

## Superintendent's Budget Message

### FY 2010

The proposed appropriated fiscal 2010 budget is \$43,010,000. This represents a \$1,786,000 decrease from the original FY2009 approved budget. This represents a 4% drop in budget level. Additionally, savings from retirements and a renegotiated salary deferral were used to offset what would have normally been a budgeting increase of \$1,722,000. When this is coupled with cutbacks in state funded programs like the Sped Circuit Breaker it is reasonable to conclude that the attainment of the FY2010 bottom line required the school system to find over 4.5 million dollars. This is even more difficult when it is realized that this is the eighth consecutive year that the Commonwealth of Massachusetts has provided local aid to Medford that is below the fiscal 2002 level of funding. In fact the net reduction on the Department of Revenue Local Aid Estimate (Cherry Sheet) based upon the Legislature's budget vote (pending Governor) is \$5,182,153 less than FY2009. (see chart) This is a devastating reduction. In an age where more and more is expected from education and the city, it is tragic.

On the positive side the Legislature did approve several measures that will enhance local revenues including:

- .75% local option meals tax
- 2% room occupancy tax (hotel)
- Closed the Telecom tax loophole
- Sales tax increase

Locally Medford School Unions and non-units employees accepted a FY 2010 wage deferral that saved approximately one million this year. Several groups have accepted a greater share of health insurance costs and others are considering it as this report is being written.

The budget you have been presented takes all these issues into consideration. It is a realistic approach in a very difficult economic climate. Despite the financial squeeze we have preserved most of our essential programs and services for the children, youth, and families of Medford. It will be necessary for all involved to do even more than before to make it all happen. I am confident that the "will" exists in our professional and citizen community. My greatest concern is that the cumulative affect of multiple years of reduced funding cannot be sustained over the long term. A new consensus commitment must be reached regarding the funding of government services. Massachusetts is now 44<sup>th</sup> in the nation in terms of state tax burden as a percentage of income. Appropriate, predictable, sufficient, and flexible revenue must be generated to ensure that the quality of life level to which we aspire can be achieved realistically and sustained.

As we move forward through the budget please note the following:

1. There are twenty-three (25) known retirements this year including five (5) administrators, fifteen (17) teachers, one (1) security guard, and two (2) nurses. The administrators leaving are in key roles and four (4) must be replaced to provide essential services to the school system. The position of McGlynn School Principal has been filled. The Director of Mathematics and Science position is vital. It provides for a necessary structure allowing us to keep pace with the new changes in the state curriculum frameworks. The framework changes will require a review of textbooks and instructional materials that is extensive. Program Director of the Curtis-Tufts Alternative School and the Assistant Director of Special Education will be filled at a much lower rate of compensation. The Curtis Tufts is a very valuable program option but it requires strong supervision. Not only do we help troubled students, but we benefit greatly from the finances saved and earned through this program. The Sped Coordinator is vital in a highly regulated, compliance driven, and complex educational service delivery system. Lack of daily oversight costs more than the outlay for appropriate supervision. The position of Assistant Principal at the Brooks will be unfilled as has been the case when similar vacancies occurred at the McGlynn and the Roberts. The one remaining Assistant Principal will be at the Columbus and will assist with coverage systemwide as may be required through the year.

Over the past few years many of our veteran staff have retired and we have a large percentage of our faculty consisting of pre-professional status teachers who require more close supervision and evaluation by administrators. This puts additional strains on administrators' time and schedules. Teacher performance is essential to our success and quality supervision is a critical factor supporting teacher performance.

The retiring teachers include eight (8) elementary, two (2) special education, one (1) science, one (1) foreign language, one (1) physical education, and two (2) computer. Both nurses are primarily from the high school.

The salary differentials achieved through these retirements will cover most of the step and track increases projected for the faculty in FY 2010. The renegotiated personnel contracts with our collective bargaining units will offset the million dollar general salary increase (COLA) that would have been required if agreements were not achieved.

