

# **Shrewsbury Public Schools**



**Fiscal Year 2021  
Superintendent's Budget Recommendation  
January 22, 2020**

“You absolutely cannot make a series of good decisions without first confronting the brutal facts.”

– Jim Collins, *Good to Great*

Developing a budget is a series of decisions that represent an organization's values, its priorities for achieving its mission, and its needs – within the constraints of what is possible.



## **Our mission**

The Shrewsbury Public Schools, in partnership with the community, will provide students with the skills and knowledge for the 21st century, an appreciation of our democratic tradition, and the desire to continue to learn throughout life.



# Our core values

Respect & Responsibility

Collaboration & Communication

Commitment to High Standards & Expectations

Equity

# Our vision



# Our priorities



## **Brutal fact:**

The Fiscal Year 2021 budget cycle for our school district will be difficult, as the constraints regarding what is possible will compromise our ability to advance our priorities, and meet our needs.



# **What is the same about next year?**

There will not be enough revenue to meet budget needs due to the structural funding dilemma that Shrewsbury faces.

# **What is different about next year?**

Unlike this year (but like many previous years), the status quo budget will not be sustainable due to the magnitude of several cost drivers.

# Cost drivers

- The cost of doing business for a successful school district
- Fluctuate from year-to-year depending on circumstances
- Many factors are outside of our control, even when managed well (e.g., mandates)
- Doing the right thing for children & families

# **Main cost drivers for Fiscal Year 2021**

- 1) Out-of-district special education tuitions
- 2) Out-of-district special education transportation
- 3) Vocational technical high school tuitions
- 4) Employee compensation
- 5) Weaning off of full-day kindergarten tuition
- 6) In-district transportation

## **Out-of-district special education tuitions**

- Projection for an increase of seven student placements (volatile and unpredictable)
- Increase in state-approved tuition rates
- Net projected increase of \$1.39 million

## **Out-of-district special education transportation**

- More students requiring transport
- Highly specialized support in some cases
- State-mandated shift away from using \$230,000 of a federal grant – must shift to appropriated budget
- Net projected increase of \$585,450

## **Vocational technical high school tuitions**

- Projected increase of 13 students attending Assabet Valley Regional Vocational Technical High School (budgeted total from 97 to 110)
- Annual tuition will be \$17,043
- Total projected increase of \$236,944

# Employee compensation

- Year two of three-year contract with largest employee group (teachers, specialists, nurses) of 500+ employees (out of total of 870+ employees)
- Three year cost-of-living/market adjustments of 2.2%, 2.9%, & 2.0%
- Total projected increase of ~\$1.38 million (3.41 %) for this group
- Remaining employee groups projected increase of ~\$438,000



# **Weaning off full-day kindergarten tuition**

- School Committee established intent to provide universal, tuition-free full-day kindergarten when the new Beal School opens in August 2021
- Midway through plan to step down reliance on families paying tuition for full-day kindergarten (from \$4,000 in FY18 to \$3,600 in FY19 to \$2,400 this year)
- Impact of changing tuition from \$2,400 to \$1,200 next year is projected to be ~\$240,000
- In 2018-19, 96% of Massachusetts kindergarteners were in a full-day program vs. 59% in Shrewsbury, and only 7.6% of districts charge for full-day kindergarten.

## **In-district transportation**

- Includes daily buses to and from schools within Shrewsbury, Assabet Valley Regional Technical High School, and athletic events
- 3.0% rate increase with our vendor plus anticipated additional need for athletic transportation
- Projected increase of \$109,052

