



# Shrewsbury Public Schools

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Superintendent

May 15, 2014

## Superintendent's Budget Message 2014 Town Meeting

Dear Town Meeting Members:

The materials accompanying this message provide the School Department's recommendations, as voted by the School Committee, for two potential Fiscal Year 2015 budget allocations: one recommended for approval during the Annual Town Meeting based on existing revenue available to the town, and the other recommended for approval during the Special Town Meeting based on the possibility of supplemental revenue that would be provided through an operational override. These recommended budget allocations are as follows:

School Department Recommended Budget - Annual Town Meeting  
\$53,468,239 (increase of \$1,427,593 or 2.74%)

School Department Recommended Budget – Special Town Meeting  
\$57,196,278 (increase of \$5,155,632 or 9.91%)

The difference between the two allocations is \$3,728,039. This considerable sum represents an investment that is required to put our schools back on track so that they can provide the quality of education that our community expects and that our students need. Without that investment, the School Department will again be in a position where cuts to existing educational personnel and programs will need to be made and proper investments in the educational program will again be deferred in order to allocate funds for mandates, fixed costs, and critical needs that can no longer wait. The choice is stark.

### **Priorities that address the declining quality of education in Shrewsbury**

The materials provided to you tell the story of a school district that is at a crossroads. Over the past two years, Shrewsbury has experienced a class size crisis unprecedented in scope, where the vast majority of classrooms across the district have enrollments 20%, 30%, 40% and even 50% higher than School Committee guidelines (which are reasonable guidelines that are in line with assumptions made by the state's funding formula and the state's school building program). For the first time in recent history, the school district's quality rating was downgraded, from Level 1 (which represents the top 24% of districts in Massachusetts) to Level 2 (which represented districts ranked in the next 57% below Level 1), and there has been a large drop in student growth scores on state tests.

## Median Student Growth Percentiles: Large Drop

Year	2009	2012	2013	5 Year Change 1 Year Change
ELA	64	59	54	-10 -5
Math	60	59	51	-9 -8

The quality of the education being provided to our town's youngest citizens has been compromised due to the extremely large class sizes and because multiple years of deferred investments have resulted in curriculum, instructional materials, and technology that are outdated and out of alignment with current expectations. This is particularly problematic in our mathematics program, where a key factor in the one-year decline of eight points in student growth scores is the fact that we have not been able to update our mathematics curriculum to align with the state's curriculum expectations and sequence now reflected in the MCAS tests.

### **The Impact of High Class Sizes**

Class sizes that are too high are having several negative effects on our students' education. These include:

- compromised quantity and quality of attention, instruction, and feedback to students;
- compromised physical, social, and emotional classroom environments; and
- significant increases to teacher workloads for core responsibilities which severely limits teachers' ability to spend time on students who need more assistance and on educational initiatives aimed at improving the quality of the instructional program.

The research is clear that having reasonable class sizes provides many educational benefits, benefits that the vast majority of our students are currently not experiencing. These negative effects will compound over time if we do not fix this problem. Please see the accompanying materials for more details.

Last fall, the School Committee adopted a set of budget priorities and guidelines for the development of the FY 2015 budget. They are, in order of priority:

- 1) Bring as many class sections as possible within class size guidelines.
- 2) Provide resources to update, align, and support curriculum.
- 3) Implement the School Committee's strategic priorities to the greatest extent possible.

The budget recommendations before you are proportionally aligned with these priorities, but they can only be adequately addressed with the additional funds that would be provided through a successful override.

**Invest now or pay more later**

There is enormous risk involved with not providing adequate funding for our schools. Ironically, if our community chooses not to invest sufficient resources in the short term, we are exposing our budget to higher costs in the long term that are beyond our control. For example:

- 1) Families who do not believe the Shrewsbury schools are meeting their children’s needs can “vote with their feet” and choose to transfer their child to a charter school (about \$11,000/year), another district who participates in school choice (about \$5,000/year), or to technical/vocational high school (about \$15,000/year). These mandated costs are either subtracted off the top of our state education aid or must be paid directly from the budget, and because of economy of scale and overhead cost structures the district cannot reduce its costs on a student-by-student basis. This leads to cuts that further diminish our program, leading to more families being motivated to leave, and a vicious circle is created.
- 2) Families who do not believe their children’s needs are being met have a legal right to request special education testing to determine whether additional, specialized education services need to be provided. Conducting these tests is time consuming and costly, regardless of whether a child ultimately qualifies for services. In a strong educational program with adequate resources, there are many students who may have an underlying mild disability who perform on or above grade level and who would *not* qualify for special education services; in a weaker program, those same students may fall behind and, if evaluated, would then qualify for special education services that must be legally provided.

