

Lexington Public Schools



Photographs by Lexington parents

FY08 Budget, Annual Town Meeting, April 30, 2007

Lexington's Vision



Efficient and effective schools
in support of academic excellence

Lexington's Core Purposes

- Academic excellence
- Caring and respectful relationships
- Continuous improvement



Themes for the 2007-2008 School Year

- Maintain the quality of the school district
 - Continue to develop professional learning community in the schools
 - Take aggressive steps to control costs
-

Budget drivers

5 Principal budget drivers, largest to smallest:

1. Contractual obligations.

- ❑ **Approximately \$2.8 million increase**, covering current salary obligations plus negotiations currently under way.

2. Special education

- ❑ **Increasing more than \$1.75 million in FY08**
- ❑ Additions to our permanent staff and to major expenses in consulting, transportation, and out of district tuition
- ❑ Population of out of district students is very volatile

3. Rising health care costs.

- ❑ Up approximately 12%, thus about **\$1 million for school employees.**

4. Energy costs

- ❑ Electricity projected to increase about \$500,000 over FY07, less expected energy conservation of \$120,000, **for net increase of \$380,000.**
- ❑ Increase over FY07 results partly from underbudgeting FY07, partly from rising consumption.
- ❑ Note that total energy budget, all school buildings and all energy sources, is \$2.7 million.

5. Enrollment increases

- ❑ Staffing has not kept pace with growing enrollment and actually lost ground in FY07.
 - ❑ Last year's biggest classes are moving up, some to middle and high school.
 - ❑ It's still growing at all levels next year (+89 students).
-

Budget drivers (examples)

- Special education dwarfs the other factors in importance due its large size, unpredictable nature, and lack of local control
 - School districts are *obligated* to pay these costs, which are not means tested
 - When required expenses like special ed and health care increase rapidly, they push regular education expenses onto the override, regardless of their importance, because the required expenses *cannot* be put on the override.
 - Health care and special ed will be up again sharply in FY08, following steep increases in FY07.
 - As a result, this year's at risk list is made up of even fewer "optional" or "discretionary" items than was true last year.
 - Thus, this year, even more of the "muscle" of regular education is at risk
-

Strategy for controlling costs: how to minimize overrides in the future

- Focus on major budget drivers.
 - ❑ Special education: increase the district's capacity to educate more students in district.
 - ❑ Energy: implement aggressive capital and operating programs to conserve.
 - Work both administratively and politically to get **more state and Federal aid**.
 - ❑ We are not as “needy” as some towns but are still entitled to more and better support of mandates.
 - ❑ Careful administration can garner additional state aid.
-

Strategy for controlling costs, continued...

- Bargain firmly and fairly with our employees, recognizing common interests to control growth of expenses and compete in market for talent.
 - Follow recommendations of the schools' Financial Review Committee for improvements to controls, reports, and standards.
-

