



# **Acton-Boxborough Regional School Committee**



## **FY17 BUDGET PRESENTATION #1: SETTING THE STAGE DRIVERS AND PRIORITIES**

**DECEMBER 3, 2015**

### **Setting the Stage**

2

- The administration is engaged in the development of the 2016-17 (FY17) operating budget for the full PreK-12 regional district
- This first presentation attempts to set the foundation upon which the FY17 budget request is being built

## **Review of Budget Priorities for this year (FY16)**

3

- Our greatest challenge continues to be a strong focus on providing our district with the capacity and resources necessary to meet the needs of all students in light of rapidly increasing at-risk and higher needs students
  - Special Education
  - English Language Learners (ELL)
  - Low Income

## **Review of Budget Priorities for this year (FY16)**

4

Began to implement a multi-year plan to gradually address needs:

- Special Education  
Move towards three learning centers in each elementary school (current learning centers have up to 35 students). Plan for growth in upper elementary special education students as they move towards the Jr. High.
- English Language Learners (ELL)  
Increase direct service to students (current case loads have 45 to 65 students).
- Psychological Services  
Move to one full time school psychologist at each elementary school. Transition student assessment from counselor to psychologist.

*Some staffing in each of these areas was added last year. We will continue implementation in FY17 and FY18.*

## **Budget Priorities for FY17**

5

1. Move towards staffing levels that support the social, emotional, and learning needs of our increasingly diverse and complex student body
2. Complete capital and educational needs assessment and space review
3. Review class sizes K-12 and make staffing adjustments as necessary to meet guidelines for class size ranges.

## **Budget Priority #1** ***Addressing student needs***

6

- #1 Move towards staffing levels that support the social, emotional, and learning needs of our increasingly diverse and complex student body

Continue multi-year plan to address caseloads of high-needs students:

1. Special Education
  - a. Expand in-district offerings for a growing diverse population
  - b. Address large number of upper elementary special education students as they move to JH
  - c. Address large number of high needs pre-school students moving to Kindergarten
  - d. Continue to gradually move towards 3 learning centers in each elementary school

**Budget Priority #1 (Cont.)**  
***Addressing Student Needs***

7

#1 Move towards staffing levels that support the social, emotional, and learning needs of our increasingly diverse and complex student body

Continue multi-year plan to address caseloads of high-needs students:

2. ELL

ELL students have grown from 187 to 222

While we added 1 FTE this year, we need to continue to add staff to address increasing numbers.

3. Psychologists

Move towards one full time psychologist in each elementary school while psychologists complete testing previously done by counselors.

**Budget Priority #2**  
***Capital and Space Planning***

8

#2 Complete capital and educational needs assessment and complete space review

1. Complete Phase 1 of Building Capital Needs Assessment Overview presentation in December 2015 with detailed report available early February 2016

2. Form committee to begin to review report & options

3. Contract phase 2 Educational needs assessment as soon as possible in the Spring/Summer 2016 to be completed Fall 2016 and inform FY18 budget process late fall 2016

**Budget Priority #3**  
***Class Sizes***

9

- #3 Review class sizes K-12 and make staffing adjustments as necessary to meet class size range guidelines.
1. Review and present class size analysis for elementary, Jr. High and ABRHS
  2. Update elementary section planning by town based on updated enrollment projections
  3. Gradually decrease class sizes in highest subscribed sections at ABRHS as enrollment begins to go down

**ABRSD FY17 Budget**

**Revenue Assumptions**

## **FY17 Budget Building Assumptions Revenues**

11

### *Projected Funding Sources:*

The FY17 preliminary budget is built around the following as assumptions of funding sources:

1. Minimum increases in Chapter 70 state aid
2. Level funded federal entitlement grant funds
3. Limited reliance on E & D
4. No new School Choice students, except siblings
5. User fees reviewed and updated  
(Athletics; All Day K; Preschool; ODP)

## **Current Assumptions for Revenues and other Funding Sources**

12

- Governor's Budget will be released at the end of January
- Assuming Chapter 70 at \$25 per student minimum increase, roughly 1%
- Assuming Regional Transportation aid at FY'16 budgeted levels
- Assuming Circuit Breaker at 68%
- Minimize use of E&D – currently recommending between zero and \$200k

## Moody's Review

13

- Moody's performed a rating review of ABRSD in August, 2015
- Moody's  
Affirmed Aa2 Rating  
Assigned negative outlook
- Based on drop in fund balance. Will review in 18-24 months.

