June 30, 2021:

- Norfolk County Retirement System, a cost-sharing, multiple-employer, defined-benefit pension plan: 70.2% funded ratio, with the town's net pension liability at \$39.3 million.
- Town of Franklin OPEB plan, a single-employer, defined-benefit health care plan that provides medical, dental, and life insurance to eligible retirees; 12.3% funded ratio and a net OPEB liability of \$69.6 million.
- Franklin funds 100% of its ADC, and actual contributions exceeded our view of minimal funding progress, as well as static funding. The pension system is on target to achieve full funding by 2029; however, in our opinion, the plan's assumed long-term rate of return of 7.75% exceeds our 6.00% guidelines and could lead to contribution volatility.

For more on our view of the state's pension plans and recent reforms, see "Pension Spotlight: Massachusetts," published Oct. 14, 2020.

The town established an OPEB trust that allows prefunding of future liabilities. In fiscal 2021, it contributed \$945,000 to the trust. The town's current OPEB trust balance was \$10.2 million as of January 2022.

Franklin, MA -- Key Credit Metrics				
	Most recent	Historical information		
		2021	2020	2019
Very strong economy				
Projected per capita EBI % of U.S.	145			
Market value per capita (\$)	183,836			
Population			33,936	33,633
County unemployment rate(%)			8.3	
Market value (\$000)	6,238,648	5,774,083	5,582,137	5,273,780

Franklin, MA -- Key Credit Metrics (cont.)

	Most recent	Historical information		
		2021	2020	2019
Ten largest taxpayers % of taxable value	7.3			
Strong budgetary performance				
Operating fund result % of expenditures		2.4	0	0.8
Total governmental fund result % of expenditures		1.8	0.5	1.7
Very strong budgetary flexibility				
Available reserves % of operating expenditures		17.7	13.8	14.3
Total available reserves (\$000)		23,835	18,369	18,350
Very strong liquidity				
Total government cash % of governmental fund expenditures		26	21	19
Total government cash % of governmental fund debt service		584	448	411
Strong management				
Financial Management Assessment	Good			
Very strong debt & long-term liabilities				
Debt service % of governmental fund expenditures		4.5	4.7	4.7
Net direct debt % of governmental fund revenue	39			
Overall net debt % of market value	1.2			
Direct debt 10-year amortization (%)	61			
Required pension contribution % of governmental fund expenditures		4.2		
OPEB actual contribution % of governmental fund expenditures		2.4		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Date: November 30, 2022
 To: Jamie Hellen, Chris Sandini & Alecia Alleyne
 From: Kerri Bertone
 Subject: Stabilization Fund Balance and Three (3) year Comparison

Through September 2022

	2021	2022	2023
General Stabilization	6,233,461.33	6,382,112.56	6,271,550.45
Recreation Fields	461,546.67	622,523.50	752,163.83
Open Space Acquisition	2,372,367.85	2,492,665.16	2,430,548.04
Budget Stabilization	13,000.00	1,016,929.49	1,958,667.80
Property Acquisition	277,936.93	283,994.19	276,972.37
Fire Trust Stabilization	314,090.06	16,489.61	16,081.93
MECC Stabilization	448,860.83	457,879.51	867,223.58
OBEB	7,201,235.73	10,033,153.30	10,009,424.83

	2023
General Stabilization	6,271,550.45
Recreation Fields	752,163.83
Open Space Acquisition	2,430,548.04
Budget Stabilization	1,958,667.80
Property Acquisition	276,972.37
Fire Trust Stabilization	16,081.93
MECC Stabilization	867,223.58
OBEB	10,009,424.83

The background of the slide is a faded, light blue image of a graduation ceremony. It shows several graduates in dark blue gowns and mortarboards, some walking and some standing. A building is visible in the background on the left side.

Franklin Public Schools FY23 Budget Finance Committee Meeting December 7, 2022



Agenda

1. Opening Remarks
2. Chapter 70 Overview
3. Enrollment and Selected Populations
4. Summary of Revolving Funds
5. Summary of ESSER/ARPA spending
6. Approach to FY24 Budget
7. Redistricting Update
8. Q&A



The FY23 Budget has been developed in support of Franklin's Portrait of a Graduate: the community's consensus on the essential skills all students will practice and develop through their growth, PreK-12:

- Confident and Self-Aware Individual
- Empathetic and Productive Citizen
- Curious and Creative Thinker
- Effective Communicator and Collaborator
- Reflective and Innovative Problem Solver





Our FY23 Budget also involves planning for “Pandemic Recovery” utilizing both Operating Funds as well as Coronavirus Relief Funding to prioritize systems of support:

- **Mental Health and Social-emotional supports**
- **Academic interventions**
- **Continued support of technology integration**
 - Personnel
 - Resources (software)





Our FY23 Budget also prioritizes and recognizes growing needs within our student body.

Despite overall student enrollment trending down our student needs are increasing.



- Increase in academic and behavioral interventions of all students.
- More intensive needs of students receiving special education services
- Increase in our English learner population, with more students overall and more students with limited or interrupted formal education and/or earlier language proficiency



District Strategic Initiatives

1. Social-Emotional Well-being of Students and Staff

- Tiered systems for screening, monitoring, and communicating Social Emotional Learning and behavior.

