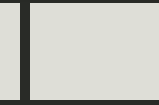




**FY'19 SCHOOL DEPARTMENT OPERATING BUDGET**  
**ANNUAL TOWN MEETING: MARCH 10, 2018**

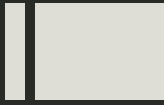
# Agenda



- New superintendent – personal and professional background
- Overview of the budget process and budget document
- The State of the District
- How the budget was built
  - How is the Level Services budget calculated?
- School Committee voted budget
- Comparative data: How does Duxbury stack up?

# The budget process and budget document

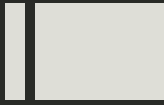
- Completely new budget format for FY'19
  - Organized chart of accounts into cost centers
  - New exhibits and line-item detail
  - Executive Summary that is clear, thorough, and easy-to-understand
  - Primary Goal: Maximum transparency
- Thorough and comprehensive process
  - Leadership team articulated short-term and long-term needs
  - Building a foundation for future budget conversations
  - What's the current "state of the district"?



# The state of the district – what's working

- We have an exceptional faculty and staff, and our students leave Duxbury well-prepared for college and career.
- The community has generously supported new and renovated building projects, and our facilities are in very good shape.
- The district is committed to continuous growth and improvement and has implemented a rigorous curricular review process to ensure relevant and challenging curriculum at all grade levels.
- The district offers top-quality special education services to meet the diverse needs of our students. 96% of students with disabilities participate in inclusive classroom settings.
- The district is in its fourth year of a 1:1 computer program and is committed to the meaningful use of instructional technology, and it has been recognized for its commitment to innovation and continuous improvement.

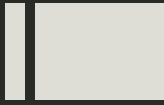




# The state of the district – the challenges

- Some examples of prior-year budget impacts are:
  - Over 50% of all Middle School core subject classrooms (ELA, Mathematics, Science, Social Studies) have class sizes between 25-30 students.
  - DHS has a higher enrollment now than it did in the 2014-2015 school year and has 3.1 FTE fewer teachers. Consequently, we are offering fewer sections of courses and creating more scheduling conflicts and less flexibility.
  - Class sizes continue to increase in the upper elementary grades.
  - Our co-curricular and user fees (e.g. Kindergarten, athletics, etc.) are among the highest of towns in our area.





