



FY22 Superintendent's Budget Recommendation

Dr. Joseph M. Sawyer, Superintendent of Schools
Patrick C. Collins, Assistant Superintendent for Finance & Operations

February 10, 2021

Our School District is Facing an Education Emergency



Our School District is Facing an Education Emergency



VIDEO

LIVE

SHOWS

CORONAVIRUS



Pandemic 'learning loss' grows as schools race to reopen

New data shows millions of K-12 students falling behind in math and reading.

By **Devin Dwyer**, **Sarah Herndon**, and **Jacqueline Yoo**

January 9, 2021, 6:00 AM • 12 min read



Our School District is Facing an Education Emergency

| OPINION | SPOTLIGHT | RHODE ISLAND | POLITICS | EDUCATION | LIFESTYLE | MARIJUANA | ARTS | MAGAZINE | CARS

THE GREAT DIVIDE | GLOBE MAGAZINE

For schoolchildren struggling to read, COVID-19 has been a wrecking ball

Kids in need of remedial support already were vulnerable before the pandemic. Now they're facing educational ruin.

By [Sarah Carr](#) Globe Staff, Updated January 19, 2021, 9:32 a.m.

Our School District is Facing an Education Emergency

≡ MENU 🔍 SEARCH

EducationWeek®

LEADERSHIP

POLICY & POLITICS

TEACHING & LEARNING

TECHNOLOGY

OPINION

JOBS

STUDENT WELL-BEING

Children's Mental Health Emergencies Skyrocketed After COVID-19 Hit. What Schools Can Do



By [Sarah D. Sparks](#) — November 12, 2020 ⌚ 5 min read

Our School District is Facing an Education Emergency



COVID-19 BY STATE
Track vaccinations

U.S. CAPITOL RIOTS
Database of arrests

COVID-19 RESOURCES
Your questions

[News]

Sports

Entertainment

Life

Money

Tech

Travel

Opinion

EDUCATION

Amid coronavirus pandemic, teachers' mental health suffers in ways they've never experienced

Shefali Luthra The 19th

Published 6:00 a.m. ET Jan. 4, 2021 | Updated 2:49 p.m. ET Jan. 4, 2021



Our School District is Facing an Education Emergency



METRO | SPORTS | BUSINESS | OPINION | SPOTLIGHT | RHODE ISLAND | POLITICS | EDUCATION | LIFESTYLE | MARIJUANA | ARTS | MAGAZINE |

CORONAVIRUS RESOURCES

[Latest Mass. numbers](#) | [Town-by-town COVID-19 data](#) | [Vaccination charts](#) | [Vaccine development](#) | [Donate](#) | [More coverage](#)

Parents struggle to homeschool, care for kids amid coronavirus crisis

By [Victoria McGrane](#) Globe Staff, Updated March 20, 2020, 11:00 a.m.



Our School District is Facing an Education Emergency

The pandemic has created the greatest crisis regarding the academic, social, and emotional needs of our children that we have faced in decades, and our children are counting on us to help them.

Our School District is Facing an Education Emergency

The structural funding dilemma our community has struggled with for years threatens to severely compromise our ability to meet our students' needs, at a critical time when they need our strong support.

Our School District is Facing an Education Emergency

Reducing our schools' resources next year because of our structural funding problem will compound the educational damage of the pandemic.

Our School District is Facing an Education Emergency

Next year, more than ever, our schools need our community to provide the resources necessary to meet our students' needs.

A Simple Recommendation

1. To maintain the current staffing levels and programs we have in place now
2. To open the new Beal School as planned

A Simple Recommendation

1. To maintain the current staffing levels and programs we have in place now. *This does not restore any of the \$1.9 million in budget cuts made for this year.*
2. To open the new Beal School as planned. *This requires adding the new staff required to implement our elementary school redistricting plan, to provide equitable class sizes and access to educational space across all five elementary schools, and to provide access to full day kindergarten for all students.*