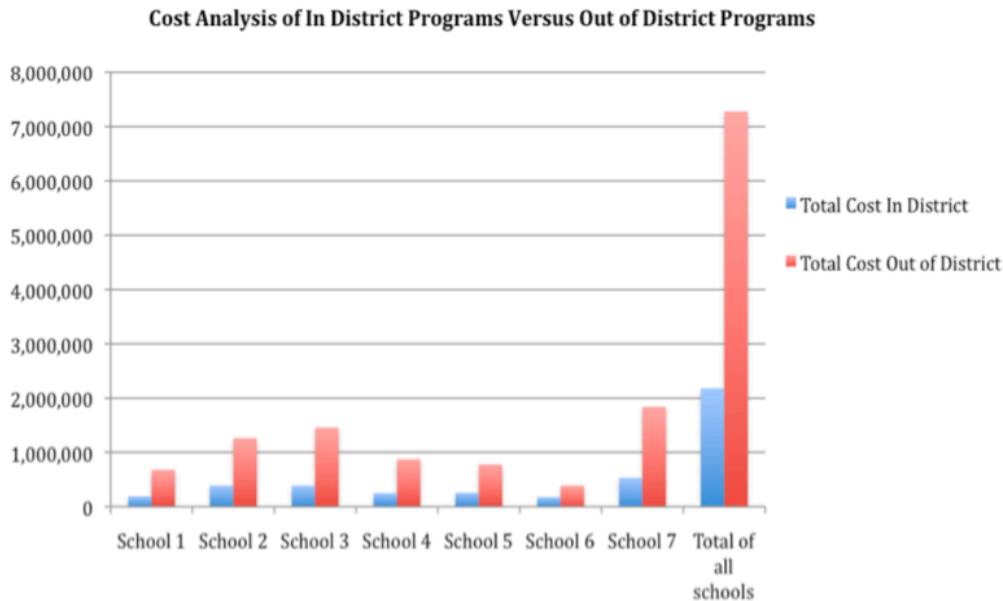
In recent years, we have been able to reverse the trend of students leaving our district in the middle grades to attend charter schools, which in the long term will have a significant positive financial impact for the town – but we will be at significant risk of again losing students at great cost to the town if we sustain further cuts and our performance continues to decline. The more immediate concern is the fact that *special education referrals have increased by 166% this year compared to two years ago prior to the class size crisis, and the number of eligible students has increased by 17%, which will increase further once the referrals in process are completed.* This not only taxes our existing special education resources to do the required testing, but because more students are being identified it is requiring us to use our limited resources to hire additional special education staff in the coming year.

<b>Referrals for Special Education Services</b>					
2011-2012		2012-2013		2013-2014	
Referrals	Found Eligible	Referrals	Found Eligible	Referrals	Found Eligible
82	76	131	121	218	89*

\*47 referrals are still in progress, a large number of whom will become eligible for services.

## **The Cost of Special Education**

It is well known that special education is a large cost center for any public school district, and Shrewsbury is no exception. However, the costs of special education are not well understood by many, and some will allege that our district is spending “too much” on special education by not managing the program well. The evidence, however, demonstrates that Shrewsbury has implemented many innovative approaches to provide special education in a cost effective manner. In recent years, this has included a partnership with the Assabet Valley Collaborative to house a program at Shrewsbury High School to educate students with significant disabilities who must receive services until age 22, which will save the district hundreds of thousands of dollars in tuition and transportation costs over an eight year period. It has also included the development of in-district programming for students with significant special needs, particularly those on the autism spectrum, that is currently saving the district an estimated \$2 million per year compared to the cost of sending these students to expensive private special education schools (at the lowest possible tuition of approximately \$90,000 per year). The graph below shows the net savings just in tuition alone; transportation costs saved are at least another several hundred thousand dollars.