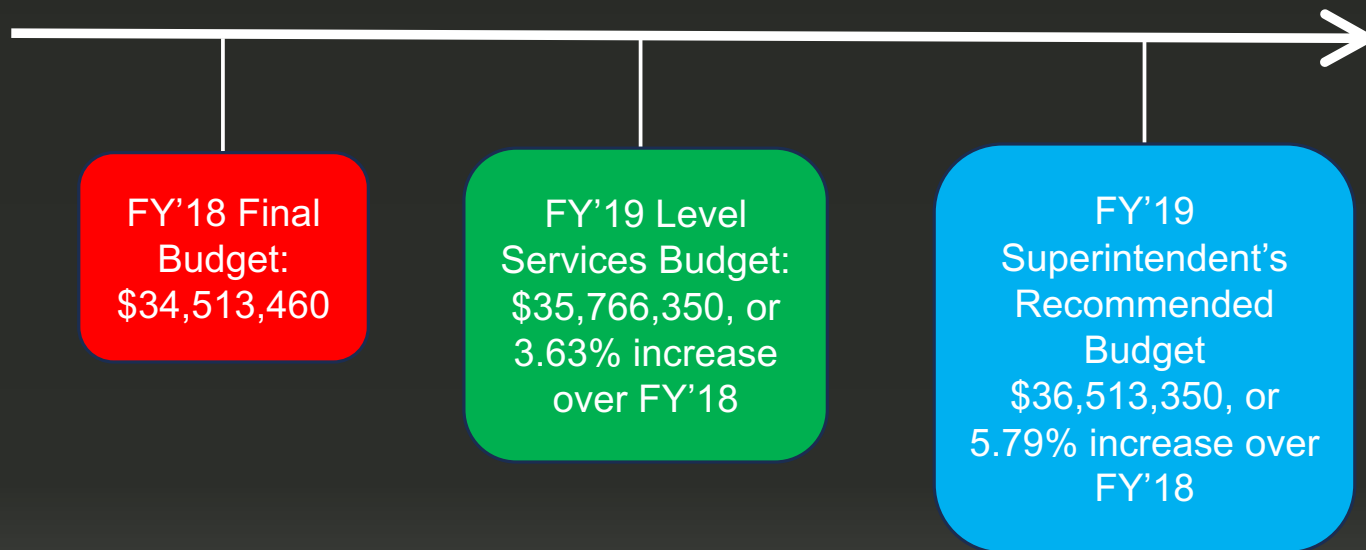
# The challenge for FY'19 and beyond

- Challenging process

- Desire to keep the district moving forward, balanced with the reality that resources in town are limited.
- Still feeling the impact of prior years' budget reductions.
- Historical level of resources committed annually to the school district does not allow us to maintain our current level of service.
- Annual school department budget increase in the range of 3-5% is not uncommon or unexpected – schools are complex organizations.



# Building the budget



- A Level Services Budget essentially allows us to provide the same level of service *next* year, that we are providing *this* year. Level-service budgets typically contain no new services or programs, although there are budget adjustments made to account for contractual obligations, enrollment changes, or other special circumstances.




# Why develop a Superintendent's Recommended Budget?

*Above-and-Beyond Level Services*

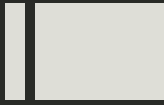
- Recognize that resources are limited and the school department needs to operate within the confines of available revenue from the Town.
- Yet, if the Duxbury Public Schools desire to be among the best in the state, to add institutional value each year, and to think beyond the boundaries of the ordinary and to strive for the extraordinary, then the district can not rest on its prior accomplishments.
- We need to advocate for those items that the school community, administration, and School Committee believe will support the school district in achieving its goal to be in a perpetual state of improvement.
- Because a need goes unfunded, it does mean the need has gone away.



How did we calculate the FY'19 "Level Services" budget?

Budget Action	Budget Impact
<b>Starting Point: Final FY'18 Budget</b>	<b>34,513,460</b>
Increase in Salaries Due to Contractual Obligations (i.e. steps, lanes, cost-of-living increases)	 1,082,584
Increase in expenses due to lower budget offsets (i.e. lower revenue)	131,034
Increase in School Bus Transportation to account for contractual obligation. FY'19 is Year 3 of a 5-year contract.	45,666
Increase to Technology Equipment Repair to maintain aging inventory.	61,161
Increase in Utilities based on projected energy use	46,054
Increase in Vocational Education to account for known obligations	34,225
Increase in Operation & Maintenance to account for known contractual obligations (e.g. service contracts)	40,580
Decreases in salary budget to account for savings in known retirements	(150,000)
Decrease in Special Education to account for known savings in out-of-district tuition	(71,730)
Miscellaneous changes to expense accounts	(8,684)
New personnel: 0.5 FTE Nurse; 0.2 FTE Mandarin Teacher	42,000
<b>Total Level Services Budget</b>	<b>35,766,350</b>
<b>Increase over FY'18 (\$)</b>	<b>1,252,890</b>
<b>Increase over FY'18 (%)</b>	<b>3.63%</b>

# New personnel contained in Level Services Budget



- **0.5 FTE School Nurse: \$30,000**

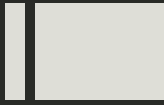
- Current level of service is compromised. We are not able to meet the needs of all students at this time
- Nurse : Student ratios at DHS/DMS are sub-standard
- As we contemplated whether or not to seek a restoration of the Nurse's Assistant position cut in FY'18, we analyzed guidelines for safe staffing and determined that adding back a nurse, not an administrative assistant, was a better solution.

