



*FY19 Superintendent's Budget Recommendation
School Committee Presentation
January 17, 2018*

Prepared by:

Dr. Michael Harvey, Superintendent of Schools
Jeffrey D. Sands, Assistant Superintendent for Finance & Administration
Vincent Leone, Director of Accounting & Payroll



FY19 Budget Superintendent's Recommendation

Level Service PLUS an Investment in Critical Priorities

What Does “Level Service” Mean?

Level Service is a continuation of the current programs, services and staffing of the District.

For FY19, Level Service translates into a spending increase in our Gross Operating Expenses of \$1,117,099 or 3.56% versus the FY18 Budget.



FY19 Budget: Level Service

Key Assumptions

- **Salary Costs**
 - Incorporates a conservative COLA increase for all personnel.
 - Incorporates all other contractual salary obligations (e.g. STEPs and Degree Changes).
 - Increases our Grade 1 Teacher Headcount by 1.0 FTE (see larger KDG class in FY18).
 - Incorporates Retirement and Other Staff Replacement salary savings of \$144K.
 - Level funds all Grants as compared to FY18.

The Level Service Net Result has Salary Costs increasing by \$760K or 3.8%.

- **Operating Costs**
 - No new Services or Programs.
 - Capital Costs reducing to \$129K versus \$210K in FY18 and \$312K in FY17.
 - Level funds the majority of operating account categories.
 - Exceptions to level funding include, most notably:
 - Healthcare Costs increasing by 5.9% or \$143K
 - Out-of-District Tuition Costs increasing by 6.1% or \$168K
 - Special Ed Transportation Costs increasing by 26.5% or \$129K
 - The Essex Retirement Pension Fund increasing by 3.3% or \$29K
 - District Insurances increasing by 21.1% or \$36K
 - School Choice OUT Tuition Costs increasing by 109.0% or \$47K



FY19 Budget Superintendent's Recommendation

Level Service PLUS an investment in Critical Priorities

What Does investing in “Critical Priorities” Mean?

Provide the targeted funding necessary to better position the District to achieve its goals & objectives as provided for in the “Strategic Blueprint”, including directed investments in people, programs, & technology.

For FY19, the Superintendent and Leadership Team is recommending that an investment be made to fund several Critical Priorities. This investment comes at an additional cost of \$399,379 above what is needed to maintain Level Services for the 2018 – 2019 School Year.



FY19 Budget

What has been included in the Recommended Budget for Critical Priorities?

In addition to the funding needed to maintain Level Services, we are recommending that an additional \$399,379 be provided to fund the following items earmarked as Critical Priorities for

FY19:

- K-5 Math Resources (\$100,000)
- 6 – 8 Math Resources (\$40,000)
- Fountas and Pinnell 3 Upgrade (\$17,500)
- RTI Screeners and Interventions (\$15,000)
- 1.0 FTE Special Education Team Chairperson for OOD (\$71,600)
- (2) 1.0 FTE HS Special Education Program Based Teachers (\$60,350)
- 0.5 FTE MS Special Education Reading Teacher (\$29,270)
- Healthcare and Benefits Costs for new staff (\$43,659)
- Compliance with AED Law effective July 1, 2018 (\$22,000)



FY19 Budget – Primary Drivers

Level Service PLUS Critical Priorities Gross Operating Expense Budget

Driver	FY19 v FY18 \$ CHG
All Staff COLAs and STEPs - Level Service	\$ 791,000
Teacher Degree Changes	\$ 60,000
Additional Grade 1 Teacher	\$ 53,000
Critical Priorities	\$ 399,400
Essex Retirement Pension Fund Appropriation	\$ 29,000
Out-of- District Tuitions	\$ 168,000
Special Education Transportation	\$ 129,000
In District Transportation	\$ 27,000
Insurance Premiums	\$ 36,000
Healthcare Costs	\$ 143,000
Net All Other Operating Expenses	\$ (93,900)
Subtotal:	\$ 1,741,500
Capital Projects	\$ (81,000)
Anticipated Staff Retirement Replacement Savings	\$ (79,000)
Anticipated Staff Replacement Savings	\$ (65,000)
Subtotal:	\$ (225,000)
TOTALS:	\$ 1,516,500



