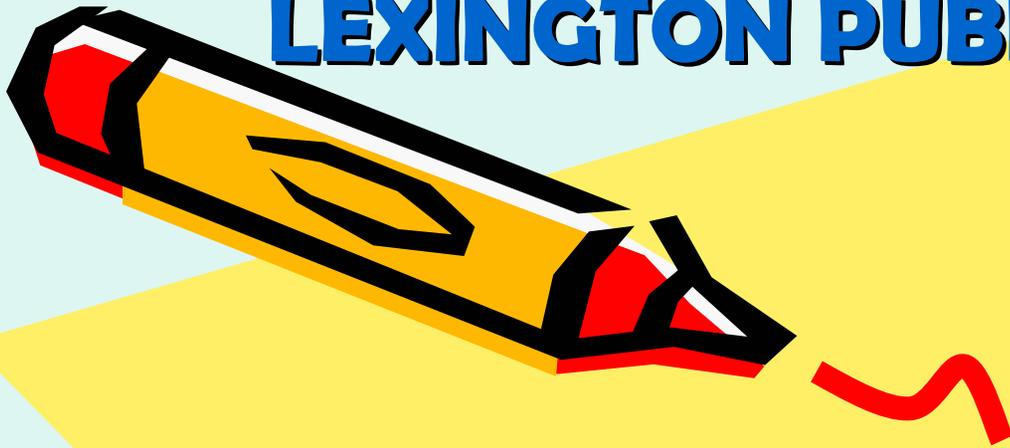
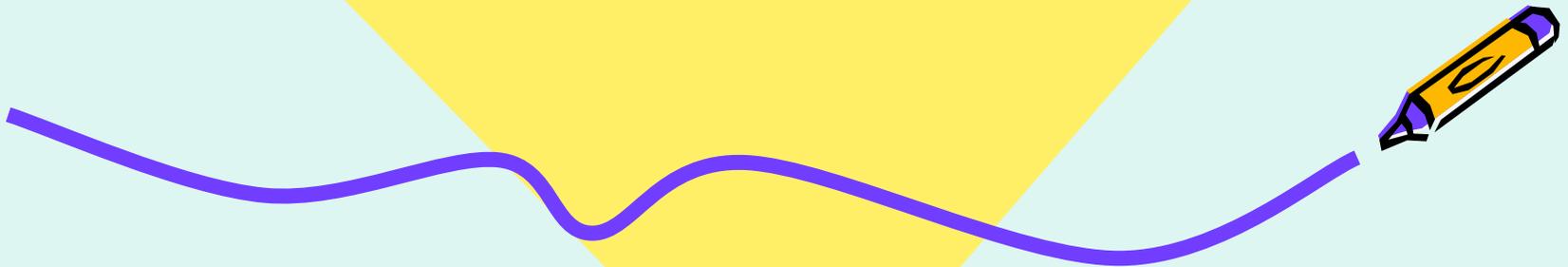


LEXINGTON PUBLIC SCHOOLS



School Committee's Recommended FY 2009 Budget



March 19, 2008

LEXINGTON PUBLIC SCHOOLS

Lexington's Vision



Efficient and effective schools *in support of academic excellence*

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Lexington's Core Purposes

- Academic excellence
- Caring and respectful relationships
- Continuous improvement



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Themes for 2008-2009

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

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Overview

1. Budget Process
2. FY08 Results
3. One-time FY08 Budget Surpluses
4. School Committee Budget Goals
5. Recommended FY09 Budget
6. Budget Highlights and Program Changes
7. Closing the FY09 Budget Gap
8. Use of METCO Funds
9. Financial Comparisons with Other School Districts

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Budget Process

- September 2007: School Committee budget guidelines
- Oct. – Dec. 2007: Budget development with principals and staff (data collected & priorities established)
- Dec. 18, 2007: Presentation of the superintendent's recommended FY09 budget
- Jan. 12 – Feb. 9, 2008: School Committee deliberations and hearings, gap closing
- Jan. 23, 2008: School Committee approves FY09 capital budget
- Feb. 11, 2008: School Committee approves FY09 operating budget
- March 19, 2008: Town Meeting begins

