

Town of Franklin

355 East Central Street
Franklin, Massachusetts 02038-1352



Phone: (508) 520-4949
www.franklinma.gov

OFFICE OF THE TOWN ADMINISTRATOR

Joint Budget Subcommittee Meeting

(Members of the Town Council, School Committee, and Finance Committee)

March 6, 2024

7:00 PM

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

A NOTE TO RESIDENTS: All citizens are welcome to attend public meetings in person, however please note there will be limited space. **To view the live meeting remotely, citizens** are encouraged to watch the live stream on the [Franklin Town Hall TV YouTube channel](#) or the live broadcast on Comcast Channel 9 and Verizon Channel 29. Meetings are also archived by Franklin TV on the [Franklin Town Hall TV YouTube channel](#) and shown on repeat on Comcast Channel 9 and Verizon Channel 29 for those who miss the live meeting.

To participate in the meeting remotely citizens are able to join a [Zoom Webinar](#) using the information provided below.

- Zoom Webinar ID # 834 3950 2247
- Zoom Webinar Link [HERE](https://us02web.zoom.us/j/83439502247) (<https://us02web.zoom.us/j/83439502247>)
- Participants must enter their full name and email address to join the webinar.
- Participants will be automatically muted upon “entering” the webinar. In order to speak, participants will need to select the “Raise Hand” function to request to be unmuted.
- All speakers will be required to state their full name and address.

Agenda

1. Town Administrator’s Preliminary FY25 Budget Model
 - a. [Town Administration Memo](#)
 - b. [Committee Charge](#)
 - c. [FY25 Revenue & Control Sheet](#)
 - d. [February 13, 2024 School Committee Budget Discussion Slideshow](#)

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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

March 1, 2024

To: Joint Budget Subcommittee
From: Jamie Hellen, Town Administrator
Amy Frigulietti, Deputy Town Administrator

Re: Preliminary Fiscal Year 2025 (FY25) Budget Model - "We're All in this Together"

The Perfect Storm has arrived. In anticipation of the March 6th meeting, we have prepared a **preliminary** Fiscal Year 2025 (FY25) budget model based on the information we have to date. The **deficit**, established from initial assumptions in the budget model, is \$10.095 million or just a hair under **\$10.1 million**.

FY25 Budget Process Update

We have met with every department and received preliminary assessments from outside entities (Animal Control, MECC, CRPC District, Retirement Board, etc.) that are reflected in the town's budget. We have included [Governor Healey's H1 budget numbers](#) into the model which represents a \$76,782 decrease in local aid, however we do not expect any substantial increases in local aid by the end of July. Although the legislative session ends July 31st, we expect the FY25 state budget will last deep into the summer, thus we should not expect an avalanche of additional state aid to arrive to solve any of these financial pressures. Furthermore, the Chapter 70 formula and how it relates to Franklin has been well documented and discussed for many years. We need to keep this in mind as we continue budget discussions.

In the coming weeks, line items will continue to be altered as new information becomes available through mid-April when our formal budget is released, tentatively scheduled for April 12, 2024. The Finance Committee budget hearings are May 6th (General Government, Culture & Recreation, Senior Center, Benefits, Debt/Interest, etc.), May 8th (Public Safety, Public Works, Inspections) and May 15th (Education). Town Council budget hearings are May 22nd and May 23rd.

We will present a new five year fiscal forecast with the April 12th budget submission.

Please visit the budget website for the [process](#) and [archival budget](#) materials.

FY25 Preliminary Budget Model

The narrative below is intended to give a flavor of early assumptions based on the budget model. The attached document reflects each department's proposed budget for FY25. The current deficit between expected revenues and budget requests from each department is \$10.1 million. With new revenues included, additional funding requests are approaching \$10-\$11 million in one-year; yet the Town only brings in an added tax levy at \$3.264 million (excluding debt exclusions). The School Department is requesting a \$9.3 million increase, or 12.92%.

We remind all readers, this model is **preliminary**. The budget assumptions will change and far more data will be provided in the Budget Narrative document due in April. See [previous budgets here](#).

The Perfect Storm has arrived for the Franklin Public Schools. We have warned the community of the ongoing structural financial deficit transpiring over the years and there will be no easy answers on how to solve this ongoing budget crisis. Attached are some news articles from the past decade illustrating numerous cautionary [budget narratives](#). As you will see, Town and School Administrations have deftly documented the declining financial trends of the schools for years and this news should come as no surprise to anyone.

With that said, we want to commend Superintendent of Schools, Lucas Giguere, Assistant Superintendent of Schools, Tina Rogers, and School Business Administrator, Bob Dutch, for their improved communication and collaboration with the Town. While we may differ on some issues, each and every day represents greater progress towards a mutual goal of bringing solvency, sustainability and prosperity to the financial portfolio of the Franklin Public Schools.

We are slowly making changes in the School/Town Finance and Human Resources (HR) Departments. The pace of this collaboration needs to increase and every single cost savings avenue should be explored to help the School's budget. The preliminary budget model shows the public why some decisive, proactive, bold, and strategic decisions need to be made this year to ensure the Schools' short and long term budget sustainability.

Revenue Assumptions

- *New Growth -*
 - The model assumes \$1,000,000 in New Growth, which represents less revenue than a year ago of \$137,751. This trend was noted in 2023 as interest rates and inflation have had an effect on private investment in property improvements. When New Growth arrives lower than the previous year, the tax levy is also lowered below 2.5% under Prop 2 ½.
- *Tax Levy -*
 - The anticipated tax levy growth for FY25 over FY24 is \$3,402,117, which is calculated based on the previous fiscal year's tax levy limit plus 2.5% (maximum allowed by law). This amount is combined with an estimated \$137,451 loss in New Growth and the new Tax Levy capacity is **\$3,264,366**. In other words, this is the new amount of money we have to spend before any mandated statutory or contractual obligations.
- *Local Receipts -*
 - The model assumes level revenues from local receipts. As of 1/31/24, the Town is at 46.8% of anticipated revenues, which is right on target with little room to spare. As we do

every year, staff will evaluate the local receipts trends as of March 31st and make FY25 budget recommendations based on those trends.

