

DUDLEY-CHARLTON REGIONAL SCHOOL DISTRICT  
Meeting of the Budget and Finance Subcommittee  
Monday, March 6, 2023, 9:30 AM

**MINUTES**

**1. Call to Order**

Pauline Aucoin called the meeting to order at 9:36 AM. School Committee attendees were Pauline Aucoin, Jaime Dell'Ovo and Jeanne Costello (9:39 AM – 10:22 AM).

**2. Approval of Minutes (12/19/22, 01/09/23, 01/23/23, 02/06/23)**

A motion by P. Aucoin to approve the 12/19/22, 01/09/23, 01/23/23, 02/06/23 minutes was seconded by J. Dell'Ovo. P. Aucoin abstained from voting as this was her first meeting back from her leave. J. Dell'Ovo approved the minutes as no other School Committee members were in attendance during the Minutes Approval.

**3. FY24 Budget Discussion**

- Overall Budget
- Charlton Assessment
- Dudley Assessment

Director of Finance and Operations, Richard Mathieu presented the latest update of the FY24 Budget.

Entering FY24, the required incremental fixed costs to the Dudley Charlton Regional School District budget is \$3.665M and is broken down by the following categories:

- Special Education transportation increase of \$150,000.
- Special Education out of district tuition increase by \$655,000 (\$430,000 of this increase is directly related to the 14% increase the state passed for out of district schools while our own inflationary number under the governor's budget is capped at 4.5%.)
- \$150,000 ESSER transition into the budget for positions that will continue in the next fiscal year
- The Big Yellow Bus transportation contract increase of \$400,000 (primarily driven by drivers wages)
- Employee Benefits and Insurance increase - 5% increase to health insurance, \$140,000 retirement contribution to the state and \$75,000 for regular insurance, FICA and Dental
- Lease for PCs which will increase but help alleviate some of the expense in FY 24
- Utility Line Items increase of \$450,000.
- Restoration of District Office position and the ESSER supplement.

Superintendent Lamarche requested to identify areas that we can safely predict are 1-time real costs compared to long term cost increases in preparation for the School Committee meeting on March 8, 2023. Areas to focus on include:

- Long Term Bus Transportation Contract
- Teacher’s contracts and the unlikelihood the state will pass OSD at 14% increase the following fiscal year
- Utilities and the unlikelihood the District will see the same sizable increase the following fiscal year

J. Costello spoke to the reaction from Charlton and their ask for clarity on the ESSER funds to be tied into this conversation. Director Rich Mathieu spoke to the potential reductions in the expense increases should cover the ESSER positions for next year. What will most likely to recur is salary contracts, employee benefits and information technology.

J. Dell’Ovo wanted to emphasize that these requests are level setting the budget and are not asking for incremental funds to support new initiatives. She also mentioned to continue focusing on what will be cut from our school district if the funds are not granted.

Director Rich Mathieu clarified that the increase is to fund a *level service* budget. J. Costello mentioned that there has been some confusion on the terms level funding vs. level services and additional emphasis would be helpful as we need to account for inflation in order to maintain the same level of service YoY. J. Costello also recommended emphasizing that all school districts are in the same position and are facing the same challenges.

Superintendent Steve Lamarche recommended holding a Charlton Town Meeting Budget Forum between April 26 and May 18 if Charlton decides not to go to an override. Additional discussion around adding a meeting will be addressed at the School Committee meeting on March 8, 2023.

The Charlton assessment increased with the municipal revenue growth factor up by about 500%, more than the Abrahams group had anticipated. That creates an assessment increase of \$1.9 million dollars, just based on the gross value of the increase. The response to Tuesday's Board of Selectmen vote, Charlton is looking to pay a much smaller assessment increase, about 50% more than their minimum required increase.

In Dudley, we've been able to narrow the Override number down to a point where we hope it's acceptable by the communities but gives us support, not only for the fiscal 24 budget, but also provides additional funding above and beyond the 2.5% increase to the assessment that they have historically held us to. If the override is successful, it will also include the payment for the MSBA feasibility study for Shepard Hill.

J. Costello questioned with Charlton stating the \$1.3M and resulting in Dudley’s assessment going down, how much of a cut would that be for our District? Director Rich Mathieu stated that we would have a \$1.7M reduction that we would have to address across the District. J. Costello would like to make sure the BOS has a full understanding of the impact if Charlton only approved \$1.3M. To get to the \$1.3, the reductions would be so significant that it would put the DCRSD in a position to ask for multi-million dollars the following year and will impact the value of the Dudley override this current year.

P. Aucoin questioned if Dudley's override is successful, that would force Charlton to increase their budget or would we have to come to a District vote if there is a disagreement. Director Rich Mathieu confirmed that if the assessment is funded in one town and not the other, the School Committee would have the choice of either using its assessment to meet the lowest number or decide to hold a town meeting.

Superintendent Lamarche spoke to topics of discussion for the March 8, 2023 School Committee meeting, including:

1. Final Budget
2. The road to getting to the Final Budget
3. Predictability of future expenses and ESSER
4. Getting to Yes and breaking down the assessments per town
5. What an unfavorable FY 24 failed override would look like
6. Feasibility Study and how that's going to be populated by the communities

J. Costello spoke to the feedback that enrollments are down so why are not expenses down. Director Rich Mathieu commented that where expenses can be decreased by enrollments only, the District has already made those reductions through reduced staff, sections in the classroom and bus fleets.

#### **4. Future Agenda Items**

Continued FY 24 Budget Discussion, the Dudley Override and the Assessments by Town

#### **5. Adjourn**

A motion by P. Aucoin, second by J. Dell'Ovo to adjourn the meeting at 10:23 AM was approved unanimously. Jeanne Costello left the meeting at 10:22 AM.