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FY08 Results

- **Override passed**
 - Preserved level-services from FY07
 - Reduced K-5 and high school class sizes
 - Started Mandarin instruction in grade 6
 - Introduced math intervention program at both middle schools
 - Introduced a guided study skills program at both middle schools
 - Restored ninth-grade teaming (Social Studies and English)
 - Restored honors physics to 6 periods per week
 - Made modest increases in supplies budgets
- **Continued high achievement**
 - Highest SAT scores in the State for reading, writing, and math among schools without entrance exams
- **Started new programs to help students “in the middle” and struggling students**
 - Started Professional Learning Communities
 - Completed Achievement Gap report
 - Implemented a math intervention program at both middle schools
 - Proposed FY09 programs to improve K-5 literacy and math
 - Implemented an MCAS tutoring program at LHS

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FY08 Results

- New special education programs exceeded expectations
 - 55 students are now being educated in-district who probably would have been placed in out-of-district programs
 - Exceeded expectations in cost avoidance by \$800,000 to \$900,000
- Hired and oriented a large number of teachers, replacing retirees
- Relocated administration to top floor of old Harrington
 - Freeing up the White House for other use
- Co-sponsored Lexington Youth Forum to look at issues of stress for teens
- Created Financial Review Committee
 - Examining and advising on school financial standards and practices.
 - FRC will report separately to this Town Meeting
- Completed redistricting of elementary schools
 - Balanced school populations with building capacities

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FY08 Results

- Planning for full-day kindergarten
- Engaged teachers in three, K-12 curriculum reviews (Science, Math, and PE/Wellness)
- With Carl Valente, launched the new Department of Public Facilities
 - Consolidated building maintenance, renovation, and construction operations with the municipal side in a new, more efficient department
- Now forecasting an FY08 surplus of approximately 2.9% (\$1.9 million)
 - Efficiencies that created these surpluses were assumed when developing FY09 base budget
 - Therefore these are mainly “one-time” surpluses

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One-Time FY08 Budget Surpluses

Special Education

Five new in-district programs reduced out-of-district special education and transportation costs (September 2007 projection)

1. Middle School Intensive Learning Program (8 students) \$161,052
2. Middle School Development Language Program (6 students) \$76,323
3. High School Intensive Learning Program (13 students) \$268,606
4. High School Multidisciplinary Program (71 students) \$1,079,113
5. High School Language Learning Program (17 students) \$229,541

Net Additional Projected Savings \$949,328

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One-Time FY08 Budget Surpluses (continued)

- **Personnel**
 - Due to a large number of retirements, leaves, and other personnel changes, employees were hired at lower costs.
 - 110 changes in professional positions saved \$551,896
- **Energy**
 - Electricity use has been reduced by 11%. In addition, the overall energy budget has been reduced by \$200,000

Overall Surplus from these 3 accounts = \$1,701,224

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Disposition of FY08 Surpluses

- **Total approximately \$1.9 million**
 - \$350,000 to be transferred to SPED stabilization fund
 - \$70,000 to be used for food service equipment this year, to keep schools' FY09 cash capital within the \$500,000 cap agreed on during the summit process
 - An additional \$350,000 to be left unspent for later appropriation to stabilization fund
 - Such an appropriation would require approval of Selectmen, Appropriation Committee, and Town Meeting at a subsequent Town Meeting.
 - Any unspent remainder will flow to free cash

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FY09 Budget Goals

1. Continue the current level of services
2. Recommend a small number of program improvements that will significantly advance the quality of teaching and learning
3. Ensure all legal mandates are met
4. Continue to identify cost-effective alternatives
5. Ensure professional staffing guidelines are met
6. Maintain capital assets
7. Establish a mechanism to fund unanticipated special education costs

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Recommended Budget

FY 2008*

\$61,335,221

FY 2009*

\$64,548,189

Net Increase = \$3,212,968

Percent Increase = 5.24%

* Excluding the Costs for Facilities and Crossing Guards

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FY09 Budget Highlights

- **Does not require an override**
- **Continues to make significant contributions to town reserves**
 - General stabilization fund will grow by \$1 million
 - New special education stabilization fund will get \$350,000 now
 - \$350,000 more from FY08 school surpluses can be appropriated later to the SPED reserve or to a new reserve to moderate future override
- **Provides for collective bargaining obligations**
 - Most salary agreements end on June 30, 2008

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FY09 Budget Highlights (cont.)