- A few other notes regarding local receipts and expected upticks in revenues for the April 12th budget submission:
 - Ambulance receipts have climbed steadily due to a record breaking amount of ambulance calls and the Fire Chief's ability to stay at market levels for ALS/BLS rates. Those numbers will be evaluated by the end of March and a small increase will be made in the formal budget proposal in April. However, revenues will be invested in additional paramedic positions to reflect the increased demand and we will bring the backup ambulance into the peak, daytime rotation to address the high volume of calls we are seeing.
 - The cannabis excise local option tax (3%) is well ahead of projections in FY24, and we expect a revised number with additional revenue by the April 12th budget submission.
 - Hotel revenues appear to have rebounded within striking distance of pre-pandemic totals. We anticipate a new fourth hotel to be given an occupancy permit to operate this spring. Additional hotel tax revenue will be built into the final budget in April, but that is not yet reflected here.
- Local Receipts are generally a fee-for-service revenue source that includes licenses, including alcohol licenses, fees, including building fees, ambulance receipts, local option taxes on meals/hotels, motor vehicle excise, and a variety of other revenues for specific services or related to state laws. By contrast, similar revenue sources for the Franklin Public Schools are retained by the School Department in their revolving funds.
- As we do every year, staff will evaluate the local receipts trends as of March 31st and make FY25 budget recommendations based on those trends.
- The [Municipal Empowerment Act](#), filed by Governor Healey in January, gives cities and towns the ability to raise revenue by enacting three new local option taxes: additional lodging (hotels) and meals taxes and a new motor vehicle excise surcharge. In the case of hotels and meals, raising the cap will benefit the town a great deal without a large impact to town residents, especially with a fourth hotel opening this spring and the World Cup (and other Gillette, Great Woods and area spillover tourist dollars) in June of 2026 (FY25). The Town Council recently supported this bill at its February 28, 2024 meeting, but its fate is in the hands of the state Legislature and we cannot assume any additional revenue for FY25 until the legislation is enacted.
- **State Aid -**
 - The budget model assumes a net loss in state aid of \$76,782.
 - The Town and School department have explained the dynamics of the Chapter 70 formula for years. We are happy to discuss it again if folks desire.
- **Other Revenues**
 - One-time revenues are not reflected in the preliminary budget.

- We expect the use of one-time revenues to help support the Public Schools in FY25 via the MECC Stabilization funds, excess Free Cash, and even possibly the last remaining town federal ARPA funds. At best, only half of the Schools' budget request could be fulfilled by one-time revenues, which would only exacerbate the deficit in FY26. One-time funds are nearing the end, as in order to maintain the town's capital needs and AAA Bond rating status we need to illustrate solid funding reserves.
- Community Preservation Act (CPA), Opioid Settlement Funds, Enterprise and utility accounts, or other special revenues accounts or settlements are not included in the Town's operating budget.

Expenses Assumptions Highlights

The following is a summary of highlights to the preliminary operating expense budget model:

- Assumes a 2.5% Cost of Living Adjustment (COLA) for all municipal personnel, including collective bargaining agreement commitments. Total municipal cost is approximately \$625,000.
- Elections will see an increase of just over \$119,000 to fund the two scheduled federal and state elections. This figure does not include any money for a third election if an override is held separately or if additional costs are needed with an override ballot election concurrent with the November election. With the passage of mail-in and early voting requirements, the Town is treated as a community of over 20,000 residents and is susceptible to the maximum required early and mail-in voting requirements, which increases election costs. We must abide by state law.
- The Public Property & Buildings (Facilities) expense budget has the largest expected increase at almost \$670,000 over FY24. While inflation has cooled, we are still seeing cost increases for many supplies that are impossible to avoid or defer. We have all seen products increase or be resized and shaped and rebranded. Facilities expect a \$411,000 increase in expenses to water, gas, utilities, electricity, stormwater, parts, cleaning chemicals, mold remediation, and so on. These cost increases are overwhelmingly attributed to School facilities and reflect many of the fixed costs associated with facilities.

The increase also includes a Sustainability Coordinator position, as outlined in the Town Council goals for 2024-2025, at a salary of \$85,000 plus benefits.

- The FY25 preliminary budget increases the Department of Public Works budget by approximately \$378,900 in traditional costs.
 - A sample listing of increases are here:
 - \$30,000 toward sidewalk repair and maintenance;
 - \$20,000 toward additional striping and crosswalk painting;
 - \$60,000 for additional contracting services to maintain lawns and fields for school and town fields;
 - \$20,000 for additional tree trimming services;
 - \$17,000 for disposal and quantity of household hazardous waste;
 - \$24,000 for software Brightly and GIS Enterprise license increases; and
 - \$20,000 for street lights due to electricity rate increases.
 - We are also proposing to make an expense-neutral change from the Fire Department to

the Fleet Division of \$160,000 for Fire vehicle maintenance to DPW Central Motors now that we have proper staff.

- Some additional cost pressures for the future:
 - Green Communities compliance on municipal and school fleet.
- A full year assessment of [MECC regional dispatch](#) at \$1.324 million. The party is over from the four-year state grant that gave the Town additional budget capacity. This policy has also been well documented. Fortunately, the town had the foresight to establish a savings account from the savings from the four grant years. We may use some of this funding to help with the budget gap.
- The Franklin Public Schools have informed us that in order to maintain “level” or “status quo” services from the current year to FY25, it will require a budget increase of \$7.3 million, or 10.13%. A level services budget *plus* restoration of FY24 cuts yields an increase of \$9.3 million, or 12.92%, which is what the model assumes. The School Committee is still in the process of developing their final FY25 budget proposal, which will be voted on March 5, 2024. I have included the most recent [School Committee budget documents from February 13, 2024](#).