- **0.2 FTE Mandarin at Duxbury High School: \$12,000**

- If we are to continue offering Mandarin I, II, and III, and if we are to add Mandarin IV, this represents a 0.2 FTE increase to the position



# The importance of funding the Level Services Budget



- Level Services Budget request should be viewed as an absolute minimum.
  - Anything less will result in decreases to current services, and could lead to a possible reduction in force, higher class sizes, etc.
  - The school's fiscal and operational health has already been compromised by prior-year budget reductions. A further erosion of services will compromise our ability to provide a first-class education to Duxbury students.



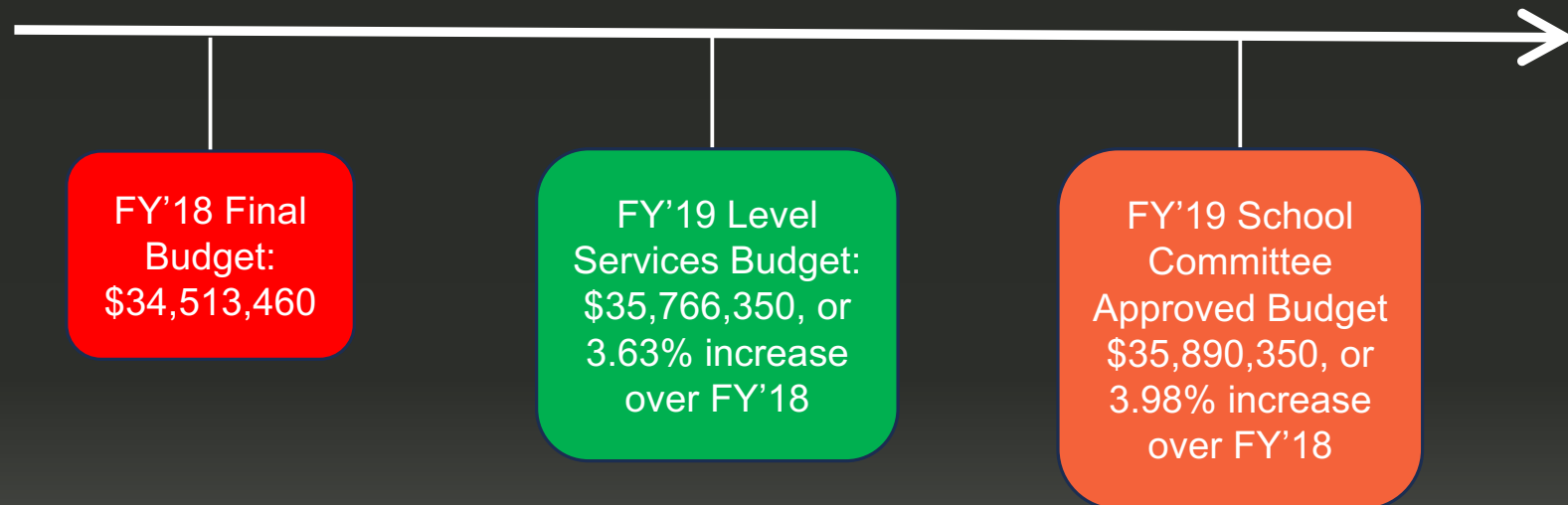
# Town Manager/FinCom Recommended budget – *Funding Gap*

Final FY'18 Budget	\$ 34,513,460
FY'19 Level Services Budget	\$ 35,766,350
Increase (\$)	\$ 1,252,890
Increase (%)	3.63%



Town Manager/FinCom Recommended Budget	\$ 35,594,000
FY'19 Level Services Budget	\$ 35,766,350
Difference	\$ (172,350)


# Original School Committee Approved Budget



# Original School Committee Approved Budget

## *Prioritization of Needs*

Budget Request	FTE	Budget Impact
2.0 FTE Instructional Coaches	2.00	120,000
2.0 FTE Special Education Team Chairs	2.00	180,000
2.9 FTE Middle School Teachers	2.90	174,000
0.4 FTE Art Department Head	0.40	24,000
Net increase to expense accounts		249,000
<b>Total</b>	<b>7.30</b>	<b>747,000</b>



Consensus by the School Committee that the top priority, should there be available funds, was the restoration of teachers at Duxbury Middle School. Thus, the School Committee approved budget contains funds for 2.9 FTE teachers.

