

***Office of the Superintendent***  
**Acton-Boxborough Regional School District**  
**16 Charter Road**  
**Acton, MA 01720**

**To: Acton Boxborough Regional School Committee Members**  
**From: Glenn A. Brand**  
**Date: January 8, 2016**  
**Re: FY17 Superintendent's Preliminary Budget Request**

It is my pleasure to provide you with my *FY17 Superintendent's Preliminary Budget Request* for the Acton-Boxborough Regional School District in preparation for our third and final budget presentation at your meeting on January 14<sup>th</sup>.

***FY17 Budgetary Overview:***

The FY17 Preliminary Budget totals \$83,426,767. This amount reflects an increase of \$3,130,372 or 3.9% from the current FY16 budget. This operational budget translates to an overall increase in the total assessment to member towns of 4.8% and increases for the Town of Acton of 5% and for the Town of Boxborough of 4%.

Within the accompanying pages you will find a detailed budget overview provided by our Director of Finance. This overview specifically provides a detailed view of the character code roll-up capturing expenses within the major categories. These categories include salaries, fringe benefits, instructional supplies and the range of other necessary services from legal to custodial, needed to educate our students Pre K – age 21, along with the operation of eight buildings and their grounds.

Table 6 is included within the following information and provides a more thorough view of the impact of this proposed budget on the preliminary assessment, according to the regional agreement, for the citizens of Acton and Boxborough.

It is important to note that the information included herein provides historical financial data back only to the 2014-15 school year (FY15). This reflects the common view held by both the administration and members of the School Committee that comparing expenses between FY14 (the fiscal year prior to regionalization) to that of FY15 (the first year of regionalization) is not valuable given the many variables before and after full regionalization.

This budget represents hundreds of hours of work behind the scenes by all of the members of my administrative team. Beginning in October, this budget process began as the administrative team was asked to thoroughly review their budgets and develop a request that, to the best of our current ability, identified the necessary fiscal resources to provide service to a student population eight (8) months from now. This is of course is a challenging task given the reality of the changing landscape before us represented by constantly changing student needs.

I am confident, however, that this represents a proposal that is, I believe, reasonable in its ability to sustain the current level of services within the district while providing a modest

increase in services dedicated towards our efforts of addressing the complex needs of our expanding student population.

***The FY17 Budget in Context:***

The enclosed Budget Overview report provided by our Finance Director provides a thorough analysis of the significant changes from FY16 to FY17.

One of the hallmarks of this upcoming budget year is that it is anticipated that FY17 revenue from State Aid is “flat”, providing no anticipated change to help offset any respective increases in necessary expenses.

This budget also represents calculated reductions in spending and efforts have been put forth in carefully considering where the district can reduce and minimize spending.

As previously identified in my second budget presentation at your 12/17/15 meeting, the budget also includes an additional resource request for specific staffing. These requests continue to be largely centered around the district’s measured and calculated efforts to enhance the level and types of services believed to be necessary to best meet the needs of our incredibly changing and complex study body. This theme as the “budget story” only continues for our district as we make efforts to respond to the changes before our educators in our classrooms.

Along with the administrative team, I have thoroughly reviewed all of these budgetary lines as reported. Efforts have been made to tighten up and make appropriate reductions where possible and I am most committed to continuing to look for efficiencies and changes in practice that may continue to provide cost savings for our district.

***The FY17 Budget in Connection to the District’s Long-Range Strategic Plan***

As you are aware, the district has in place a long-range strategic plan that extends through the end of the current 2015-16 school year. My administration remains committed to the broad goals that this plan outlines for the district. During Budget Saturday, I intend to provide a more detailed review of the current goals and how this FY17 budget proposal aligns with some of the specific outcomes that were established within this plan as we remain committed to our stated mission of “..preparing all students to attain their full potential as lifelong learners, critical thinkers and productive citizens of our diverse community and global society.”

***Primary Concerns Related to the Budget Request:***

The reality for our organization is that our budget continues to be highly centered on staffing with over \$52 million committed to salaries and \$13 million in fringe benefits (excluding OPEB) related to our staffing levels. Combined, this represents a total of \$65,517,980 or 78% of the total operating budget and is necessary to support our contractual commitments.

Any efforts to reduce our current budget request will be difficult to achieve without impacting staffing and, thus, the current level of services provided in the district.

