

School Committee Budget Guidelines for Newton Public Schools FY13 Budget

DRAFT

Introduction:

The School Department is asked to create a budget that continues to build on the updated strategic plan for 21st century learning and student achievement. At a time of unprecedented enrollment increases, the system has experienced decreased funding for several years which has in turn resulted in several years' worth of program reductions. While this year will again bring budget challenges, we are assuming a "maintenance of effort" budget. This will require a thorough system review in order to maintain our quality programs.

We are pleased that most of our labor contracts have been settled and associated personnel costs will rise at the same 2.5% rate as projected city revenues. However, enrollment increases could bring an additional \$1 million in staffing costs and this trend appears to be continuing for the foreseeable future. We also have an anticipated \$860,000 revenue loss due to elimination of Federal Jobs money. In addition, SPED and utilities costs are expected to rise faster than the 2.5%. We are currently working with the Mayor and city and school officials to ensure adequate funding to maintain our current program.

Like the FY12 budget, the FY13 budget will also need to be crafted with an eye toward ensuring that every dollar is targeted at our key goal: To improve student achievement for all learners. If there are programs that no longer meet our priorities, we invite proposals for tradeoffs, restructuring and/or elimination. We encourage the Superintendent to consider targeted investments in a few key areas if the return is timely and will increase revenues, resources or furthers enhances the educational mission. We recognize that there are constituencies in Newton who would like to see our educational programs restored or enhanced (e.g. art and music, STEM, instructional technology, distance or blended learning, early literacy, changes to the Kindergarten model, foreign language, etc.). We ask the Superintendent to study and make recommendations on educational initiatives, recognizing that new endeavors under this budget would require tradeoffs with existing programs. Other communities have typically made these changes with additional revenue sources.

We must continue to run an efficient organization and search for new sources of revenue. Improvements and efficiencies have been captured yearly, such as restructuring the food service program, greater integration with the city on shared services, and administrative reductions and reorganizations. In FY12, there was a district-wide expansion of co-taught

classrooms. We also now have tuition paying students in one of our programs and we encourage the administration to search for other tuition opportunities. We should continue to search for efficiencies, even if the dollar savings are small (e.g. moving toward paperless and web based systems). The FY12 budget included \$1 million in revenue which came from new fees for transportation, music, athletics and extracurricular activities. Recognizing the resulting financial burden on families, we do not expect additional or increased fees.

The attached charts show annual budget, enrollment and selected state and federal revenue numbers for the district since 2004. Of particular note is the continued increase in enrollment, the slowdown in budget growth and diminishing state and federal revenues. We are assuming level funding of state monies (local aid, Chapter 70, circuit breaker, METCO) for FY13.

| | FY04 Budget | FY05 Budget | FY06 Budget | FY07 Budget | FY08 Budget | FY09 Budget | FY10 Budget | FY11 Budget |
|--------------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Enrollment | | | | | | | | |
| Total Enrollment | 11,267 | 11,268 | 11,415 | 11,501 | 11,556 | 11,570 | 11,607 | 11,775 |
| Increase from Prior | -9 | 1 | 147 | 86 | 55 | 14 | 37 | 168 |
| % Increase | -0.1% | 0.0% | 1.3% | 0.8% | 0.5% | 0.1% | 0.3% | 1.4% |
| Budget | | | | | | | | |
| Total Approved Budget | 127,298,456 | 132,198,007 | 137,685,240 | 143,949,686 | 155,077,580 | 158,564,429 | 164,708,394 | 167,203,992 |
| Increase from Prior | 2,623,259 | 4,899,551 | 5,487,233 | 6,264,446 | 11,127,894 | 3,486,849 | 6,143,965 | 2,495,598 |
| % Increase | 2.1% | 3.8% | 4.2% | 4.5% | 7.7% | 2.2% | 3.9% | 1.5% |
| ARRA/Federal Stimulus | | | | | | | | |
| Special Education ARRA Funds | | | | | | 0 | 1,687,164 | 1,852,827 |
| Early Childhood ARRA Funds | | | | | | 0 | 68,582 | 69,419 |
| SFSF Funds | | | | | | 1,520,739 | 0 | 71,634 |
| Education Jobs Grant | | | | | | 0 | 0 | 189,402 |
| Total Federal Funds | | | | | | 1,520,739 | 1,755,746 | 2,183,282 |
| Increase from Prior | | | | | | 1,520,739 | 235,007 | 427,536 |
| % Increase | | | | | | | 15.5% | 24.4% |
| Circuit Breaker Reimbursement | | | | | | | | |
| % reimbursement formula | 1,190,657 | 3,119,360 | 2,828,431 | 2,928,448 | 3,027,252 | 3,497,601 | 2,112,232 | 1,967,420 |
| | 35.0% | 75.0% | 75.0% | 75.0% | 75.0% | 72.0% | 42.3% | 40.0% |
| Chapter 70 | 9,115,550 | 9,115,550 | 9,687,800 | 10,966,835 | 12,754,101 | 12,939,869 | 14,171,395 | 13,343,503 |

