



January 21, 2015

**Fiscal Year 2016 School Department Budget
Superintendent's Budget Message
Joseph M. Sawyer, Ed.D.**

Introduction

The Shrewsbury Public Schools are in a much, much stronger position than a year ago at this time, thanks to the significant additional resources that were provided to the School Department through the operational override that our community approved in June 2014. This past October, the School Committee approved a set of budget priorities and guidelines that have shaped the work of the School Department administration in creating this budget recommendation for Fiscal Year 2016. Chief among these are the priorities of sustaining the current level of personnel and services, while also considering ways to continue to build capacity to meet mandated needs within the district in a more cost-effective manner than when students are educated in out-of-district placements. This recommendation achieves these goals.

In March of 2014, the School Department presented information to the Finance Committee regarding the estimated amount of funding that would be required to sustain a significant budget increase. That estimate was that the School Department appropriation would need to increase between 3.12% and 4.80% for Fiscal Year 2016 to sustain our investment, depending on a variety of cost factors. I am pleased that my initial recommendation for the FY16 Budget is much closer to the lower end of this range. This recommendation is for an increase of \$1,933,519, or 3.38%, over FY15, for a total of \$59,129,797 for the School Department's appropriation.

This recommendation, the details of which are found below, represents just over \$1.62 million required to address the costs of bringing existing personnel and programming forward to next year, as well as just over \$300,000 of recommended additions that are either required to meet mandates or to support mandated services within the district in ways that are more cost-effective over time.

Based on enrollment projections, the current level of staffing is both sufficient and necessary to maintain the class size improvements realized in the current year, so no teaching positions are recommended for addition or subtraction based on class size needs. No new academic programs are recommended, and expenditures necessary for new curriculum materials and educational technology are able to be addressed within current funding levels. In fact, the

overall budget for operational needs is *reduced* by over \$50,000, thanks largely to the ongoing impact of investments in recent years that provide in-district programming for mandated special education needs.

In addition to the resources required to sustain current levels of personnel and programming, a handful of new expenditures are recommended, most in order to continue to meet the needs of students with significant special needs within their community schools. Some of these are *de facto* mandated expenses, while others are recommended based on the maxim that “an ounce of prevention is worth a pound of cure.” While I believe that all of these new expenditures will provide value to our students in and of themselves, I would not recommend them unless I believed they were necessary to meet mandated or critical needs and to eliminate or reduce the risk of paying more to provide such required services through other means.

It is important to note that this recommended increase is lower than all actual increases in the School Department budget in the past decade outside of the financial crisis years. Looking back over the past ten years, the average actual dollar increase to the School Department budget has been \$2.1 million, which changes to \$2.5 million if not including the outlier years of FY10 (a decrease of \$1.3 million), FY12 (no increase), and FY15 (increase of \$5.2 million due to override). The average percentage increase over those ten years is 4.84%, which changes to 4.34% when not including the outlier years. One can see that the FY16 recommendation of a \$1.93 million increase, or 3.38%, is below both of those benchmarks.

The following sections provide details of this recommendation.

Resources required to sustain the current program

In order to meet the School Committee’s charge to file a budget that provides the resources needed to move the current level of staffing and programming forward, the following includes estimates for personnel costs and operational costs.

Personnel costs

It is well known that the vast majority of the cost of public education is for the personnel who provide and support learning opportunities for our students. Our projections to sustain our existing staffing into next year, including the funding of modest actual and projected contractual agreements for compensation adjustments, are illustrated below:

Table 1: Personnel costs

Employee group	Projected increase
Teachers (Shrewsbury Education Association Unit A) Contractual cost of living adjustment = 1.50% first half of year, additional 0.5% second half of year	\$1,248,301
Support staff, including paraprofessionals, secretaries,	\$399,911

technicians, etc. Compensation adjustments estimated; contract with Shrewsbury Paraprofessional Association under negotiation	
Administration (district, principals, assistant principals) Note: Director of Technology position changed from district administrator to K-12 Director status and returned to teacher salary budget (reflected above)	(\$78,445)
Other wages, substitutes, etc.	\$105,709
Total	\$1,675,476

The total above represents a 2.93% estimated increase to the appropriated budget for personnel compensation.

Operational costs

These are expenses that will require increases in the coming year, while others are able to remain steady or even decrease. Key cost centers are illustrated in Table 2 below.