- **Continues to focus on special education**
 - Continues the more efficient in-house SPED programs that generated FY08 savings,
 - Creates two new in-house programs in FY09, and
 - Seeks best solutions for each child, while carefully administering the program and reporting costs promptly.

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FY09 Budget Highlights (cont.)

- **Invests in improved teaching and learning of elementary literacy and math, for typically developing students**
 - More help for early learners, possibly fewer special education placements down the road
 - Financed by resetting priorities in the level service operating budget
- **Invests in induction and mentoring programs for our many new teachers**
- **Addition of full-day kindergarten program, financed almost entirely with state grant funds and with fees**

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FY09 Program Changes

- K-5 Reading and Math Intervention (Add 2 teachers)
- New-teacher mentoring program for first- and second-year teachers
- Stipend for community service coordinator
- Special education reading and language programs—program improvements with small net reduction of bottom line
- Summer administrative time for two special education administrators

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FY09 Program Changes

- One 19.5 hr/week secretary in the curriculum office
- High school nurse (0.5), currently funded by a grant
- Funds to implement curriculum reviews
- K-5 math manipulatives
- Professional Development (curriculum mapping and Teachers as Scholars mini-courses)
- Rejoin Project Alliance
- Parent Notification System

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Closing the FY09 Budget Gap

- **Cuts (2.4 Classroom Teachers, 1.45 Instructional Assistants, 0.76 Class Aides)**
- **Use of FY09 available funds**
 - School share of \$461K
 - Plus \$350K originally destined for SPED stabilization
 - Funding this instead with FY08 surplus dollars
- **Use of \$295K LABBB credits after too-large reserve identified by Lexington and Arlington**

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METCO Program – Mission*

“Our mission is to provide students with educational opportunities designed to enrich their academic, personal and interpersonal experiences. It is our belief that the METCO experience should provide a strong academic foundation, as well as an academic environment rich in cultural, educational and racial diversity.”

*Metropolitan Council for Educational Opportunity, Inc., Mission Statement

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METCO Funds – State Guidelines

- **Costs incurred as a result of the presence of METCO students**
- **METCO transportation costs**
- **Supplemental services to enhance educational opportunity and academic achievement, for example:**
 - Regular day and after-school tutoring and mentoring programs
 - Staff professional development on understanding and addressing the achievement gap between minority and non-minority students
 - Other programs and services such as providing ways for parents to support their children's learning
- **Diversity enrichment, for example:**
 - Training
 - In-school and after-school activities
 - Incentive programs, etc. that contribute to increased cross-cultural and racial understanding.

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METCO Report for FY06 in Progress

- Part of April 5, 2006, handout to Town Meeting
- Shows METCO charges for FY06, the year in progress, as of that time
- Prepared by Ms. Dunn's predecessor, Ms. Giombetti, for Dr. Ash
- Not done for FY08 presentation to TM, which was started by Ms. Giombetti and finished by Ms. Dunn
- We are returning to making this a regular part of the report to TM
- Will also begin making grant funding part of the initial budget presentation around December 2008, with the FY10 budget.