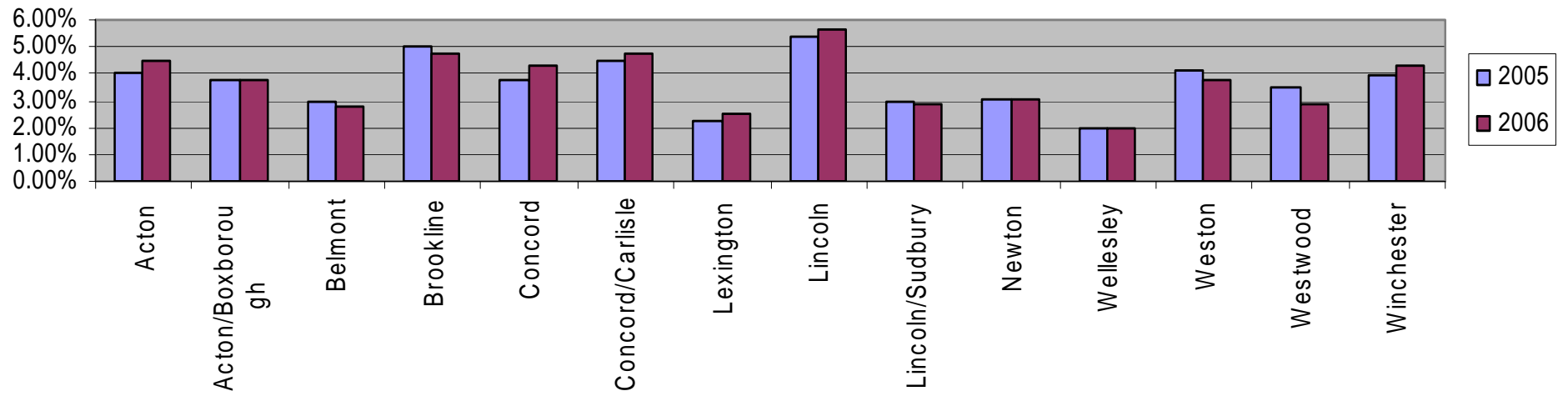
State aid to Lexington Schools

- ❑ Started FY08 process with 0% growth predicted in state (chapter 70) aid.
 - ❑ Lobbying efforts and political support by our reps increased aid to Lexington schools by about \$891,729 for FY08.
 - Some of the \$891,729 pays the increase in Minuteman school assessment
 - The rest (\$640,000) will be used to reduce the size of the Lexington Public Schools budget.
 - ❑ Makes the override \$640,000 smaller and protects \$640,000 worth of programs.
-

In what ways are we controlling costs?

- Not conditional on passing the override:
 - Adding half-time assistant special ed director, to allow more supervision and tracking of costs
 - Adding full time business analyst to assist Assistant Superintendent for Business and Finance (Mary Ellen Dunn)
-

Administration as a Percentage of Budget



Controlling costs, continued...

- Not conditional on passing the override:
 - Capital projects projected to save \$300,000 a year on energy
 - Note: \$300,000 is about 10% of the total system energy bill (about \$2.7 million)
 - For the first two or three years, some of the savings pay for financing cost of the projects. After that, all \$300,000 goes right to the bottom line.
 - A good calculated risk for these fairly straightforward, short-term projects.
 - Three major programs to bring more special education services in house
 - As good or better education for middle school and high school children with autism spectrum disorder and some emotional disorders
 - \$500,000 annually on these programs avoids \$1.4 million that would be spent out of district educating the same population.
 - Another good calculated risk considering the major role played in FY07 and FY08 by out-of-district tuition increases
 - Through attrition, replacing some special education assistants with <20 hour/week personnel, for a \$62,000 benefit savings.
-