# **Status quo recommendation for School Department town-appropriated budget**

**\$70,579,913**

**Increase of \$4,277,873, or 6.45%**

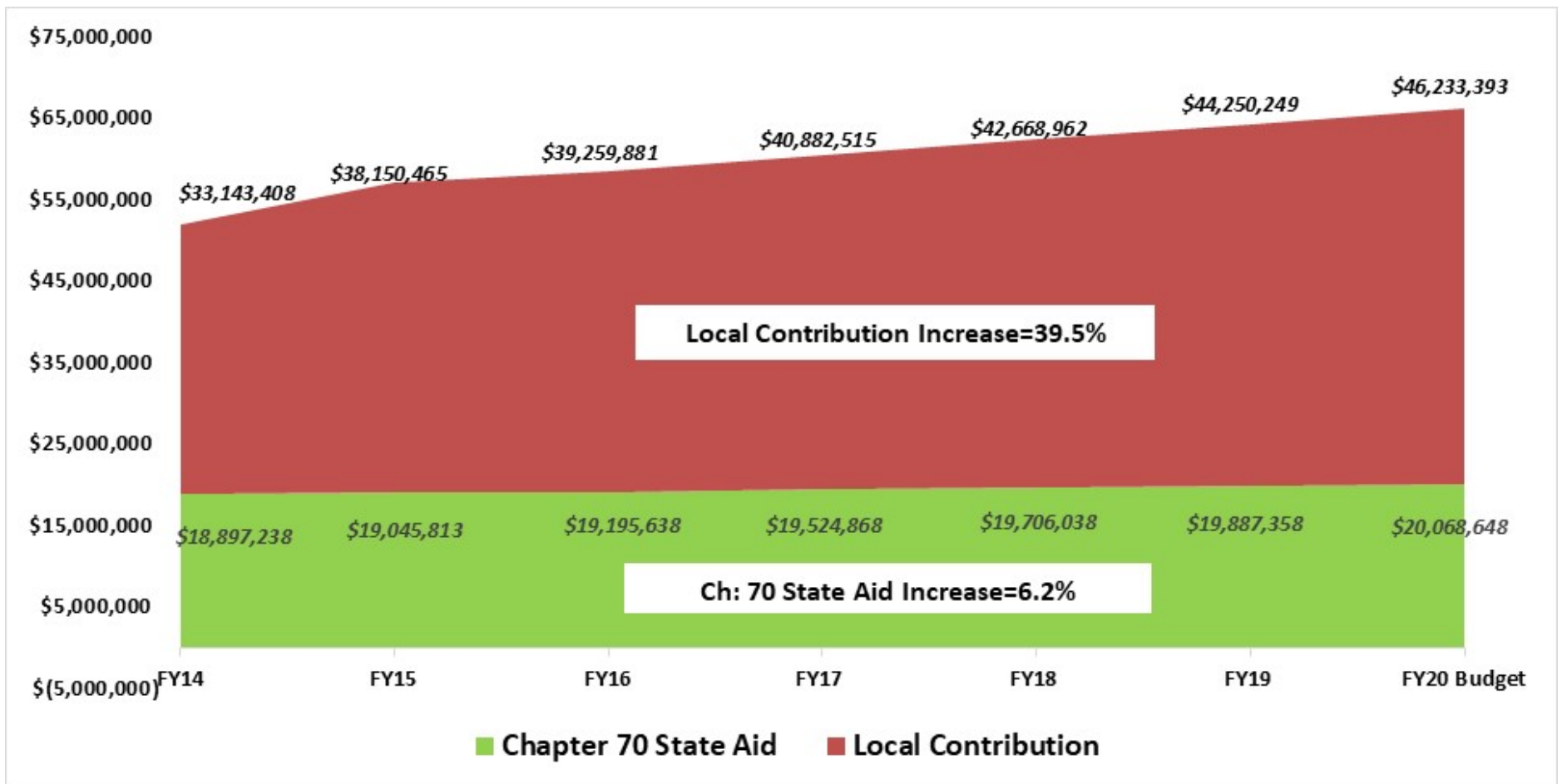
# Summary of changes

Group	Category	FY20	FY21	Diff	% Change
A	Salaries and Wages	\$ 56,596,493	\$ 58,525,380	\$ 1,928,887	3.41%
B	Transportation Services	\$ 3,235,285	\$ 3,929,787	\$ 694,502	21.47%
C	Out of District Tuitions	\$ 3,005,589	\$ 4,632,824	\$ 1,627,235	54.14%
D	Supplies, Materials, Contract Services, etc...	\$ 3,464,674	\$ 3,491,922	\$ 27,248	0.79%
		<b>\$ 66,302,041</b>	<b>\$ 70,579,913</b>	<b>\$ 4,277,872</b>	<b>6.45%</b>