2. Engaging and Rigorous Curriculum

- Guaranteed and viable curriculum with high-quality materials

3. High-Quality Instruction to Meet the Academic and SEL Needs of Each Learner

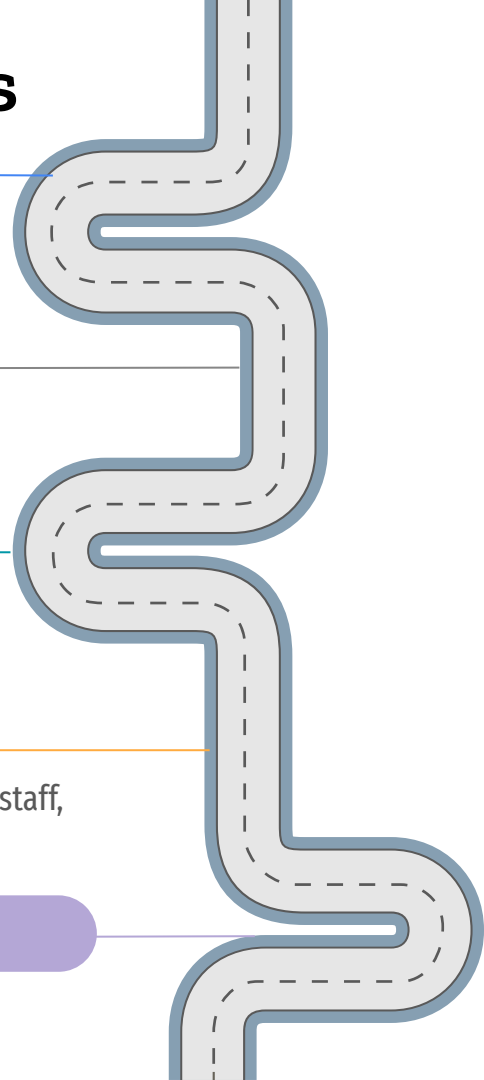
- Universally designed systems for learning to provide consistent Tier 1 instruction

4. Effective Two-Way Communication to Support Student Learning

- Enhance opportunities for two-way communication between and among all students, families, staff, administrators, and the community.

5. Diversity Equity & Inclusion

- Develop Equity Action Plan





Aligning Our Systems

for coherence and equitable student experiences

District

- District Improvement Plan
 - Core Values, Vision, and Theory of Action
 - Strategic Objectives
 - Strategic Initiatives
- Resource Allocation
- Professional Development

Level

- Level-based Improvement Plans
 - Goals
 - Outcomes

School

- Actions steps



Chapter 70 Funding

A district's Chapter 70 aid is determined in three basic steps:

1. State defines and calculates a **foundation budget**, an adequate funding level for each district, given the specific grades, programs, and demographic characteristics of its students.
 - a. FY2023 foundation budget reflects the second year of implementation of the **Student Opportunity Act - Higher foundation rates in 5 areas**
 - Low-income students
 - Multilingual/English learners
 - Special Education out of district tuition
 - Benefits/Fixed charges
 - Guidance/Psychological Services
2. State then determines an equitable **local contribution**, how much of that “foundation budget” should be paid for by each city and town’s property tax, based upon the relative wealth of the community.
3. The remainder is funded by Chapter 70 **state aid**. District's whose Ch. 70 aid is already greater than the calculated Ch. 70 aid are “held harmless”. Franklin is a “hold harmless” districts.



Chapter 70 Aid

State Foundation

Budget

\$62,458,713

State decides what is an “Adequate” amount based on:

- Enrollment
- Wage Adjustment Factor
- Inflation

=

Required Local Contribution

\$44,800,360

“How much can Franklin afford to contribute?”

Aggregate Wealth Model

- Property wealth
- Income
- Municipal revenue growth factor

=

Remainder funded by Chapter 70

~~\$17,658,353~~

- Based on when formula was established due to growth in late 90s

\$28,574,921

- Excess base aid is held harmless \$10,916,568

+

Minimum Aid:

Franklin is Minimum Aid District

~~\$155,400~~

- Originally ~~\$30 per pupil~~
- Final \$60 per pupil

\$310,800



=

FY23 Chapter 70

\$28,885,721

- Excess base aid final at \$11,227,368

+

Required Local Contribution

\$44,800,360

=

Required Net School Spending

State determined:

\$73,686,081



Chapter 70 Aid

Franklin is a Minimum Aid District

Student Opportunity Act impact to Franklin:

- Additional Circuit Breaker reimbursement for transportation
- Charter School reimbursement
- Increase to local required contribution

\$11.2 Million in Excess Base Aid (hold harmless)

- Franklin is second to Boston \$41.7M
- Some other districts with excess base aid: Weymouth \$7.8M - Billerica \$8.2M - Mansfield \$6.8M - Pentucket Regional \$6.8M - Somerville \$6.9M

Chapter 70 aid to Franklin from the Commonwealth of Massachusetts is not expected to increase more than \$30 per pupil annually for the foreseeable future