Focus on energy costs and savings

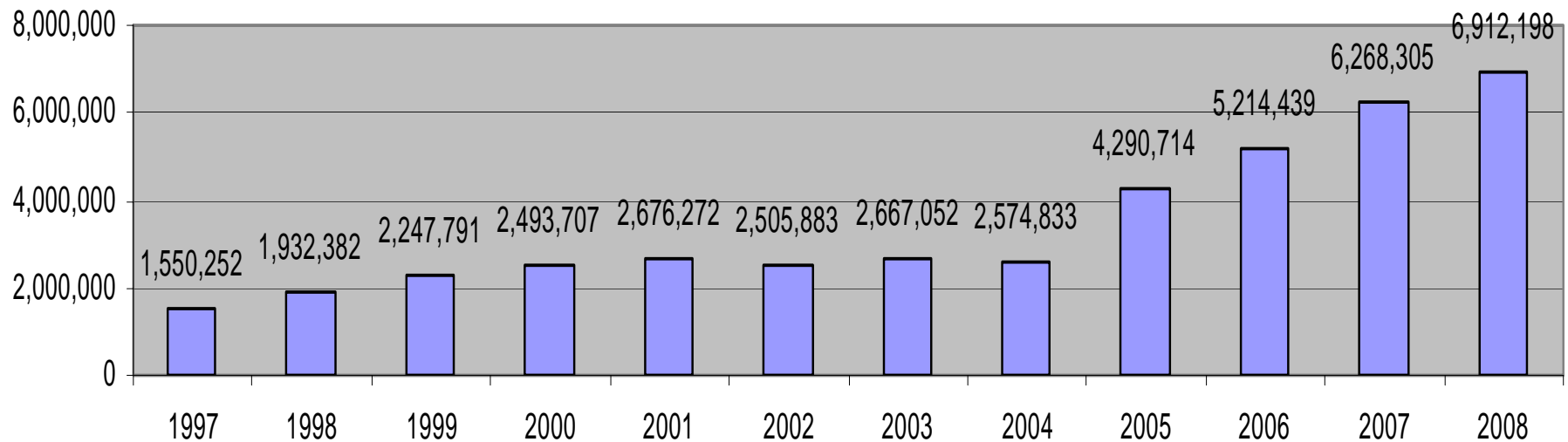
- Facilities Department, PBC, and Energy Conservation Committee will identify new energy-saving practices and projects.
 - Harrington and Fiske are each budgeted to consume about 1 million kilowatt-hours (kWh) per year in FY08.
 - Experts say may be possible to tune systems and reduce each school to about 800,000 kWh
 - Savings would amount to about \$35,000 per school at current (high) electric rates (\$0.17 per kWh), less if we are able to get down to lower rates.
 - Savings in this arena may be realized but are *not* taken for granted in FY08.
 - Long-term expectation: if we succeed in reducing annual energy costs 10% (\$300,000) in FY08, there is probably another \$300,000 to be saved in subsequent years... total \$600,000 in 2007 dollars.
-

Focus on special education

- Provide best solutions for each child
 - Look for additional in-house service improvements, transportation savings, and aid
 - Administer carefully and report costs promptly
-

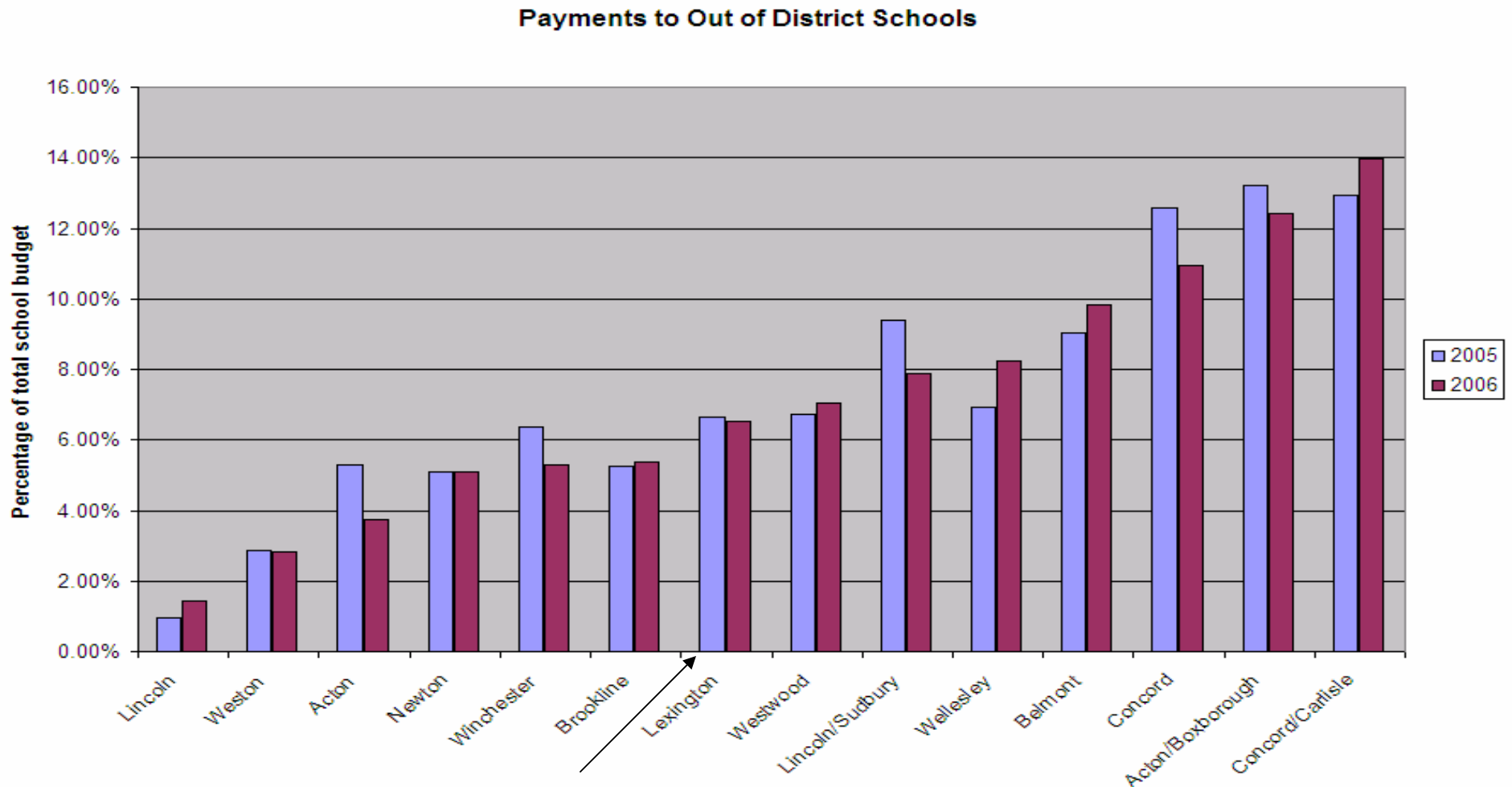
Significant further out-of-district increases in FY07 and FY08