FY07 School Committee Budget

April 5, 2006

LEXINGTON PUBLIC SCHOOLS FY06 GRANTS		SPED PROGRAM IMPROVEMENT	
TITLE V		Stipends Consultants	
Stipends - Professional Development	\$ 5,388		
Consultants - Professional Development	\$ 2,500		
	\$ 7,888		
TITLE IV		PL94-142 SPED	
Social Worker/Guidance Counselor	0.20 \$ 18,414	Coordinator	
MTRS	\$ 1,657	SPED Teachers/Psychologists, ETLs	
	\$ 20,071	MTRS	
		Instructional Assistants	
		Secretary	
		Consultants	
METCO			
Coordinator	1.00	\$	89,660
Classroom Teachers		\$	91,819
Instructional Assistants	3.00	\$	70,000
Office Aides	6.73	\$	196,152
Guidance Counselors	4.40	\$	315,405
Secretary	1.25	\$	32,264
Consultant Services		\$	12,050
Pupil Transportation		\$	472,700
Meeting Expenses		\$	13,000
Instructional Supplies		\$	10,000
			\$ 1,303,050

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METCO – Finance Overview

- From FY04 to FY07, all funds not used to pay METCO direct costs in effect were used to offset budget deficits

FY04	\$ 90,150
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FY05	\$235,000
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FY06	\$248,102
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FY07	\$346,573
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- Those years ended with comparatively small surpluses.
- Since there is a significant projected surplus in the overall FY08 school budget, approximately \$323,000 in METCO funds will not be needed to cover a budget deficit as in past years.
 - Part of the \$1.9 million FY08 surplus described previously

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METCO Funds - FY09

- METCO direct and indirect expenses currently estimated at \$1.33 million for FY09.
- METCO grant funding for FY09 unknown at present; will be known in August-September 2008. If it is level funded it would be \$1.58 million.
- Possible \$255,000 (\$1.58m – \$1.33m) in unallocated METCO grant funds during FY09. \$60,000 earmarked to support full-day kindergarten, possibly leaving an additional \$195,000. Alternatives School Committee is considering for FY09:
 - Leave unspent—charge indirect teacher and other costs to METCO and let equivalent dollars flow into free cash, for FY10 budget
 - Use some for additional achievement gap closing programs, especially if they are small and short-term.
 - Other small, short-term school programs
 - Use to cover unforeseen line item overruns, as we did in FY07 mid-year coverage of special education overruns

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Focus on Special Education

- **Provide appropriate services for each child**
- **Look for additional in-house service improvements and transportation savings**
 - Expand K-5 Intensive Language Program
 - Add three special reading teachers
 - (Reduced the projected number of out-of-districts student by 11 (111 to 100))
- **Monitor all programs and costs carefully**

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Comparisons with Other Towns

Benchmark towns selected for similarity with Lexington in terms of demographics, ambitions for schools, etc.