Finally, I continue to be concerned about the total financial commitment that our budgets have historically dedicated to capital improvements. As you will note, while this budget includes a rather modest amount to expand this commitment, it will not be my recommendation to request any further funding requests at this time until we have a full and complete sense of our district-wide needs as identified in the Capital Study now underway.

***Looking Ahead:***

***Thursday, January 14*** – ABRSC Meeting - FY17 Budget Presentation #3

The third FY17 budget presentation is scheduled for this meeting with the intention of briefly sharing with the Committee and our communities information related to the Superintendent's FY17 Recommended Budget request.

***Saturday, January 23*** – ABRSC FY17 Budget Saturday and Preliminary Vote by the Committee

***Thursday, February 4*** – ABRSC Meeting

***Thursday, February 11*** – ABRSC FY17 Annual Budget Public Hearing

I look forward to continuing this important conversation with you at your next regularly scheduled meeting on January 14.

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## ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT

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### FY'17 SUPERINTENDENT'S PRELIMINARY BUDGET REQUEST

School Committee Meeting  
January 14, 2016

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## FY'17 Budget – Review of prior information

- November 17<sup>th</sup> - Fees reviewed and adjusted
- December 3<sup>rd</sup> - Priorities around the FY'17 budget request were outlined
- Budget priorities were defined:
  - Address student needs: Staff levels to support social, emotional & learning needs of increasingly diverse student body
  - Complete capital & educational needs assessment and space review
  - Staff adjustments to match guidelines for class sizes
- Budget assumptions were presented: Revenues, Expenses
- 5 year history of E&D, Special Education drivers were reviewed
- Budget drivers were identified and discussed

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## FY'17 Budget – Review of prior information

- December 17<sup>th</sup> - Overview of FY17 preliminary budget and personnel changes and capital requests
  - Revenues – net state aid increase .5% over FY16
  - Expenditures: major areas: + 4.1% Total Expenditures
    - + 3.1% Salary & other compensation
    - + 6.7% Fringe & related costs
    - + 4.6% Special Ed tuitions and transportation
    - +10.6% Capital outlay and debt service
    - + 4.2% All other
  - Preliminary Assessments: + 5% total
    - +5.2% Acton
    - +4.2% Boxborough

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## FY'17 Budget –Update 1/14/16

- Packet Contents:
  - Superintendent Preliminary Budget Request Memo
  - Director of Finance FY17 Budget Overview Memo (including preliminary assessments)
  - Detail line item budget:
    - FY15 Budget & Actual
    - FY16 Budget and YTD
    - FY17 Superintendent Recommended Budget
- Department FY17 Presentations this evening:
  - Facilities & Transportation
  - Educational Technology
  - Teaching & Learning
  - Community Education

## FY'17 Budget –Presentation Restatement Charter and Choice Tuition Costs

Acton Boxborough Regional School District Revenues and Funding Sources	FY'15 Budget- Revoted	FY'15 Actual	FY'16 Budget	Preliminary FY'17 Budget	Inc (Dec) FY'17	%
SCHOOL CHOICE ASSESSMENT	(91,711)	(118,465)	(103,099)	(120,000)	(16,901)	16.4%
CHARTER SCHOOL ASSESSMENT	(541,005)	(373,438)	(430,739)	(443,983)	(13,244)	3.1%
SPECIAL EDUCATION ASSESSMENT	(12,675)	(12,398)	(12,675)	(12,675)	-	0.0%
<b>Total revenue offsets reclassified to expense</b>	<b>(645,391)</b>	<b>(504,301)</b>	<b>(546,513)</b>	<b>(576,658)</b>	<b>(30,145)</b>	

*\*Reclassified FY15 & FY16 Assessments from Revenue Offsets to Expenditure for budget presentation consistent with DESE and Audit financial reporting.  
Net impact to Assessments is zero; both Revenue and Expenditures increase equally.*