Out of District Tuition, Lexington, 1997-2008



Source: http://finance1.doe.mass.edu/SchFin/sped/sped_exp_budget.aspx?ID=155 for 1997-2006, Lexington School Dept. for 2007 and 2008

Lexington's out of district expenses typical of benchmark towns, FY2005 & 2006



Source: <http://profiles.doe.mass.edu/home.asp?mode=o&so=-&ot=5&o=881&view=all>

FY08 increase in special ed expenses over FY07, round numbers

- \$625,000 increase in out of district tuitions, net of circuit breaker
 - \$775,000 increase from new hires, including \$500,000 for the three new in-house programs
 - \$200,000 increase in special ed transportation
 - \$100,000 increase in consultations and assistive technology
 - \$65,000 for assistant special ed director
 - Total \$1.765 million increase, not including compensation increases for existing special ed staff or other increases of current expenses.
-

In what ways are we maintaining quality?

- Not conditional on passing the override:

For example:

- Preventing large classes from getting even larger.
 - Two extra teachers to fix whichever turn out to be our two most overcrowded elementary grades
 - Maintaining special ed and math & literacy student programs in face of inadequate state and Federal aid.
 - Continue the district's commitment to diverse foreign language, substituting middle school Mandarin for two sections of French or Spanish
 - Two crossing guards, and 0.5 Fiske custodian to maintain safety and buildings for elementary children.
-

Added unconditionally, for mandated and other required programs

- 17.90 special education personnel
 - Two K-5 teachers to moderate class size, along with 0.38 art, music, and PE/wellness specialists for the two new classes
 - 0.6 FTEs for math & literacy specialists to compensate for 15% Federal aid cut
 - 1.25 other teaching positions related to very high middle school class sizes
 - 1.0 business analyst for central office
 - 2.0 crossing guards,
 - 0.5 custodian for Fiske.
 - Totaling about 25 positions
-

Elementary class size example

- Bowman 3rd grade was planned for 78 students in FY07.
 - Actual: 26, 26, and 26 children in three classrooms
 - Preferred: 19, 19, 20, and 20 children in four classrooms
-

Continue to Build Professional Learning Communities

- Support professional staff and programs that promote the social and emotional well-being of all students
 - Continue commitment to data-driven instruction, high standards and regular education intervention - Action Research, MS Math Intervention, Boston College Initiative, DASPP (Data Analysis & Strategic Planning Project)
 - Fund Mathematics and PE/Wellness Curriculum Review process to ensure K-12 vertical curriculum articulation
-

All that with no override?