2. Overall throughout the FY 2010 budget we will reduce thirty-three point eight (33.8) positions (see chart). This number includes two (2) administrators, sixteen point eight (16.8) faculty members, one (1) nurse, one (1) security guard, three (3) paraprofessionals, and ten (10) secretaries.

The secretarial cut of ten (10) positions reduces this group from fifty-five (55) to forty-five (45). All reductions are done by seniority. Reassignment of personnel

will require impact bargaining but it can be done. Naturally the loss of ten clerical support staff will impact our overall operational capacity.

Several other positions have been modified and some positions are now being funded outside the appropriated budget by revenue.

3. The net number of layoffs exclusive of retirements, leaves of absences, and resignations is eight at this time. The reasons for layoffs vary from performance issues to necessary economic position reductions. This list could be affected by additional retirements, leaves, resignations, licensure issues, and/or ongoing negotiations. Layoffs must be covered by unemployment payments projected as a percentage of liability. The cost of unemployment is offset in part by the reduction of benefit payments (health/dental etc) which is handled on the municipal side of the city.
4. This budget also contains less funding for student activities and other stipend positions. To the extent that these activities and services are required then they must be supported by targeted fundraising at the building/program level or supplied through alternative schedules/formats.
5. Overall enrollments are projected to remain relatively stable although there will be a need for at least one additional kindergarten class at the McGlynn. There may be a similar need at the Roberts, but we will wait and see what actually emerges in September. Elementary class size will remain about the same as the current year. This is good compared to many of our neighbors. (see chart). We will closely monitor class sizes and if necessary convert some of our elementary specialist positions into full classroom teachers should the absolute need require adjustment.
6. Class sizes at the high school, vocational school, and middle schools will remain about the same as the current year. Assuming sufficient enrollment all advanced placement courses and electives are expected to be offered consistent with the current year. If middle school enrollments continue to rise in grade six then it may be necessary to add a fourth teacher to the current three teacher team format in grade six at the Andrews.
7. School counseling services remain in place at all levels. This is an important support for student success. Our emphasis on the whole child requires this capacity. We have eliminated one adjustment counseling support person at the high school who assisted with attendance at court related matters. This person resigned this past spring to return to his position at the Department of Children and Families (DCF). Also we do not expect the High School Peer Mediation Program will be funded by the Attorney General's office next year. This past year we were able to get a partial restoration but that funding is not likely in FY 2010. We will explore other alternatives through the summer and report back to the committee.

8. Our school library program will lose two (2) professionals and one (1) paraprofessional to economic cuts. The high school library will remain intact consistent with our NEASC accreditation needs. We will assign one librarian to cover the four (4) elementary schools on a rotating basis and one (1) .6 librarian to cover the two middle schools. This will allow for the collections to be maintained. Teachers will use the libraries on schedules developed by their respective principals and in concert with the rotating librarian.
9. The fine arts department will remain mostly intact. One (1) choral music position will be lost through resignation. The work will be absorbed by existing staff. The arts are very important to a balanced program of studies and continue to be a valuable opportunity for our students. Mr. Trotta and faculty have done a fine job keeping this consolidated department together and producing very constructive results.
10. Middle school foreign language program with small scheduling changes. Our elementary program will continue with funding from CASIT and the Italian Consulate.
11. The special education budget is always a difficult account to predict, but appropriate arrangements have been made to cover what is known at this time. This year the department reorganized counseling services, expanded inclusion instruction, and worked on collaborative team building with regular education. Next year the department will build on this year's work and add additional LD supports to the elementary instructional program. The retirements of Assistant Directors Nancy White and Alan Levy will require modified replacements. The highly regulated special education environment needs oversight for both compliance and effectiveness purposes. We expect to fill both positions at the less expensive coordinators level through the collective bargaining process.

Other positional shifts within the department are determined by the needs of the students. The Fulton program has now been fully absorbed into the adaptive classrooms. Mr. Volpe will now concentrate on student behavior modification issues systemwide and upon important compliance issues.