FY22 Budget Recommendation

Total \$75,440,214

Increase of \$7,444,931

Increase of 10.95%

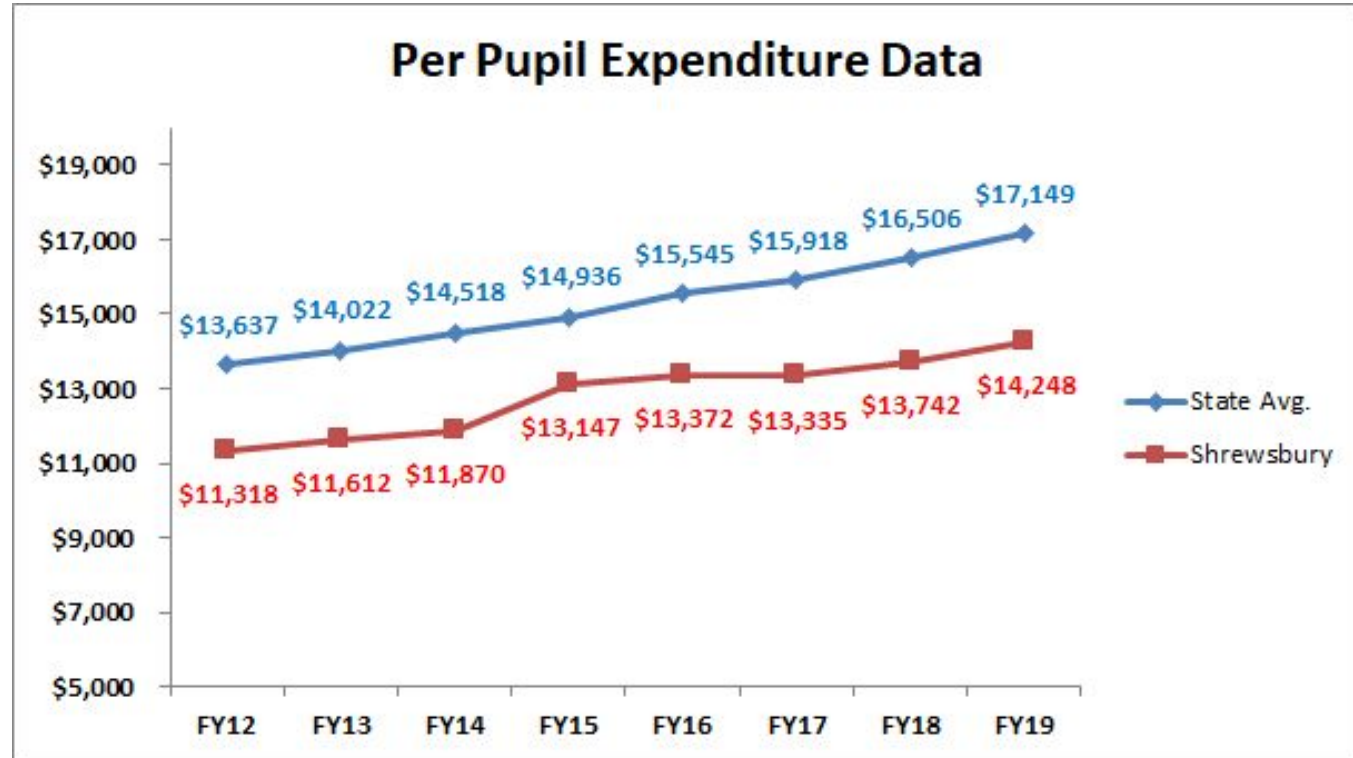
The FY22 Budget Gap: \$4.9M Deficit

School Dept. FY21 Current	FY22 Town Mgr Recom. as of 2.9.2021	FY22 Super. Recom. Status Quo Budget as of 2.10.2021	Budget Gap Status Quo Only
\$ 67,995,283	\$ 70,552,000	\$ 73,747,379	
Dollar Increase	\$ 2,556,717	\$ 5,752,096	\$ (3,195,379)
Percent Increase	3.76%	8.5%	
		<i>Plus Opening Beal Budget</i>	
		\$ 1,692,835	
	Town Mgr Recom. as of 2.9.2021	Total Combined FY22 Budget	Total Gap incl. Full Open of Beal
	\$ 70,552,000	\$ 75,440,214	\$ (4,888,214)
	Dollar Increase	\$ 7,444,931	
	Percent Increase	10.95%	

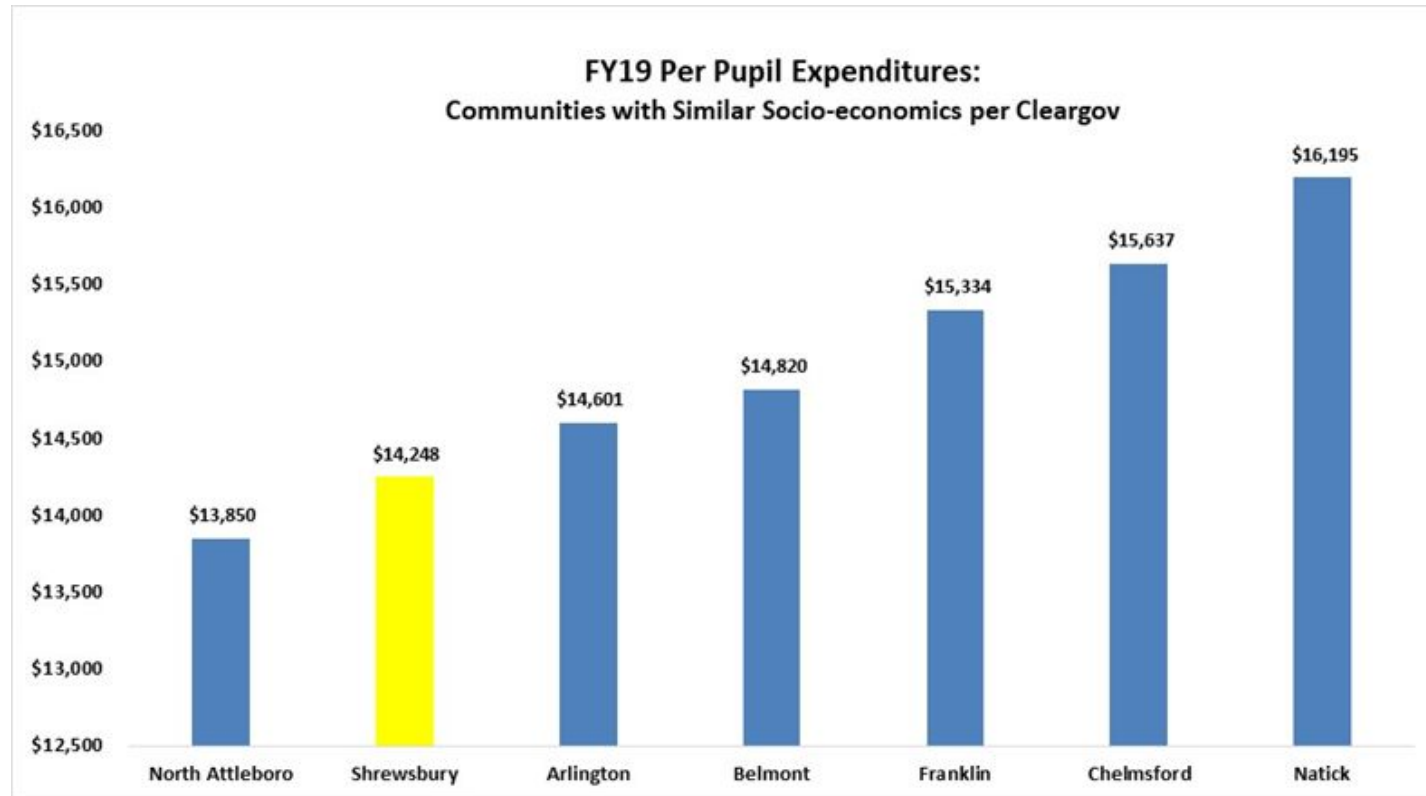
Investment in Students: Per Pupil Expenditure