Some additional informational points that relate to the fiscal challenges of the public schools, including their cost drivers and our concerns:

- The state Chapter 70 Formula is not in our favor and will continue to be a pressure point, especially if the Legislature is forced to alter the formula due to the Town’s increasing “Hold Harmless” situation.
- Significant fixed costs and capital costs to technology, facilities, and fleet that will compete with operating costs to education and classrooms. These costs are not a part of the preliminary budget model, but still need funding sources.
- Collective bargaining looms in FY26 with Franklin Education Association (FEA) and other municipal unions. Labor and personnel costs have risen significantly for the schools, but this is also a trend affecting all municipalities statewide.
- Unsustainable special education cost increases, which puts pressure on all aspects of the school budget.
- Central office staffing capacity and technology investments.
- School Revolving Funds solvency at the end of FY24 heading into FY25.
- Town and School federal ARPA and ESSR money expires at the end of this calendar year.
- Continued declining enrollment. In 2008, the school district enrollment was 6,464. The current school district enrollment is 4,686 students in the 2023-2024 school year. As everyone knows, the school district is losing 100-150 students a year in district enrollment and this trend is expected throughout most of the rest of the decade. In 2022, the School Committee hosted a [redistricting exercise](#) and looked at future enrollment projections and facilities needs, but that resulted in no action. They have reenaged

McKibben Consulting to relook at the district demographics. Town staff have worked closely with the Schools to ensure the correct development and growth assumptions are made in any final study that may shape redistricting and the better use of town and school facility space. The objective is to streamline operations and maximize space to alleviate increasing fixed costs.

- The preliminary model assumes only a couple of strategic town staffing investments to meet the needs of the community. The proposed additions or transitions are:
 - Three additional paramedics to staff the ambulance.
 - A sustainability Coordinator for the Facilities Department to manage Green Communities and associated grants.
- The Debt and Interest budget remains one of our most pressing budgetary concerns. At 1.59% of recurring general fund revenues, this slice of the budget is far below town goals and has been trending in the wrong direction for years, due to previous borrowing costs coming off the schedule and high interest rates to quell inflation. It should increase through the rest of the decade to maintain our Public Schools and Town facilities.

Other scheduled capital facilities or infrastructure projects that would be paid for in these budget line items over the next five years are the Remington-Jefferson rehabilitation, the High School ten-year update, Washington Street to Grove Street sidewalk, Beaver Street Recycling Center and Solid Waste Master Plan, and the Police Station. If the town borrows to do any of these projects in the future, debt and interest will rise and leave fewer dollars available for other areas of the budget.

- Funds the Norfolk County Pension Retirement assessment at a \$388,320 increase, which is relatively low compared to recent years that had been averaging \$425,000 a year.
- Funds employee health care at a 9.5% increase or \$351,000. This maintains current plan design and Health Savings Account (HSA) contributions. Fortunately, the overall Benefits budget has been able to absorb recent employee insurance increases, due to the continual decrease in resources needed to fund retired Teachers Health Insurance. The April budget will likely depict a 7.6% increase to health insurance, rather than the preliminary 9.5% number.
- The Library is funded at the Municipal Appropriation Requirement (MAR) level to meet Massachusetts General Law. A municipality must meet the MAR in order to be eligible to be certified for State Aid to Public Libraries by the Massachusetts Board of Library Commissioners (MBLC). If the library has any reduction to their budget we will be back in the MAR waiver process with the state.
- Some modest investments for Boards and Committees, including additional funding in the amount of \$12,000 for the Historical Museum, \$5,000 for the Cultural Council, \$1,000 for the Cultural District Committee and for the Disability Commission.

What does this model not include?

A short list of items that have been discussed publicly in some variation (not in any particular order):

- Additional resources or share of the pie toward Debt & Interest. In 2026, we anticipate a borrowing for Remington-Jefferson remodel.
- Additional public infrastructure costs of roads, sidewalks, parking lots, trails, etc. We are being honest with the public: there is really no room for us to consider new sidewalks, major repairs of older sidewalks, extensive trials work, greater investments in roads, and other public infrastructure without dedicated revenue streams to these specific areas. At some point we need to be honest with the public and manage expectations.
- At annual budget meetings, \$2,000,000 in annual capital needs has been requested to be put into the operating budget. Costs for Police and Fire safety gear, school curriculum, school and town technology, school and town fleet, police cruisers, SPED vans, DPW apparatus and so forth.
- An increasing demand and reliance on Technology. Whether it's cybersecurity, computers for students and employees, the proper recruitment and retention of exceptional technology staff, or the required fiber and equipment, technology is a cost driver that is here to stay. At some point, we need to have a much more in depth conversation about the future of Technology and make sure the staffing, succession planning, compensation and classification, and capital planning is well developed.
- Municipal Capital Projects: Police Station, Beaver Street Recycling facility and other desires from the community, such as an Arts Center or trails/open space investments.
- Additional staffing investments for green and sustainability goals, arts and culture, open space planning, conservation efforts, traffic enforcement, and so forth and so on. Our collective imagination showcases many worthy ideas.
- Additional Strategic investments toward Franklin Public Schools, such as foreign language, capital, facilities, and arts related curriculum, which have been discussed for many years.

Looking down the road: FY26

Also looming around the corner for FY26 is a new round of collective bargaining negotiations for the town's largest unions in 2025 - teachers, police patrol, police sergeants, fire, public works, police sergeants, custodians, maintenance/trades, and librarians - as these contracts expire at the end of FY25. If we are to avoid sizable layoffs and/or service cuts to all services this fiscal year, and certainly in FY26 and beyond, the community must recognize that we are all in this together. It is imperative that residents take the time to learn and understand the budgeting pressures on both the schools and the municipality at large, and how these cost pressures counterbalance affordability to all citizens, businesses, and stakeholders in the Town of Franklin.

As we have suggested for many years, the Joint Budget Subcommittee may want to endorse a Cost-of-Living Adjustment (COLA) Equity Goal to avoid deepening budget deficits in future fiscal years. Otherwise, an escalation of cost increases in personnel and labor costs will most certainly result in unsustainable costs to the town, including the schools. This issue does not even include a calculation that additional staff investments may be needed for school and municipal services based on what the community desires.

The town will be in a painful position of extensive layoffs or service reductions if we do not (1) start to

manage expectations on the capacity of the town's service limits and (2) start to coordinate and better strategically plan town and school operating budget finances.

Tri-County Vocational School

The Tri-County School project is moving forward! Fortunately, 61% of residents that participated in the [election](#) voted in the affirmative this past November to raise property taxes through a debt exclusion to pay for Franklin's anticipated \$2.1 million per year assessment. Congratulations to the Tri-County School community for their successful campaign to build a new facility and successfully navigate the MSBA process. Approximately $\frac{1}{3}$ of the project is paid for by the state.

The tax impact will begin in FY25 and is reflected in the debt exclusion budget model and expenditure line item with an increase of \$132,298 in budget impact. The tax rate will be adjusted later this year to reflect the revenue source for Franklin's portion. This project is budget neutral.

