

# FY17 Budget Revised Recommendation

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April 25, 2016

# Topics

- School Committee FY17 Budget Guidance
- Budget Process Summary to Date
- The “Initial Gap”
- The Town Manager’s Fiscal Projection #2
- The Recommendation to Shrink the Gap but Preserve High-Quality Programs and Services
- The “Revised Gap”
- The Budget Process Going Forward
- Summary

# School Committee FY17 Budget Guidance

- School Committee guidance and charge to administration was to develop a “Level Services” budget plan that retained all educational programs and staff on a status quo basis
- Level Services budget required forecasting of estimated cost increases for staff, materials, out-of-district student placements/tuitions, transportation, other contract services

# Budget Process Summary To Date

| Date                     | Event/Task   |
|--------------------------|--|
| September                | Establish budget calendar  |
| October                  | School Committee votes budget priorities and guidance  |
| November                 | District Leadership Team recommendations for educational program improvements/initiatives      |
| September-December       | Detailed budget development including forecasts for salaries/wages and all non-salary accounts |
| December-January         | Review status and prepare budget document  |
| January 20 <sup>th</sup> | Superintendent's initial budget recommendation   |
| January 29 <sup>th</sup> | Town Manager releases his initial budget. Gap identified.                                      |
| February-April           | School administration conducts planning to shrink the gap                                      |

# The “Gap”

| Initial Gap |   |                |
|-------------|---|----------------|
|             | Superintendent Initial Recommendation FY17 Budget | \$ 62,446,298  |
|             | Town Manager- January 2016 School Dept. Budget    | \$ 59,112,145  |
|             | Gap   | \$ (3,334,153) |

- Superintendent’s budget: Cost of Level Services
- Town Manager’s budget: Balanced revenue and expenses ( Initial projections )
- *“I believe that our community will not have sufficient financial resources to fund this budget plan.”*
  - Superintendent’s budget message, January 20, 2016

# Town Manager's Fiscal Projection #2

## [4/22/2016]

- Projects a “surplus” or available revenue of **\$1,838,741**
  - Adjusted to account for changes in all state and local revenue and expenses/charges
- His additional funding considerations total **\$2,462,229** and include:
  - Operating Budget Items:
    - Reduced use of Free cash=\$250,000
    - School Funding=\$1,565,229
    - Add'l Police Officer (#35)=\$74,000
    - Add'l Police Officer (#36)=\$74,000
  - Capital Budget Items:
    - Front-end Loader [Highway Dept.]=\$185,000
    - Pick-up Truck [Fire Dept.]= \$53,000
    - Re-pave Spring Street School= \$261,000

# The Recommendation to Shrink the Gap

|   |  | April 6th             | April 26th            |   |
|---|--|-----------------------|-----------------------|---|
|   | Summary Description                                  | Estimate              | Estimate              | Outcomes/Impacts  |
| Tier 1  | New Revenue  | \$ (177,500)          | \$ (177,500)          | Increase bus and athletic fees<br>Selective School Choice at elementary and middle schools- 30 students total at grades 2,4,5,6 |
| Tier 2  | Reduce Equipment/Materials                           | \$ (180,496)          | \$ (180,496)          | Reduce curriculum and supply budgets<br>Lease technology v. buy   |
| Tier 3  | Staff Attrition/Reduce Contract Services             | \$ (767,994)          | \$ (999,994)          | Reduce 2.9 FTE via attrition<br>Re-forecast salaries and OOD tuition/CB   |
| Tier 4  | Position/Contract Service Eliminations or Reductions | \$ (642,925)          | \$ (680,925)          | Reduce 5.6 FTE via attrition or layoff<br>Reduce paraprofessional work schedules  |
| <b>Total Reduction in Appropriation Request</b> |  | <b>\$ (1,768,915)</b> | <b>\$ (2,038,915)</b> | <b>Reduce 8.5 FTE by attrition or layoff</b>  |

# The Recommendation to Shrink the Gap

|      |   | April 6th         | April 26th       |
|------|---|-------------------|------------------|
| Tier | Category/Description  | Estimate          | Estimate         |
|      | <b>New Revenue</b>  |                   |                  |
| 1    | Increase bus fee costs  | \$ 60,000         |                  |
| 1    | Accept 15 School Choice students grade 5 and grade 6 (15 \$5,000)       | \$ 56,250         |                  |
| 1    | Accept 15 school choice in gr. 2 and 4 at Spring & Paton (15 x \$5,000) | \$ 56,250         |                  |
| 1    | Increase Athletic Fee   | \$ 5,000          |                  |
|      |   | <b>\$ 177,500</b> | <b>No change</b> |