Shrewsbury ranks 286th out of 320 school districts which is in the **BOTTOM 11%** of all districts in Massachusetts.

If Shrewsbury spent at the *state average*, Shrewsbury would be investing an additional \$18.63 million in the education of its students.



We Invest Less Than Most Peers in Student Expenditures



Comparison of Our Town's Income, Property Value, & Investment in Student Expenditures

SHREWSBURY FACTS:

Personal Income:

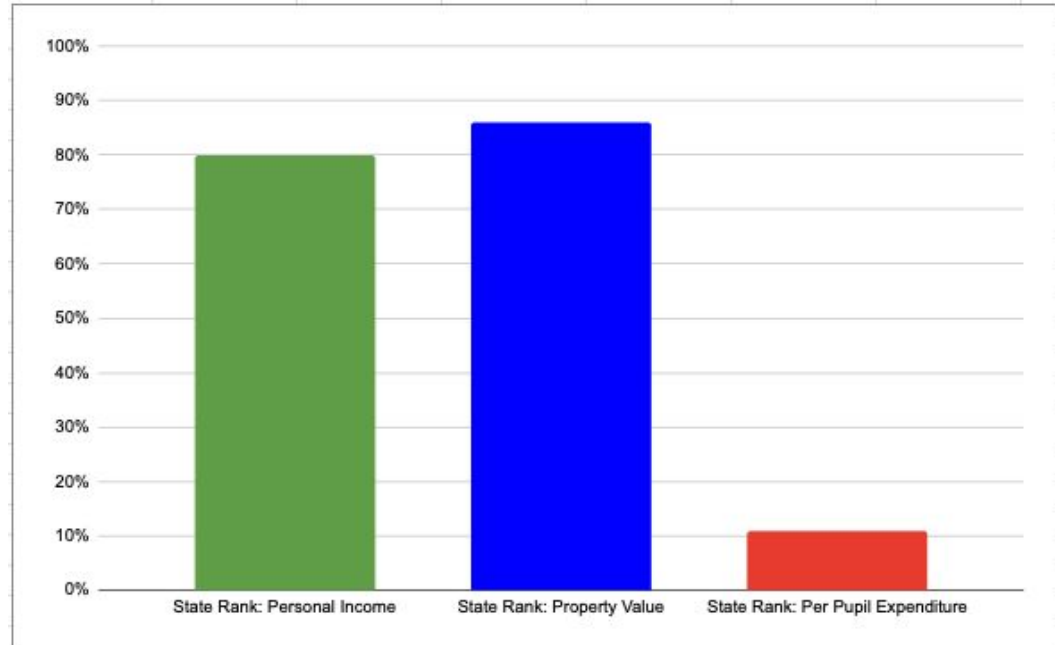
Top 20% in State
(70th out of 351)

Property Value:

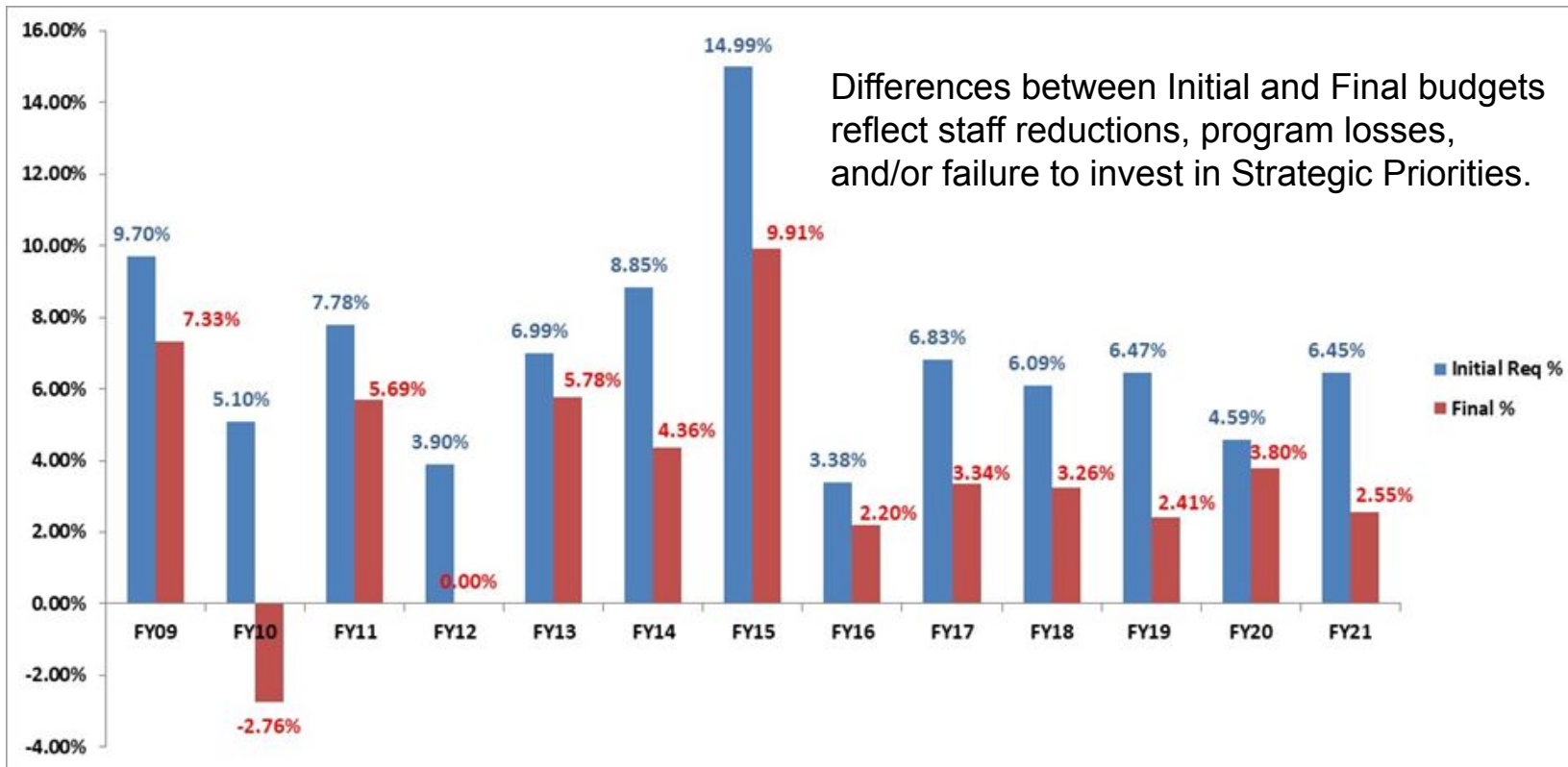
Top 14% in State
(49th out of 351)