## FY'17 Budget –Revenue Update -No changes; await State Budget release

Acton Boxborough Regional School District Revenues and Funding Sources	FY'15 Budget- Revoted	FY'15 Actual	FY'16 Budget	Preliminary FY'17 Budget	Inc (Dec) FY'17	%
CHAPTER 70 AID	\$ 14,254,476	\$ 14,254,476	\$ 14,393,376	\$ 14,531,276	\$ 137,900	1.0%
REGIONAL TRANSPORTATION	1,537,078	1,353,855	1,266,283	1,190,000	(76,283)	-6.0%
REGIONAL BONUS AID	139,000	136,900	111,200	74,000	(37,200)	-33.5%
CHARTER SCHOOL REIMBURSEMENT	133,282	25,810	26,761	27,683	922	3.4%
<b>Total State Aid</b>	<b>\$ 16,063,836</b>	<b>\$ 15,771,041</b>	<b>\$ 15,797,620</b>	<b>\$ 15,822,959</b>	<b>\$ 25,339</b>	<b>0.2%</b>
EARNINGS ON INVESTMENTS	-	14,876	-	-	-	
MISCELL REVENUE	-	111,831	-	-	-	
MEDICAID REIMBURSEMENT	-	48,109	-	-	-	
<b>Total Revenues</b>	<b>16,063,836</b>	<b>15,945,857</b>	<b>15,797,620</b>	<b>15,822,959</b>	<b>25,339</b>	<b>0.2%</b>
REGIONAL ASSESSMENT-ACTON	49,690,145	49,690,147	53,171,009	55,839,692	2,668,683	5.0%
REGIONAL ASMNT - BOXBOROUGH	10,594,577	10,594,579	11,120,240	11,564,116	443,876	4.0%
ADDTL MCRS ASSESSMENT-ACTON	384,255	384,255	-	-	-	
ADDTL MCRS ASMNT - BOXBOROUGH	67,042	67,042	-	-	-	
<b>Total Assessments</b>	<b>60,736,019</b>	<b>60,736,023</b>	<b>64,291,249</b>	<b>67,403,808</b>	<b>3,112,559</b>	<b>4.8%</b>
PREMIUMS ON LOANS	658	658	7,526	-	(7,526)	-100.0%
TRANSFER FROM E&D	300,000	300,000	200,000	200,000	-	0.0%
<b>TOTAL FUNDING SOURCES</b>	<b>77,100,513</b>	<b>76,982,538</b>	<b>80,296,395</b>	<b>83,426,767</b>	<b>3,130,372</b>	<b>3.9%</b>

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## FY'17 Budget –Expenditure Update

Total Expenditures 12/17/15	\$ 83,029,177
Reclassify State assessments for Tuitions:	576,658
Net Cost reductions from budgetary review *	<u>(179,068)</u>
Superintendent Recommended Budget	<u>\$ 83,426,767</u>
Increase over FY16	3.9%

### Cost Changes primarily due to:

- Final notification of retirements planned, Sub and OT budgets
- Worker Compensation to trend (post audit)
- Telephone Maintenance contract savings
- Increase Unemployment
- Lower Field Debt partial payment by FOLF

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## FY'17 Budget – Updated Summary

- . Revenues – net state aid increase .2% over FY16
- . Expenditures: major areas: + 3.9% Total Expenditures
  - . + 2.9% Salary & other compensation
  - . + 7.0% Fringe & related costs
  - . + 4.6% Special Ed tuitions and transportation
  - . + 6.3% Capital outlay and debt service
  - . + 4.2% All other
- . Preliminary Assessments: + 4.8% total
  - . +5.0% Acton
  - . +4.0% Boxborough

## FY'17 Preliminary Assessments – Changes since 12/17/15

Member Town Assessments	FY16	FY17 At 12/17/15	FY17 at 1/14/16	FY17 Change v. FY16
Acton \$ Acton % increase	\$53,171,009 6.2%	\$55,919,171 5.2%	\$55,839,692 5.0%	\$2,668,683
Boxborough \$ Boxborough % increase	\$11,120,240 4.3%	\$11,587,423 4.2%	\$11,564,116 4.0%	\$ 443,876
Total \$ Total %	\$64,291,249 5.9%	\$67,506,593 5.0%	\$67,403,808 4.8%	\$3,112,559

## FY'17 Budget: Next Steps

- **January 23 – Budget Saturday Meeting and Preliminary Vote**
  - 8:30 a.m. in the RJG Junior High Library
- **February 4 – School Committee Meeting**
- **February 11 – FY'17 ABRSD Budget Hearing**
  - 7:00 p.m. in the RJG Junior High Library



## FY'17 Budget

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## Questions & Discussion

***Superintendent's Office***  
**Acton-Boxborough Regional School District**  
**16 Charter Road**  
**Acton, MA 01720**

**To: Acton Boxborough Regional School Committee**  
**From: Glenn A. Brand**  
**Date: December 11, 2015**  
**Re: FY17 Superintendent's Preliminary Budget Request**

Please find enclosed in this packet information that provides an overview of the district's FY17 budget status at this time in our budget development process.