# What's missing

*Are there unfunded needs?*

- It is important to articulate the district's needs regardless of the fiscal climate, so that when resources do become available there are no surprises. Here are some items that we would have included if resources were available:
  - Elementary classroom teachers to reduce class size
  - Instructional Technology Coaches
  - Special Education Team Chairs
  - Elementary Math Specialists
  - Art Department Head
  - Elementary Curriculum Assistant (restoration of prior year cut)
  - High School Social Worker (increase to full-time)
  - High School Music Teacher to reduce class size
  - District Technology Assistant (increase to full time)
  - Curriculum materials for Elementary Science and Reading
  - Furniture and Equipment Replacement (district wide)
  - Reduction or elimination of user fees (e.g. Kindergarten, School Bus, etc.)
  - Innovative and authentic programming like Time and Tides
- Because a need goes unfunded, it does mean the need has gone away.



# Comparative Data

*How does Duxbury stack up?*



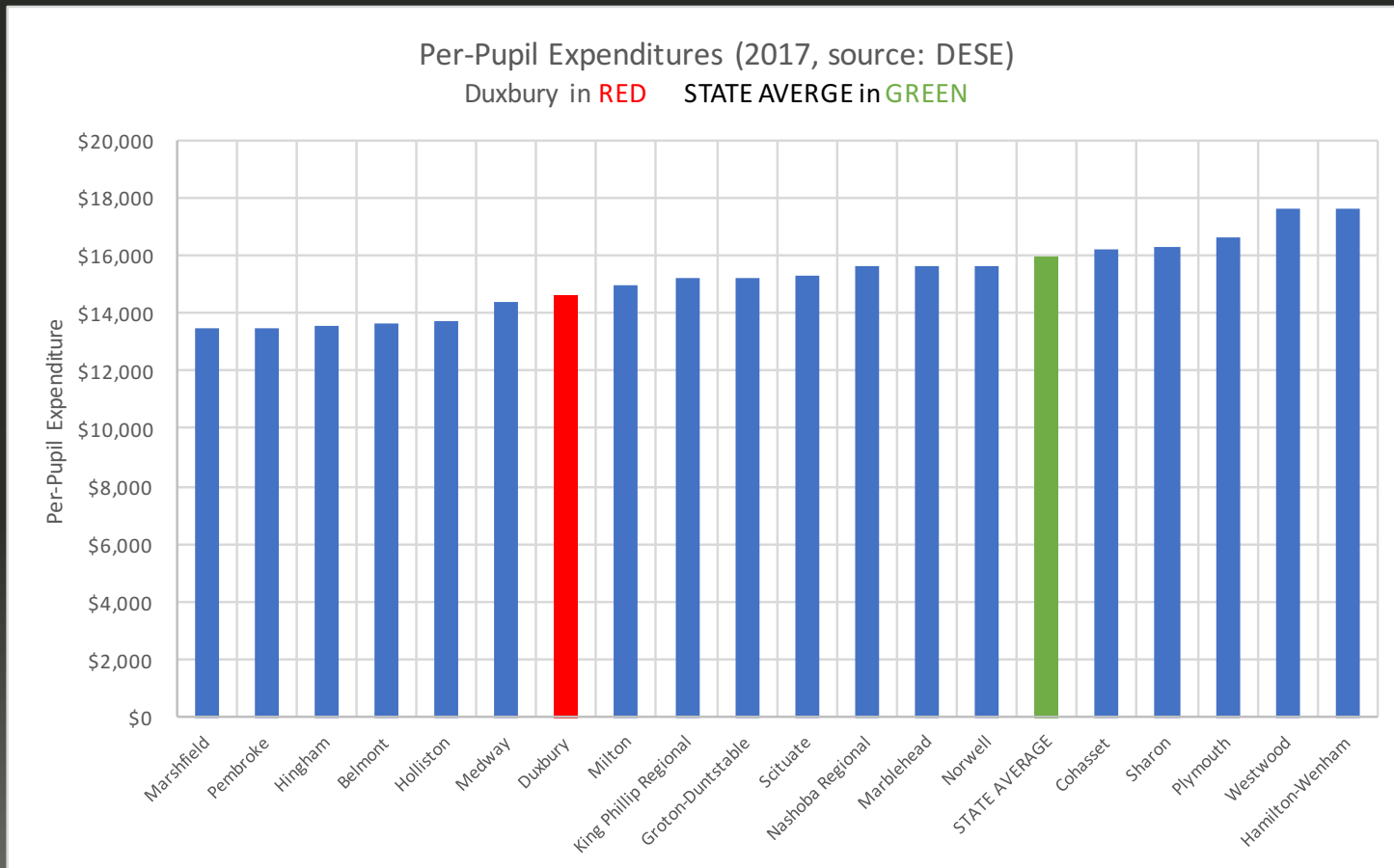


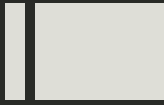


## How does Duxbury's spending on schools compare to other towns?

- Massachusetts' Department of Elementary and Secondary Education (DESE) calculates a "per-pupil expenditure" for all school districts. It is the only apples-to-apples spending comparison available for analysis.
- It is important to analyze per-pupil spending objectively. It would not be reasonable to compare Duxbury's spending to districts with dramatically different demographics, different needs, or even different levels of student achievement.
- To that end, we analyzed our spending against eighteen Towns that were either nearby on the South Shore, or were identified by DESE as comparable to Duxbury (source: DESE Dart tool).

# How does Duxbury's spending on schools compare to other towns?





## How do Duxbury's salaries compare to other towns?

- Given that salaries account for 82% of the overall operating budget. It is a good exercise to see if our salaries are in line with comparable districts. To that end:
  - We first looked at Average Teacher Salary data<sup>1</sup> in comparison to similar districts<sup>3</sup> and/or neighboring towns.
  - We then conducted an analysis of our teachers' salary scale to see how much Duxbury teachers<sup>2</sup> earn over a 10-year, 15-year, 20-year, and 30-year period in comparison to similar districts<sup>3</sup> and/or neighboring towns.