The state has reduced the Circuit Breaker reimbursement percentages from 75% to 52%. This means that we will lose 250 - 300 thousand dollars. This will be made up with Federal Stimulus ARRA funding. The rest of the ARRA funding will go to support the expected tuition, contracted, and transportation increases required by our special education commitments. We expect to use approximately \$800,000 from the ARRA allotment to Medford for this purpose.

12. Our early childhood programs are heavily dependent on state funding which has been reduced. While the Community Partnership for Children (CPC) and the Medford Family Network (MFN) will continue with smaller budgets, we may not

be able to continue the Parent Home Child Program (PCHP) which helps parents work with educational materials in their homes. It is a very successful program and it will be missed if we cannot reacquire funding.

Our after school programs are enrolling large numbers of students at each of our elementary schools. This program generates approximately \$200,000 each year to offset systemwide operating costs.

13. Tuition to Minuteman will decrease this year by approximately \$96,000. More students are opting to stay home and our SOLVED enrollment program continues to keep a check on this expenditure. Last year at this time 48 students were expected to attend Minuteman. This year we expect the number to be 40 students.
14. Our vocational program will operate the same as this year. We will be able to better schedule some academic faculty between the high school and the vocational program to create savings. The Early Childhood Program at the vocational school (Make Way for Kids) will downsize from two (2) teachers to one (1) teacher and one (1) paraprofessional to save approximately twenty six (26) thousand dollars. Our construction program with the Laborers has received formal Chapter 74 approval and this will open up new opportunities for us in the future.
15. Our technology program and services will have to absorb at least two positions this year (retirements). We will reorganize ourselves to plug the gaps but the growing demand for technology must be considered for new funding in the future. Our Phase III capital improvements will strengthen our high school network capacity but we will need to make additional investments on a regular basis to stay current. Last year the capital grant added over 150 new computers to the high school/vocational but we will need a new uniform systemwide as soon as possible.

We continue to promote online learning and have seen our faculty get involved with the Blackboard system in a significant way. While our outside funding for Blackboard is no longer available, we are actively looking to restore this capacity through another source of funding. Online learning is an important 21<sup>st</sup> century skill.

Also our Tritec initiative is in full bloom and we are hopeful that we will receive a new 1.6 million dollar grant from the federal government to support our effort for the next five years. This program is in conjunction with Malden and Everett. Project based learning is another critical 21<sup>st</sup> century skill that must be preserved.

16. Since we have had to cut both systemwide and individual school funding from professional development, we are very active with and reliant on the use of grant funds to keep our veteran teachers updated and get our new teachers ready to meet the challenges of differentiated instruction and 21<sup>st</sup> century curriculum. Funding from Title IIA, Title I, Tritec, and School Improvement grants as well as IDEA

has been utilized. ARRA investment funds will also be used in FY 2010. We have been very active in assisting teachers to renew and upgrade their licensure and maintain highly qualified teacher status.

17. New MCAS requirements took effect this past year. Beginning with the Class of 2010 all students were required to pass the high school MCAS exam in English and mathematics with a score of 240 rather than the previously required 220. Students who failed to attain 240 were mandated to have an Educational Proficiency Plan and take a new MCAS EPP exam. In addition beginning with the Class of 2010 all students must pass an end of course science exam in order to earn their high school diploma. These new requirements put additional burden on both our students and our administrators who are required to oversee the additional testing. New programs were put in place through grant funding to help students meet the new requirements. We are currently exploring ways to add mathematics to students' schedules in their senior year to fulfill the EPP requirement.

Extra help programs for our elementary and middle school programs will have to come from grants since we cannot fund them with our reduced appropriations.