With the fact that Budget Saturday has been moved up in January, it is the case that at this point in the month there remains considerable work still to go within the Finance Department as it relates to a thorough analysis of all budgetary responsibilities as we try and project sound estimates for the 2016-17 school year.

Within this packet you will find information on the following in support of our next budget presentation at your meeting on December 17:

- Presentation slides that provide an overview of the current status of the FY17 budget at this time inclusive of personnel changes and capital requests;
- Table 6 for both FY16 and FY17 (based upon current projections) for comparative purposes;
- A more complete listing of personnel changes;
- A summary of revenue
- Class section changes
- Four year personnel chart projections

As noted within the attached presentation, the current FY17 budget represents an increase of 4.1%, or \$3,279,295 in overall expenses from our current budget. Efforts will continue over the course of the next few to continue to review all budget lines and the administration will continue its efforts of seeking to identify possible areas where we can reduce or economize our services in an effort to try and minimize any overall increases to the budget. As you will note, the sum total of new proposed positions is a relatively small request when considered alongside other staffing reductions and/or budget reductions that have been proposed. However, as will continue to be the case for an organization as large as ours, uncontrollable costs including salaries tied to contractual obligations, fringe benefits, out of district tuitions, utilities and an increase in commitment to capital funding represents the majority of operational cost increases for our district.

I look forward to sharing this budget information with you at your next regularly scheduled meeting on Thursday, December 17.



## ACTON-BOXBOROUGH REGIONAL SCHOOL DISTRICT

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### FY'17 SUPERINTENDENT'S PRELIMINARY BUDGET REQUEST

School Committee Meeting  
December 17, 2015

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## FY'17 Budget- Superintendent Preliminary Budget

- Presentation #1 12/3/15
  - Budget priorities, drivers and fee approvals
- Presentation #2 12/17/15
  - Overview of FY17 Budget status, personnel changes and capital requests
- Presentation #3 1/14/16
  - Superintendent Recommended Budget by line item detail

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## FY'17 Budget Priorities

At the December 3<sup>rd</sup> ABRSD School Committee we outlined the following budget priorities:

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.

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## FY'17 Budget Priorities

*Enrollment is gradually decreasing, but number of high needs students is increasing*

- ELL
- Special Education
- Economically Disadvantaged
- Mental Health

## FY'17 Preliminary Budget Overview

*The presentation is preliminary;  
continued "fine tuning" on-going*

- Expense budget increasing 4.1%
- State aid is increasing .5%
- Assessments rising 5%

*(FY'16 increase to Assessments was 6.6%  
Above the Voted FY'15 Assessment, and  
5.9% above the Voted Assessment plus MCRS  
Agreement).*

	FY'15	FY'16	FY'17
	Budget	Budget	Preliminary
Budget	\$ 76,455,123	\$ 79,749,882	\$ 83,029,177
Increase \$		\$ 3,294,759	\$ 3,279,295
Increase %		4.3%	4.1%
Revenues	\$ 15,418,445	\$ 15,251,107	\$ 15,322,584
Increase \$		\$ (167,338)	\$ 71,477
Increase %		-1.1%	0.5%
Use of Reserves: E&D	\$ 300,000	\$ 200,000	\$ 200,000
Assessments	\$ 60,736,019	\$ 64,291,249	\$ 67,506,593
Increase \$		\$ 3,555,230	\$ 3,215,344
Increase %		5.9%	5.0%

## FY'17 Revenues –

### Assumptions until Governor Budget Released

- State aid: Ch. 70 increase at \$25 per pupil = 1%
- Regional Transportation: Assume 65% reimbursement of FY16 costs for students > 1.5 miles
- Regional Bonus Aid: (Year 3 of 5) Bonus for expanding region-declining yearly: \$50/\$40/\$30/\$20/\$10
- Assessments:
  - School Choice (14.3 students FY'15) –Estimated FY'17-may update
  - Charter Schools (31 students FY16, 29.9 FY'15)- assumes 7.5% tuition growth based on history; same # of students as FY'16

*All above items subject to update when additional data is available*

## FY'16 Revenues – Ch. 70 Aid

[Return to Index](#)