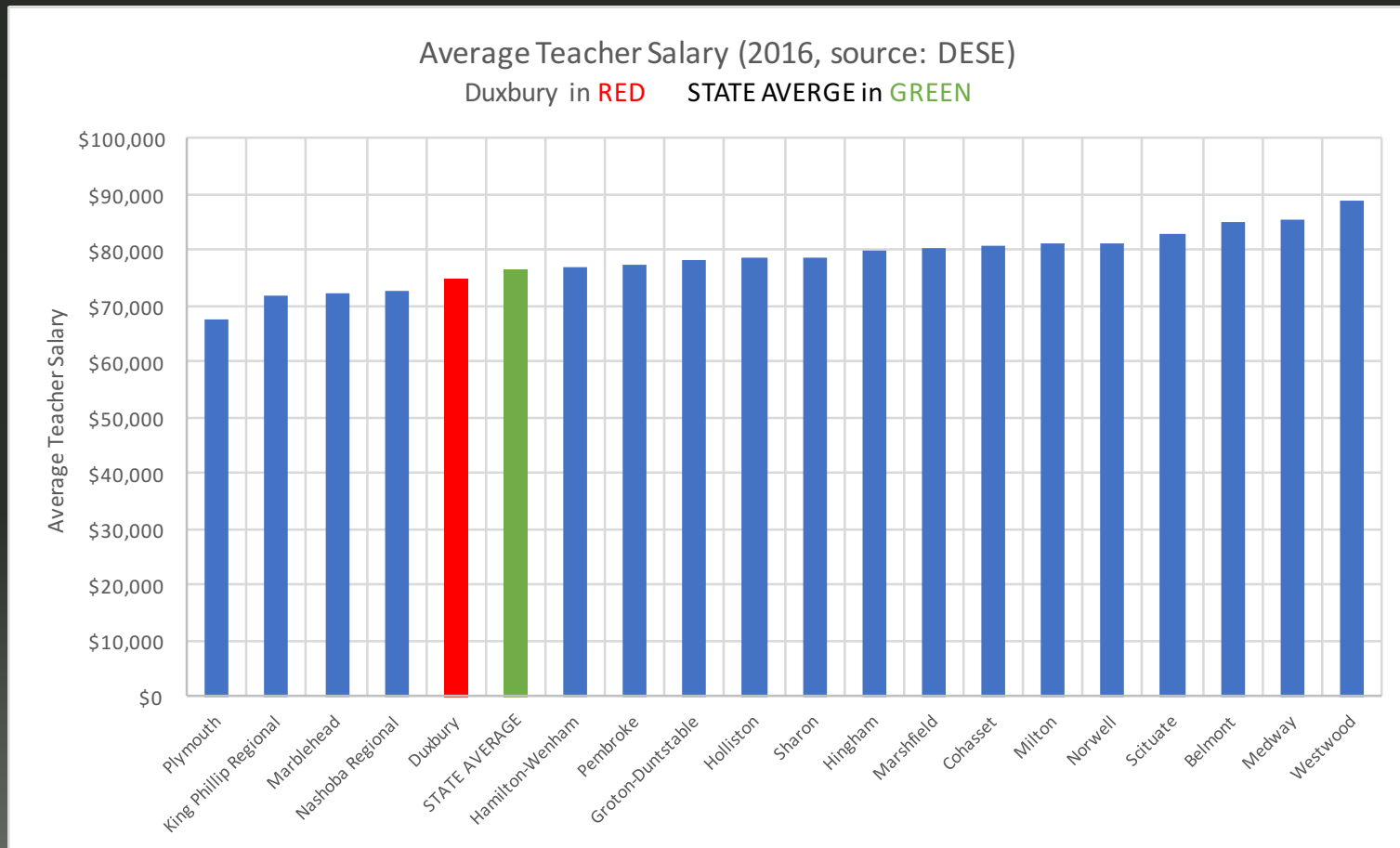
<sup>1</sup> Source: Department of Elementary and Secondary Education

<sup>2</sup> Teachers on the Masters column on the salary scale.

<sup>3</sup> Source: Department of Elementary and Secondary Education District Analysis and Review Tools (DART).

# How do Duxbury's salaries compare to other towns?

## *Average Teacher Salary*



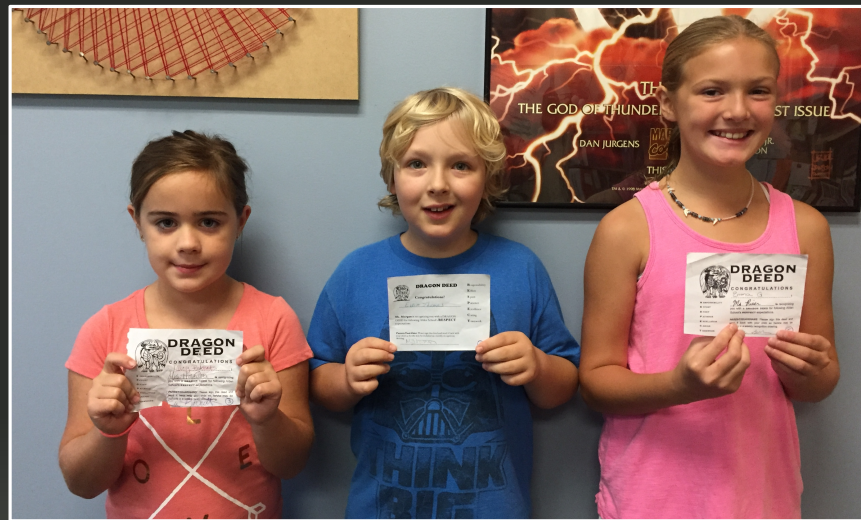
# How do Duxbury's salaries compare to other towns?



# Conclusion

- Can not talk about the budget, or budget cuts, in the abstract.
- There are students and staff behind every line item.
- The decisions we make during the budget process have a direct impact on classrooms, and a direct impact on our ability to provide a top-tier education to Duxbury students.