Per Pupil Expenditure:

Bottom 11% in State
(286th out of 320)



Pent-Up Demand: Budget Requests vs. Actual Appropriations



Structural Funding Gap Predictability

Past reports have all determined that the Municipal and School Department operations are cost-effective and that resources are well-managed.

Several reports over the past 15 years all have shown that the structural funding gaps we continue to experience have been and continue to be predictable. The magnitude of the budget crisis we face for the coming year is not a result of the COVID crisis, but rather a product of the structural funding issues of our town government.

School Department Five Year Forecast: December 2005

Town Fiscal Study Committee Report: March 2007

Town Fiscal Study Committee Report: November 2013

School Department Five Year Forecast: February 2017

School Dept. Central Office Organizational Study by UMass Collins Center for Public Management: April 2019

School Department Five Year Forecast: December 2020

Fiscal Study Committee Report 2013

Executive Summary Excerpt:

“Simply put, the committee found that there are no viable or realistic alternatives to reduce the expenditures of the town government. The committee found that the departments have achieved every level of efficiency that is feasible, from streamlining operations, contracting out services and regionalization. Costs that can be controlled have been reduced or the rate of growth moderated. Any further reductions would cause severe degradation of services.”

Key Points [\[Excerpt from 2017 Five Year Forecast Report\]](#)

- Shrewsbury will continue to face significant structural deficits over the next 5 years.
- We should not expect State and Federal revenues to help close this structural deficit.
- **Without additional resources, the School Department cannot provide the high quality public education that the Shrewsbury community expects.**