Franklin's **FINAL** Foundation Budget FY22 and FY23

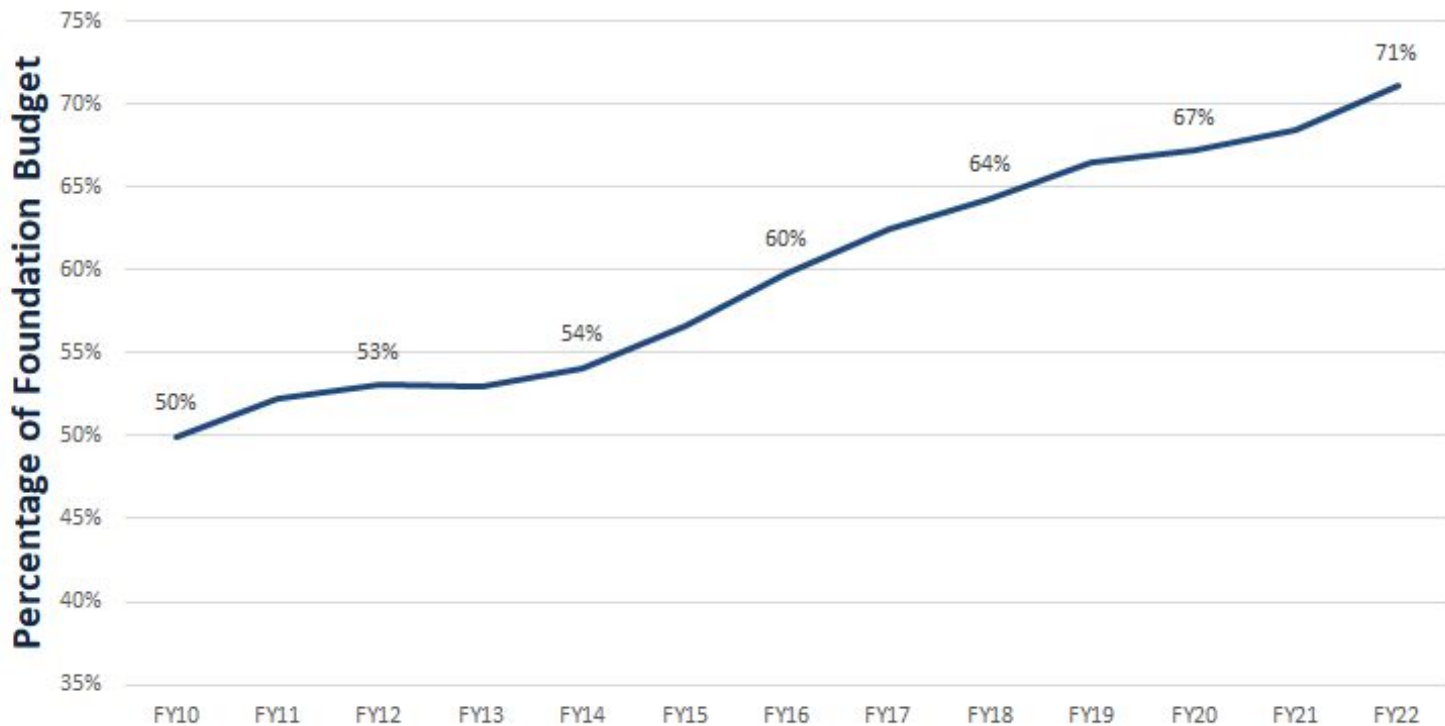


Comparison to FY22

	FY22	FY23	Change	Pct Chg
Enrollment	5,292	5,180	-112	-2.12%
Foundation budget	59,769,256	62,458,713	2,689,456	4.50%
→ Required district contribution	42,443,297	44,800,360	2,357,063	5.55% ←
Chapter 70 aid	28,574,921	28,885,721	310,800	1.09%
Required net school spending (NSS)	71,018,218	73,686,081	2,667,863	3.76%



Required Local Contribution as a Percentage of Foundation Budget





Net School Spending (NSS)

**Local Contribution + State Aid =
Required Net School Spending (NSS)**

**This is the minimum amount that a
district must spend to comply with
state law.**

Net School Spending must be equal
to or greater than the **Foundation
Budget**

In FY2021, Franklin spent **\$ 8.8M MORE** than
required NSS

While this is **12.7% MORE** than
required NSS, Franklin falls in
the **23rd percentile statewide**

77% of MA districts spend more
than 12.7% over required NSS

In FY2021 Massachusetts districts spent an
average of **39.3% more** than required NSS
overall

Detailed NSS data for all districts can be found at
<https://www.doe.mass.edu/finance/chapter70/compliance.html>



Per Pupil Comparison to State Average

2021 (updated October, 2022)	Franklin	State Average	Percentage Differential
In-District Per Pupil Expenditure	\$15,982	\$18,556	-13.87%
Total Per Pupil Expenditure	\$17,063	\$19,113	-10.73%

Franklin ranks in the 27th percentile in per pupil spending throughout the state.

73% of districts in Massachusetts spend more on education, per pupil, than Franklin.



73% of school districts in MA spend more, per pupil, on education than Franklin

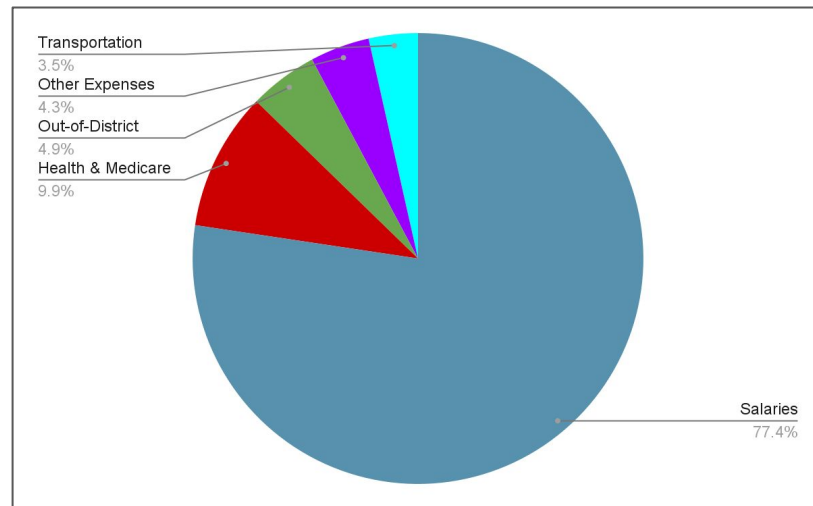
State Per-Pupil Spending from Highest to Lowest