Table 2: Operational costs

Cost center	Cost adjustment	Notes
Out-of-district special education tuition	(\$149,281)	Net decrease based on projection of tuition changes and offset from projected Circuit Breaker funding
Bus transportation & monitoring funded within appropriated budget (special education transportation is funded through federal grant)	\$48,135	Assumes 2% Consumer Price Index adjustment
Vocational technical high school tuition	\$106,647	Estimated increase in number of students attending Assabet Tech HS (from 133 to 137 at \$16,587 each)
Educational supplies, textbooks, technology, equipment, contractual services, miscellaneous, etc.	(\$57,627)	Based on needs projection for coming year; increases and decreases to various line items (changes in 1:1 technology program are <u>budget neutral</u> within this category)
Total	(\$52,126)	Represents 0.09% decrease to appropriations

The estimated adjusted cost of operations above, combined with the estimated personnel cost increase, represents a total estimate of \$1,623,350 to maintain the status quo within the district, or 2.84% over the current appropriated budget.

Potential additions to the program

The following additions are designed to address key needs that are connected to mandated services, in a manner that also continues our efforts to contain costs related to such mandates.

Table 3: Potential program restorations and additions to address needs/mandates

Position	Cost	Notes
<p>Director of Nursing (1.0 FTE)</p> <p><i>Rationale: Required to a) meet state <u>mandate</u> for supervision and evaluation of school nurses, b) meet state <u>mandate</u> of formulating treatment plans for students with significant health needs, and c) provide capacity to keep students with significant medical needs educated in community schools.</i></p> <p><i>Strategic priority: Improve Health & Wellness</i></p>	<p>\$64,939</p>	<p>Nursing is currently the only department of significant size without a director. Technical supervision is required for evaluation of nurses under new mandated DESE system. The nursing department is a key resource for the district’s health and wellness strategic priority. The current model of paying a stipend to a “lead nurse” does not provide sufficient capacity to respond to demands of Department of Public Health mandated reporting for student health statistics. The full estimated cost of \$83,357 would be offset by a reduction in nurse contracted services and nurse summer salary lines, and by allocating 5% to be funded through eligible revolving account(s).</p>
<p>Part time nurse at Sherwood MS (0.4 FTE)</p> <p><i>Rationale: Growth of middle level population and increased student health needs have required additional temporary staffing through contracted service; the need for this level of capacity can no longer be viewed as temporary; addition of one hour per day will provide capacity to keep students with significant needs educated in community schools.</i></p> <p><i>Strategic priority: Improve Health & Wellness</i></p>	<p>\$12,600</p>	<p>Shift existing temporary contracted nursing service to payroll and expand hours from 2 to 3 per day to address volume and complexity of medical needs (Estimated cost of \$19,600 offset by reducing existing contracted service in budget.) <u>Not</u> eligible for benefits.</p>

<p>Part time nurse at Oak MS (0.4 FTE)</p> <p><i>Rationale: Growth of middle level population and increased student health needs have required additional temporary staffing through contracted service; the need for this level of capacity can no longer be viewed as temporary; addition of one hour per day will provide capacity to keep students with significant needs educated in community schools.</i></p> <p><i>Strategic priority: Promoting Health & Wellbeing</i></p>	<p>\$12,600</p>	<p>Shift existing temporary contracted nursing service to payroll and expand hours from 2 to 3 per day to address volume and complexity of medical needs. (Estimated cost of \$19,600 offset by reducing existing contracted service in budget.) <u>Not</u> eligible for benefits.</p>
<p>Intensive special education teacher at Sherwood MS (1.0 FTE)</p> <p><i>Rationale: A cohort of 8-10 students who require intensive special needs services is entering Sherwood MS next year; this teaching position will provide <u>mandated</u> educational programming within their community school.</i></p> <p><i>Strategic Priority: Increasing Value to the Community</i></p>	<p>\$52,350</p>	<p>Addition of intensive programming at Sherwood for cohort of 8-10 students, some of whom otherwise would need to be educated out-of-district away from their own community school (in-district is more cost-effective); if only two of these students end up in out-of-district placements, the cost will be greater than adding this position. Sufficient paraprofessional support already exists for these students.</p>
<p>Additional special education paraprofessional positions (2.0 FTE)</p> <p><i>Rationale: Based on <u>mandated</u> service requirements for students with significant special needs and current projection of number of students requiring this level of support.</i></p> <p><i>Strategic Priority: Increasing Value to the Community</i></p>	<p>\$66,500</p>	<p>Projections of students entering preschool from Early Intervention with significant special education needs indicate a greater need for this type of support, which is required to educate these students within the district (in-district is more cost-effective).</p>