18. Non-salary items such as textbooks, instructional materials and professional materials have been cut back substantially. We must work with our PTO's, school councils, and community based agencies to generate targeting funds for these items. Hallmark Health has informed us that they will once again lead a school supply drive that was so helpful this past year. I believe it can be done and it is preferable to cutting programs and staff. The Kaplan SAT program is not funded at this time.
19. School health services is assisted by a state grant which has been reduced in the conference committee budget by approximately four million dollars statewide. We expect to see a cut of 15 – 20% from our local allocation. Overall our health services program should stay intact. The nurse reduction identified is for a private duty coverage and we are working to convert this service to a paraprofessional coverage.

The PE program will have one less teacher but it will be buttressed by the PEP grant which is going into its second year. The program will bring many new options to our students as a result of the enhanced equipment and professional training provided through the program.

20. Our buildings and grounds budget is squeezed. John Buckley will be leaving the school to become the Commissioner of the DPW. While his day to day presence will be missed, I am confident that we will partner on important issues and projects in the future.

Energy consumption and price are down and that helps. We cut \$350,000 from the fuel and utilities line item for next year. We will work even harder and smarter to conserve and recapture cost as we go forward.

Our capital funds are down so we must selectively address building needs on a priority basis.

Our custodial and maintenance staff is at rock bottom. We are awaiting the bid opening for a successor cleaning contract at the high school. We must optimize staff and contracting to get the desired result.

21. Our new large vehicle transportation contract is in and Vocell will be our main provider. The three-year deal is consistent with current pricing but the year one cost is higher than each of the two succeeding years. This in part reflects our desire to more completely equip our buses with monitoring and communication devices and to establish financial penalty clauses for non-performance.

We have reduced our fleet from 19 to 18 buses so there will be some rerouting. Also state transportation reimbursement for the Minuteman bus has been reduced.

22. Budgeted student activity accounts have been reduced and principals will need to work with their PTO's and others to raise funding to restore priorities.
23. The athletic department needs to raise an additional \$15,000 to support all of its programs next year. We will look to booster clubs to support this effort. Some sports are far more expensive than others (see chart) and should be able to generate more revenue to keep their respective program in place. This is a preferable option to raising user fees or cutting activities.
24. Fixed charges are included in the budget to pay for our legal liability protection. They also pay for our retirement payback plan to the state teachers retirement system. Unemployment costs are currently funded at 50% of projected liability. This figure will have to be monitored as we progress.
25. The undistributed salaries account is there to cover the sick leave buyback for retiring employees and for salary increments earned through professional development.
26. This budget is supported by substantial amounts of non-appropriated revenue totaling nearly 6.5 million dollars. These funds are generated from grants, program tuition, and donations to our schools.

Last year we received \$130,000 from the State Foundation Reserve program. We will apply for the same this year but there is no guarantee that this source will be allocated to Medford.

Despite the cuts the Fiscal 2010 budget provides many wonderful educational opportunities for our students and families. The challenge is for all of us to work together so that we can fill the gaps and get the most out of what we have been able to preserve. We must also plan for the future by looking at our total organization that will enable us to reposition our structural costs to the best advantage. Lastly, we must continue to lobby for a fairer share of state and federal entitlement dollars so that our community can sustain the programs and services needed to best educate our children and young adults.

This year we must be willing to fully explore alternative systems to deliver and finance our educational system. We must prioritize the goals of our fundraising to target essential services as we make our case for new sources of permanent revenue to fund our schools. Let us turn the adversity of these difficult financial times into the creativity and resourcefulness necessary for long-term sustainable success.

I would like to thank the Mayor and the School Committee for working so closely with the Administration to ensure that we can do the best possible under these circumstances to provide quality education to the students of Medford. I would also like to commend my colleagues in the administration and my support staff for their dedication and commitment to developing and implementing the programs and services of our school system. They have done a great job ensuring that this budget gives us a fighting chance to meet needs and offer exciting learning opportunities to our students.

I remain confident that we will work through this budget in a constructive and efficient way to achieve positive results on behalf of all our students, families, and citizens.

Roy E. Belson  
Superintendent of Schools