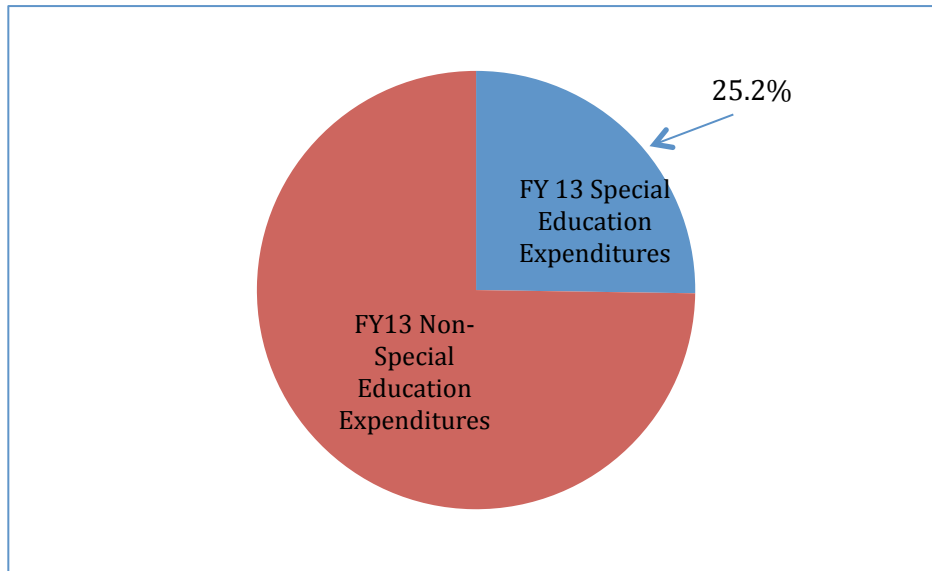


**\* Net savings for in district programs after state reimbursements approximately \$2 million**

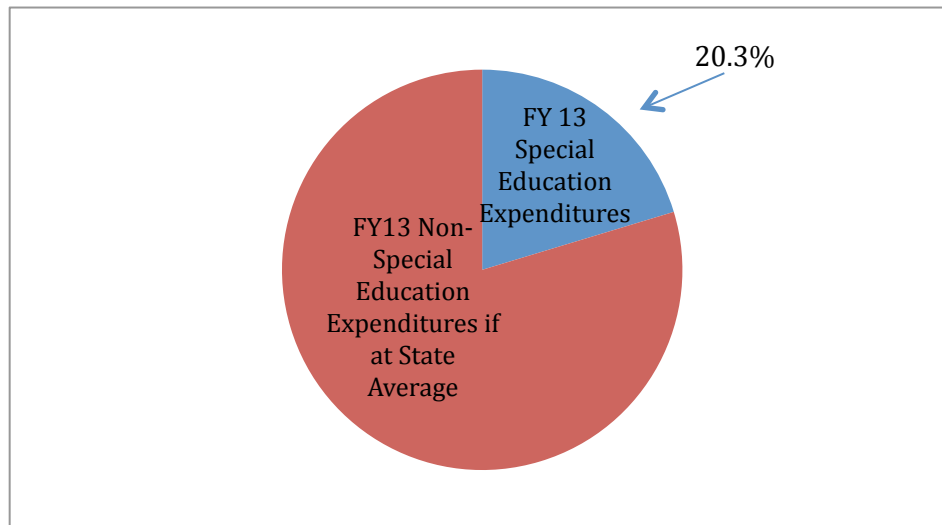
A statistic that those who may say that our special education costs are not well managed is the percentage of the overall budget that is allocated to special education costs. This statistic, reported by the state, shows that Shrewsbury spends 25% of its budget on special education while the state average is about 20%. At first glance this seems to suggest that we spend more than the average district on special education services, but it is important to note that this is a relative measure that depends on how much a district spends on non-special education services. State statistics also show that Shrewsbury spends millions of dollars below the state average in almost every category measured, from administration, to teachers, to educational resources (in fact, in FY 2012 we were in the bottom 2% in the state for textbooks, instructional materials, and technology). Because we spend so little overall and in non-mandated categories other than special

education, the special education costs we do incur are a larger proportion of the whole (a bigger piece of the pie, so to speak). The reality is that the percentage of students who receive special education services has been below the state average for the past two years (15% vs. 17%), and if we were spending at the state average in other categories, the percentage of the whole budget spent on special education would be about 20%, exactly in line with the state average (see graphs below). Suggesting that this statistic means that Shrewsbury's special education program is less cost effective than those of other districts is just plain inaccurate. This would be like someone telling you that you are doing a poor job controlling your home heating costs because the percentage of your household budget that you spend on heat is higher than that of your neighbor with the same size home, even though you spend the same amount of money on that cost. You made sure that your home heating was cost efficient by investing in insulation, keeping your boiler tuned, and lowering your thermostat, but your neighbor spends more money than you do on their cars, groceries, vacations, and other things. Therefore, even though you are both paying the same amount for heat, the percentage of your budget spent on heat is higher than your neighbor's *because his total budget is larger*.