At full maturity in FY27, an average \$500,000 Franklin household will have taxes raised by an average of \$176/year to pay for this. That rate will decline over the life of the project.

Stormwater Utility

FY24 represents the first year of the Stormwater Utility to address the federal unfunded EPA mandates. As each year progresses, the permit becomes shockingly more expensive. A rate increase will be required to stay up to date with the permit. We estimate a very minor uptick of about \$1.50 per billing unit, which is on average \$10-\$20 a year for most households. This rate increase will ensure solvency of the stormwater utility budget.

However, in the next few years, a much more detailed public discussion must take place on the expense associated with the Town's Phosphorus Control Plan, which is estimated to cost \$30 million over five years. Addressing this issue is not a choice. These are unfunded federal mandates. The town has already sued the federal government over this issue. [Please visit our Stormwater Website](#) for additional information.

Water Enterprise Fund & PFAS Remediation

Residents can also expect to see an 8% water rate increase in each of the next three years. Two major federal and state regulatory required projects are expected to come online in the form of a \$25 million water filtration project (water tank membrane to protect from manganese and iron) and the first of the Polyfluorinated Substances (PFAS) required projects - a \$6.5 million PFAS Filtration Plant (with a zero % interest loan from the state). Anticipated rate payers will see an approximate \$50 per year increase over the next three years.

If these messages are hard to handle, residents must also realize every city and town in Massachusetts is going through similar situations managing severe cost drivers related to public infrastructure - Inflation, competitive and tough labor market, and unfunded federal and state mandates. Scituate has seawalls; the Cape has nitrogen and other pollution in their water; Leominster and Attleboro are rebuilding major sections of their community from flooding; Stow and Easton are paying for significant PFAS contamination; The Berkshires have their problems as does the rest of the state with infrastructure and the costs associated with preserving high quality drinking water and proper cleanup of pollution. We are fortunate to have ample and clean resources; but we do pay for it in Massachusetts.

The constant pressure on local government to fund all of the work that needs to get done is becoming unsustainable. The Massachusetts Municipal Association [continues to advocate](#) for greater investment from the state in infrastructure and to relieve the many unfunded mandates the state is placing on local governments.

Sewer

FY25 sewer utility looks solvent with the Beaver Street Interceptor project about to begin. Expect disruptions on Route 140 from Beaver Street to Pond Street all year.

Financially, some debt drops off which gives ratepayers rate stability, despite the already approved 15% increase in sewer to pay for the Interceptor and a 14% increase in FY26.

Refuse Enterprise Fund

The Town has avoided any rate increases in the trash and recycling curbside pickup program for several years. A rate increase is anticipated in FY25 of between \$25 to \$50.

FY26 looks a little more uncertain, as the Town's contract with its vendor is up on June 30, 2025. The market is showing about 2-3%, but these are increases that the town may see in FY26, FY27 or beyond.

Police Station

The Police Station Building Committee just began its work. An Owner's Project Manager (OPM) for the project is scheduled to be under contract this April. Once an OPM is hired, the project will significantly speed up. The building will be designed and a site will need to be selected as next steps..

The website is [here](#). More information will be posted later this spring.

We expect the cost to be around \$40 million, and would anticipate a debt exclusion vote for the project.

Remington-Jefferson & Horace Mann

In 2020, the Town Council authorized borrowing for a full renovation of R-J. The pandemic postponed this project, which is desperately needed and the next major investment in school facilities. At 30 years old, a holistic renovation will extend the life of the building another 30 years and is a good investment for the community. A revised borrowing authorization will go before the Town Council later this May as part of the budget hearings. We anticipate a \$7 million price tag. Staff are waiting to see how interest rates react in 2024 and 2025 when the borrowing would occur. In the meantime, the Facilities Department will continue to work on designing the building and preparing to engage the market for an OPM.

We would anticipate 2024 for designing and scoping the building. Staff hope to borrow in 2025 and then construction in the 2026-2027 range. These are estimates. Costs will be allocated to the Debt and Interest line items in the budget, which will compete with other spending priorities of the total tax levy share.

Davis-Thayer

The [Davis-Thayer Building Reuse Advisory Committee](#) has been meeting and deliberating on future use of the near 4 acre site. It will not be a suitable location for a public safety facility. A final existing conditions report is complete. The property is currently being appraised by a licensed appraiser. A non-binding Expression of Interest will be authorized by the Town Council. This is one large financial asset that may bring in revenue for the community. It is paramount the community gets the most lucrative response to this asset.

Conclusion

In the coming weeks and months we will all need to work collaboratively and seriously discuss how best to manage public expectations, and strategically plan for a successful future. Given our limited pool of funding, we can only provide services within the property tax levy. As the Administration has documented for almost a decade, an override is needed in order to fund the level of services the public is suggesting they desire.

There is no panacea of money coming in our future. We work very well with our legislative and congressional delegations. The Towns and Schools develop meticulous strategies around federal-state-local partnerships, which have been very successful in bringing in millions in revenue each year. Although the Town and Schools have been very successful in acquiring grant funding to help further strategic goals, our staffing capacity can only apply for and manage so many grants. The Town must also set some new spending priorities, especially when considering federal stimulus money is drying up.

The operating budget problem we see this year, and to come in subsequent years, requires a major recalibration with respect to spending. We must live within our means if we aspire to be a community accessible for all residents. We hear regularly that Franklin is becoming increasingly unaffordable. It is also becoming a more affluent community based on median income and property values. If we are truly all in this together, it is in the community's best interest to find a balance - that sweet spot - of what is reasonably affordable and what may be too expensive and out of range for many Franklin residents.

Attachments

- [FY25 Control Sheet & Budget Model](#)

Additional resources

- [FY25 Budget Page](#)
- [2019-2022 Budget articles](#)
- [2020 school closure study](#)
- [Town Budget Archive](#)
- [Town Financial Audits Page](#)
- [AAA Bond Rating scores](#)

Joint Budget Subcommittee

January 18, 2022

Purpose

The purpose of the Joint Budget Subcommittee (hereinafter "subcommittee") is to promote communication and collaboration during the Town's annual operating budget process.

Membership & Appointment

The subcommittee consists of:

- 4 members of the Town Council, who shall be the four members appointed to the Town Council Budget Subcommittee;
- 3 Members of the School Committee, who shall be the three members appointed to the School Committee Budget Subcommittee; and
- 4 Members of the Finance Committee, who shall be the four members appointed to the Finance Committee Operating Budget subcommittee.