FY19 Budget – Expense Category Analysis

Level Service PLUS Critical Priorities Gross Operating Expense Budget

Expense Category	FY19 Gross Expenses		Compared to FY18		
	Tot \$	% of Tot	PY Bud \$	Chg \$	Chg %
Salaries	\$ 20,817,994	63.2%	\$ 19,839,627	\$ 978,367	4.9%
Out-of-District Tuition	\$ 2,878,510	8.7%	\$ 2,767,155	\$ 111,355	4.0%
Healthcare	\$ 2,613,760	7.9%	\$ 2,430,625	\$ 183,136	7.5%
In-District Transportation	\$ 765,820	2.3%	\$ 738,700	\$ 27,120	3.7%
Essex Retirement	\$ 908,291	2.8%	\$ 879,643	\$ 28,648	3.3%
Utilities	\$ 587,160	1.8%	\$ 597,530	\$ (10,371)	-1.7%
Facilities, Maintenance & Custodial (non-salary)	\$ 576,025	1.7%	\$ 631,475	\$ (55,450)	-8.8%
Technology (non-salary)	\$ 614,437	1.9%	\$ 611,182	\$ 3,255	0.5%
Special Education Transportation	\$ 614,696	1.9%	\$ 486,000	\$ 128,696	26.5%
Other Fringe (Medicare, Unemployment, 403B)	\$ 419,512	1.3%	\$ 433,965	\$ (14,453)	-3.3%
Substitute Teachers	\$ 221,750	0.7%	\$ 229,625	\$ (7,875)	-3.4%
School Materials, Supplies & Textbooks	\$ 445,904	1.4%	\$ 303,904	\$ 142,000	46.7%
Athletics (non-salary)	\$ 237,935	0.7%	\$ 224,706	\$ 13,229	5.9%
District Insurance (Property, Liability & WC)	\$ 209,464	0.6%	\$ 173,031	\$ 36,434	21.1%
OPEB Trust Fund	\$ -	0.0%	\$ 40,000	\$ (40,000)	-100.0%
All Other	\$ 1,008,844	3.1%	\$ 1,016,457	\$ (7,614)	-0.7%
Totals:	\$ 32,920,102	100.0%	\$ 31,403,624	\$ 1,516,478	4.8%

Increases in these 5 categories represent a total of \$1.5M or 101% of our Total Recommended increase for FY19.



FY19 Budget – District Totals

Level Service PLUS Critical Priorities Net Assessment Budget

Total Expenses				
	FY17 BUD	FY18 BUD	FY19 BUD	Difference
General Operating Expense (Before Offsets)	\$ 30,166,532	\$ 31,403,624	\$ 32,920,102	\$ 1,516,478
Expense Offsets	\$ 1,016,500	\$ 1,203,808	\$ 1,203,808	\$ -
General Operating Expenses (After Offsets)	\$ 29,150,032	\$ 30,199,816	\$ 31,716,294	\$ 1,516,478
Debt Service Expense	\$ 2,129,250	\$ 2,092,860	\$ 2,115,275	\$ 22,415
TOTAL EXPENDITURES	\$ 31,279,282	\$ 32,292,676	\$ 33,831,569	\$ 1,538,893
				4.77%

Total Funding Sources				
	FY17 BUD	FY18 BUD	FY19 BUD	Difference
<i>Revenues</i>				
Chapter 70-Base Aid	\$ 3,457,966	\$ 3,554,656	\$ 3,606,706	\$ 52,050
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -
State Transportation Reimbursement	\$ 331,304	\$ 340,686	\$ 330,837	\$ (9,849)
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 150,000	\$ 65,000
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Prior Year Unexpended Encumbrances	\$ -	\$ -	\$ -	\$ -
Other Non-recurring Income (Including Transp)	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 5,010,335	\$ 5,116,407	\$ 5,223,608	\$ 107,201
<i>Transfers In From Other Funds</i>				
Excess and Deficiency	\$ 555	\$ 568,821	\$ 347,218	\$ (221,603)
Total Transfers	\$ 555	\$ 568,821	\$ 347,218	\$ (221,603)
Total Funding Sources	\$ 5,010,890	\$ 5,685,228	\$ 5,570,826	\$ (114,402)
				-2.0%
Total Expenditures	\$ 31,279,282	\$ 32,292,676	\$ 33,831,569	\$ 1,538,893
Less Total Funding Sources	\$ 5,010,890	\$ 5,685,228	\$ 5,570,826	\$ (114,402)
NET ASSESSMENT including Debt Service	\$ 26,268,391	\$ 26,607,448	\$ 28,260,743	\$ 1,653,295
				6.2%