# **What about additional funding from state aid for education?**

- Because of Shrewsbury's level of property and income wealth, the new state education funding law is not expected to change the level of state aid increase Shrewsbury will receive next year, and will have relatively small impact in coming years
- We expect the minimum aid of \$30 per pupil, which is estimated at ~\$181,000
- This represents only 4.2% of the recommended budget increase

## C. 70 State Aid v. Local Contribution Trends



# **How will we mitigate the anticipated budget gap?**

- 1) Reduce costs where possible during the *current* fiscal year
- 2) Increase revenue through increased fees and tuitions
- 3) Increase alternative funding where possible through competitive grants, partnerships, sponsorships, & philanthropic gifts
- 4) Reduce costs in next year's budget through reductions in investments in materials, equipment, technology, professional development, programming, and/or staffing

# Looking ahead to Fiscal Year 2022



## Opening of the new Beal School

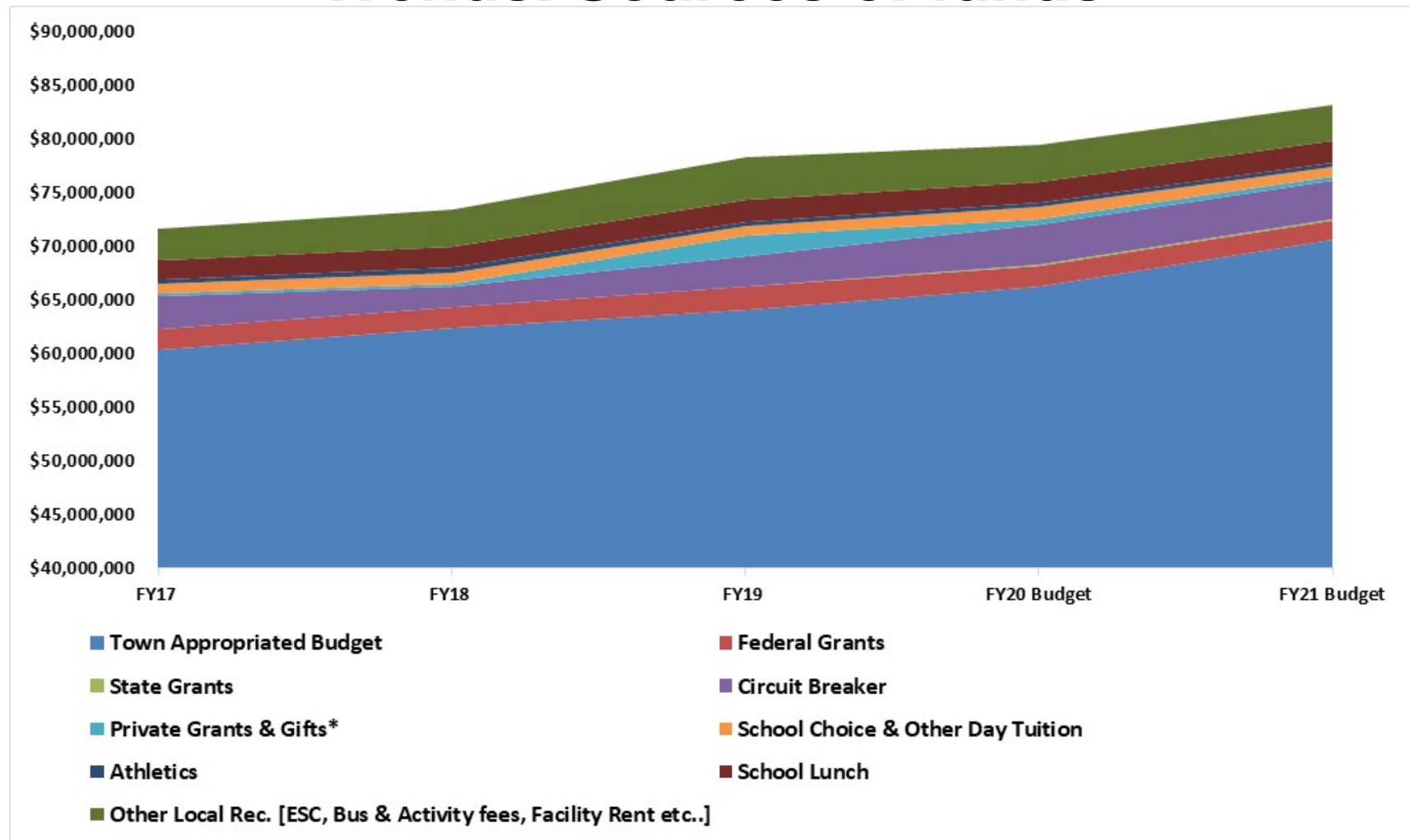
Current estimate for additional staff  
required: range of 30.0 to 40.0 FTE