Provincetown, Truro, Erving, Wellfleet, Cambridge, Tisbury, Minuteman Regional Vocational Technical, Marthas Vineyard, Orleans, Farmington River, Up-Island, Weston, Rowe, Edgartown, Boston, Amherst, Lincoln, Eastham, South Middlesex Regional Vocational Technical, Southern Berkshire, Oak Bluffs, Conway, Upper Cape Cod Regional Vocational Technical, Mohawk Trail, Savoy, Cape Cod Regional Vocational Technical, Franklin County Regional Vocational Technical, Brewster, Northern Berkshire Regional Vocational Technical, Shutesbury, Hull, Nantucket, Brookline, Shawsheen Valley Regional Vocational Technical, Pathfinder Regional Vocational Technical, Leverett, Amherst-Pelham, New Salem-Wendell, Berkshire Hills, Watertown, Richmond, Norfolk County Agricultural, Blue Hills Regional Vocational Technical, Chesterfield-Goshen, Williamsburg, Sunderland, Northampton-Smith Vocational Agricultural, Greater Lawrence Regional Vocational Technical, Gill-Montague, Waltham, Greater New Bedford Regional Vocational Technical, Rockport, Wellesley, Old Colony Regional Vocational Technical, Dedham, Mattapoissett, Pioneer Valley, Falmouth, Nauset, Newton, Concord, Tri County Regional Vocational Technical, South Shore Regional Vocational Technical, Whately, Montachusett Regional Vocational Technical, Dennis-Yarmouth, Hampshire, Somerville, Lenox, Burlington, Northeast Metropolitan Regional Vocational Technical, Greater Lowell Regional Vocational Technical, Whittier Regional Vocational Technical, Blackstone Valley Regional Vocational Technical, Mashpee, Dover-Sherborn, Westhampton, Concord-Carlisle, Lee, Monomoy, Bristol County Agricultural, Deerfield, Greater Fall River Regional Vocational Technical, Pelham, Mount Greylock, Salem, Manchester Essex, Lincoln-Sudbury, Bourne, Florida, Carlisle, Dover, Sandwich, Hawlemont, Nashoba Valley Regional Vocational Technical, Medford, Masconomet, North Adams, Assabet Valley Regional Vocational Technical, Essex North Shore, Triton, Sherborn, Boxford, Wayland, Southborough, Framingham, Wilmington, Bristol-Plymouth Regional Vocational Technical, Wareham, Needham, Westwood, Gateway, Gloucester, Lexington, Ipswich, Southeastern Regional Vocational Technical, Wrentham, Southbridge, Andover, Middleton, Bedford, Barnard, Randolph, Southern Worcester County Regional Vocational Technical, Woburn, Sudbury, Northborough, Harvard, Cohasset, Hudson, Bellingham, Barnstable, Foxborough, Springfield, Pittsfield, Southwick, Northboro-Southboro, Nashoba, Topsfield, Holyoke, Amesbury, Plymouth, Newburyport, Agawam, Norwood, Marblehead, Marion, Billerica, Hamilton-Wenham, Silver Lake, Hoosac Valley, STATE TOWN OF NORTH BROOKFIELD, Mansfield, Ralph C Mahar, Avon, Groton-Dunstable, Brimfield, Canton, Old Rochester, Frontier, Hancock, Orange, Petersham, Ayer Shirley, Sharon, Millis, Marlborough, Rockland, Millbury, Greenfield, Reading, Greenfield, Stoneham, Stoughton, Swampscott, Tewksbury, Saugus, Wales, Medfield, West Boylston, Westborough, Nahant, Chelsea, Duxbury, Webster, Acton-Boxborough, Palmer, Ludlow, Groton, Central Berkshire, New Bedford, Chicopee, Quaboag, Uxbridge, Weymouth, Danvers, Westway, Brockton, King Philip, Plainville, East Longmeadow, Hadley, Worcester, Berlin-Boylston, Clark, Westport, Quabbin, Athol-Royalston, Georgetown, Wakefield, Sturbridge, Lawrence, North Middlesex, Southwick-Tolland-Granville, Arlington, Worthington, Lynnfield, Fall River, Tyngsborough, Granby, Seaboard, Holland, Quincy, Norfolk, Ware, Spencer-E Brookfield, Hampden-Wilbraham, Mendon-Upton, Plympton, Lowell, Carver, Pentucket, Sutton, Braintree, Chelmsford, Somerset, Scituate, Walpole, Hingham, Douglas, Littleton, Winchendon, Rochester, Brookfield, Northbridge, Norton, Milford, Haverhill, Westfield, Everett, Natick, Norwell, Hopedale, Dighton-Rehoboth, Malden, Winchester, **Franklin**, Lynn, Longmeadow, Hatfield, Marshfield, Reading, Oxford, Clinton, Belmont, Winthrop, Milton, Pembroke, Middleborough, South Hadley, Fitchburg, Easthampton, Somerset Berkley, Dudley-Charlton, Hopkinton, Tantasqua, Westford, Taunton, Belchertown, Leicester, Revere, Easton, North Andover, West Springfield, Gardner, Dartmouth, Lunenburg, Blackstone-Millville, Swansea, Ashland, Peabody, Acushnet, Holbrook, Auburn, Abington, Beverly, Whitman-Hanson, Freetown-Lakeville, Attleboro, Narragansett, Hanover, Ashburnham-Westminster, East Bridgewater, Southampton, Fairhaven, Holliston, Wachusett, Grafton, Shrewsbury, Leominster, North Attleborough, Bridgewater-Raynham, Methuen, West Bridgewater, Melrose, Berkley, Dracut, Kingston, Halifax



FY23 Approved Budget Summary

Category	FY 2023 Approved Budget	Percentage of FY2023 Budget
Salaries	\$54,326,281	77.36%
Health & Medicare Costs	\$6,956,361	9.91%
Out-of-District Tuition	\$3,469,087	4.94%
Other Expenses	\$2,992,750	4.26%
Transportation	\$2,476,346	3.53%
Totals	\$70,220,825	100.00%