Total Town Assessments				
	FY17 BUD	FY18 BUD	FY19 BUD	Difference
Hamilton	\$ 17,494,749	\$ 17,401,271	\$ 18,270,570	\$ 869,299
Wenham	\$ 8,773,643	\$ 9,206,177	\$ 9,990,173	\$ 783,996
NET ASSESSMENT including Debt Service	\$ 26,268,391	\$ 26,607,448	\$ 28,260,743	\$ 1,653,295
				6.2%



Capital Improvement Plan Administration's Recommendation

- **Background:**
 - The HS/MS Project Bond will be paid-off in May 2019 (FY19) resulting in a decrease in our annual Debt Expense of ~\$711,000 per year.
- **Assumption:**
 - Develop a recommendation that minimizes any incremental increase to the District's Annual Budget request while simultaneously addressing the longer term Capital needs of the District.
- **Scope:**
 - Projects to be funded by the FY19 Operating Budget (\$129K)
 - Winthrop Sprinkler Project (\$1.0M)
 - Athletic Field Complex (\$3.6M)
 - Capital Plan Approach agreed on 9/7/17 by School Committee (~\$2.6M)
 - Includes Safety, Accessibility, and Critical Infrastructure Projects
 - Remaining Projects to be funded by the FY20 – 23 Operating Budgets (~\$350K/Year)
- **Future Debt Expense Point of Reference:**
 - A \$8.5M Bond with a 20 Year Term at an Interest Rate of 4% carries an Annual Cost of ~\$702,000.



Capital Improvement Plan Administration's Recommendation

- 1) Fund \$129K in Projects in the FY19 Operating Budget
 - 2) Propose a \$ 1.0M Winthrop Sprinkler Project Debt Exclusion at April 2018 ATM
 - 3) Propose a \$3.6M Turf Field Complex Project Debt Exclusion at April 2018 ATM
 - 4) Propose a \$2.6M Debt Exclusion for Safety, Accessibility, & Critical Infrastructure Projects as outlined on 5 Year Plan at April 2019 ATM
 - 5) Provide funding for any remaining/new Projects on 5 Year Plan through the Operating Budgets in FY20 – FY23 at ~\$350K per Year
- Debt Exclusion Totals from the above mentioned Projects total \$7.2M.
 - A \$7.2M Bond with a 20 Year Term at an Interest Rate of 4% carries an Annual Cost of \$595,000.
 - A \$595,000 Annual Debt Expense would leave ~\$115,000 per year available that could either reduce Net Assessment amounts or be earmarked to fund the OPEB Trust Fund in future years.
 - Although the Sprinkler and Turf Field Projects would potentially be funded before the HS/MS Project was paid off in May 2019, only minimal costs (e.g., BAN expenses) would be incurred prior to FY20 when the HS/MS Project will have rolled off our books entirely.



Capital Projects

Projects to be included in the FY19 Operating Budget

Capital Projects currently being recommended for funding as part of the Operating Budget:

Department	Project	Location	FY19
Fac & Grds	Waste Water Treatment Plant	District	20,000
Tech	iPads for Students on Scholarship and F&RL	District	17,500
Tech	Classroom Hardware Refresh 4 year cycle (iPads)	District	21,000
Tech	Classroom Hardware Refresh 7 year cycle (Laptops & Labs)	District	33,480
Tech	Replace Classroom SMARTBoards, Projectors, etc	District	37,216
Total Recommended:			129,196