Current estimate for cost of additional staff:  
range of \$1.70 to \$2.3 million



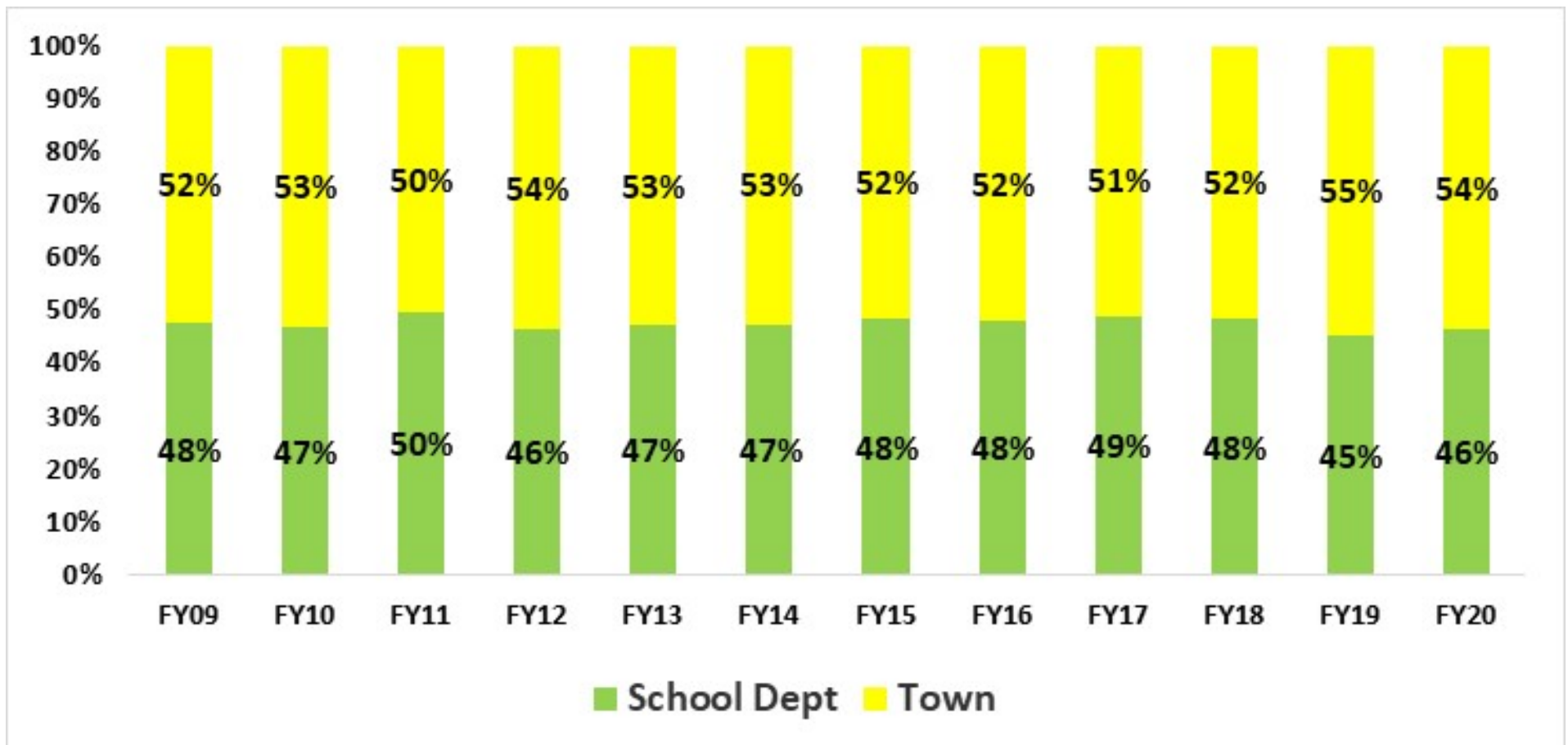
# A structural funding dilemma

## Trends: Sources of funds



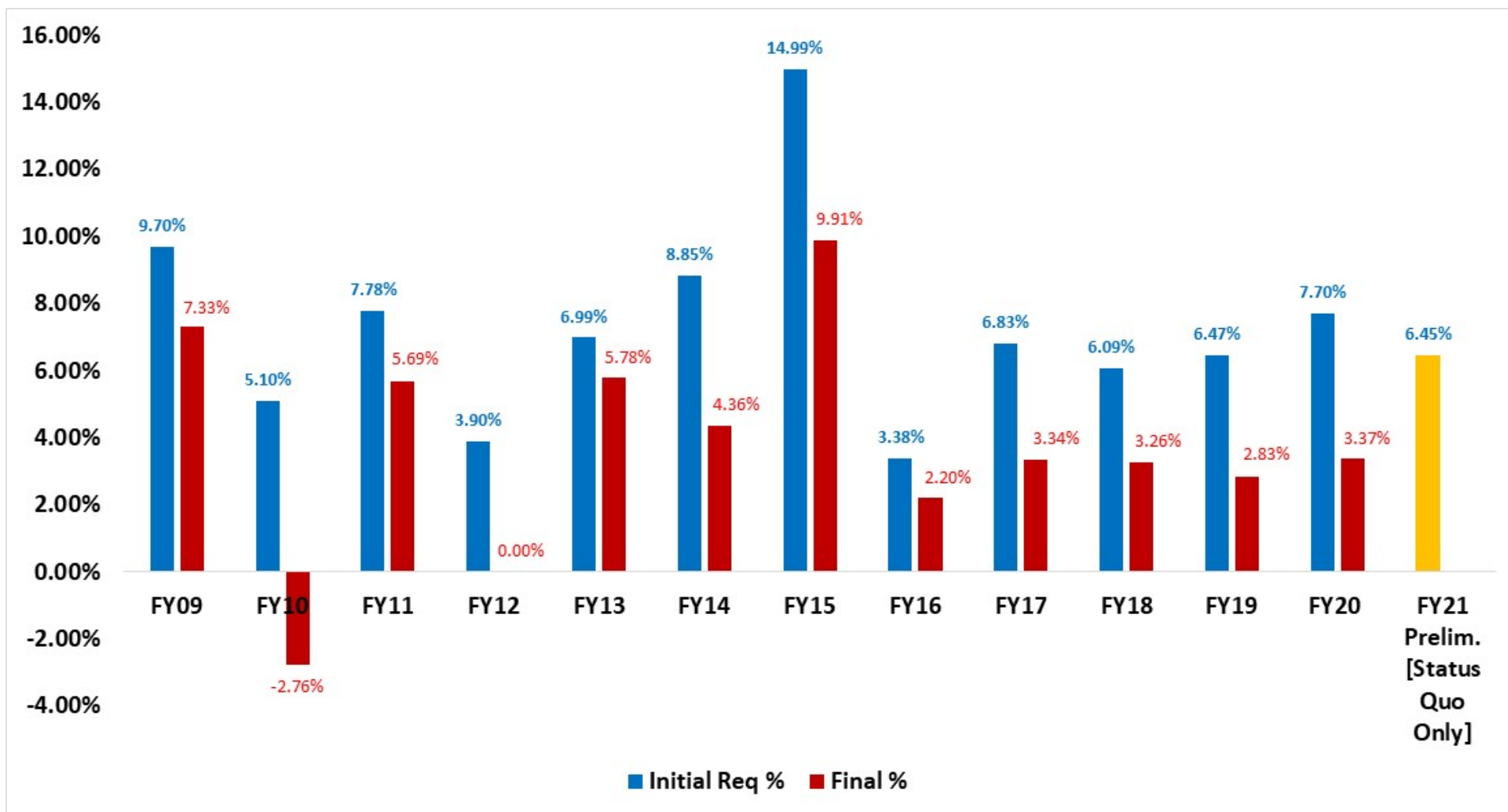
# A structural funding dilemma

## School Department % of total Town Meeting appropriation



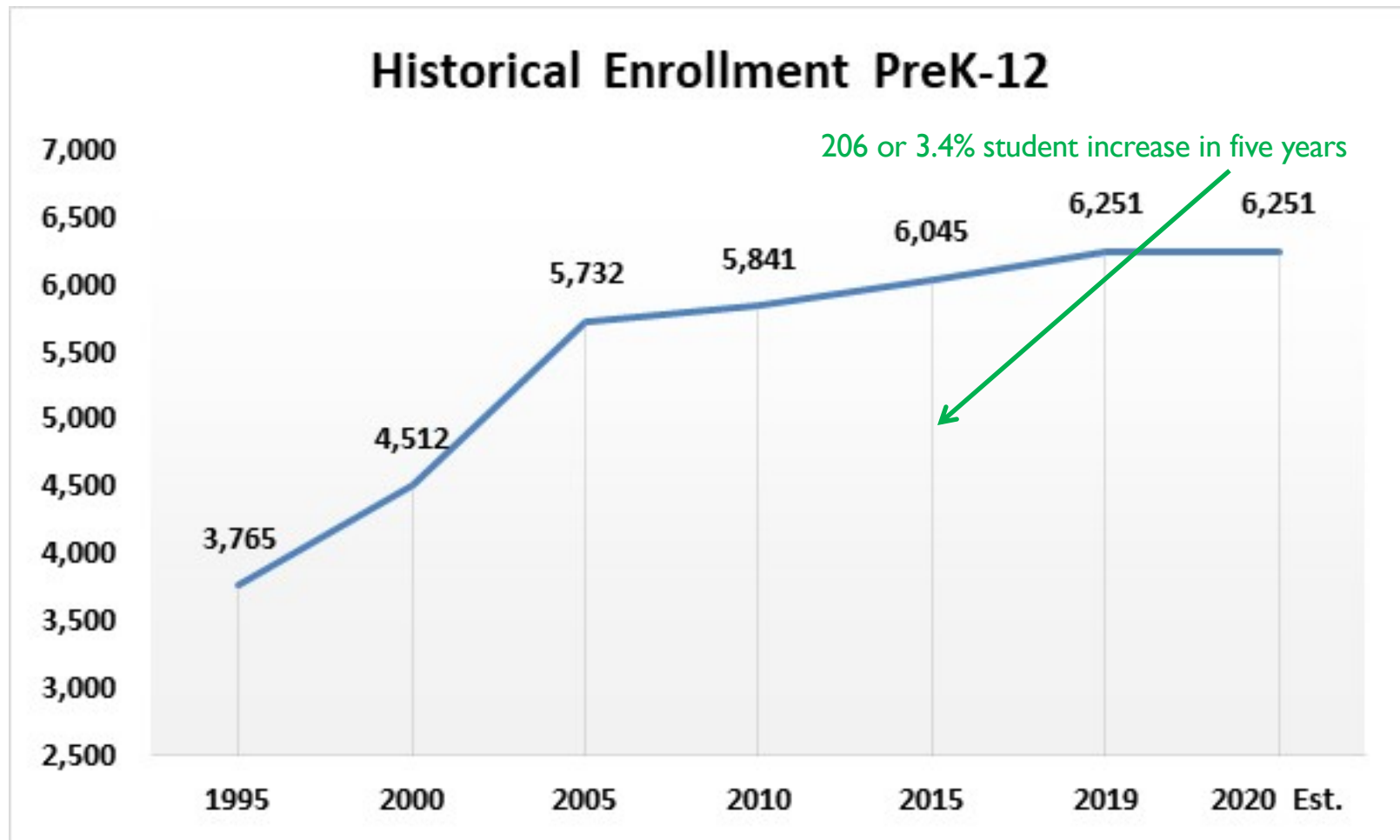