Membership shall be based on the procedures outlined by each individual Board that comprises the joint subcommittee.

Responsibilities

The subcommittees' responsibilities include:

- promoting collaboration between the three most relevant finance related committees who are involved in the to the Town's annual operating budget process: Town Council, School Committee and Finance Committee;
- promoting broader communication and public engagement on the Town's annual operating budget;
- keeping their respective board or committee members informed of the subcommittees work and providing updates;
- meeting, at least once a year, during the annual budget process to achieve the responsibilities of the committee;
- meeting as often as necessary to achieve subcommittee goals;
- maintaining institutional knowledge of short and long range budget forecasts;
- assisting the Town Administrator and Superintendent of Schools to develop strategies for meeting projected budget shortfalls; and
- Serving as an ombudsman to the town's annual operating budget process.

Authority

The Joint Budget Subcommittee shall be advisory only and will not supersede any legal obligation under Massachusetts General Law or within the Franklin Town Charter or Town Code.

TOWN OF FRANKLIN

FISCAL YEAR 2025 REVENUE AND CONTROL SHEET

Date: March 1, 2024

	FINAL FY23	FINAL FY24	TA PROPOSED FY25	INCREASE/ (DECREASE)
TAX LEVY				
Prior Year Levy Limit plus 2 1/2%	\$ 85,955,821	\$ 89,436,897	\$ 92,839,014	\$ 3,402,117
New Growth	1,299,688	1,137,751	1,000,000	(137,751)
	87,255,509	90,574,648	93,839,014	3,264,366
DEBT EXCLUSIONS				
Horace Mann Issue #1	93,600	-	-	-
Keller-Sullivan	390,910	376,050	360,325	(15,725)
Horace Mann Issue #2	290,000	280,000	270,000	(10,000)
High School Issue #1	2,881,163	2,878,163	2,879,488	1,325
High School Issue #2	149,813	151,563	153,062	1,499
Tri-County New School	-	-	132,298	132,298
	3,805,486	3,685,776	3,795,173	109,397
TOTAL POTENTIAL TAX LEVY	91,060,995	94,260,424	97,634,187	3,373,763
STATE REVENUE				
Chapter 70 School Aid	28,885,721	29,191,961	29,343,701	151,740
Charter School Reimbursements	971,965	1,032,630	979,753	(52,877)
Unrestricted Aid	2,862,319	2,953,914	3,042,531	88,617
All Other Net of Offsets	414,166	426,733	422,946	(3,787)
	33,134,171	33,605,238	33,788,931	183,693
OTHER REVENUES				
Local Receipts - General Fund	10,606,309	12,456,309	12,456,309	-
Host Community Agreement	335,295	-	-	-
J&J Opioid Settlement	67,505	-	-	-
	11,009,109	12,456,309	12,456,309	-
OTHER AVAILABLE FUNDS				
Net Budget Stabilization / Other Transfers		250,000		(250,000)
Enterprise Fund (Indirects)	1,255,000	1,593,000	1,841,000	248,000
	1,255,000	1,843,000	1,841,000	(2,000)
TOTAL REVENUES & OTHER FUNDS	136,459,275	142,164,971	145,720,427	3,555,456
ASSESSMENTS & OTHER VOTES				
School Choice	496,436	426,028	484,619	58,591
State Assessments	502,519	528,947	530,647	1,700
County Assessment	246,505	255,963	262,362	6,399
Charter School Assessment	5,544,108	5,874,756	6,068,541	193,785
Provision for Abatements & Exemptions	729,733	622,394	650,000	27,606
Subsequent Votes				-
	7,519,301	7,708,088	7,996,169	288,081
TOTAL NET REVENUE	128,939,974	134,456,883	137,724,258	3,267,375
LESS: TOTAL GENERAL FUND BUDGET	(128,902,599)	(134,403,451)	(147,766,068)	(13,362,617)
UNUSED LEVY	\$ 37,375	\$ 53,432	\$ (10,041,810)	\$ (10,095,242)

**TOWN OF FRANKLIN
FY 2025 OPERATING BUDGET**

OPERATING BUDGET	ORIGINAL FINAL FY23	ORIGINAL FINAL FY24	TA PROPOSED FY25	INCREASE/ (DECREASE)
111 Town Council expenses	4,000	6,000	9,000	3,000
	4,000	6,000	9,000	3,000
123 Town Administration salaries	400,473	584,802	579,799	(5,003)
expenses	138,082	44,782	39,782	(5,000)
	538,555	629,584	619,581	(10,003)
131 Finance Committee expenses	1,500	1,500	1,500	-
	1,500	1,500	1,500	-
135 Comptroller salaries	502,005	702,487	754,630	52,143
expenses	81,300	85,800	84,600	(1,200)
	583,305	788,287	839,230	50,943
141 Assessors salaries	335,504	368,198	381,597	13,399
expenses	99,900	104,900	127,400	22,500
	435,404	473,098	508,997	35,899
147 Treasurer-Collector salaries	388,647	442,959	455,780	12,821
expenses	91,105	91,105	91,105	-
	479,752	534,064	546,885	12,821
151 Legal salaries	112,479	125,105	128,726	3,621
expenses	60,000	60,000	70,000	10,000
	172,479	185,105	198,726	13,621
152 Human Resources salaries	245,815	260,903	352,404	91,501
expenses	34,750	38,650	38,950	300
	280,565	299,553	391,354	91,801
155 Information Technology salaries	37,645	36,952	92,605	55,653
expenses	384,597	457,215	467,448	10,233
	422,242	494,167	560,053	65,886
161 Town Clerk salaries	208,516	235,340	248,955	13,615
expenses	19,650	20,850	21,150	300
	228,166	256,190	270,105	13,915
164 Elections & Registration salaries	33,629	19,480	133,689	114,209
expenses	42,700	60,700	65,700	5,000
	76,329	80,180	199,389	119,209
171 Conservation salaries	-	-	75,541	75,541
expenses	-	-	12,060	12,060
	-	-	87,601	87,601
176 Appeals Board				