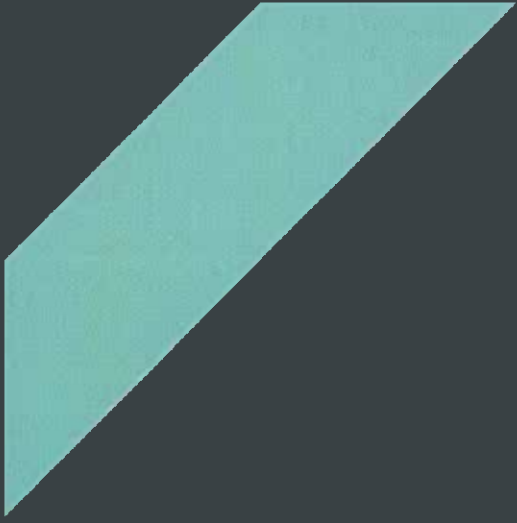
In FY18, the District's Operating Budget included \$210,696 in funding for Capital Projects. This represents a decrease of \$81,500 or 38.7%.

A copy of the full detailed 5 Year Capital Plan has been provided as a separate handout.



FY19 Budget: Calendar

SEPTEMBER 18, 2017	DISTRICT SUBMITS FY17 E&D TO MA DOR FOR CERTIFICATION
OCTOBER 26, 2017	DISTRIBUTION OF OCTOBER 2017 RESIDENT ENROLLMENT DATA TO TOWNS
NOVEMBER 6, 2017	DISTRIBUTION OF FY19 BUDGET KICK-OFF MEMO TO HWRSD BUDGET HOLDERS
NOVEMBER 6, 2017	DISTRIBUTION OF FY19 BUDGET CALENDAR
DECEMBER 7, 2017	FY19 BUDGET PLANNING MEETING #1 WITH TOWN FINANCE COMMITTEES
JANUARY 3, 2018	FY19 BUDGET RECOMMENDATION PRESENTED TO SCHOOL COMMITTEE
JANUARY 3, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
JANUARY 3, 2018	SCHOOL COMMITTEE ADOPTS TENTATIVE FY19 BUDGET
JANUARY 10, 2018	DISTRICT ADMINISTRATION ADVERTISES FY19 BUDGET PUBLIC HEARING #1
JANUARY 17, 2018	SCHOOL COMMITTEE HOLDS FY19 BUDGET PUBLIC HEARING #1
JANUARY 17, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
JANUARY 24, 2018	SCHOOL COMMITTEE CONDUCTS FY19 BUDGET BUDGET WORKSHOP
JANUARY 30, 2018	DISTRICT ADMINISTRATION MAILS ADOPTED TENTATIVE FY19 BUDGET TO TOWNS
JANUARY 31, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
FEBRUARY 7, 2018	DISTRICT ADMINISTRATION ADVERTISES FY19 BUDGET PUBLIC HEARING #2
FEBRUARY 7, 2018	FY19 BUDGET PLANNING MEETING #2 WITH TOWN FINANCE COMMITTEES
FEBRUARY 14, 2018	SCHOOL COMMITTEE REVIEWS FY19 BUDGET RECOMMENDATION
FEBRUARY 14, 2018	SCHOOL COMMITTEE HOLDS FY19 BUDGET PUBLIC HEARING #2
FEBRUARY 14, 2018	SCHOOL COMMITTEE ADOPTS FY19 BUDGET
MARCH 16, 2018	DISTRICT TREASURER CERTIFIES FY19 APPORTIONED AMOUNTS WITH TOWNS
APRIL 7, 2018	ANNUAL TOWN MEETINGS



School Committee Budget Presentation

January 17, 2018



Curriculum-Related Funding Priorities

K-5 Math Resources

6-8 Math Resources

Fountas and Pinnell upgrade

Response to Intervention (RTI) screeners and interventions



K-5 Math Resources

- We currently have locally developed curriculum units that use a variety of open source materials and published resources.
- Because the curriculum resources are pulled from a variety of sources, they are not deliberately spiraled to develop student knowledge and skills over time. The resources also vary in quality and quantity per unit.
- The lack of consistent resources has made it more challenging to implement a consistent math curriculum across all grade levels and schools.