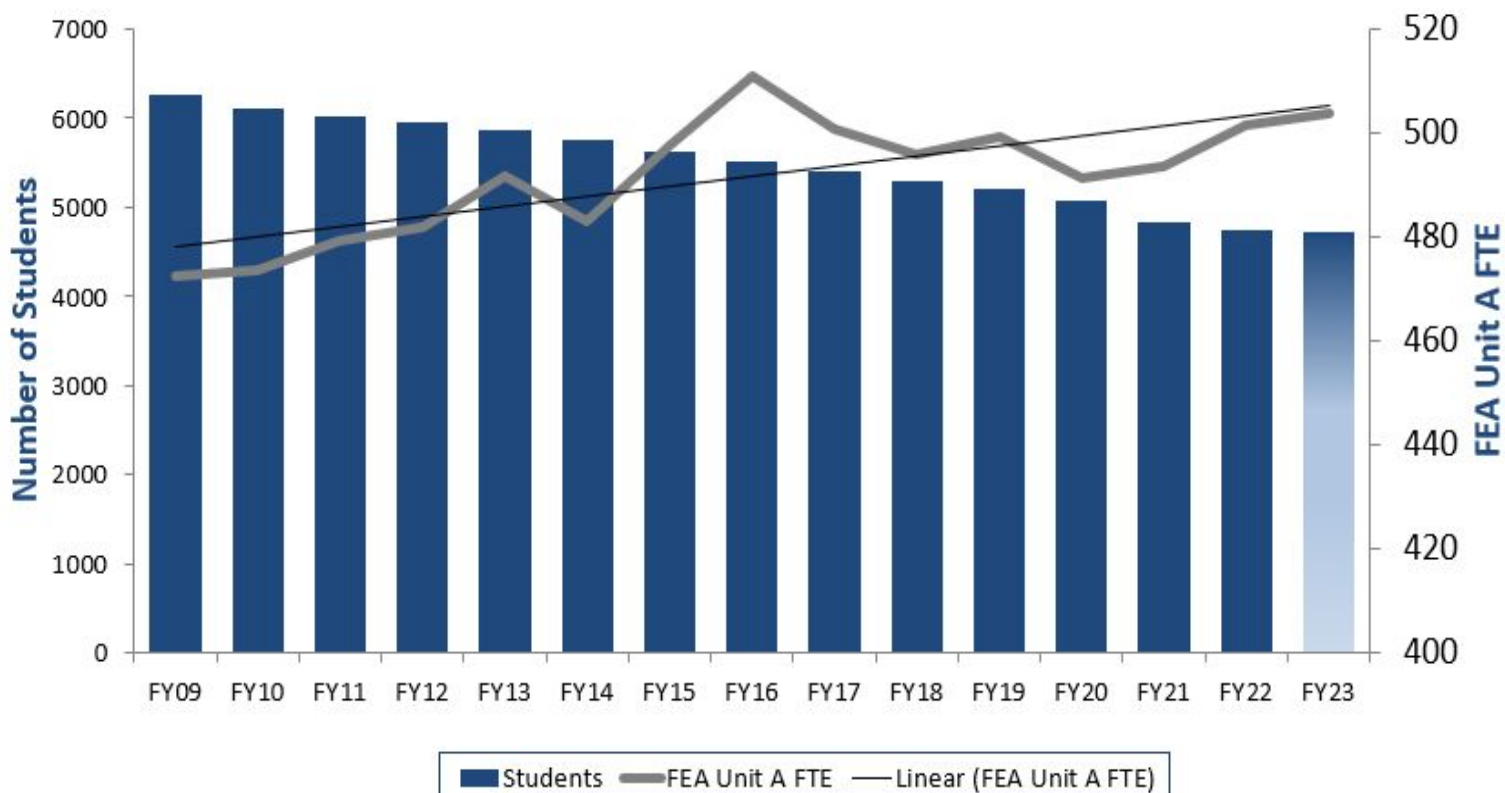
Revolving Account Balances

Balance at June 30, 2022*	\$7,565,767
Budgeted for use in FY 23	(\$5,577,000)
Projected Receipts in FY23	\$4,726,087
Projected Balance for use in FY24	\$6,714,854

Total revolving funds balance at June 30, 2022 is 10.8% of FY23 School District Appropriation Budget

