

Report on Offsets & Revenue-based Activities



Offsets - situations in which we *depend on* revenue from external funds to support Operating Budget

Account	Revenue Source
Circuit Breaker	State reimbursement for Special Education costs that exceed a threshold
Transportation Revolving	Bus Fees charged to families for yellow bus transportation
Pre-School Revolving	Tuition from students attending Westwood Integrated Pre-school
Athletic Revolving	Athletic fees charged to families for student participation in team sports
Special Education Transfer	Medicaid reimbursement for expenses driven by medical necessity
Tuition Revolving	Tuition charged to 1-2 students from other districts enrolled in our programs
Solar Revolving (FY'23)	Woburn solar power array constructed by ECA Solar

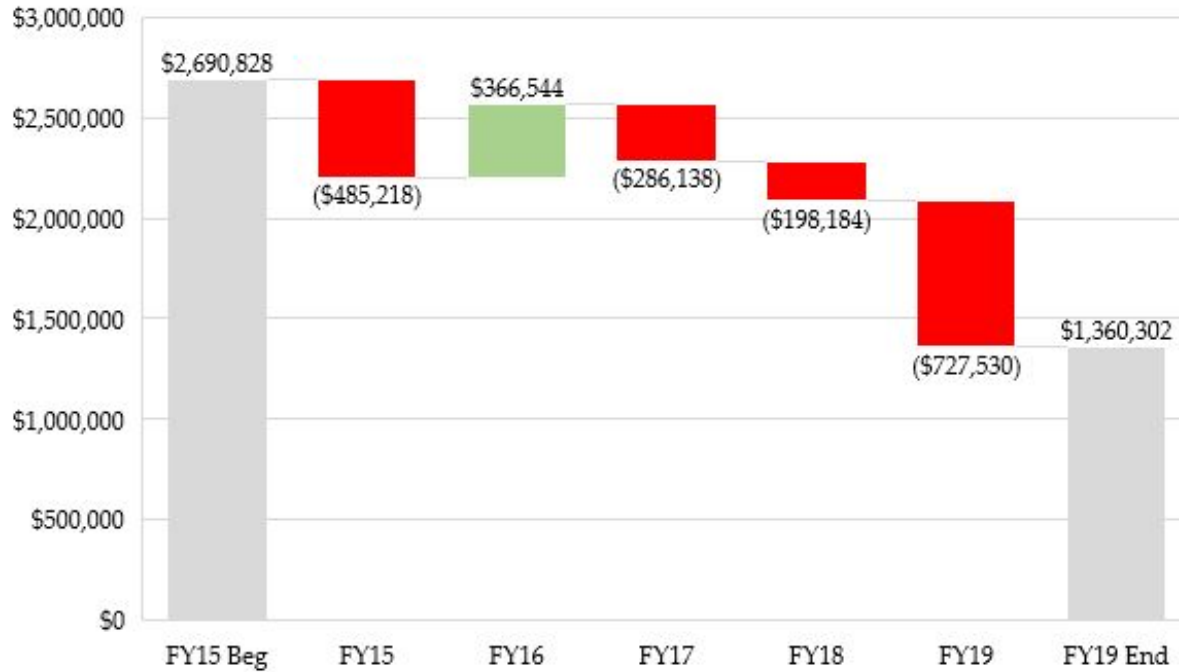


Guidelines for Use

- Budget for a predictable level of revenue based on prior collections
- Balances carry from year to year
- Open the fiscal year with a balance that is equal to the sum of total budgeted offsets that are **required** per the approved Operating Budget for that year
- May use without appropriation for additional expenses so long as it is to support the same activity, program, or service that generated the revenue (ex. Bus fees for yellow bus contract invoices)



Use of Offsets - A 5-year lookback at FY'15 to FY'20 suggests rising cost pressures in Operating Budget led to reduction of offset balances



Strong Start in FY'22

- At the start of FY'22, our net balance in offset accounts has recovered almost fully at 2.5M, in large part due to federal, state, and local support during Covid pandemic.
- Town support for Westwood Schools included absorption of Covid-related deficits in Food Service and Extended Day, and support with technology, PPE, and other Covid costs
- FY'21 budget was the last year of a four-year phased process to eliminate the Kindergarten tuition fee offset
- FY'22 budget included a structured 85k adjustment to contracted services in Special Education, which was intended to address a historical underfunding of this line that put pressure on the Operating Budget



Revenue-Based Activities - we operate these programs, and we have historically expected them to be financially *self-sustaining*

Account	Revenue Source	Relationship to Schools
Food Service	Meal sales, vending and snack bar sales, catering, and federal and state reimbursements	National School Lunch Program, core to the Westwood Schools
Extended Day	Before School and After School Tuition and other fees	Affiliated program
Summer Enrichment	Tuition	Affiliated program
Prodigy	Music lesson fees	Affiliated program
Building Use	Event fees, rental fees, and custodial fees	Rental of school facilities to unaffiliated nonprofit and for-profit external groups



Extended Day: budget model challenge due to changing conditions

- Staffing challenges due to competitive hiring climate, leading to internal hires, overtime pay, and a corresponding increase in payroll expense
- Greater need for Specialized Aides and Nurses
- Tuition needs to be modified to incorporate field trip and enrichment experiences, for simplicity in billing
- Need to consider and formalize district supports, including professional development



Extended Day: market conditions

Program	Published Pay Range for Group Leaders
Sharon	\$20 - 28
Natick	\$20 - 24
Newton	\$20 - 22
Medford	\$20 and up
Weston	\$19 - 24
Ashland	\$16.50 - 23.50
Millis	\$15.90 - 22.50
Attleboro	\$15.65 - 23.88
Hopedale	\$15.50 - 17.75
Westwood	\$13.17 - 22.50
Uxbridge	\$15.25 - 19.74
Walpole	\$14.29 - 15.63