## Excess and Deficiency (E & D)

14

FY	ABRSD Budget	Budget % Increase	E & D	% of Budget
2010	\$36,858,436	0.54%	\$1.5M	4.2%
2011	\$38,228,410	3.72%	\$1.7M	4.5%
2012	\$38,502,351	0.72%	\$2.2M*	5.8%
2013	\$39,114,804	1.59%	\$1.9M	4.9%
2014	\$40,482,330	3.50%	\$1.5M	3.6%
2015	\$76,455,124	1.50%	\$1.1M	1.4%
2016	\$79,749,882	4.31%	\$1.8M Est.	2.3%

\* FY12 returned \$313K to towns

- FY15 (available for FY16) is not certified
- FY16 voted use \$200,000

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## **Budget Drivers Expense Assumptions**

- ### **FY17 Budget Building Assumptions Expenses**
- 16
- The following operating expenditures are considered as a part of this budget:
1. Salaries to meet all contractual obligations
  2. OPEB funding level
  3. Fixed costs and obligations
  4. Special Education programming in district where possible
  5. Health Insurance Premiums – currently est. 8% rate increase
  6. Number of teaching sections at all grade levels based upon class size guidelines and enrollment projections
  7. Appropriate staffing levels for other Prek-12 staff
  8. Continuation of commitment to professional learning
  9. Continued technology replacement
  10. Legal mandates are met



## **Budget Expense Drivers**

17

- OPEB
- Middlesex Retirement
- Health Insurance
- Salaries
- Debt Service
- Special Education – In District
- Special Education Transportation
- Special Education Tuition

## **Other Post-Employment Benefits (OPEB)**

18

- Completed 2 year update to OPEB Liability Projections as of December 31, 2014
- Gradual increase in OPEB contributions over the last 5 years have helped to contain the growth
- Plan design including increased co-pays and retiree prescription drugs have helped contain costs
- Full regional liability = \$40 million

## ABRSD OPEB Funding Plan

19

Year	OPEB Contribution
FY13	\$236K
FY14	\$376K
FY15	\$506K
FY16	\$700K
Total	\$1.82M
FY17 (assumption)	\$800K
FY18 (assumption)	\$900K

## Health Insurance and Middlesex

20

- The annual increase for these benefits continue to out-pace overall budget increases
- Current recommendation from the Health Insurance Trust 8%
- Middlesex Retirement  
The Middlesex Retirement board has voted a 6.4% FY17 assessment increase for ABRSD.

## Salaries – FY17

21

- Teachers' Salaries (450 FTE)  
1.5% COLA  
plus 2.5% Steps/Lanes/Supermax  
Contract expires June 30, 2017
- Salaries are reduced for staff who will be retiring and any applicable early retirement incentive is budgeted
- Support Staff (200 FTE)  
Bus Drivers, Sped Assistants, Classroom Assistants, Cafeteria, etc.  
1.5% COLA  
0.5% Steps
- Office Support (43 FTE) and Custodians (40 FTE) will be negotiating over the next few months  
Contracts expire June 30, 2016

## Debt Service

22

- Refinancing the debt provided savings in the FY '15 budget. Anticipated debt service increase for FY '17 is 2%

FY14	\$2,020,296	
FY15	\$1,847,734	(9% decrease)
FY16	\$1,920,743	(4% increase)
FY17	\$1,959,218	(2% increase)

## Special Education

23

- The number of special education students has grown 11% over the last five years, while the overall student enrollment has decreased.
- We have a large number (6) of preschool students with significant needs moving to Kindergarten.
- The number of special education students in grades 5 and 6 is in the upper 80's in each grade, as compared to about 65 in the current 7<sup>th</sup> and 8<sup>th</sup> grades.
- We are assuming a 3% increase in Special Ed Tuition rates, and the number of out of district students has gone up over time.
- Special Ed Transportation continues to become more expensive as the needs of students become more complex.

## Special Education Enrollment

	FY '10	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16
<b>Total Students</b>	<b>5,860</b>	<b>5,820</b>	<b>5,712</b>	<b>5,665</b>	<b>5,571</b>	<b>5,463</b>	
<b>Total Special Ed Students</b>	<b>881</b>	<b>861</b>	<b>889</b>	<b>928</b>	<b>969</b>	<b>979</b>	<b>1,004</b>
<b>Total Out of District</b>	<b>83</b>	<b>78</b>	<b>78</b>	<b>81</b>	<b>84</b>	<b>95</b>	<b>92</b>
<b>% Special Education</b>	<b>15%</b>	<b>14.8%</b>	<b>15.6%</b>	<b>16.4%</b>	<b>17.4%</b>	<b>17.9%</b>	

**6 year increase +14% ( 123 students)**

\*The DESE uses an "adjusted enrollment" number which is higher, showing a lower % Special Ed. For FY '15, DESE shows AB with 17% Special Ed and a state average of 17.1%

## **Budget Process**

25

November 3 – Enrollment and Class Size Review  
Oct 1 enrollment; Enrollment projections  
Class Sizes – Elementary; JH, ABRHS

November 17 – Fees Review  
Capital Study Overview

December 3 - Superintendent's Preliminary  
Budget Presentation #1 –  
Setting the Stage  
  
Program Presentation –  
K – 3 Special Education Program

## **Future Budget Process**

26

December 17 – Superintendent's FY17 Preliminary Budget  
Presentation #2; Recommended Overall  
Budget and Assessment Increases

January 14 – FY17 Budget Discussion; Detailed Budget  
by Account available

January 23 – Budget Saturday - Preliminary Vote

February 4 – Superintendent's Final FY17 Budget  
Recommendation

February 11 - Public Hearing on FY17 Budget – Final Vote