- If override fails we will eliminate over 41 positions to make room for the preceding, for a net loss of about 16 positions.

Lost if override fails

- 1 FTE of faculty administration/support (0.5 PE/Wellness, 0.5 K-5 Science)
 - Approximately 16 to 26 teachers, depending on outcome of contract negotiations
 - Reductions in current staffing - including, but not limited to, 4 K-5 reading and math, 5 of 6 K-5 librarians, K-5 special educators 1 middle school teacher, 3.6 high school teachers, and other positions, subject to negotiations
 - 4.5 custodians and over \$100,000 of additional custodian service depending on outcome of negotiations
 - Approximately 10 to 20 support staff and instructional assistants, depending on outcome of contract negotiations
 - Athletic fees increase from \$300 per sport, \$600 family cap, to \$500/\$1000. (\$378,000.)
 - Totaling slightly over 41 positions
-

Added if (& only if) override succeeds

- 2.0 more K-5 classrooms to return crowded grades to acceptable size, including 0.3 specialists.
 - 1.0 middle school social worker to help struggling students.
 - 4.4 high school teachers to relieve large class sizes and handle increased enrollment.
 - 1.0 social studies teacher to restore ninth grade teaming
 - 0.5 teacher to restore honors high school physics to 6 periods per week (allowing AP preparation)
 - 2.0 new positions to restore computer curriculum integration (one for K-5, one for 6-12)
 - 1.0 technician to restore high school language lab to efficient use.
 - 2.0 additional tutors to improve service in the new high school multidisciplinary support team (MST), a new special ed program.
 - 0.5 custodian to bring Fiske custodian to full time
 - Totaling 14.7 FTEs
 - Also, essential supplies and project expenses, including funds for year 1 curriculum review of English language arts and science.
-

School Committee FY08 Operating Requests

- Line item 1100:
 - \$68,295,983 to fund operating expenses described in this presentation.
 - The amount contingent on the override is \$3,187,045
 - Line item 2130 (shared expenses):
 - \$19,869,487 to fund benefits for employees.
 - The amount contingent on the override is \$794,544 for benefits costs attributable to at-risk school employee positions.
 - Total amount contingent on the override is \$3,187,045 plus \$794,544 = \$3,981,589.
-

Budget process

- October 3, 2006: Budget guidelines voted by School Committee.
 - January 16, 2007: published budget book. On web at <http://lps.lexingtonma.org/admin.html>. Describes two budgets, as per the guidelines:
 1. A “same service” budget, showing funding needed to maintain the same essential services as in FY07. The same service budget totaled \$70,027,605, an increase of \$6,608,105.
 2. A “supplemental” budget showing administration’s recommendations for restorations and additions. This budget, which would have restored a small subset of last year’s losses, totaled an extra \$1,237,353. That is, **total override would have been \$6.1 million (\$7.8 million minus \$1.7 million of available revenue)**.
 3. A third budget was to be developed, showing the effects of staying within the 2.5% + growth limit—that is, an at-risk list was to be developed.
 - January 23-31: School Committee members review and report on specific budget areas
 - March 6: At-risk list published.
 - March 6, 13, 15, 17, and 19: School Committee conducts multiple public hearings on budget
 - March 20 & 21: School Committee finishes vote on bottom line budget.
 - April 7: School Committee adjusts and re-votes budget making use of \$640,000 of new Chapter 70 aid.
 - Override has now been reduced from \$7.8 million to \$3.98 million.
 - April 24: School Committee votes to request a single override question.
-

Thank you for your consideration