expenses	10,000	9,000	7,000	(2,000)
	10,000	9,000	7,000	(2,000)
177 Planning & Growth Management				
salaries	401,481	445,416	394,671	(50,745)
expenses	32,300	32,300	31,000	(1,300)
	433,781	477,716	425,671	(52,045)
184 Agricultural Commission				
expenses	1,000	1,000	1,000	-
	1,000	1,000	1,000	-
192 Public Property & Buildings				
salaries	3,084,165	3,312,437	3,569,614	257,177
expenses	4,539,000	5,172,200	5,584,040	411,840
	7,623,165	8,484,637	9,153,654	669,017
196 Purchasing / Central Services				
salaries	-	-	92,249	92,249
expenses	150,500	161,000	170,524	9,524
	150,500	161,000	262,773	101,773
Subtotal, General Government	11,440,743	12,881,081	14,082,519	1,201,438
210 Police				
salaries	6,013,217	6,652,746	6,974,304	321,558
expenses	316,140	332,331	374,016	41,685
	6,329,357	6,985,077	7,348,320	363,243
220 Fire				
salaries	6,099,525	6,529,173	7,181,065	651,892
expenses	563,063	654,000	506,000	(148,000)
	6,662,588	7,183,173	7,687,065	503,892
225 Regional Dispatch				
expenses	610,664	958,670	1,324,834	366,164
	610,664	958,670	1,324,834	366,164
240 Inspection				
salaries	352,645	432,336	416,583	(15,753)
expenses	22,712	14,512	29,950	15,438
	375,357	446,848	446,533	(315)
292 Animal Control				
expenses	80,700	92,700	104,700	12,000
	80,700	92,700	104,700	12,000
Subtotal, Public Safety	14,058,666	15,666,468	16,911,452	1,244,984
300 Town Schools	70,220,825	71,989,431	81,287,037	9,297,606
390 Tri-County Regional School	2,540,198	2,674,447	2,908,492	234,045
395 Norfolk Aggie	66,660	66,660	69,993	3,333
Subtotal, Education	72,827,683	74,730,538	84,265,522	9,534,984
422 DPW-Highway Dept				
salaries	2,150,496	2,053,118	2,124,117	70,999
expenses	3,669,550	3,956,650	4,335,550	378,900
	5,820,046	6,009,768	6,459,667	449,899
TOTAL DPW - Hwy	5,820,046	6,009,768	6,459,667	449,899

510 Health				
salaries	263,485	294,711	306,553	11,842
expenses	48,400	48,400	48,400	-
	311,885	343,111	354,953	11,842
535 Disability Commission				
expenses	-	1,000	1,000	-
	-	1,000	1,000	-
541 Council on Aging				
salaries	474,119	607,649	666,345	58,696
expenses	6,700	33,100	33,100	-
	480,819	640,749	699,445	58,696
543 Veterans Services				
salaries	91,281	106,393	110,970	4,577
expenses	11,115	11,115	12,115	1,000
veterans assistance	165,000	165,000	165,000	-
	267,396	282,508	288,085	5,577
Subtotal, Human Services	1,060,100	1,267,368	1,343,483	76,115
610 Library				
salaries	780,524	810,468	862,725	52,257
expenses	277,000	282,000	292,000	10,000
	1,057,524	1,092,468	1,154,725	62,257
630 Recreation				
salaries	346,258	463,765	511,472	47,707
expenses	273,400	277,000	284,000	7,000
	619,658	740,765	795,472	54,707
690 Historical Museum				
salaries	29,708	73,928	70,057	(3,871)
expenses	1,000	3,000	15,000	12,000
	30,708	76,928	85,057	8,129
691 Historical Commission				
expenses	4,000	4,000	4,000	-
	4,000	4,000	4,000	-
693 Arts, Culture Creative Economy				
salaries	-	-	95,000	95,000
expenses	-	-	15,400	15,400
	-	-	110,400	110,400
695 Cultural Council				
expenses	15,000	25,000	30,000	5,000
	15,000	25,000	30,000	5,000
696 Cultural District Committee				
expenses	1,000	1,000	2,000	1,000
	1,000	1,000	2,000	1,000
Subtotal, Culture & Recreation	1,727,890	1,940,161	2,181,654	131,093
710 Retirement of Debt				
non-excluded	2,180,000	1,897,000	1,745,000	(152,000)
excluded	2,194,000	2,175,000	2,245,000	70,000
	4,374,000	4,072,000	3,990,000	(82,000)
750 Interest				
non-excluded	688,679	587,478	516,773	(70,705)

excluded	1,611,485	1,520,775	1,550,314	29,539
	2,300,164	2,108,253	2,067,087	(41,166)
Subtotal, Debt Service	6,674,164	6,180,253	6,057,087	(123,166)
Benefits:				
910 Retirement & Pension	7,183,210	7,501,821	7,890,141	388,320
Health/Life Insurance Benefits	3,520,825	3,704,743	4,056,694	351,951
Retired Teacher Health Insurance	800,000	570,000	560,000	(10,000)
Non-GIC School Retirees	1,107,750	1,145,000	1,253,775	108,775
Workers Compensation	500,000	550,000	447,153	(102,847)
Unemployment Compensation	120,000	110,000	118,800	8,800
Medicare	341,250	341,250	368,550	27,300
OPEB	750,000	800,000	850,000	50,000
Compensation Reserve	270,272	230,000	100,000	(130,000)
	14,593,307	14,952,814	15,645,113	692,299
945 Liability Insurance	700,000	775,000	819,571	44,571
	700,000	775,000	819,571	44,571
Subtotal, Benefits & Insurance	15,293,307	15,727,814	16,464,684	736,870
TOTAL ALL BUDGETS	128,902,599	134,403,451	147,766,068	13,252,217
Surplus/(Deficit)	37,375	53,432	(10,041,810)	(10,095,242)
ENTERPRISE FUNDS:				
434 Solid Waste Disposal				
salaries	99,955	132,806	141,400	8,594
expenses	2,467,000	2,681,622	2,774,732	93,110
OPEB		1,211	1,817	606
	2,566,955	2,815,639	2,917,949	102,310
440 Sewer				
salaries	802,798	935,104	989,282	54,178
expenses	530,750	554,750	569,750	15,000
charles river assessment	3,291,760	3,430,990	3,655,000	224,010
OPEB	6,000	9,810	12,474	2,664
principal & interest	373,010	1,084,173	641,525	(442,648)
	5,004,318	6,014,827	5,868,031	(146,796)
450 Water				
salaries	1,479,850	1,694,900	1,783,316	88,416
expenses	2,290,000	2,428,000	2,468,500	40,500
OPEB	16,000	18,045	22,647	4,602
principal & interest	2,674,432	2,665,437	2,857,672	192,235
	6,460,282	6,806,382	7,132,135	325,753
460 Stormwater				
salaries		334,117	371,296	37,179
expenses		500,000	724,000	224,000
OPEB			4,360	4,360
	-	834,117	1,099,656	265,539
TOTAL ENTERPRISE FUNDS	14,031,555	16,470,965	17,017,771	546,806