7/19/15

### Massachusetts Department of Elementary and Secondary Education FY16 Chapter 70 Summary

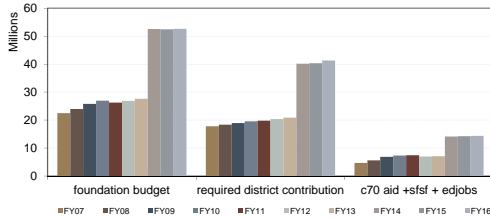
600Acton Boxborough

#### Aid Calculation FY16

Prior Year Aid	
1Chapter 70 FY15	14,254,476
Foundation Aid	
2Foundation budget FY16	52,599,957
3Required district contribution FY16	41,315,952
4Foundation aid (2 - 3)	11,284,005
5Increase over FY15 (4 - 1)	0
Minimum Aid	
6Minimum \$25 per pupil increase	138,600
Non-Operating District Reduction to Foundation	
6Reduction to foundation	0
FY16 Chapter 70 Aid	
7sum of line 1, 5 minus 6	14,393,076

#### Comparison to FY15

	FY15	FY16	Change	Pct Chg
Enrollment	5,649	5,544	-105	-1.86%
Foundation budget	52,422,543	52,599,957	177,414	0.34%
Required district contribution	40,290,368	41,315,952	1,025,584	2.55%
Chapter 70 aid	14,254,476	14,393,076	138,600	0.97%
Required net school spending (NSS)	54,544,844	55,709,028	1,164,184	2.13%
Target aid share	25.27%	21.89%		
C70 % of foundation	27.19%	27.36%		
Required NSS % of foundation	104.05%	105.91%		



## FY'17 Revenues - School Choice

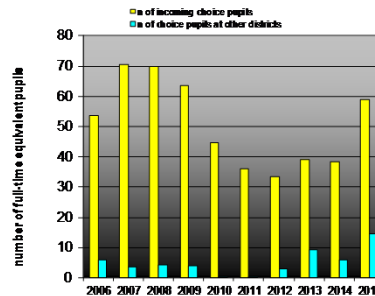
### Massachusetts Department of Elementary and Secondary Education Office of School Finance

600 ACTON BOXBOROUGH

#### School Choice Trends in Enrollment and Tuition

600 ACTON BOXBOROUGH

FY	—Receiving—		—Sending—	
	FTE Pupils	Tuition	FTE Pupils	Tuition
2006	53.50	267,500	6.01	156,087
2007	70.69	370,636	3.72	18,329
2008	70.00	402,183	4.40	23,765
2009	63.66	345,180	3.90	19,500
2010	44.78	251,722	0.31	1,550
2011	36.00	211,848	0.34	4,100
2012	33.35	192,628	3.12	21,513
2013	39.00	235,418	9.38	61,790
2014	38.30	232,980	6.00	47,889
2015	59.00	354,907	14.50	103,099



## FY'17 Revenues - detail

Revenues and Funding Sources	FY15 Budget- Revoted	FY15 Actual	FY16 Budget	PRELIMINARY DRAFT 12/10/15		
				FY17 Budget	Inc (Dec) FY17	% CHANGE
CHAPTER 70 AID	14,254,476	14,254,476	14,393,376	14,531,276	137,900	1.0%
SCHOOL CHOICE ASSESSMENT	(91,711)	(118,465)	(103,099)	(120,000)	(16,901)	16.4%
CHARTER SCHOOL ASSESSMENT	(541,005)	(373,438)	(430,739)	(443,983)	(13,244)	3.1%
SPECIAL EDUCATION ASSESSMENT	(12,675)	(12,398)	(12,675)	(12,675)	-	0.0%
REGIONAL TRANSPORTATION	1,729,727	1,353,855	1,266,283	1,266,283	-	0.0%
REGIONAL TRANSPORTATION REVOLVING	(192,649)	-	-	-	-	-
REGIONAL BONUS AID	139,000	136,900	111,200	74,000	(37,200)	-33.5%
CHARTER SCHOOL REIMBURSEMENT	133,282	25,810	26,761	27,683	922	3.4%
<b>Total State Aid, Net</b>	<b>15,418,445</b>	<b>15,266,740</b>	<b>15,251,107</b>	<b>15,322,584</b>	<b>71,477</b>	<b>0.5%</b>
EARNINGS ON INVESTMENTS	-	14,876	-	-	-	-
MISCELL REVENUE	-	111,831	-	-	-	-
MEDICAID REIMBURSEMENT	-	48,109	-	-	-	-
<b>Total Revenues</b>	<b>15,418,445</b>	<b>15,441,556</b>	<b>15,251,107</b>	<b>15,322,584</b>	<b>71,477</b>	<b>0.5%</b>
REGIONAL ASSESSMENT-ACTON	49,690,145	49,690,147	53,171,009	55,919,171	2,748,162	5.2%
REGIONAL ASMNT - BOXBOROUGH	10,594,577	10,594,579	11,120,240	11,587,423	467,183	4.2%
ADDTL MCRS ASSESSMENT-ACTON	384,255	384,255	-	-	-	-
ADDTL MCRS ASMNT - BOXBOROUGH	67,042	67,042	-	-	-	-
<b>Total Assessments</b>	<b>60,736,019</b>	<b>60,736,023</b>	<b>64,291,249</b>	<b>67,506,593</b>	<b>3,215,344</b>	<b>5.0%</b>
PREMIUMS ON LOANS	658	658	7,526	-	(7,526)	-100.0%
TRANSFER FROM E&D	300,000	300,000	200,000	200,000	-	0.0%
<b>TOTAL FUNDING SOURCES</b>	<b>76,455,122</b>	<b>76,478,237</b>	<b>79,749,882</b>	<b>83,029,177</b>	<b>3,279,295</b>	<b>4.1%</b>

