

Superintendent's Budget Message FY 2011

The proposed FY 2011 Medford Public Schools budget is level funded at \$43,010,000. The attainment of this budget level required significant salary and non-salary reductions as well as the application of new revenue sources. A level funded budget does not mean level funded programs and services. Further it also means that several of our program objectives may not be met in the upcoming fiscal year. The FY 2011 budget is lower than the FY 2006 budget by over \$200,000. A "level services" budget for FY 2011 would have required approximately \$3.25 million new money. Contractually negotiated salary increases account for \$1.6 million of the total. The acceptance of a deferred proposal by the major groups would have yielded approximately \$500,000 in savings. Further, the reduction of local aid by 4% plus by the state cost the city approximately \$1.1 million. Also the reduction of available ARRA funds by \$400,000 is a major factor. When this is coupled with the loss of Sped Circuit Breaker funding by 50% the result is devastating. The city must also account for an increase in health insurance costs and the likelihood of state relief through "plan design" is very small. Taken together these items make it very difficult to provide level services and energize new initiatives.

On the positive side we do have 15 professional retirements that enable us to offset some personnel costs. We also have increased revenues from our programs to support our efforts. We will also deliver certain services through reorganizations that will produce some savings. We also have projected substantial savings in energy costs based upon our current price contracts, usage, and planned conservation measures. Nevertheless, many of the reductions in services are done by "forced choice" rather than desirable structural change.

This budget is buttressed by over \$7 million in grants and revenues. A detailed chart and listing is found in the summary section of this document.

The FY 2011 budget is 81.87% salary and 18.13% non-salary. This is a 1.3% increase in the salary lines and a .6% decrease in the non-salary lines.

The budget distribution from FY 2010 to FY 2011 is as follows:

	FY 10	FY11	Diff
Central Administration	8%	7%	-1%
Secondary Administration	3%	3%	0
Elementary Ed	14%	14%	0
Curriculum Depts.	23%	24%	+1%
Vocational	5%	5%	0
Sped	25%	29%	+4%
Student Services	6%	4%	-2%
ELL	3%	3%	0
Oper/Maint/Security	13%	11%	-2%

The overall budget is \$35,211,676 salary and \$7,798,324 non-salary.

The following concepts underlie our budget development for FY 2011:

1. Preserve functional structures for the operation of the schools in compliance with state and federal mandates and requirements.
2. Preserve direct instructional services to students to the greatest extent possible.
3. Create structures that offer multiple impact value where possible.
4. Accept that reduced resources mean loss of funding for desirable services and programs.
5. Seek attainable increased revenue to support programs and services.
6. Target building based and program based fundraising toward essential items as a priority.
7. Promote energy conservation as a tool for cost savings.
8. Create backup administrative plans for building coverage and support.
9. Enhance our capacity to maintain school facilities and equipment through capital planning.
10. Improve elementary class size if possible.
11. Reallocate personnel as required to priority roles.
12. Expand data management capacity.
13. Use online learning to advance educational options.
14. Maintain communications and web outreach to parents and community.

Overall enrollment in the Medford Public Schools is expected to increase slightly in FY 2011. The increases are expected in the lower elementary and at the Andrews Middle School. The High School and Vocational School are projecting a stable number at this time. We will be monitoring developments so that adjustments can be made based upon the distribution of students. We have reallocated two teaching positions and effected requested pupil choice transfers to reduce and stabilize elementary class size. However, it is not possible to ensure that new enrollments over the summer will not create new issues to be addressed. We will monitor this situation closely. (see the attached chart)

There are 15 current professional retirements as follows:

- 3 Administrators
- 1 Librarian
- 2 Elementary
- 4 Special Education
- 1 Social Studies
- 1 Math
- 1 Art
- 1 PE

Three positions have been eliminated as budget reductions: one Submaster, one Guidance Counselor and one Assistant Elementary Principal. There are 10 current leaves of absence or resignations in hand of which one Guidance Counselor will not be replaced. Several of the individuals in this category will be replaced at substantially lower salaries. This could be offset throughout the year by individuals who go on maternity leave or other forms of FMLA. We cannot budget for contingencies given the constraints of this budget.

Twenty-nine positions have been eliminated for economical reasons from the budget. The net number of layoffs exclusive of retirements, leaves of absence, resignations and performance is 22 at this time. There could be an additional 5 personnel layoffs for performance reasons. This list could be effected 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.

This year there are 53 secretaries deployed throughout the school system. This budget reduces that number by 16 positions. The remaining 37 secretaries will be redeployed throughout the school system to cover essential responsibilities. There will be sharing among the departments and essential school offices. Three (3) of the reductions are projected to be retirements.

Overall there are 2 reductions in the guidance department. One at the high school and one at the middle school. One position has been transferred from Perkins Grant funding to the regular budget. This position is required by DESE (career) for the vocational school and the three year funding for the position will expire at the end of this year.

There are 3 administrative reductions in this budget proposal. A High School Submaster and an Assistant Elementary Principal have retired and their positions will not be replaced. Also the Program Director of the Curtis-Tufts will not return and his position will be filled by transferring Anthony Volpe to that school. In the last several years we have reduced/consolidated 12 administrative positions. We will have to negotiate the impact of the submaster reduction and we will need to work out a coverage plan for our elementary schools when principals are away from their buildings. Also Special Education administrative adjustments will be necessary. These matters will be addressed

during our end of the year meetings with administration and throughout the summer in preparation for the fall opening.