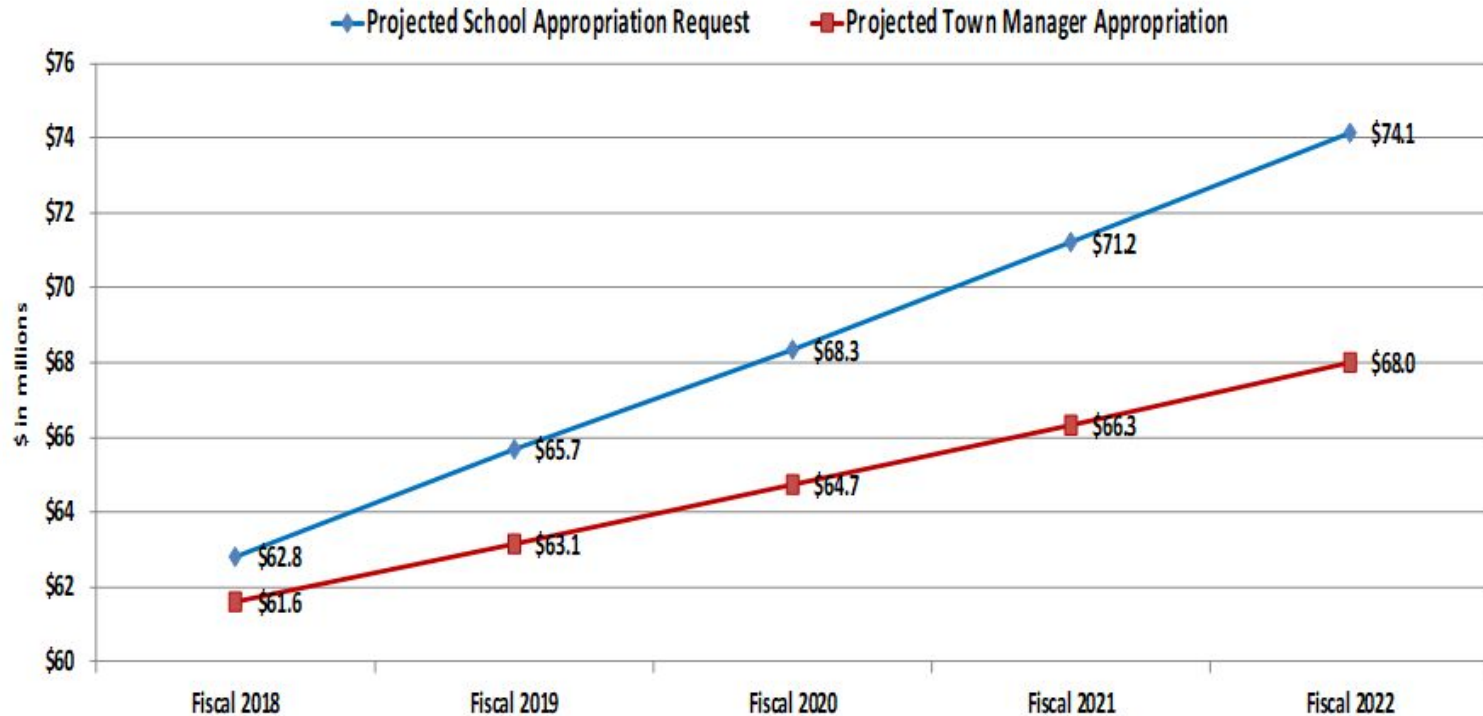
The Essential Question

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

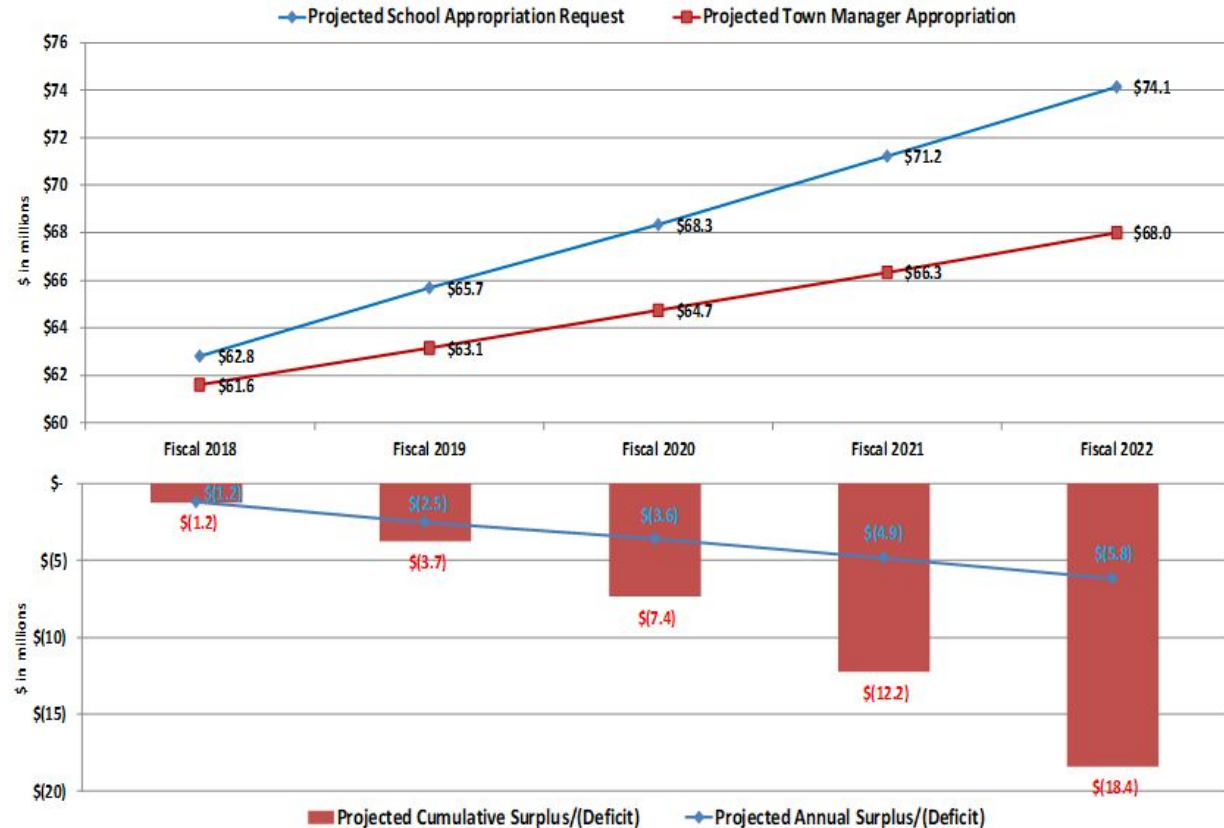
Question posed by the Superintendent in multiple presentations at School Committee and Finance Committee meetings, beginning in January 2017

School Dept. Five Year Forecast: Issued February 2017

Shrewsbury Public Schools will face widening structural deficits over the next 5 years.