Thank you for your continued support of the  
Duxbury Public Schools!





Peter Quigley, School Committee Chair



# Duxbury's Town Resources

Free Cash Balances, Stabilization Fund are strong

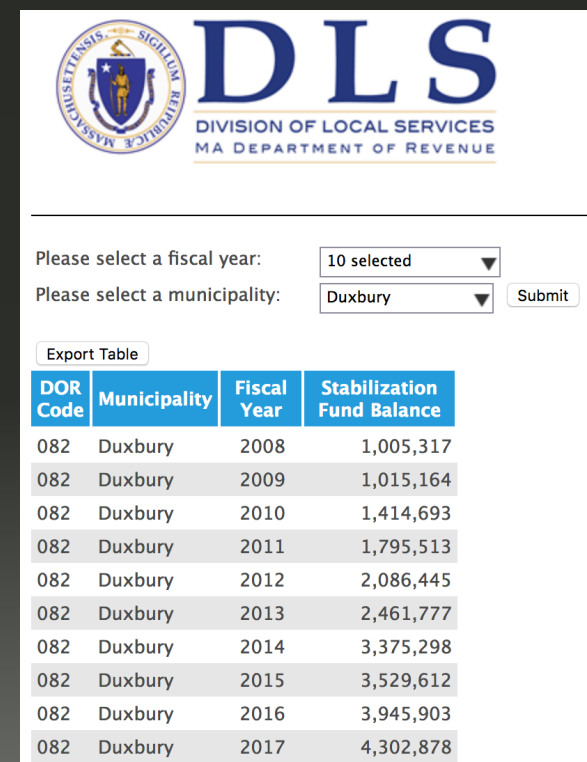
- Free cash 5 year average = \$2.7M - significant % of both overall town Budget and Municipal budgets
- Stabilization Fund Balance = end of FY'16 - \$4M
- Of the over \$2.9 M of free cash articles in front of town residents today, only \$50k is going into the stabilization fund
- Revenue Growth in FY'18 is estimated to be 5.2% YOY higher than '17

## 10 Year Free Cash Balances: Town of Duxbury



DOR Code	Municipality	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
082	Duxbury	2,406,063	1,148,688	3,173,747	3,649,573	3,598,659	4,528,910	2,095,499	3,101,367	2,176,782	3,186,674	2,949,292


## 10 Year Stabilization Fund Balances: Town of Duxbury



DOR Code	Municipality	Fiscal Year	Stabilization Fund Balance
082	Duxbury	2008	1,005,317
082	Duxbury	2009	1,015,164
082	Duxbury	2010	1,414,693
082	Duxbury	2011	1,795,513
082	Duxbury	2012	2,086,445
082	Duxbury	2013	2,461,777
082	Duxbury	2014	3,375,298
082	Duxbury	2015	3,529,612
082	Duxbury	2016	3,945,903
082	Duxbury	2017	4,302,878

# Duxbury's Spending Priorities

Duxbury spends significantly less on our public schools as a % of overall town spending, than communities nearby



DLS

DIVISION OF LOCAL SERVICES

MA DEPARTMENT OF REVENUE

Return to Municipal Financial Dashboard

Print Dashboard

Duxbury

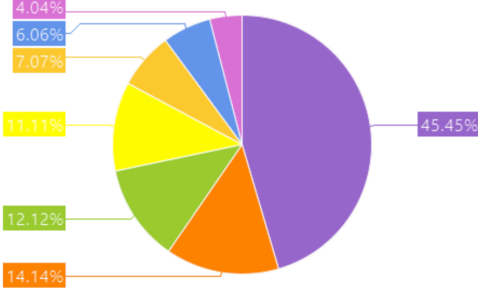
Submit

Town of Duxbury

	% of Total Town spending on schools
Marshfield	49.50%
Scituate	47.52%
Norwell	51.00%
Hingham	48.00%
Kingston	46.50%
Westwood	50.00%
Duxbury	45.45%