TOTAL OPERATING BUDGET	142,934,154	150,874,416	164,783,839	13,799,023
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Franklin Public Schools FY25 Budget Update

**School Committee Meeting
February 13, 2024**



Purpose

To provide an overview of the budget development process before the Superintendent's FY25 Recommended Budget in March 2024



Portrait of a Franklin Graduate



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

The FY25 Budget is being 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-Age 22.

About Us

10 Schools



494 FTE Teachers



1234 Employees



**Total State Aid - Chapter 70
\$29,493,708**



**In-District Cost Per Student
\$14,697.65**



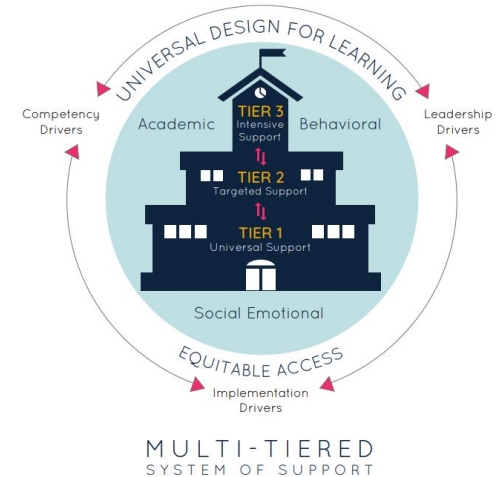
The Budget Process Thus Far



Budget Impact on Students

How does the FY25 budget benefit students?

- The largest portion of the budget provides for salaries for staff and ensures;
 - Student-to-teacher ratio in Grades to K-3 is approximately 18-22, and 5-12 is approximately 20-24.
 - Our students are learning in classrooms with a talented faculty.
- Targeted supports provided for ALL students requiring intervention and individualized education supports
- All students have access to learning and co-curricular activities that are inclusive.
- The budget provides the materials, technology needs, and counseling resources required by students to learn, achieve, and grow.



Budget Actions Thus Far

In order to arrive at the recommended FY25 Budget, factors considered were:

- contractual increases to salaries
- special education programming
- health insurance costs
- actual costs of variables such as substitute teachers, transportation, and
- changes to outside revenue such as grants and revolving accounts

The budget actions to follow show the community a clear picture of how

Priorities

1. Maintain **class sizes** within recommended ranges
2. Provide **support for students** with complex educational, social, emotional, and behavioral needs.
3. Further advance the **literacy** and in grades PreK-12 **other curriculum and instruction initiatives** by providing necessary curriculum materials and professional development.
4. To review and determine what costs that are currently supported through the **ESSER-3 grant** might be shifted to the appropriated budget or other available source.
5. To sustain current and explore new investments for equitable access to **high-quality learning**, focusing on closing achievement gaps.

Level Service Budget

What is level service?

The **Level Service Budget** assumes the same level of service to the schools from the FY24 budget to the FY25 budget, including the current school programs, staffing levels, class sizes, and services. The base budget includes:

1. The total FY24 budget appropriation;
2. Statutory or regulatory mandates;
3. Personnel step, longevity and collective bargaining increases;
4. Increases under other existing contracts



Level Service Budget

The draft FY25 budget represents a request for level services for the 2024-2025 school year. A level service budget allows us to:

1. Retain the same levels of teaching and learning for all students in the upcoming school year.

2. Afford financial increases from the previous year in order to maintain all programs.

Final FY24 Budget	\$71,989,431
Proposed FY25 Budget	\$79,321,804
Increase in \$\$	\$7,332,373
Increase in %	10.19%

Budget Increase Obligations

Begin with FY24 Final Budget Appropriation	\$71,989,431
Contractual Obligations	\$1.7M
Absorbed salaries due to elimination of ESSER III Funds	\$497,000
Increase in Out of District Special Education Costs & Services	\$2.2M
Increase in Out of District Special Education Transportation	\$100,000
Increase in Transportation of Homeless Students	\$80,000
Increase in Contracted Transportation for in-district Students	\$108,000
Increase in Health Insurance Expense	\$650,000
Decrease in Grant and Revolving Funds	\$1.2M
GRAND TOTAL	\$6,535,000

GENERAL EDUCATION

General Education component:

- Encompasses various programs and services benefiting all Franklin students.
- Includes costs for staff: educators in core classrooms, special subject teachers, nurses, guidance counselors, and administrators.
- Covers instructional materials, supplies, classroom technology, and devices for both students and staff.
- Incorporates extracurricular activities such as clubs, athletics, and art programs.
- Also accounts for transportation expenses.



GENERAL EDUCATION

General Education Expenses	FY23 Actual	FY24 Budgeted	FY25 Proposed	% Increase FY24 vs FY25
<i>Administration & Clerical</i>	\$6,405,215	\$5,897,392	\$6,079,786	3.09%
<i>Teachers/ Specialists</i>	\$32,690,872	\$34,651,235	\$35,496,257	2.44%
<i>Technology</i>	\$1,688,712	\$1,394,156	\$1,467,672	5.27%
<i>Instructional Supplies</i>	\$680,516	\$670,266	\$770,730	14.99%
<i>Athletics</i>	\$443,556	\$688,026	\$936,057	36.05%
<i>Other Salaries (Substitutes, stipends)</i>	\$921,694	\$883,561	976,137	10.48%
<i>Transportation</i>	\$1,365,198	\$1,586,259	\$1,694,437	6.82%
<i>Other Expenses (PD, Health Ins., OPEB)</i>	\$7,081,301	\$7,813,837	\$8,882,870	13.68%

Special Education

Special Education:

- Characterized as the most unpredictable budget item among all school departments.
- Annual fluctuations in the number, nature, and level of students with special needs, as defined in Individualized Education Programs (IEPs).
- Significant changes in student requirements pose challenges for budgeting special education expenses.



