

May 21, 2012

Annual Town Meeting School Department Budget Statement

Good evening Town Meeting Members. My name is Erin Canzano, and I am the chairperson of the Shrewsbury School Committee. On behalf of my colleagues, John Samia, Jason Palitsch, Sandy Fryc, and Dr. Dale Magee, I am pleased to be here tonight to present and discuss with you the school budget for FY13.

This has been an unusually challenging budget year, to say the least. With the loss of stimulus funds, the pressures of increased costs, and the realities of providing a quality education to Shrewsbury students, we have had a difficult time balancing this budget while maintaining our strategic priorities. Tonight I will update you on the budget process and discuss what it means to the students in this district and to the community as a whole.

Last year at Town Meeting, my colleague John Samia referenced the anticipated contractual salary obligations and the loss of the stimulus funds for this upcoming year so there was an expectation that the FY13 budget process would be challenging. Indeed we didn't know how challenging. Final estimates indicated a gap of \$5.6 million over last year's appropriated budget to maintain the same level of services. In that \$5.6 million gap was the \$2.4 million loss of stimulus funds and Circuit Breaker special education reserve funds that were made possible by stimulus money, \$1.7 million in contractual salary and wage obligations, and \$1.5 million in increased educational costs, ranging from transportation to special education costs. A gap this size has been unprecedented. Through the past 5 months, the gap has been whittled away in 3 collaborative and significant ways. They are as follows:

1. \$2.72 million has been recommended to the school dept from the Board of Selectmen and the Finance Committee. This is a significant amount of support, and it is clear that both the Board of Selectmen and the Finance Committee hold education as one their highest priorities. The School Committee thanks them for their support.
2. \$350,000 in Projected increases of Circuit Breaker special education reimbursement, which the Senate's budget plans to fund at the max of 75%.
3. About \$2.5 million in cuts in the school program, which I will discuss in detail in a few minutes.

Even as late as this evening, this budget was in flux, and the School Committee had to resolve the last \$131,694 of the \$5.6 million budget gap. It was a serious quandry for this team; the Town had recommended to the School Department as much as it could but the School Committee was deeply reluctant to make any more cuts in personnel. \$131,694 is a little more than 2 teachers. Even the reduction of 2 more teachers would not be acceptable to any member on the team. However, as you know, Town Meeting, there are still factors in play that will not be fleshed out until after this meeting is adjourned on tonight. There appears to be a combination of possibilities of some small increases in state funding which may break in the School Committee's favor, such as the reimbursement of the cost of transporting homeless students and the final estimates of the Circuit Breaker special education reimbursement fund. We are excruciatingly aware that these and other combination of possibilities may break against the district. However, with the knowledge we have at this moment, we decided to absorb the \$131,694 and voted tonight to reduce the School Department's budget request, with the clear directive to the superintendent that barring any unforeseen circumstances that there would not be any more cuts in teachers or support staff to get down to zero.

Therefore, the School Committee is asking you tonight for an appropriated budget of \$49,864,477 or a budget increase of 5.78% over FY2012. This is an extraordinarily tight budget, and I want to caution you, it may not be enough. There is a possibility that for the first time in recent memory that the School Committee may need to meet with the Finance Committee during the school year to ask for more funds. Obviously we will do what we can to avoid that option but the committee knows very well how fluid this budget is and how quickly unexpected costs can arise in a school district. We are on the razor's edge.

While at first glance you would think that a 5.78% increase would not mean a cut budget, that is by no means the reality. This budget required the committee to make significant and detrimental cuts to program and staff. These cuts are reflected on page 6 of your School Budget request book and are as follows:

- Reduction of 38.35 positions from the appropriated budget
- Shifting of 6.55 of those positions onto grant funding/revolving accounts – They will be in the program but not the budget
- Remaining reduction of 31.8 positions from the program

There is a high level of detail and complexity in the School Department

budget, and the Central Office team and myself will be very happy to answer any questions you have, but the key message I want you to hear tonight is that this budget plan cuts 32 positions out of the educational program: this means the loss of 16 classroom teachers, 12 support staff, and 4 administrators. The loss of these positions will significantly compromise the ability of the School Department to provide the standard of excellence for which this district aspires and for which is expected by the community.

Fortunately, due to the careful planning and the innovation of the Central Office team, these 32 reductions will not exceed more than 6 actual layoffs occurring because of these budgetary constraints. The goal was to use attrition wherever possible. In addition to the regularly occurring retirements, the School Committee offered a \$20,000 retirement incentive to those qualified to retire. As you can see on page 55 and 56, that was a successful program. Coupled with the increased kindergarten fee revenue, all these retirements in the district allowed talented teachers to continue working here next year. But let me be clear: while the human toll of job loss has been reduced, it does not change the fact that our schools will have 32 fewer individuals serving the needs of students next year.