# A structural funding dilemma

## School Department initial request vs. actual % increase



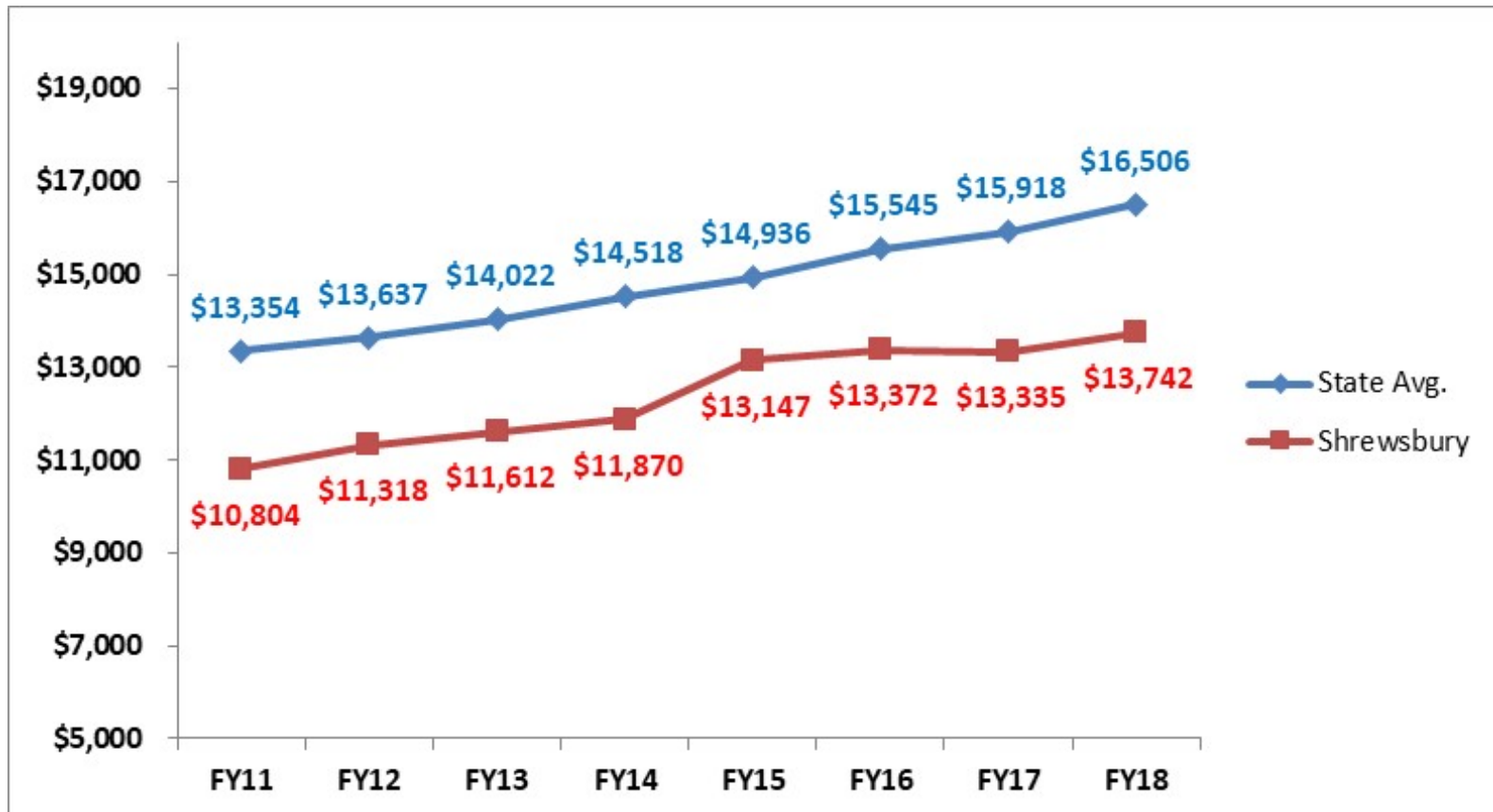
# A structural funding dilemma

Pent up demand due to continued enrollment growth



# A structural funding dilemma

## Continued efficiency & value



MA DESE, All Sources of Funds  
Rank 288 of 322 districts-bottom 11<sup>th</sup> percentile

# **A structural funding dilemma**

***What will our community do to solve the structural funding dilemma that jeopardizes the future quality of public education in Shrewsbury?***

# **Upcoming budget reports/discussions**

- Feb 5 Strategic investments; transportation
- Feb 12 Special education; fee recommendations
- Mar 4 Curriculum; technology; vote on fees
- Mar 7 Finance Committee hearing

# **A structural funding dilemma**

***What will our community do to solve the structural funding dilemma that jeopardizes the future quality of public education in Shrewsbury?***