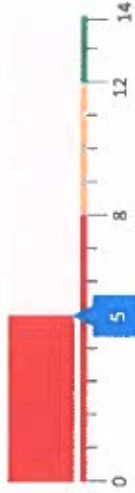
6-8 Math Resources: Replace Big Ideas Math



Sixth Grade

ALIGNMENT

Focus & Coherence



Rigor & Mathematical Practices



MEETS EXPECTATIONS

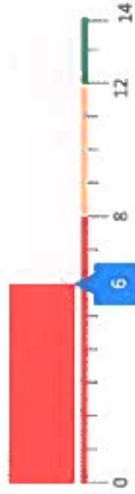
PARTIALLY MEETS EXPECTATIONS

DOES NOT MEET EXPECTATIONS

Seventh Grade

ALIGNMENT

Focus & Coherence



Rigor & Mathematical Practices



MEETS EXPECTATIONS

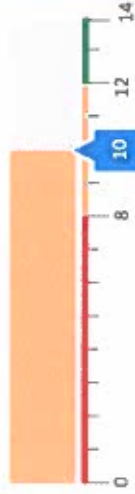
PARTIALLY MEETS EXPECTATIONS

DOES NOT MEET EXPECTATIONS

Eighth Grade

ALIGNMENT

Focus & Coherence



Rigor & Mathematical Practices



MEETS EXPECTATIONS

PARTIALLY MEETS EXPECTATIONS

DOES NOT MEET EXPECTATIONS



Estimated Costs

K-5 math resources

\$100,000 for initial year implementation, including PD
Range of \$10,000-\$25,000 in recurring annual costs.

6-8 math resources

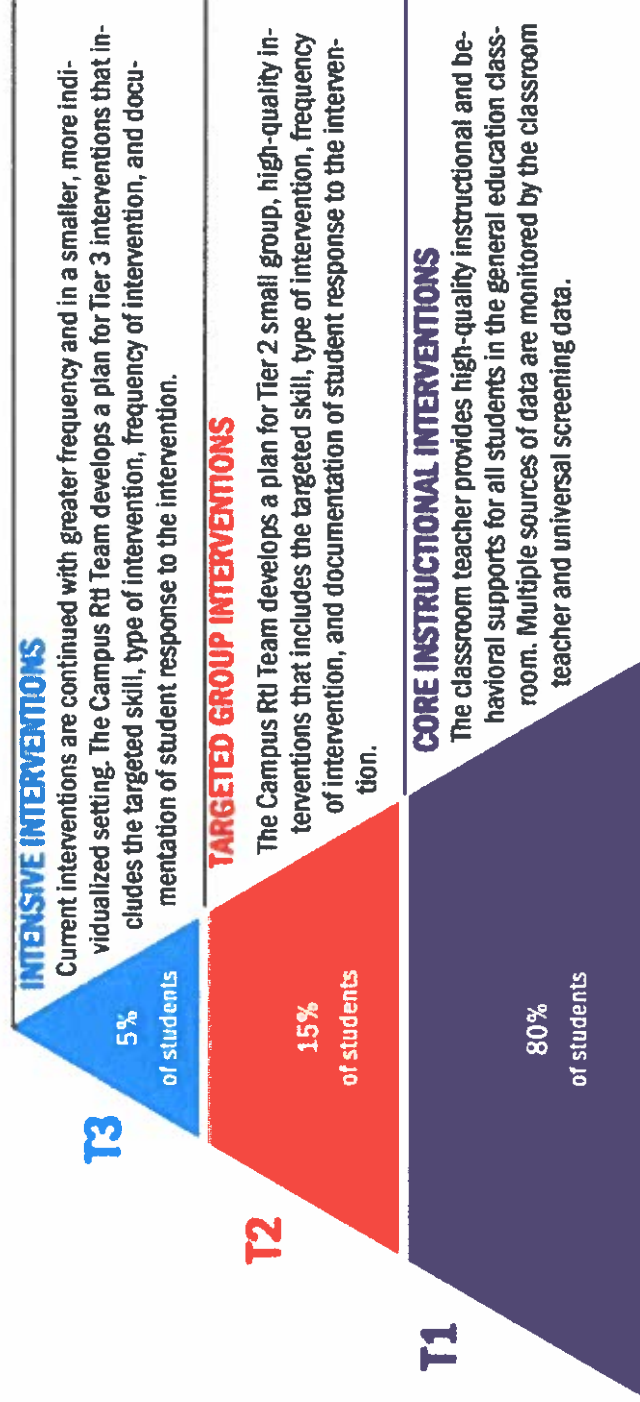
\$40,000 for initial year implementation, including PD
Range of \$10,000-\$25,000 in recurring annual costs