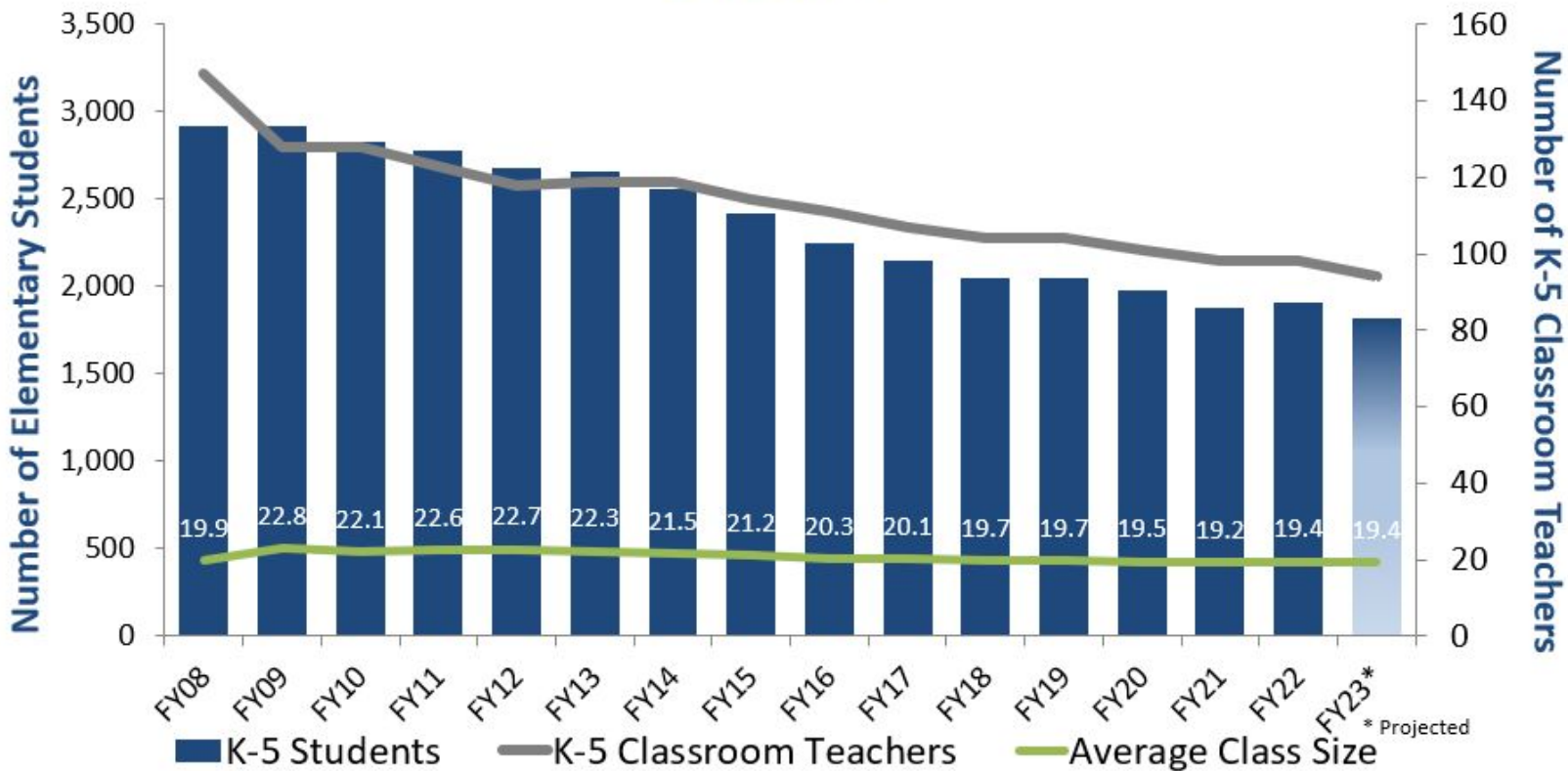


Districtwide Enrollment vs. FEA Unit A FTE 2009-2023



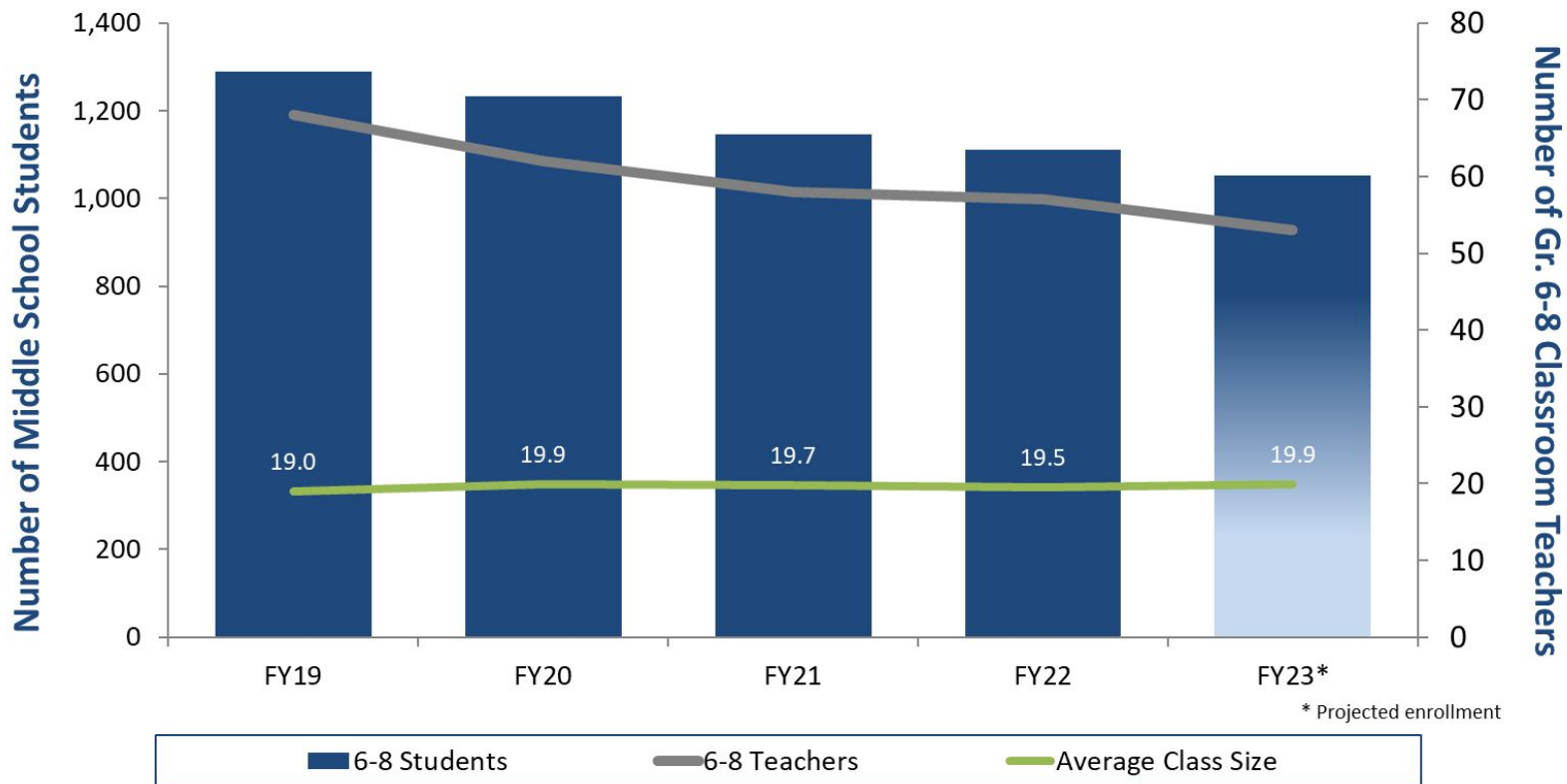


Elementary Enrollment vs. Number of Elementary Classroom Teachers 2008-2023





Middle School Enrollment vs. Number of Gr. 6-8 Classroom Teachers 2019-2023





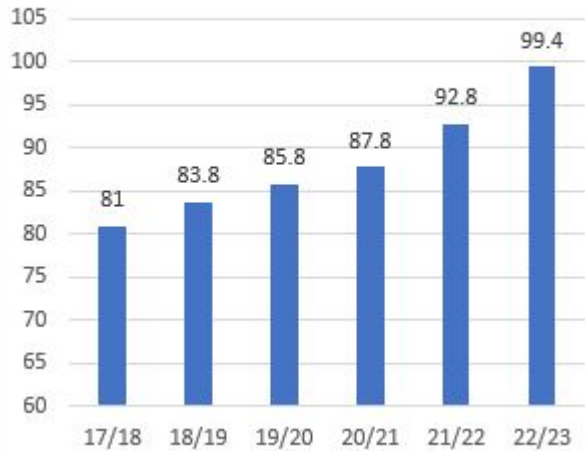
Selected Populations Enrollment

School Year	Total Enrollment	First Language not English		English Language Learners		Students with Disabilities		High Needs		Low Income	
		#	%	#	%	#	%	#	%	#	%
1993-1994	3,979	13	0.3%	1	0.0%	506	12.7%	n/a	n/a	190	4.8%
2008-2009	6,255	188	3.0%	41	0.7%	1,050	16.6%	n/a	n/a	386	6.2%
2021-2022	4,764	344	7.2%	83	1.7%	892	18.4%	1,445	29.9%	704	14.8%