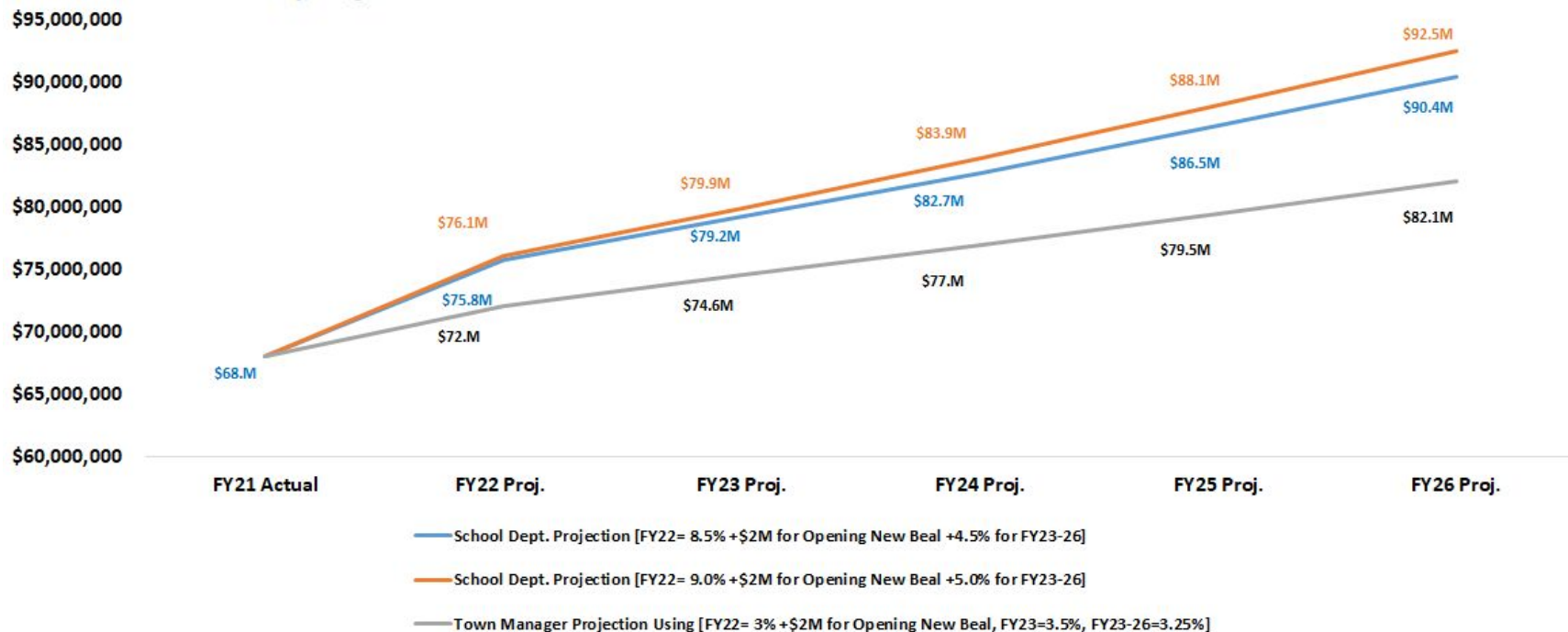


School Dept. Five Year Forecast: Issued February 2017

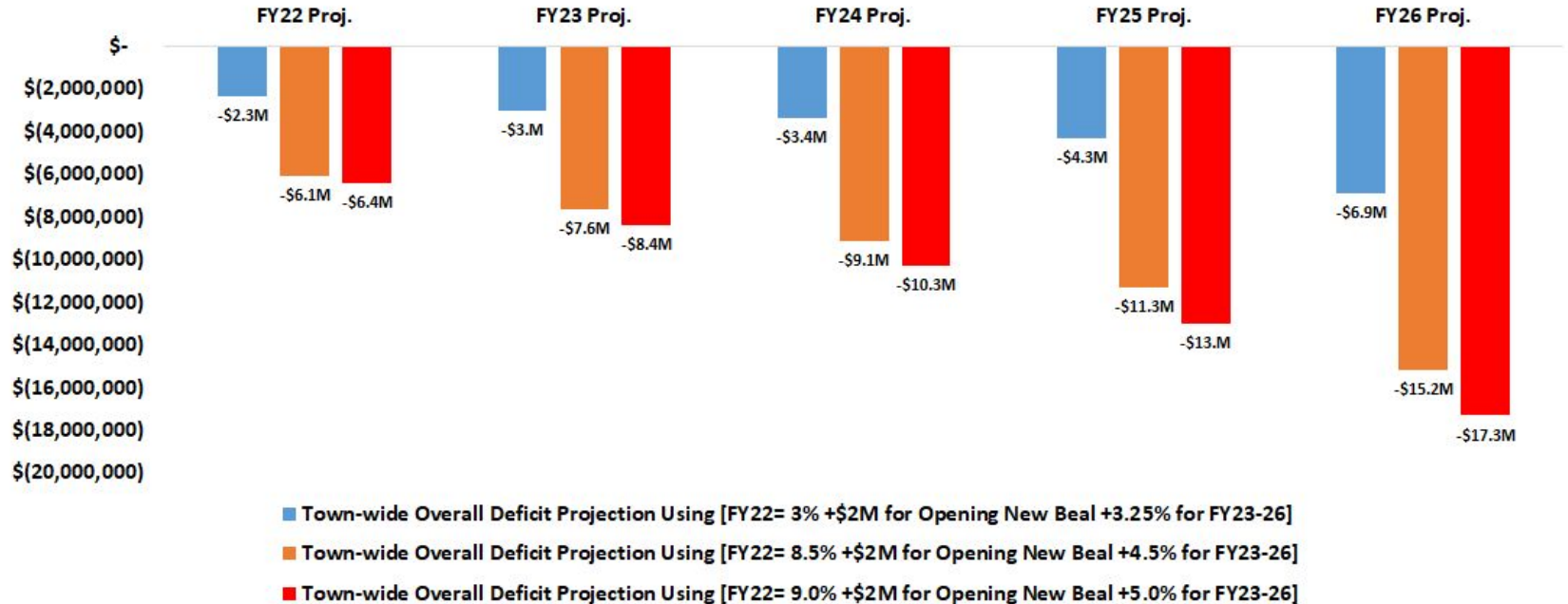


School Dept. Five Year Budget Projection-December 2020

All projection models result in overall town-wide deficits.



Five-Year Forecast of Deficits [December 2020]



All projections use Town Manager provided data in combination with School Dept. Cost Projection Needs.