# The Recommendation to Shrink the Gap

|          |  | April 6th         | April 26th       |
|----------|--|-------------------|------------------|
|          | <b>Equipment/Materials</b>                                   | <b>Estimate</b>   | <b>Estimate</b>  |
| <b>2</b> | Reduce technology equipment budget                           | \$ 97,000         |                  |
| <b>2</b> | Reduce Curriculum and & Instruction Budget                   | \$ 53,496         |                  |
| <b>2</b> | Reduce district supplies                                     | \$ 15,000         |                  |
| <b>2</b> | Re-align <i>PowerSchool</i> service renewal with fiscal year | \$ 15,000         |                  |
|          |  | <b>\$ 180,496</b> | <b>No change</b> |

# The Recommendation to Shrink the Gap

|   |   | April 6th         | April 26th        |            |                             |
|---|---|-------------------|-------------------|------------|-----------------------------|
|   |   | Estimate          | Estimate          | FTE        | Personnel Impact            |
| <b>Updated Forecasting &amp; Staff/ Program Reductions Part 1</b> |   |                   |                   |            |                             |
| 3   | Re-forecast staff salaries with updated personnel activity                                      | \$ 164,924        | \$ 124,900        |            |                             |
| 3   | Re-forecast Assabet Valley Reg. Vocational H.S. tuition. Update based on acceptances.           |                   | \$ 82,100         |            |                             |
| 3   | Re-forecast special education tuitions and Circuit Breaker Reimbursement estimate               | \$ 150,000        | \$ 25,000         |            |                             |
| 3   | Projected FY16 surplus results in carry-over of FY16 Circuit Breaker funds to lower FY17 budget | \$ 150,000        |                   |            |                             |
| 3   | Eliminate Sherwood technology teacher position  | \$ 90,500         |                   | 1.0        | Attrition/retirement        |
| 3   | Retirement at grade 4 Floral Street School is not replaced.                                     | \$ 59,180         |                   | 1.0        | Attrition/retirement        |
| 3   | Reduce Long-term Substitute per diem rate   | \$ 56,000         |                   |            |                             |
| 3   | Reduce planned Speech Pathologist addition from 1.0 to .6 [net decrease of .4]                  | \$ 35,650         |                   | 0.4        | Add .2 to 3 existing staff. |
| 3   | Net Result of Full-Day Kindergarten/Half-Day Kindergarten/Grade 1 sections and retirements      | \$ 29,590         |                   | 0.5        |                             |
| 3   | Reduce music therapy- contract service  | \$ 25,650         |                   |            |                             |
| 3   | Reduce Sherwood Middle School clerical summer support   | \$ 4,000          |                   |            |                             |
| 3   | Reduce Central Office summer temporary staff for vacation coverage                              | \$ 2,500          |                   |            |                             |
|   |   | <b>\$ 767,994</b> | <b>\$ 232,000</b> | <b>2.9</b> |                             |

Tier 3 total reduction= \$999,994

# The Recommendation to Shrink the Gap

|   |  | April 6th         | April 26th       |            |                           |
|---|--|-------------------|------------------|------------|---------------------------|
|   |  | Estimate          | Estimate         | FTE        | Personnel Impact          |
|   | <b>Staff/ Program Reductions Part 2</b>                                      |                   |                  |            |                           |
| 4 | Reduce paraprofessional weekly or annual work schedules                      | \$ 206,400        |                  | 0.2        |                           |
| 4 | Eliminate Sherwood Middle special education teacher position                 | \$ 86,165         |                  | 1.0        | Attrition/retirement      |
| 4 | Eliminate Elementary Special Education Coordinator position                  | \$ 81,000         |                  | 1.0        | Attrition                 |
| 4 | Eliminate Sherwood Middle reading teacher position                           | \$ 78,000         |                  | 1.0        | Attrition/retirement      |
| 4 | Reduce Full Day Kindergarten teacher and aide salaries from Operating Budget |                   | \$ 62,000        |            | FDK grant in State Budget |
| 4 | Eliminate elementary grade 2 health programming                              | \$ 32,460         |                  | 0.6        | Layoff                    |
| 4 | Shift teacher mentor stipends to Title II Grant                              | \$ 28,000         |                  |            |                           |
| 4 | Reduce Social Worker services by 50%   | \$ 27,500         |                  |            |                           |
| 4 | Reduce Sherwood Art  | \$ 20,000         |                  | 0.4        | Layoff                    |
| 4 | Reduce Sherwood Health   | \$ 20,000         |                  | 0.4        | Layoff                    |
| 4 | Reduce psychiatric consult services  | \$ 16,000         |                  |            |                           |
| 4 | Eliminate Shrewsbury High School Media Aide position                         | \$ 23,400         |                  | 1.0        | Attrition/retirement      |
| 4 | Restore Sherwood Media Aide position   | \$ 12,000         | \$ (12,000)      |            |                           |
| 4 | Restore Oak Media Aide position  | \$ 12,000         | \$ (12,000)      |            |                           |
|   |  | <b>\$ 642,925</b> | <b>\$ 38,000</b> | <b>5.6</b> |                           |