Monthly Tuition	Monthly Tuition (5 day)
Needham, Medfield, Wayland, Dover	\$600-650
Acton-Boxborough	\$558
Hopkinton	\$522
Uxbridge, Franklin, Natick	\$450-500
Hingham, Hopedale, Littleton, Medford	\$450
Attleboro	\$420
Ashland	\$408.50
Medway, Sharon, Norwood	\$350-400
Walpole	\$347
Norfolk	\$346
Westwood (2021-2022)	\$320
Millis	\$309
North Andover	\$299
Westwood (2019-2020)	\$280.50



Prodigy: no longer in line with the market for private music lessons

- During the pandemic and since, operated largely virtually with strong results
- Historically, not charged any building user fee for operating on-site
- Instructors have expressed concerns that Westwood's pay rates are not competitive, and 7 instructors left program
- Program Director is not budgeted to work during summer months, which causes strain on Town and school business offices, and prevents strong ramp-up to school year



Prodigy: market conditions

Program	30-min Instructor Rate
New England Conservatory	\$48
All-Newton Music School	\$26
Berklee Institute for Arts Education and Special Needs	\$25
Brookline Music School	\$25
Note-worthy Experiences	\$24
Westwood Prodigy Program	\$21.50
Community Music Center Boston (Instructor Intern)	\$18

Program	30-min Lesson Rate
New England Conservatory	\$65
Note-worthy Experiences	\$60
Community Music Center Boston	\$55
Cambridge Piano Lessons	\$53
All-Newton Music School	\$52
Brookline Music School	\$51
New School of Music	\$50
Berklee Institute for Arts Education and Special Needs	\$43
Community Music School of Springfield	\$40
The Conservatory Newton Highlands	\$40
Wayland Public School Music Program	\$36
Weston Private Lessons	\$32.46
Wellesley IVEP (Instrument and Vocal Extension Program)	\$30
Westwood Prodigy Program	\$25



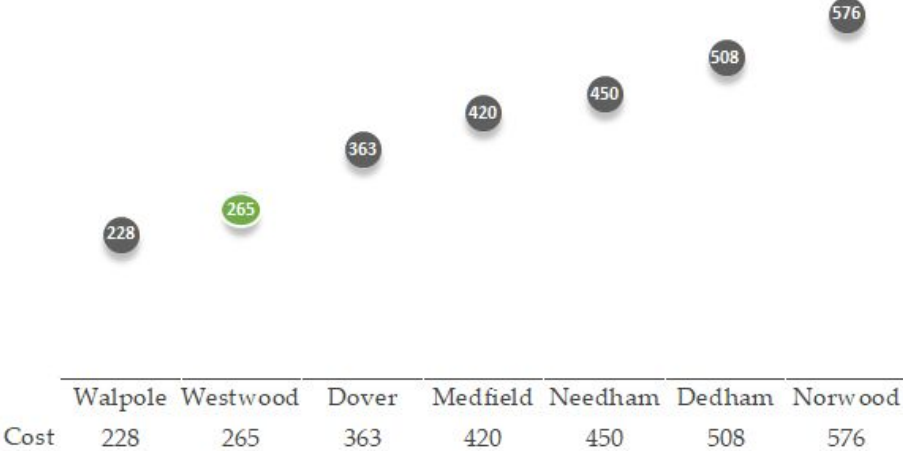
Building Use: proposed changes to rate schedule for select groups

- Priority on making schools available for the community, including school-affiliated nonprofits and Town users, will continue
- Need to re-evaluate impact on building custodial staff for events, as well as utility impact and wear and tear
- Rate schedule needs to be simpler, to allow for more efficient billing
- Goal is to address operating deficits
 - Net loss of nearly \$18K in FY'19
 - Loss does not account for weekday custodial impact, nor utilities and maintenance

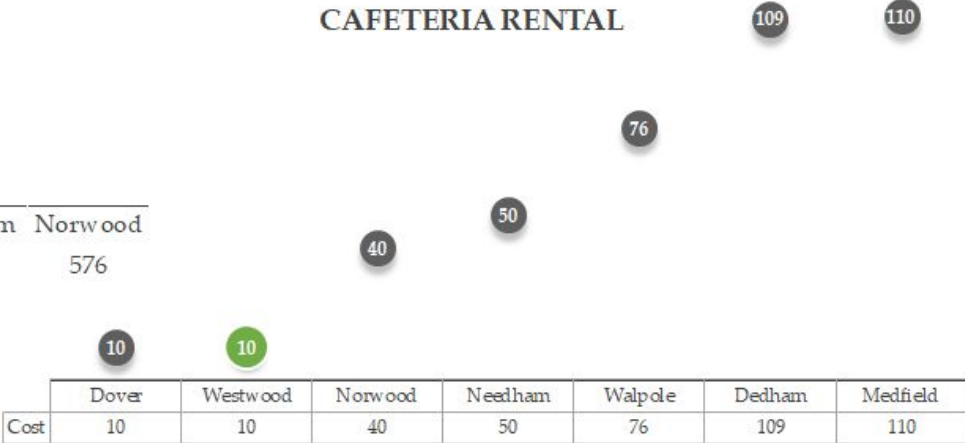


Building Use: market conditions

GYM RENTAL



CAFETERIA RENTAL



	Dover	Westwood	Norwood	Needham	Walpole	Dedham	Medfield
Cost	10	10	40	50	76	109	110



Questions

- Should we continue to assume that revenue-based activities should be self-sustaining and not supplemented by the Operating Budget?
- Are there parameters that we should consider when proposing rate increases?