Our school library program will continue with the same staffing as this year. The retirement of the high school librarian will produce savings as a replacement will be hired at an entry level position. Also we will begin to coordinate our computer/technology program with the library program so that computer teachers will refocus their curriculum on project based learning and the use of electronic/multi-media resources. This will be phased in to the program. Mr. Trotta has provided an outline of how this initiative will progress in his section of the budget.

Technology in general will not be advanced by this budget since minimal capital investment is made given limited resources. Our technology is getting older and needs attention. The technology advisory committee has been meeting and recommendations are forthcoming. Since our operating budget is so constrained, it will be necessary to address this issue through a capital bond initiative that will allow us to purchase new equipment and pay for it over time. Mr. Trotta will address this issue at our meetings.

This budget will virtually level fund educational materials. Pre-budget presentations called for new materials in certain departments but there is insufficient funding to deal with this issue. Instead, we will work with our PTO's to target fundraising to support the acquisition of new materials on a priority basis. Also Hallmark Health will continue their school supply initiative this year. We hope to expand this initiative so that the most needed items are covered. Recent articles in the press have highlighted that this is becoming a common practice in many communities.

This budget also contains less funding for student activities and other stipend positions. To the extent that these activities and services are desired/required they must be supported by targeted fundraising at the building/program level or supplied through alternative schedules/formats.

The athletic program must raise an additional \$50,000 this year through a combination of user fees and program cuts. Athletic Director Maloney has proposed options for the School Committee to consider in his section of the budget.

The Kaplan SAT program is not funded at this time. We will explore alternative sources of funding for the program but there are no guarantees that it can be restored in the upcoming fiscal year.

School health services will stay intact. Our school population contains many students with health issues that must be addressed. The state grant that supports this program appears to be in place in the Beacon Hill budget. Changes in state funding could alter our service delivery capacity.

Special Education has the largest increase of all program areas. There are \$400,000 fewer ARRA funds available and the severity of our students' needs is increasing. The

loss of Circuit Breaker funding is very onerous. Further, there is no guarantee that any Sped budget will ever have enough funding to cover contingencies as they emerge throughout the year. This budget is buttressed by funding from ARRA, IDEA, Circuit Breaker, and tuition in accounts.

ELL services remain the same as the current year. We do not have any additional dollars to add more flexibility to the Coordinator's position at this time. Title III funds for NCLB will help but will not allow for more time or program changes.

Curriculum areas such as Foreign Language, Fine Arts, PE/Health, English, Social Studies, Math, and Science will remain stable but there are no increases. We will use online learning where possible to support these areas. This will be particularly true of Mathematics where extra coursework is required to assist students on Education Proficiency Plans.

Our vocational program will operate consistent with the current year. Tuition to Minuteman is up approximately \$100,000. This number could come down slightly as certain students could opt to return. Perkins funding will be used this year to strategically upgrade various departments.

Fixed charges have been reduced by \$85,000 to reflect completion of our 15 year payment to MTRS for an incentive retirement plan for teachers.

Unemployment costs are calculated on a percent of projected liability. The expanded benefits plan now in place will have to be monitored as individuals may require additional payments. Also individuals from previous years may remain eligible.

Undistributed salaries cover known benefits that must be paid to retiring employees; salary track increases; and other wage and salary adjustments that may be required.

Large Vehicle transportation is down by \$100,000 based upon our negotiated contract with Vocell for year 2. Otherwise, transportation services remain unchanged.

The Buildings and Grounds budget provides us with substantial savings in energy. We have reduced this account by \$525,000 to reflect our current pricing and experience. Our staff level in this department is at minimum. We have reduced one carpenter/maintenance position to provide some savings. Our cleaning service contract for MHS is reduced by \$50,000. This will have to be negotiated with the company. We did this last year and it worked for us by starting later in the summer with cleaning. Our repair budget is very minimal and any major new need will require supplemental funding. Capital repairs must be considered going forward to keep our buildings efficient and to preserve our investment. The new fields are progressing on schedule but there are no new funds for maintenance or supervision. This will have to be worked out with the city.

Our Early Childhood Programs are operating well but are heavily dependant upon state funding. We expect the funding to continue this time based upon current Statehouse

budget projections. These funds support the Family Network, the Community Partnership for Children and the Parent Home Child Program. Our after school programs are growing and are a significant source of revenue to offset budget costs.

Professional development activities are essential to meet requirements for faculty and staff. We are very dependent upon outside funding to keep this going. Next year we will be required to do training for “bullying” prevention and intervention.

In summary the FY 2011 proposed budget does maintain core services but reduces our capacity to expand programs and services to students and families. Also it limits our ability to make desirable improvements to educational materials, technology, and support services.

The cuts in this budget are necessary to meet the bottom line. We must work together to keep our educational program in place. This means that we cannot dwell on what we don’t have as a result of the cutbacks. Rather, we must challenge ourselves to find creative and resourceful ways to press forward with our goals for students and families. At the same time we must accelerate our efforts to lobby Beacon Hill for relief from this reduction in support. Communities must be given either new revenue or the “tools” to generate savings. Without this type of assistance our future budget will become only more intolerable.

Nevertheless, I remain confident that we will work through this budget and do the best possible for our students and families and the community at large.

Roy E. Belson
Superintendent of Schools