SPECIAL EDUCATION

Special Education Expenses	FY23 Actual	FY24 Budgeted	FY25 Proposed	% Increase FY24 vs FY25
<i>Administration & Clerical</i>	\$1,341,939	\$1,008,120	\$1,048,444	4.00%
<i>Teachers/ Specialists</i>	\$8,135,518	\$9,214,462	\$9,755,775	5.87%
<i>Medical/Therapeutic</i>	\$1,329,425	\$1,384,818	\$1,587,997	14.67%
<i>Psychological Services</i>	\$766,885	\$804,971	\$843,202	4.75%
<i>ESP</i>	\$2,559,613	\$3,688,365	\$3,781,426	2.52%
<i>Adjustment Counselors</i>	\$1,413,729	\$1,550,759	\$1,644,655	6.05%
<i>Transportation</i>	\$1,719,141	\$2,007,255	\$2,120,345	5.63%
<i>Contract Services</i>	\$1,475,898	\$998,835	\$1,066,500	6.77%
<i>Tuition</i>	\$6,251,635	\$7,799,180	\$8,975,224	15.08%
<i>Supplies</i>	\$99,760	\$59,500	\$77,300	29.92%

BUDGET REALITIES

The average budget increase since FY19 has been 2.94%. A budget increase in the range of 3-5% will increase the amount of funding the district receives, however will still require staffing and/or programmatic cuts in order to balance the budget.

	Percentage Increase	Budget Amount	\$\$ Increase	Deficit for Level Services
	FY25 Level Services Budget 10.19%	\$79.3M	\$7.3M	\$0
Requires reductions	2.5% Increase Over FY24	\$73.8M	\$1.8M	\$5.5M
	3.5% Increase Over FY24	\$74.5M	\$2.5M	\$4.8M
	4% Increase Over FY24	\$74.9M	\$2.9M	\$4.4M
	5% Increase Over FY24	\$75.6M	\$3.6M	\$3.7M
	6% Increase Over FY24	\$76.3M	\$4.3M	\$3.0M

Potential Impact On The District

Reduction in Staff	<ul style="list-style-type: none">• Larger class sizes, fewer support staff such as counselors and librarians, and a reduction in unified arts like art, music, and physical education. <p><i>Over time this can lead to burnout among remaining staff who must take on additional responsibilities, impacting the quality of education and support students receive.</i></p>
Increase in Fees	<ul style="list-style-type: none">• Various services and activities such as extra-curricular activities, athletics, transportation, and even basic supplies like textbooks or technology fees. <p><i>Can create financial barriers for students and families, limiting access to opportunities and widening existing disparities in education.</i></p>
Changes in Programming	<ul style="list-style-type: none">• Forced to make tough decisions about which programs to prioritize and which to cut.• This can lead to the elimination or reduction of enrichment programs, elective course offerings, and advanced placement courses. <p><i>Students may have fewer opportunities to explore diverse interests and prepare for future careers or higher education.</i></p>

Potential Impact On The District

Elimination of Activities	<ul style="list-style-type: none">• Extracurricular activities such as sports, clubs, and arts programs are often among the first casualties of underfunding. <i>These activities play a crucial role in fostering students' social, emotional, and physical development. Losing access to these opportunities can have long-term implications for students' overall well-being and academic success.</i>
Continued Cuts Impact Recruitment and Retention	<ul style="list-style-type: none">• Creates an atmosphere of uncertainty and instability leading to high turnover rates. <i>Turnover not only disrupts continuity in teaching and learning but also incurs additional costs for recruitment and training of new staff.</i>
Culture of Volatility	<ul style="list-style-type: none">• Perpetuate a culture of volatility within the school district. <i>Instability makes it difficult to implement long-term plans for improvement and innovation and can hinder efforts to attract investment and support from external stakeholders, further exacerbating the financial challenges.</i>

Beyond Level Service

Included to “Stabilize & Partially Restore”

Elementary	.6 Team Chair 1.2 BCBA 2.0 Tchr	2.0 K Tchr 1.0 STRIVE Tchr	1.0 Spec. Ed. ESP .8 ECDC ESP
Middle	1.0 Tchr 1.0 Spec. Ed. Tchr	1.0 Spec. Ed. ESP 1.0 ABA Tutor	
High	.5 Team Char 1.0 Spec. Ed. Tchr	1.0 Tchr 1.0 Math Interventionist	1.0 Librarian
Student Services	.8 Van Driver		
District	2.0 DLI		

COST TO STABILIZE & PARTIALLY RESTORE = \$1.6M

Beyond Level Service Included to “STABILIZE & PARTIALLY RESTORE”

SUPPLIES

- Middle School Clubs and Activities and bus transportation
- Middle School Transition programming
- After School Behavior Support
- High School Supplies such as music supplies and instrument maintenance, graphing calculators, language lab headsets, graphing calculators, online edu. software, etc.



Not Included in the Beyond Level Service Stabilize & Partially Restore

Elementary	.2 SLP 1.0 Interventionist 2.0 ELD Teacher	3.0 K ESP 1.0 AP of Student Service .4 School Psychologist
Middle	1.0 ELD Teacher 4.0 Tchr	
High	4.0 Teacher (expand Elective Opportunities) 1.0 ELD Teacher	1.0 ELD ESP 1.0 Art Director
District	3.0 Health and PE 2.0 World Lang.	

COST TO THRIVE = \$2.4M

Tale of Four Budget Models (DRAFT)

Less than Level Service “Cuts and Reductions”	
Reductions programs and positions	
FY25 @2.5%	FY25 @3.5%
\$73.8M	\$74.5M
+\$1.8M	+\$2.5M

Level Service “Survive”
Maintain services based on enrollment
FY25 @ 10.19%
\$79.3M
+\$7.3M

Level Service + “Stabilize and Partially Restore”
Partially restore previous cuts (i.e. MS clubs, late bus, class size ranges, positions)
FY25 @12.92%
\$81.3M
+\$9.3M

Level Service and Programmatic Improvements “Thrive”
Restore programming and positions previously cut and innovate
FY25 @16.25%
\$83.7M
\$11.7M
Requires continued visioning and strategic planning

* These are not budget proposals but rather models based on the FY24 \$71,989,431 budget and details in this presentation.