<p>Part time adjustment counselor at Sherwood MS (0.4 FTE)</p> <p><i>Rationale: The required counseling services through students' <u>mandated</u> special education services has been increasing, as both need has increased and more students with such needs are now being educated within the district. This additional counseling support will help provide additional support to students while reducing the risk of needing to send students to out-of-district programs for students with significant social/emotional needs.</i></p> <p><i>Strategic priority: Promoting Health & Wellbeing</i></p>	<p>\$20,940</p>	<p>Additional support for large counseling caseload (mandated special education services); in-district service is more cost-effective than out-of-district. <u>Not</u> eligible for benefits.</p>
<p>Part time adjustment counselor at Oak MS (0.4 FTE)</p> <p><i>Rationale: The required counseling services through students' <u>mandated</u> special education services has been increasing, as both need has increased and more students with such needs are now being educated within the district. This additional counseling support will help provide more support to students while reducing the risk of needing to send students to out-of-district programs for students with significant social/emotional needs.</i></p> <p><i>Strategic priority: Promoting Health & Wellbeing</i></p>	<p>\$20,940</p>	<p>Additional support for large counseling caseload (mandated special education services); in-district service is more cost-effective than out-of-district. <u>Not</u> eligible for benefits.</p>
<p>Restore aide hours at elementary level (60 hours/week across Beal, Coolidge, Floral Street, Paton &</p>	<p>\$30,000</p>	<p>The allocation of instructional aides at the elementary level has been reduced from a ratio of one aide per two classrooms many years ago to approximately one aide per</p>

<p>Spring Street; equivalent of 2.0 FTE)</p> <p><i>Rationale: Current allocation of aide support was not designed to support coverage for teachers who must attend co-planning and consultation meetings for students with intensive special needs; increasing hours of support will provide more opportunities for early intervention when students have academic difficulties, preventing students from requiring special education services or reducing the need for more intensive services.</i></p> <p><i>Strategic Priority: Increasing Value to the Community</i></p>		<p>four classrooms now. These additions will <u>not</u> create positions that are eligible for benefits.</p>
<p>Restore part time secretarial support at SHS (0.4 FTE)</p> <p><i>Rationale: Two secretarial positions were cut from SHS in recent years as budget reduction measures. With continued growth of the student population and the reality that students apply to many more colleges each than in the past, current allocation is no longer sufficient for record-keeping, college application paperwork processing, etc.</i></p> <p><i>Strategic Priority: Increasing Value to the Community</i></p>	<p>\$12,200</p>	<p>Currently needing to use overtime or compromising other needs to meet demand. <u>Not</u> eligible for benefits.</p>
<p>Secretarial support for special education office (0.7 FTE)</p> <p><i>Rationale: As the Medicaid reimbursement process has become more complex, and due to various mandated requirements for</i></p>	<p>\$17,100</p>	<p>Would shift 0.3 FTE position to full time. Potential to be offset through additional Medicaid reimbursements generated by adding this capacity.</p>

<p><i>the production and maintenance of records for special education students, the current staffing level of ten hours per week for this position is no longer sufficient, placing the district at risk of not claiming all eligible reimbursements and of not meeting various legal compliance requirements.</i></p> <p><i>Strategic Priority: Increasing Value to the Community</i></p>		
<p>Totals New FTE = 8.7 New FTE eligible for benefits = 5.0</p>	<p>\$310,169</p>	<p>This amount represents an increase of 0.54% to the appropriated budget</p>

Summary

This budget recommendation sustains the personnel and program improvements that were made during the current year in a fiscally responsible manner, thanks in large part to modest estimated personnel cost increases and a net reduction of out-of-district tuitions from appropriations -- reductions which would not be possible if the district had not created more cost-effective in-district programming over the past several years. Potential additions are in response to various mandates and requirements, almost all of which are related to maintaining and expanding in-district special education services. The resources required under current projections to carry forward existing personnel and program, while making modest additions to address mandates and needs while continuing to build internal capacity for both short- and long-term cost mitigation, are summarized in Table 4 below:

Table 4: Summary

Category	Additional funds required in FY16	Percent increase over FY15
Carry forward existing personnel	\$1,675,476	2.93%
Operational cost adjustment	(\$52,126)	(0.09%)
<i>Subtotal for sustaining current program</i>	\$1,623,350	2.84%
Program additions to address needs/mandates	\$310,169	0.54%
Total	\$1,933,519	3.38%