Fountas and Pinnell upgrade

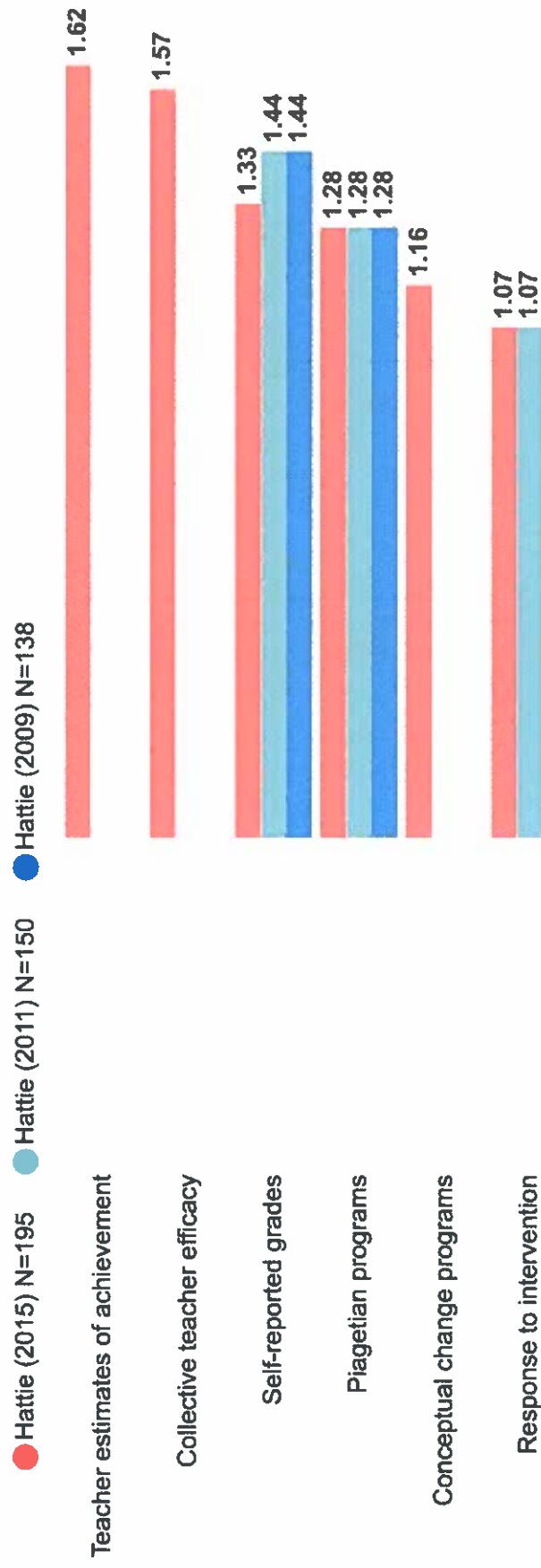
- Fountas and Pinnell has long served as the foundation for the balanced literacy approach in our elementary schools.
- *The Benchmark Assessment System, 3rd edition* provides a more precise assessment of students' reading comprehension skills.
- *The Literacy Continuum, Expanded Edition* provides updated guidance for reading instruction.


What is Response to Intervention?



Framework: 3 levels of intensity

Hattie's *Visible Learning*: RTI ranks #6 of 195 influences on student learning





Response to Intervention (RTI)

- Response to Intervention is our elementary PD focus this year.
 - Evaluation of our universal screeners
 - Training on key Tier 1 intervention strategies in ELA, math, and SEL
 - Evaluation of current Tier 2 and Tier 3 interventions.
- This funding will support recommended changes that result from this year's study.



Some possible purchases to support RTI

New or alternative universal screeners (e.g., a screener for social-emotional learning skills; DIBELS Next vs. PALS).

Additional intervention tools (e.g., expanded use of tools currently used only for special education to benefit regular education students who need intervention; new tools to address identified needs).

Progress monitoring tools (e.g., assessment tools that will allow us to know that interventions are working effectively).