FY22 Budget Details

Key Factors and Assumptions: Expenses

•SALARIES AND WAGES

- Labor Units A [teachers], B [Asst. Principals], and D [paraprofessionals]: salaries and wages budgeted per actual or projected contract settlements. Both Unit A and Unit B have 2% COLA's
- Non-union salaries and wages with assumed 2% COLA

•SUPPLIES

- Majority of accounts are level-funded, only those with known and required increases

•TRANSPORTATION

- Yellow bus rate up 2.9% from \$424 to \$436 per day per bus. Appropriation increase is offset by forecast bus fee revenue increase

•SPECIAL EDUCATION OUT OF DISTRICT TUITIONS

- Received a state-approved rate of 2.26%. Higher special education tuition increases were budgeted for “cost reconstructions” if approved by the state.

•VOCATIONAL HIGH SCHOOL TUITIONS

- Rate is estimated to increase 2.5% to \$16,743 per student
- Budgeted enrollment is up 4 students.

Key Factors and Assumptions: Revenues that the School Dept. Forecasts & Controls

- Federal and state grants are budgeted for “level-funding” except:
 - We are not planning for continuation of state Coronavirus Relief grants
- Full Day Kindergarten tuition is eliminated
- Special Education Circuit Breaker Reimbursement with assumed rate of 73% at this point based on Governor’s Budget and forecast of FY21 costs

Enrollment Data and Projection

Grade[s]	2019-2020	2020-2021	2021-2022	Change FY21 to FY22	Percent Variance
PreK	230	118	220	102	86.4%
K-4	2,158	2,048	2,126	78	3.8%
5-6	1,001	965	976	11	1.1%
7-8	994	987	1,007	20	2.0%
9-12	1,885	1,875	1,863	(12)	-0.6%
Total	6,268	5,993	6,192	199	3.3%
	Change	(275)	199		
		-4.4%	3.3%		

The Covid-related enrollment decrease causes a greater degree of uncertainty in projecting 2021-2022 enrollment, especially at the PreK-4 grade levels.

Covid Funding & Uses to Date [FY20 and FY21]

Source	Grant Name	Amount	Deadline for Use
State	FY21 State Coronavirus Prevention Grant	\$ 218,950	30-Jun-21
State	Covid-19 Health Improvements in Schools	\$ 25,000	30-Jun-21
Federal	Food Service Support due to Covid	\$ 10,909	30-Dec-21
Federal	Coronavirus Relief Fund School Reopening Grant [CvRF]	\$ 1,390,050	30-Dec-21
Federal	Elementary and Secondary School Emergency Relief [ESSER-1]	\$ 153,271	30-Sep-22
Federal	Elementary and Secondary School Emergency Relief [ESSER-2]	\$ 557,280	30-Sep-22
	Total: Direct to School Dept.	\$ 2,355,460	
Federal	Municipal CARES Municipal Grant-Allocated to School Dept. [to date]	\$ 758,839	30-Dec-21
Total Covid Financial Relief Resources		\$ 3,114,299	

Covid Funding & Uses to Date [FY20 and FY21]

Covid funding is use-restricted and time-restricted

It has been used to fund a variety of impacts to include but not limited to:

- Personal protective equipment
- Covid assistant staff at each school for hygiene and social distancing monitoring and now Covid surveillance testing support
- Remote learning teachers, substitute teachers, nursing support
- Technology hardware and software to support remote learning
- Covid surveillance testing
- Furniture moving and storage

Our Approach to Covid-Related Costs in FY22

There are no dollars included in the FY22 appropriations budget to fund Covid impacts.

We expect to use existing funding and the next round of federal stimulus funding to support our costs going into FY22.

There is some risk in this approach.

FY22 Budget: High-Level Expense Category Changes

Group	Category	FY21	FY22	Diff	% Change
A	Salaries and Wages	\$ 56,722,401	\$ 59,908,110	\$ 3,185,709	5.32%
B	Transportation Services	\$ 4,288,374	\$ 4,316,979	\$ 28,605	0.66%
C	Out of District Tuitions	\$ 3,760,586	\$ 6,174,246	\$ 2,413,660	39.09%
D	Supplies, Materials, Contract Services, etc...	\$ 3,223,922	\$ 3,348,044	\$ 124,122	3.71%
na	New Beal School	\$ -	\$ 1,692,835	\$ 1,692,835	100.00%
		\$ 67,995,283	\$ 75,440,214	\$ 7,444,931	10.95%

FY21 “Survival Tactics” To Save Jobs Contributes to Needing a Larger Increase for FY22

Due to a lack of available funding, the School Committee took several key actions to save jobs in FY21:

1. Voted to have a **salary freeze** for all non-union staff to include administrators, clerical staff, technology support staff, and other miscellaneous positions.
2. **Renegotiated salaries with two labor unions**: Unit A [teachers, counselors, nurses] and Unit B [assistant principals and athletic director]. Deferred cost of living increase and step increase for half the year.

FY21 “Survival Tactics” To Save Jobs Contributes to Needing a Larger Increase for FY22

These actions and sacrifice of our employees resulted in FY21 budget savings of:

Unit A [teachers, counselor, nurses]: \$1,034,781

Unit B [asst. Principals and athletic director]: \$ 24,359

Administration, Clerical, IT Non-Union: \$ 107,688

Total compensation savings in FY21: \$1,166,828

These financial sacrifices spared additional budget cuts in that amount

FY21 “Survival Tactics” To Save Jobs Contributes to Needing a Larger Increase for FY22

We experienced budget savings in FY20 due to Covid school closures. We had reduced costs for transportation, substitute teachers, educational supplies, general supplies.