Tier 4 total reduction = \$680,925

# The “Revised Gap”

As of April 6, 2016:

| Revised Gap with Reduced School Dept. Budget |                                    |                       |
|--|------------------------------------|-----------------------|
|  | Revised FY17 Budget [April 6,2016] | \$ 60,677,383         |
|  | Town Manager- January 2016 Budget  | \$ 59,112,145         |
|  | <b>Revised Gap</b>                 | <b>\$ (1,565,238)</b> |

As of April 25, 2016:

| Revised Gap with Reduced School Dept. Budget |                                   |                       |
|--|-----------------------------------|-----------------------|
|  | Revised FY17 Budget [4/25/16]     | \$ 60,407,383         |
|  | Town Manager- January 2016 Budget | \$ 59,112,145         |
|  | <b>Revised Gap</b>                | <b>\$ (1,295,238)</b> |

# Budget Comparison

| <b>Initial Request v. FY16 Budget</b>    |  |                     |             |
|--|--|---------------------|-------------|
| Current FY16 School Dept. Budget         |  | \$ 58,455,519       |             |
| Revised FY17 Budget [January 2016]       |  | \$ 62,446,298       |             |
| <b>FY17 Increase under Original Plan</b> |  | <b>\$ 3,990,779</b> | <b>6.8%</b> |

| <b>Revised Request v. FY16 Budget</b>   |  |                     |             |
|---|--|---------------------|-------------|
| Current FY16 School Dept. Budget        |  | \$ 58,455,519       |             |
| Revised FY17 Budget [4/6/16]            |  | \$ 60,677,383       |             |
| <b>FY17 Increase under Revised Plan</b> |  | <b>\$ 2,221,864</b> | <b>3.8%</b> |

| <b>Revised Request v. FY16 Budget</b>   |  |                     |             |
|---|--|---------------------|-------------|
| Current FY16 School Dept. Budget        |  | \$ 58,455,519       |             |
| Revised FY17 Budget [4/25/16]           |  | \$ 60,407,383       |             |
| <b>FY17 Increase under Revised Plan</b> |  | <b>\$ 1,951,864</b> | <b>3.3%</b> |

# Budget Process Going Forward

| Date                   | Event/Task  |
|------------------------|---|
| April 13 <sup>th</sup> | House Ways & Means Committee release their FY17 State Budget Recommendation: New State Aid figures released |
| April 25 <sup>th</sup> | School Committee FY17 Budget Hearing [second hearing]   |
| April 26 <sup>th</sup> | Board of Selectmen Meeting: Town Manager presents Revised FY17 Budget                                       |
| April 27 <sup>th</sup> | School Committee vote final FY17 Budget   |
| April 28 <sup>th</sup> | Finance Committee: FY17 Budget Hearing  |
| May 12 <sup>th</sup>   | Pre-Town Meeting  |
| May 16 <sup>th</sup>   | Annual Town Meeting   |

# Summary

- The FY17 Revised Budget Recommendation outcomes:
  - Maintains all academic programs with some modifications
  - Reductions do not affect class size
  - Raises new revenues via limited School Choice adoption and some fee increases

# Summary

- The FY17 Revised Budget Recommendation approach:
  - School Department recognition of limited resources and earnest effort to close the gap
  - Careful and targeted approach minimizing negative impact on programs and staff
  - Used updated information to refine all salary and operational estimates



# Summary

- Impact on Staff :
  - 8.5 FTE eliminated through attrition or layoff
    - 1.0 FTE reduction of administration
    - 6.3 FTE reduction in teaching staff
    - 1.2 FTE reduction in paraprofessional staff
  - Reduced hours or work year for majority of paraprofessionals

# Summary

- Impact on Program and Services:
  - Fewer student experiences in some special subjects [health, art]
  - Reduced access to social and mental health services
  - Reduced access to reading support at Sherwood Middle School





- **How was the override money invested?**
  - *As promised, the majority of funds were and continue to be invested in much needed staffing to reduce and maintain appropriate class size and provide mandated services. The remainder of funds are funding curriculum materials and technology infrastructure.*

# Our Investment-Personified



# Our Investment-Personified



# Override Funding: FY15

| School Dept.            | \$3,728,039        | New staff salaries and wages ,<br>curriculum materials |
|-------------------------|--------------------|--|
| Health/Life Insurance   | \$ 421,244         | For new staff  |
| Police Dept.            | \$ 153,538         | New staff  |
| Public Bldgs.           | \$ 106,978         | New staff  |
| Highway Dept.           | \$ 44,469          | New staff  |
| Medicare-Employer Match | \$ 43,053          | For new staff  |
| General Insurance       | \$ 57,724          | Employee, P&L  |
| Capital Items           | \$ 944,955         | Varies by year   |
| <b>Total</b>            | <b>\$5,500,000</b> |  |