Weston

Concord/Concord-Carlisle

Brookline

Newton

Wellesley

Lexington

Westwood

Sudbury/Lincoln-Sudbury

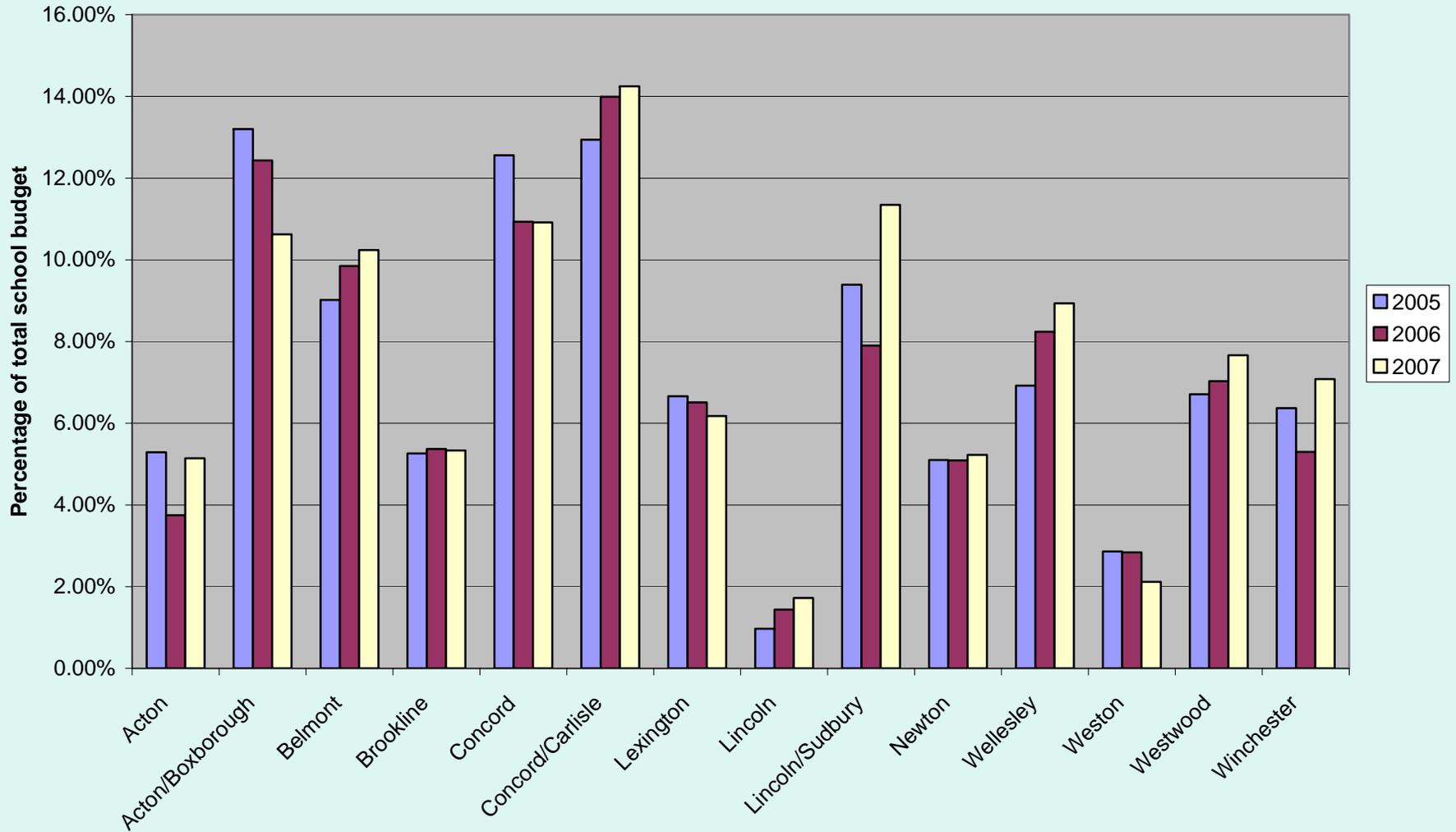
Winchester

Belmont

Acton/Acton-Boxborough

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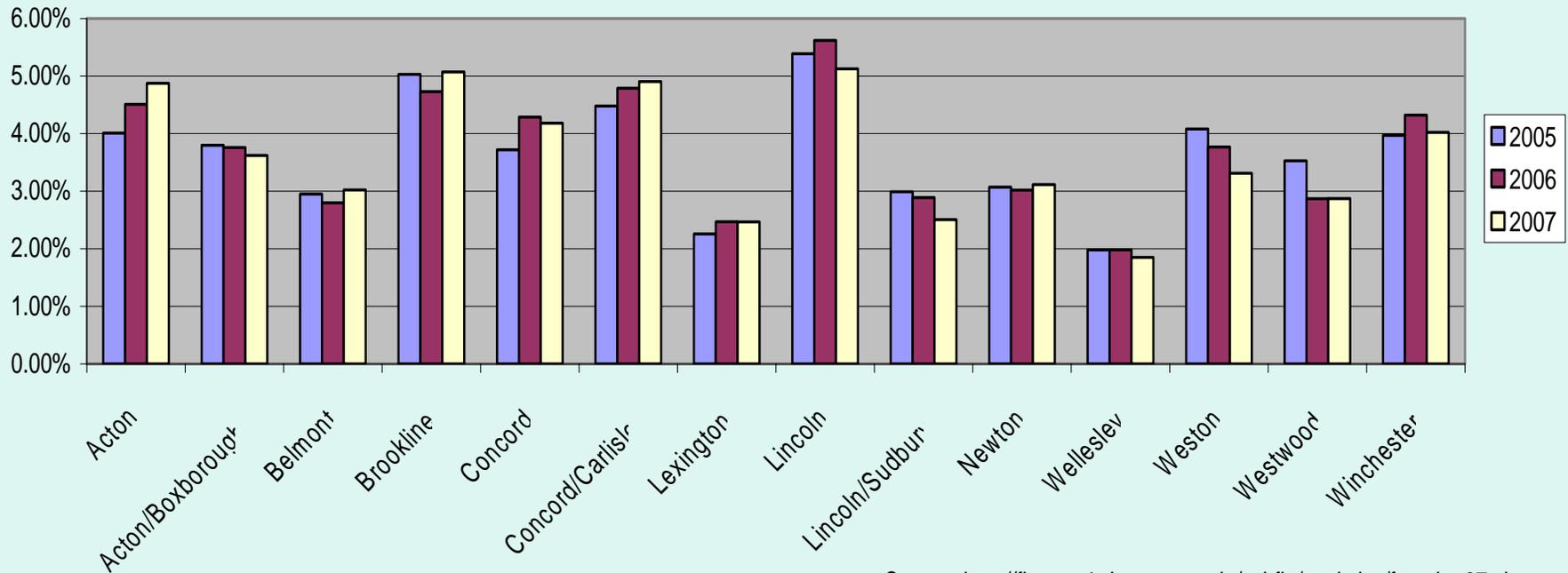
Payments to Out of District Schools as a Percentage of Budget



Source: <http://finance1.doe.mass.edu/schfin/statistics/function07.xls>

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Administration as a Percentage of Budget



Source: <http://finance1.doe.mass.edu/schfin/statistics/function07.xls>

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Lexington's Core Purposes

- Academic excellence
- Caring and respectful relationships
- Continuous improvement



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Thank you for your consideration.



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Summary of Special Education FY08 Costs (without State circuit breaker funds)

	A In-House Program Costs	B Out-of-District Potential Costs	C Projected Cost Avoidance
<u>FY 08 PROJECTION (on November 28, 2006)</u>			
Budget Priority 1 Programs	\$ 511,147	\$1,376,454	\$ 865,307
<u>FY 08 PROJECTION (on September 25, 2007)</u>			
BUDGET PRIORITY 1			
Middle School Intensive Learning Program	\$255,902	\$416,954	\$161,052