General Fund Expenditures by Function

PDF Export



Education

Other

Debt Services

Public Safety

Unclassified

Public Works

General Government

Click here for 351 report

## Duxbury's Finance Committee Recommend FY '19 School Budget Represents Significant Further Erosion in Level of Support for Our Schools, in relation to overall Town Spending

School Budget Notes		Budgets	Additional (*)	Operating Budget	YOY		
	FY 12	\$28,946,458	\$0	(Adjusted)	(%)		
	FY 13	\$29,796,458	\$0	\$29,796,458	2.9%		
	FY 14	\$30,933,458	\$0	\$30,933,458	3.8%		
	FY 15	\$31,933,458	\$300,000	\$32,233,458	4.2%		
	FY 16	\$32,633,460	\$300,000	\$32,933,460	2.2%		
	FY 17	\$33,593,460	\$380,000	\$33,973,460	3.2%		
	FY 18	\$34,513,460	\$700,000	\$35,213,460	3.6%		
	FinCom Proposed FY 19	\$35,594,000	\$131,930	\$35,725,930	1.5%		
			FY ' 13 - FY'18 - 6 Year Average		3.3%		
(*) Additional Funds reflect additional town expenditures that directly support school operating budget							
FY 14 - FY 18	Town paid \$300k annually for four years, for laptop lease program						
FY 16-17	Town meeting transfer of \$80k to fund first year of contract settled after budget was finalized						
FY 17-18	Town additional funding to support school operations, 400,000 into SPED Stabilization fund, \$300k laptop lease						
FY 19	Town has shifted laptop expense to operating budget, and proposed returning to SPED stabilization \$138 returned by schools end of FY'17						

# The FY'19 Budget Impasse comes at a time of significant challenges and opportunities for our schools

## **Step change in cost of technology in public education**

- Infrastructure, telecom, software, hardware, maintenance and training
- Now considered a 4<sup>th</sup> utility in education and virtually all walks of life
- Reliability, Effectiveness, and Performance all required

## **Continued unfunded growth in Special Education Costs**

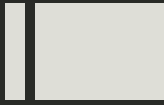
- 6.9% 10 year average growth in Duxbury SPED expenditures
- 3% +/- historical growth in operating budgets and state support

## **Professional Development, Training**

- Increasing cost to develop, and support the schools most valuable resource, our teachers and staff
- 5 year curriculum review, entirely new state testing standards, technology impact

## **New Leadership**

- Duxbury has hired a new superintendent, with an exceptional track record of leadership management, and results
- Our goal is to make continuous progress to improve overall Duxbury Public School District Performance
- Treading water or trying to manage with declining support from the town, was not part of the job description



## **The School Committee Believes that this level of school funding, or further changes of town spending priorities, has not been subject of public discussion, debate, and/or agreement**

- **As superintendent communicated, the FY'19 FinCom recommended budget is \$172,350 below level services funding for the schools in FY'19**
- **The school committee, and the taxpayers option to remedy this situation are limited for FY'19**
- **The projected unused tax levy for FY'19, we believe is conservative, but estimated by town officials at \$101,644**
- **All but \$28k of the \$2.9M of the taxpayers free cash, will be spent on the articles in the special and ATM**
- **The School committee is not prepared, or willing, to support a motion that would reduce funding to other town departments to meet the level service budget for FY'19**
- **The School Committee, and we believe the Duxbury community as a whole, will not accept a continued reduction in spending on our public schools in relation to our overall town's resources, and spending priorities**

# Technology Budget

# Technology Budget: FY'17 to FY'21

Tech Budget Category	FY2017	FY 2018	FY2019	FY2020	FY2021
New Equipment	\$588,000	\$549,540	\$246,540	\$576,607	\$568,560
District Tech Contracted Services	\$308,607	\$397,253	\$365,000	\$389,000	\$402,000
Building Tech Instructional Supplies	\$60,527	\$72,605	\$78,829	\$81,194	\$83,630
Building Tech Equipment Repair	\$55,723	\$87,404	\$155,000	\$80,000	\$82,500
Telephony	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Total	\$1,092,857	\$1,186,802	\$925,369	\$1,206,801	\$1,216,690