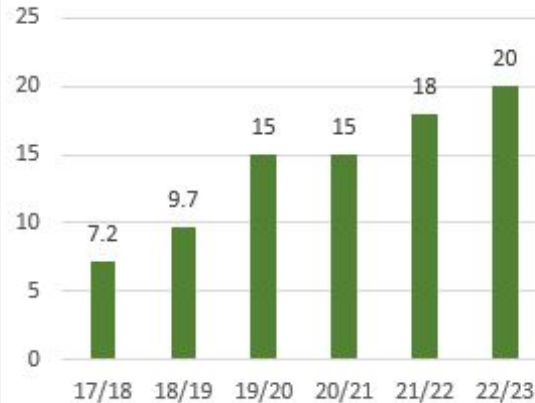


Specialized Positions (FTE) FY18-FY23

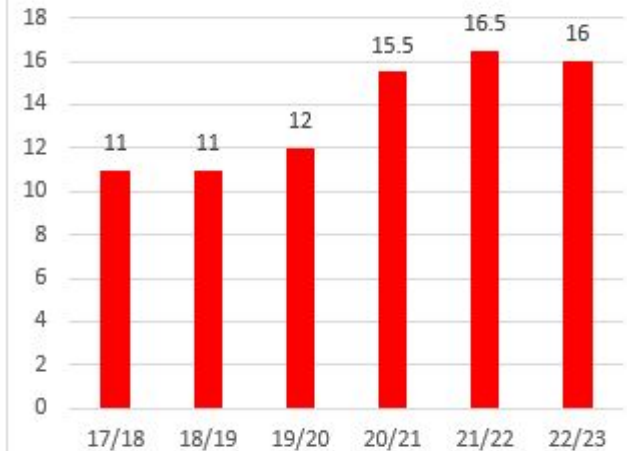
Special Educators (FTE) FY18-23



School Adjustment Counselors (FTE) FY18-23



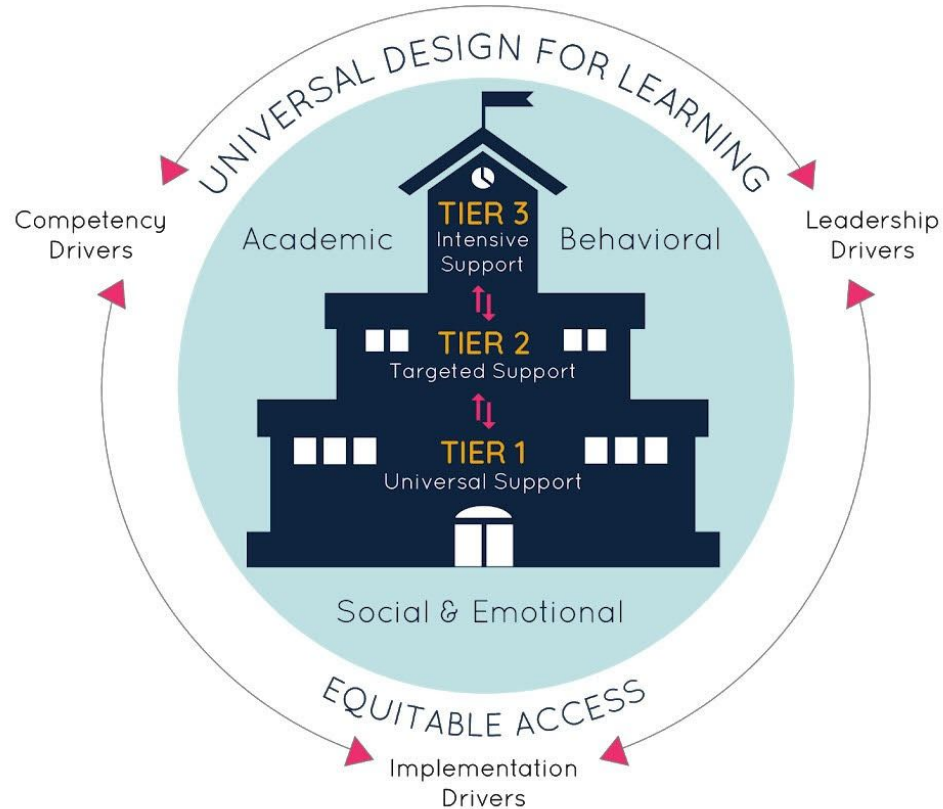
Nurses (FTE) FY18-23




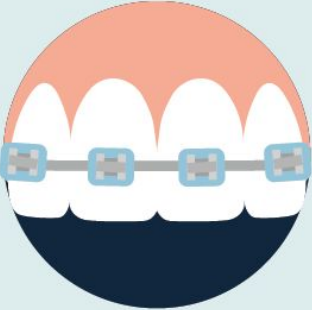

Although we continue to support fewer students, they have greater needs and therefore are supported with additional special educators, counselors, and nurses.