High School Intensive Learning Program	\$189,153	\$457,759	\$268,606
High School Multidisciplinary Support Team	\$219,934	\$1,299,047	\$1,079,113
TOTALS	\$664,989	\$2,173,760	\$1,508,771
BUDGET PRIORITY 2			
Middle School Developmental Learning Program	\$61,505	\$137,828	\$76,323
High School Language Learning Program	\$70,230	\$299,771	\$229,541
TOTALS	\$131,735	\$437,599	\$305,864
GRAND TOTAL (BUDGET PRIORITIES 1 & 2)	\$796,724	\$2,611,359	\$1,814,635
NET INCREASE IN PROJECTED COST AVOIDANCE (from November 28, 2006, to September 2007)			\$949,328 (\$1,814,635 - \$865,307 = \$949,328)

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Q-3 Cost of FDK

Superintendent's Recommendation on Full-Day Kindergarten					
(19 Full-time classrooms and 1 Intensive Language Classroom)					
Revenues		Staff			
	Department of Education Grant	19	\$14,900	283,100	
	Fees			344,460	
	METCO	6		60,742	
				688,302	
Expenses		Classrooms	FTE	S&W	
	Teachers	17	0.3	60000	306,000
	In-migration K tch.	2	1	73000	146,000
	Additional Specialists	13	0.05	52236	33,953
	Ias	19	0.4	25309	192,348
	Supplies				10,000
					688,302
Fee	Students=336	Cost/Student	\$1,025.18 w/19 teachers		
	If 10% of the students cannot afford to pay, then the cost of 34 students would be \$34,850				