### **FY13 Special Education Costs as Proportion of Total Budget**



### **FY13 Special Education Costs as Proportion of Total Budget *if Non-Special Education Costs Were at State Average***



### **Teacher Compensation**

Some will say that the School Department would have sufficient funds if it only would pay its teachers less. This argument is not supported by the evidence that Shrewsbury teachers, like other town employees, are paid within a fair range compared to other similar communities – not the highest, and not the lowest. The materials provided include detailed information about teacher salaries so that you have this information. What the information shows is that the School Committee and the teachers association have agreed to very reasonable compensation adjustments over the past several years, and that the compensation structure in Shrewsbury is exactly the same as virtually every other public school district in the state and nation. Some may insinuate that the fact that teachers receive step increases for each of the first 13 years of their experience is irresponsible, while simple math shows that bringing teachers to their maximum salary in a shorter period of time would actually cost the town more money over the same time span. It is important to remember that about half of the teachers are already at their maximum experience level and no longer receive step increases, but only receive a cost of living adjustment. Overall, Shrewsbury has so many fewer teachers than comparable districts, in FY 2013 it spent \$774 less per pupil in the category “classroom and specialist teachers”, which translates into *over \$4.5 million less spent on teachers* than an average Massachusetts district. The reality is that other communities with Shrewsbury’s economic means are able to support a larger investment in public education, the majority of which is the salaries and benefits of teachers, without having to repeatedly increase their tax levy. For example, the incremental cost of step and COLA salary adjustments for teachers who would be added through the supplemental budget in FY15 will be about \$155,000 in FY16. While it is clear that our district needs to invest in more teachers, the cost of those teachers who will be added under the supplemental budget plan is sustainable.

### **Shrewsbury Public Schools Are Fiscally Responsible and Cost Effective**

The state’s per pupil expenditure statistics make it very clear that Shrewsbury is among the lowest cost school districts in Massachusetts. For Fiscal Year 2013, the average cost for Massachusetts school districts was \$13,999 per pupil, while in Shrewsbury it was \$11,612, or \$2,387 less per pupil. When that difference is multiplied by the 6,248 total students supported by the budget, both in and out of the district, who are part of that calculation, *Shrewsbury spent \$14,913,976 less than if it were spending at the state average*. Even if the supplemental funds are provided through a successful override, the district will not come close to the state average.

In the past, our district has been able to say that it has produced excellent results despite its low cost, but for years we have been warning the community that we were approaching a tipping point where we would not be able to sustain our excellent performance with diminished resources. It is clear that we have passed that tipping point. It is both urgent and important that we reverse course and restore resources that our schools desperately need to provide the educational quality for which our town has been known for decades. To do otherwise puts our school district in jeopardy of unraveling, a process that will accelerate if we make further cuts because of the vicious circle we are already experiencing. It is the right thing to do for our children, and for our town.

**What is at stake**

High quality schools have a positive impact on the entire community. They prepare students for future success. Youth commit fewer crimes and exhibit fewer risky behaviors. Property values are enhanced. The town attracts families who are invested in education and making the community better, as well as talented educators who want to be part of a strong school district. There is a higher quality of life for all.

The opposite is also true, of course. Shrewsbury schools are in a crisis, and if we are not able to restore resources, the quality of education in our town will continue to slide, and at an accelerated pace. If the School Department only receives the resources allocated under the regular budget and not the resources that will be available under the supplemental budget, a variety of cuts will be made in order to cope with the rising cost of doing business due to mandates, fixed costs, and other critical needs (please see the details in your materials). This will make the class size problem worse and compound the other detrimental issues we are currently experiencing. As your superintendent, I cannot state strongly enough that the choice the community will be making on June 3 is perhaps the most serious decision ever made regarding the quality of the Shrewsbury Public Schools.

I look forward to answering your questions at Town Meeting.

Respectfully,

Joseph M. Sawyer, Ed.D.  
Superintendent of Schools