Student Services-Budget Priorities
January 17, 2018

Prepared by: Stacy Bucyk M.Ed.
Director of Student Services



1.0 FTE Special Education Team Chairperson for OOD

- OOD has almost doubled in the last 5 years (October 1 SIMS):
 - FY14: 22
 - FY15: 32
 - FY16: 32
 - FY17: 33
 - FY18: 38
- Currently split between Director of Student Services and Special Education Coordinators
 - FY17: Contracted, Director of Student Services, Elementary Special Education Coordinator
 - From FY14-FY16: Contracted and Director
 - FY13: 3 Chairpersons and Director
 - FY12: 6 Chairpersons and Director
- Average time spent on 1 placement, including travel and paperwork: 3 business days per year.
- Adding position will free up approximately 135 business days of time for Director and two Coordinator Positions.



1.0 FTE Special Education Team Chairperson for OOD

Responsibilities

- Monitor all OOD students
 - Includes yearly file review
 - Site Visits (minimum of 2/year) and Phone Check-ins
 - Review of quarterly and/or trimester progress reports
 - Review monthly attendance
 - Review of student data

- Attend Annual and Re-evaluation meetings
- Attend progress meetings, a needed
 - Includes monitoring of students in an extended evaluation or 45-day placement

- Complete necessary paperwork
 - Consent forms, Invitations, Written Notices, Review Evaluation Reports, Review IEP's

- This position would also maintain a caseload of in-district secondary students (Approx. 25%)
 - This would allow Secondary Special Education Coordinator to focus on in-district programming needs



Elementary and Secondary Special Education Coordinators

Caseloads:

Elementary Coordinator: 114 in-district
Current OOD Assigned: 9

Secondary Coordinator: 146 in-district
Current OOD Assigned: 16

- These numbers reflect students identified with a disability who have an IEP.
- These numbers do not include students placed in private school at private expense or home-schooled students identified with a disability who have an IEP.



Elementary and Secondary Special Education Coordinators

Responsibilities:

- Facilitate Initial and 3-year Re-evaluation Meetings
- Facilitate Annuals meetings, as needed
- Review IEPs, complete any necessary documentation
- Review student records/information
 - Determine testing and assign staff accordingly
- Communicate with parents, outside agencies, advocates/legal counsel
- Oversight of programs and staff
- Observation and Evaluation of Special Education Teachers
- Observation of Students
- Plan, Schedule and Facilitate professional development
- Collaborate with staff and administration
- Provide support to DESE data collection, district data
- Provide support for legal cases including attending mediations, prehearing conferences, settlement conferences and hearings, gather information for Discoveries and Interrogatories
- Assist in the hiring of department staff
- Assist in the development of the department budget including staffing needs, instructional materials, and resources
- Allocate District Resources



2.0 FTE HS Special Education Program Based Teachers

1.0 FTE Language-Based Program Teacher

Four Year Cost Analysis

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
# Students	4	7	10	13
Potential OOD Cost	\$213,560	\$373,730	\$533,900	\$694,070
Potential In-district Staff Cost	\$61,500	\$103,500	\$161,000	\$184,000

Estimated Net Savings: \$1,300,000



2.0 FTE HS Special Education Program Based Teachers

1.0 FTE Life Skills Program Teacher

Four Year Cost Analysis

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
# Students	3	3	4	4
Potential OOD Cost	\$255,552	\$255,552	\$340,736	\$340,736
Potential In-District Staff Costs	\$68,500	\$70,000	\$71,500	\$73,000

Estimated Net Savings: \$910,000



.5 FTE MS Special Education Reading Teacher

- Provide direct, explicit reading instruction, meeting IEP goals and service delivery
- Evaluate students for Initial Evaluations and Three-year Re-evaluations
 - Includes evaluation of OOD students
- Write IEP goals
- Report on student progress quarterly
- Ongoing data collection and analysis connected with instruction

- Current Reading Teacher has a caseload of 33 students, including Language-Based Program
 - Services range from 2 days/week to 5 days/week
 - Services range from 45 minutes to 60 minutes per session
- Based on student need and service delivery requirements, we will need to consider contracting for additional support this year.
- Contracting is more expensive than hiring in-district staff.