\$1,628,486 in “surplus” was effectively saved in the budget leading to an increase in the Circuit Breaker account. We used all of that savings to reduce our FY21 Out of District Special Education Tuitions budget to avoid additional cuts in that amount

FY21 “Survival Tactics” To Save Jobs Contributes to Needing a Larger Increase for FY22

You will not find these budget tactics in any school/municipal “best practices” handbook for obvious reasons. They simply defer the funding gap to the next year.

However, these were important and necessary tactics to save jobs in the current year, FY21. Had we not done this, we would have had to make additional staff cuts equaling \$2.8 million, which would have been disastrous in any year, but especially this year during the pandemic.

Survival Tactics Save Jobs in FY21 and Create Larger Increase Needed in FY22: **An Example**

Example	FY21 Original Contract	FY21 Amended Agreement: August 2020	FY22 Agreement
Masters Degree-Step 6		\$ 65,814	
Masters Degree-Step 7	\$ 68,702		
Masters Degree-Step 8			\$ 72,381
	FY21 Budget Savings	\$ 2,888	
	"Normal" Inc. FY21 to FY22		\$ 3,679
	"Revised" Increase FY21 to FY22		\$ 6,567
The difference between the FY21 Amended Agreement and the Original Agreement is larger.			
The Amended Agreement created vital, one-year budget savings and all Unit A and Unit B staff made that sacrifice to save jobs in FY21.			

Teacher sacrifice in in FY21 pay.

What normally would be a \$3,679 increase becomes a \$6,567 increase.

Staffing Plan for FY22

Group	FY21	Group	FY22	FY21 to FY22 Change
Administrators	8	Administrators	8	0
Clerical Support	32.5	Clerical Support	32.5	0
Principals	8	Principals	9	1- Fill Paton Principal vacancy
Asst. Principals/Athletic Director	10	Asst. Principals/Athletic Director	10	0
Teachers, Nurses, Counselors	496.0	Teachers, Nurses, Counselors	496.3	.3 For. Lang add in FY21
Paraprofessionals	266.5	Paraprofessionals	270.7	4.2- add for Special Education needs
Technology Support	10	Technology Support	13	3- funded via Covid grant in FY21
Unclassified Staff/Coordinators	11.8	Unclassified Staff/Coordinators	10.4	-1.4 Door monitors
Totals	842.8	Totals	849.9	7.1

FY22 Status Quo Budget [Not Including Beal]

Current FY21 Budget = \$67,995,283

“Status Quo” Budget = \$73,747,379

Budget Increase = \$5,752,096 or 8.46%

This is the amount of additional funding necessary to maintain all current personnel and programming.

FY22 New Beal, Elementary Redistricting, and Full Day Kindergarten for All Students

- Additional \$1,692,835 or 2.49% increase over FY21
- The budget for staffing the new Beal School is \$307,000 less than previously projected and conveyed at public meetings, as redistricting planning has indicated that student enrollment numbers will allow for fewer staff than if the building opened with full student enrollment
- Adds 32.5 new full-time equivalent staff.

Total FY22 Budget Recommendation

Current FY21 Budget = \$67,995,283

Total FY22 Recommendation = \$75,440,214

Dollar Increase = \$7,444,931

Percent Increase = 10.95%

The Gap Recap

Town Manager Recommendation* = \$70,552,000 [+\$2,556,717 or 3.76%]

Superintendent's Recommendation** = \$75,440,214 [+7,444,931 or 10.95%]

Budget Gap (i.e., Budget Deficit) = (\$4,888,214)

**The Town Manager must submit a balanced budget based upon his estimated revenues from all sources and FY22 budget expenses for all departments.*

***Superintendent's recommendation is based upon the FY22 School Committee Budget Priorities and Guidance and preserves the necessary resources to provide for students' educational needs and to strive to meet the expectations of our community.*

Potential Negative Impact *If* Reductions Must Be Made – High Level

Defer elementary school redistricting and implement a partial opening of the New Beal School using existing Beal staff only
[do not add 32.5 FTE new positions]

- \$1,692,835

Cut some combination of administration, teachers, paraprofessionals and other support staff. The total number of positions to be eliminated to close the gap would vary depending on the type of positions; to get a sense of proportion, using a teacher salary planning figure of \$66,045 per position, this would be the equivalent of eliminating 48.5 full-time existing staff.

- \$3,195,379

Total Cuts = -\$4,888,214

How Can We Solve This Problem?

Option	Attributes
Receive unrestricted federal stimulus aid that can be used for any educational purpose, including funding personnel unrelated to COVID-19 operations.	<ul style="list-style-type: none">-Out of our control-Timing doesn't match our budget schedule and decision-making timeframe-Unlikely, as all prior stimulus has been restricted-One-time money that doesn't solve our long-term funding needs
Generate ongoing revenue via an operational override	<ul style="list-style-type: none">-Within the control of our governmental leaders and community members-Timeline can better match our budget cycle-Provides recurring revenue to help solve our long-term funding needs

How Can We Solve This Problem?

Timing of decision-making is critical – sooner is necessary:

- Because of the lead time needed to execute plans for opening the New Beal School, understanding whether there is the potential for funding to hire new staff and transfer existing staff, the need to communicate with families regarding redistricted school assignments, and transportation planning for the new elementary configuration are all time sensitive
- Knowledge of staffing levels will also be necessary to determine course availability for high school students and complete the high school schedule

The Road and Timetable Ahead

February 24th	Present \$4.9M Budget Reduction Plan
March-April	Further Discussion on Budget Reduction Plan
March-TBD	Public Hearing on FY22 Budget
March 27th	Finance Committee Meeting
May 17th	Annual Town Meeting