| Preliminary Budget Assumptions | FY11 Budget | FY12 Budget | FY12 Budget |
|--------------------------------------|------------------|----------------|----------------|
| Enrollment | | | |
| Total Enrollment | 11,775 | 11,898 | 11,898 |
| Increase from Prior | 168 | 123 | 123 |
| % Increase | 1.4% | 1.0% | 1.0% |
| Budget | | | |
| Total Approved Budget | 167,203,992 | 169,210,440 | 169,210,440 |
| Increase from Prior | 2,495,598 | 2,006,448 | 2,006,448 |
| % Increase | 1.5% | 1.2% | 1.2% |
| ARRA/Federal Stimulus | | | |
| Special Education ARRA Funds | 1,852,827 | | |
| Early Childhood ARRA Funds | 69,419 | | |
| SFSF Funds | 71,634 | | |
| Education Jobs Grant | 189,402 | 861,981 | 861,981 |
| Total Federal Funds | 2,183,282 | 861,981 | 861,981 |
| Change from Prior Year | 427,536 | -1,321,301 | -1,321,301 |
| % Change | 24.4% | -60.5% | -60.5% |
| Circuit Breaker Reimbursement | | | |
| % reimbursement formula | 1,967,420 | 2,124,814 | 2,124,814 |
| | 40.0% | 40.0% | 40.0% |
| Chapter 70 | | | |
| Change from Prior Year | 13,343,503 | 12,676,328 | 12,009,153 |
| % Change | -827,892 | -667,175 | -1,334,350 |
| | -5.8% | -5.0% | -10.0% |

Guiding Principles:

Given the continued economic situation facing our schools, we recognize the need to keep the budget recommendations at a broad level to give the Superintendent and staff flexibility to create a budget that is in synch with our strategic plan and meets the need of a broad range of learners.

Past budgets have included proposals that were considered and rejected in budget development. It would be helpful to keep this practice in the FY13 budget.

Within this context we ask the superintendent to create a budget that:

- Remains focused on our priority goal of improving student achievement
- Maintains or improves the quality of teaching and learning by preserving critical educational supports
- Addresses the significant increases in student enrollment and the concomitant intensity and diversity of student needs
- Allows our schools to continue to get better in a few explicit areas, in very focused ways
- Works toward achieving equity by allocating resources based on student population and program needs
- Places emphasis on early elementary education resources and most effective interventions
- Advances 21st century teaching and learning, including expanding the use of education technology
- Identifies investment opportunities for increased revenues and/or creative programs and that offset budget reductions
- Provides a 3-5 year financial projection reflecting revenue, expense and enrollment estimates

Budget Guidelines:

When developing the FY13 budget, we must consider the next twelve months, as well as the long-term health of the school system. Continuing to invest in educational infrastructure in order to support teaching and learning and improve student achievement is key. These investments often are invisible to the layperson, but are core to stimulating educational progress. The Superintendent has identified the levers below as those that broadly influence budget development. We are providing guidelines within these categories to further help prioritize the preservation of program offerings.

1. Educational Infrastructure - Teacher effectiveness continues to be our top priority. This is particularly important with the advent of the common core and as 21st century critical and creative thinking skills gain importance. In addition to training, we should preserve efforts that combine professional development with hands-on teaching in the classroom so it benefits our students in real time. We should also continue to apply data-informed solutions and make appropriate adjustments to ensure consistency and continuous improvement in curriculum and instruction.
2. Operational Infrastructure - While this is an area that has been chronically under funded, anything less than level funding of charter maintenance for another budget cycle will erode any progress made to date and accelerate the deterioration of our physical assets. It may be necessary for us to place greater reliance on the city and on public-private partnerships such as the Newton Schools Foundation in order to acquire necessary technology to integrate with our educational program.
3. Class Size – Unfortunately, budget gaps over the last several years, have slightly elevated the average class size at the elementary, middle and high school level. While we do not expect to bring class sizes down during this budget cycle, we hope to ensure equity across the district and to keep average class sizes at their current levels.

As in the past, we ask the Administration to come up with innovative staffing mechanisms that offset higher class sizes by improving the adult-student ratio and protect student learning, particularly in the core curriculum. Special efforts should be made to keep class size smallest in grades K – 2.

4. Breadth of Program - Newton values educating the whole child, which includes a breadth of educational opportunities and integration of music, art, electives, physical education, health and wellness. In last year's budget, we asked the Superintendent to identify areas where student enrollment is low and/or where a broad range of program

options exists, and either reduce or consolidate these programs or offer alternative options with an eye toward preserving categories of program should revenues be restored. We ask the Superintendent to review the program reductions from last year and let us know if there are any suggested restorations, recognizing that in this maintenance budget, other reductions or restructuring will need to be considered.

5. Student Services – Students with special needs, and English language learners will continue to require the support necessary to access our academic program. We ask the Superintendent to continue to deliver high quality services to our growing population of students with increasingly serious and diverse educational needs and meet state/federal requirements. By the time these guidelines are approved, we will have reviewed our trend report, our special education review and conducted an internal assessment of priorities and needs. We ask the Superintendent to review and make recommendations on the continuation of new and expanded programs (e.g. co-taught classrooms, restructuring NSHS, and Central High student tuition) and to consider additional programs, especially those that grow our in-house capabilities and allow us to serve more students in-district. Recognizing that our expansion prospects are limited by space constraints, we ask the Superintendent to consider new programs that can serve cohorts of children with similar needs, and potentially offer spaces to tuition-paying students from outside the district. Given the growing number and severity of socio-emotional issues in our schools, we ask the Superintendent, where possible, to preserve social and guidance supports at all levels.