You may be asking yourself what this means for students. Next year, in Shrewsbury's schools, the reduction of 32 positions means that in grades 4-8, there will be class sizes of 29 to 30. Beal and Paton Schools will share one principal, the middle schools will lose half of their curriculum leadership positions, and the Foreign Language Department will not have a director for most of the year. The High School will also sustain increased class sizes and a reduction in programming due to fewer core academic teachers, and fewer choices in art and possibly athletics. Right now there still remains a \$70,000 deficit in the athletic budget for next year. Increasing fees was considered, but was rejected due to the already significant burden placed upon families as we are already the highest fee district in the area.

The Committee relied heavily on its recently crafted strategic priorities to guide this budget process. Those priorities are to increase the value to the community, to engage and challenge all learners, to enhance learning through technology, and to promote health and wellness. It also relied on the mitigation efforts and strategies that have occurred in previous budget cycles. On page 8 in your school budget request book, you can already see the number of reductions in teaching positions, administration and programming that have taken place over the past 9 years; you will also note that most of these cuts have not

been returned back to the program. This budget process has been a juggle, Town Meeting, not just of balancing the needs of the district with the economic constraints in which we live but also of balancing the short-term harm of 29/30 in a classroom with the long-term consequences of removing programming that would have little likelihood of return. It is an imperfect budget, there is no doubt, but it was crafted both with these clear priorities in mind and with the fiscal realities facing the town and state.

Let me take a quick moment to discuss the superintendent's compensation. Dr. Sawyer's salary is \$161,670. The School Committee negotiated with him on May 16th, and at that time he requested a total compensation freeze and an extension of his contract by one year. He also asked that the School Committee form a subcommittee that would study and inform the team of potential adjustments in FY2014 to his salary and benefits based on his performance and value to the district, the market conditions, and the cost of living. The committee agreed to his proposal and voted unanimously to approve it. Dr. Sawyer has proven his worth and value many times over in the past three years. He is a highly effective and talented superintendent who has navigated this district through very turbulent waters, and who, in the opinion of the School Committee, definitely deserves a raise. By taking a 0% increase next year, in his 4 contracts with the School Committee, Dr. Sawyer has received an average yearly increase of half of one percent.

So where does all this information leave us, Town Meeting members? In a rather precarious position. As the chairperson of a committee deeply committed to the education of students, I am here tonight to caution you about the long-term consequences of these reductions. Educational research and educator experience have informed us that 30 students in a class is not optimal for any type of learner. Teachers, confined by the sheer number of minutes in a day, will not be able to intervene as effectively and as quickly as they are accustomed; some students will be challenged to access the curriculum due to the constraints of the classroom and may increase demand for special education services; and certainly students from grades 4-12 will have fewer opportunities available to them to which previous years' students had access. I want the message to be extremely clear: as a well-informed and deeply engaged School Committee, this team does not believe that the district will be able to sustain these cuts without substantially altering the district's ability to fulfill its mission, and without heading the district towards mediocrity instead of excellence.

It is a sobering and grave situation. However, while the School Committee is made up of realists, we are also optimists as well. Our focus, starting tomorrow, will be on recovery, on returning critical positions back to the budget beginning in the next fiscal year. That is our goal and our intention. Clearly we all know in this room that educating our youngest citizens is expensive; you've seen the numbers tonight. However, we must remember the value that an excellent school system brings to a community, and Shrewsbury provides outstanding value to its taxpayers. You know of the awards won by talented students in academic competitions, and the commendations our schools receive for top test scores. You watch agile athletes on high school fields and listen to them perform in music and drama productions. You know that Shrewsbury's per pupil expenditure is in the bottom 10% of the state and that the average of our last 3 years' budget increases have been less than 1%. And you know how the quality of a school system reflects well on your property values. However you participate and are invested in this town, there is no denying the financial and social benefits of an exceptional school system to your quality of life here in Shrewsbury.

If it is the will of the community of Shrewsbury, then this moment in time will be temporary, and the consequences will only be short-term and not permanent. FDR stated in a similar time of economic difficulty: "We cannot always build the future for our youth, but we can build our youth for the future." This budget in front of you is not ideal, there are serious and limiting constraints within it; however we know that all parties, from the people in this room tonight to the educators and support staff on the front lines, will all be working together to the best of their ability to provide next year's students with an appropriate and responsible education that will do its best to prepare them for their future. We appreciate your continued support of education, and the continued support of the Board of Selectmen and Finance Committee, and we look forward to working together in collaborative and respectful way with all of Shrewsbury's citizens to resolve this financial crisis and to begin our return to a more promising future.

I'm happy to answer questions, along with Dr. Sawyer and his administrative team. Thank you.