Multi-tiered Systems of Support



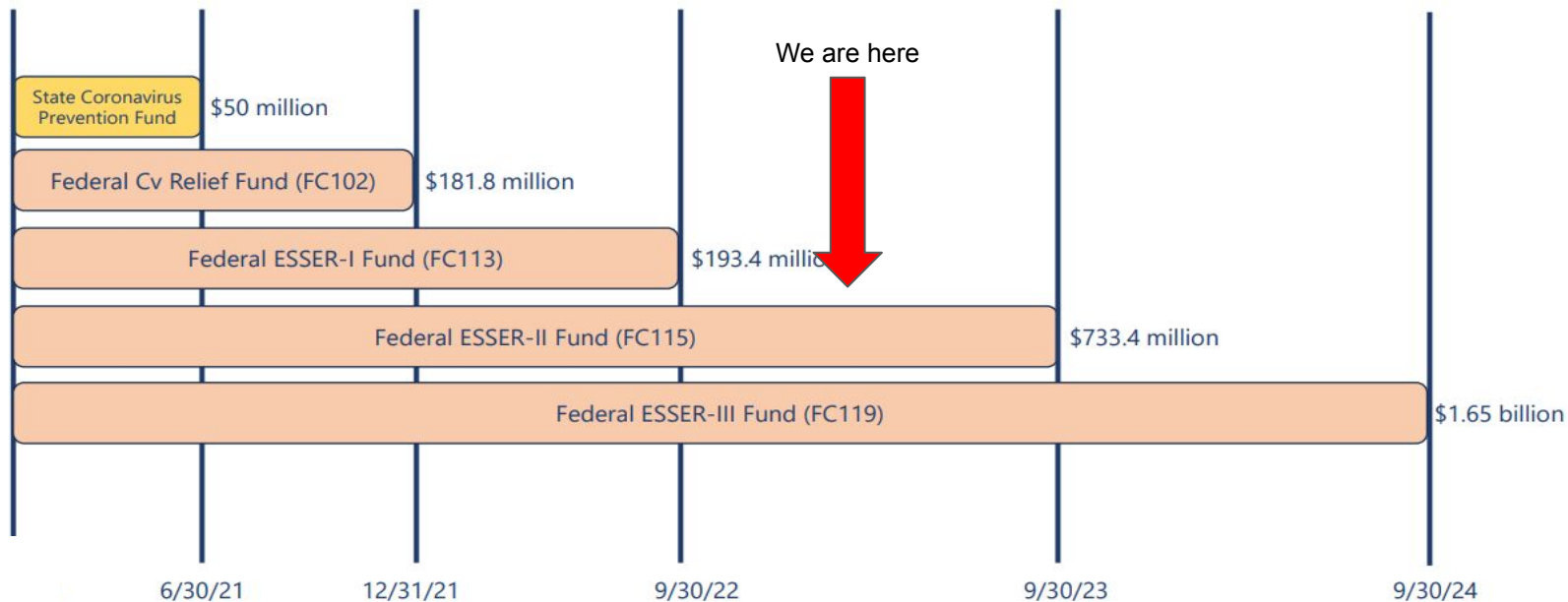


Tier 1 Examples	Tier 2 Examples	Tier 3 Examples
Check Up	Braces	Root Canals
Cleaning	Cavity Filled	Surgical Procedures
		



Summary of Coronavirus Relief Funding

Relief Funding – Sequencing of ~\$2.8 billion over 3.5 years





Summary of Coronavirus Relief Funding

Coronavirus Relief Funds (CvRF)

- Allocated \$1,156,275

FY21 Fully Expended:

- VLA Staff
- Digital Learning Integrationists
- Permanent Building Substitutes
- Technology and Tech Support
- Tent rental for mask breaks
- Materials, subscriptions and PPE

ESSER I

- Allocated \$123,235

FY22 - Fully expended

- Elementary Interventionists



Summary of Coronavirus Relief Funding

ESSER II-submitted and approved

Allocated **\$475,496**

Remaining at 11/30/22 **\$5,626**

Planned Use in FY22 and FY23:

- Counselors and Interns
- Nurse Leader - Expanded Role
- Permanent Subs
- Summer Learning Academy
- Interventionists

ESSER III-submitted and approved

Allocated **\$1,046,173**

Remaining at 11/30/22 **\$908,178**

Planned Use FY22-24

- BRYT* Counselor (2 years)
- BRYT ESP (2 years)
- Interventionists
- Diversity, Equity and Inclusion Director
- Social Worker (2 years)
- After School Tutoring

*Bridge for Resilient Youth in Transition



Summary of Federal Funding

ARP School Age- submitted and approved

Allocated **\$257,962**

Remaining at 11/30/22 **\$152,760**

Planned Use FY22-24:

- Specialized Program Teachers
- Specialized Program ESPs
- PD and Curriculum Development
- Program Consultation
- Tutoring for Homeschooled Students
- Accessible Playground Equipment
- Specialized instruction materials, supplies and technology

ARP Early Childhood-submitted and approved

Allocated **\$22,950**

Remaining at 11/30/22 **\$10,738**

Planned Use FY22-24:

- Occupational Therapy Services
- Professional Development
 - Trauma Informed
 - Multi-Tiered Systems of Support
- Early Literacy Materials
- Fine Motor Skill Development Materials



Strategies for FY24 Budget Development

- Fiscal Responsibility utilizing Grant and Revolving Funds to mitigate the impact of a funding cliff
- Review student enrollment trends and staff accordingly
- Review of all faculty and staff positions
- Consider the impact of redistricting analysis outcomes



Redistricting Analysis Proposed Timeline of Events

March, 2022	Established Space Needs Facilities Assessment Subcommittee of the School Committee
September, 2022	Secured Applied Geographics Inc.(AppGeo) as Redistricting Consultant
November, 2022	Established School Redistricting Advisory Committee
November, 2022	Kickoff Meeting Presentation to Redistricting Advisory Committee
Dec, 2022 - Jan, 2023	Working Group Meetings to develop possible redistricting scenarios
February, 2023	Proposed Scenarios delivered by AppGeo
Feb, 2023 - March 2023	Community Feedback on Proposed Scenarios
April, 2023	Presentation to Franklin School Committee and possible vote



Proposed Next Steps for FY24 Budget Process

November 8, 2022	School Committee Budget Workshop
December 7, 2022	School Committee Budget Presentation to Finance Committee
January/February 2023	Central Office & Principal Budget Development Meetings; Meetings with Town Administrator and Town Finance Staff
March 14, 2023	Superintendent's Recommended FY24 Budget Presented to School Committee
March 28, 2023	School Committee Public Budget Hearing on the FY24 School Budget
April 11, 2023	School Committee Budget discussion and vote on FY24 Budget
April/May 2023	Finance Committee discussion of FY24 School Budget
May 2023	Town Council Public Hearing on FY24 Budget



Questions?

Thank you