## FY'17 Expenditures

Expenditures- major categories	FY15 Budget- Revoted	FY15 Actual	FY16 Budget	PRELIMINARY 12/10/15		
				FY17 Budget	Inc (Dec) FY17	% CHANGE
Salaries and other compensation	48,747,610	48,965,786	50,776,545	52,343,896	1,567,351	3.1%
Fringe benefit and related costs	12,028,054	11,367,630	13,242,836	14,127,517	884,681	6.7%
<i>Fringe as % of total compensation</i>	24.7%	23.2%	26.1%	27.0%		
Special Education tuition and transportation	6,553,925	6,695,680	6,798,598	7,110,212	311,614	4.6%
Capital outlay and debt service	2,389,363	2,533,304	2,251,202	2,489,277	238,075	10.6%
All other	6,736,172	6,248,942	6,680,701	6,958,275	277,574	4.2%
<b>TOTAL EXPENDITURES</b>	<b>76,455,124</b>	<b>75,811,341</b>	<b>79,749,882</b>	<b>83,029,177</b>	<b>3,279,295</b>	<b>4.1%</b>

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## FY'17 Budget

Salaries & Other Compensation +3.1%

- Teacher Contract settled through 6/30/17
- Two smaller contracts expire 6/30/16
- Overtime Level funded

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## FY'17 Budget

Benefits and related costs +6.7%

- Health insurance assumes 8% rate increase-  
Rate adjustment usually known in February
- Middlesex County Retirement increases 6.4% to  
\$2,086,065
- OPEB funding increases 14.3% from \$700,000 to  
\$800,000 according to plan



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## FY'17 Budget

Special Education Tuition and Transportation +4.6%

- Tuitions:
  - For known students with 3% rate increase assumed for CASE Collaborative; rates not set
  - Circuit Breaker offset estimated at 68% of projected FY16 costs
  - Benefit of many graduation/aging out students
- Transportation:
  - CASE Assessment-Preliminary estimate rising 9.5% or \$133K due to increased usage

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## FY'17 Budget

Capital and Debt Service +10.6%

- Capital increase 147.9K to reflect prioritized needs, especially Phase 2 of Existing condition study and Conant Building heaving
- Debt Service:
  - As scheduled for Jr. High, Sr. High and Lower Fields –increases 2%
  - All Elementary School Debt held by Towns

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## FY'17 Budget

Utilities +11.9%

- New Electric rates effective 12/1/15 increase 13% all Acton locations
- Possible Solar Offset –to be determined

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## FY'17 Preliminary Assessment

	TOTAL	Acton	Boxborough
FY'17 Total expenditures	\$83,029,177	\$70,475,747	\$ 12,553,430
FY'17 Other funding sources	+15,522,584	\$13,163,151	\$2,359,433
FY'17 Assessment	\$67,506,593	\$55,919,171	\$11,587,423
FY'16 Assessment	\$64,291,249	\$53,171,009	\$11,120,240
FY'17 Assessment Increase	\$3,215,344	\$2,748,162	\$467,183
FY'17 % Increase	5.0%	5.2%	4.2%

## Capital Planning - Objective

- Maintaining the infrastructure of our eight (8) facilities and all of our campus space is critical.
- The district will continue with its ongoing efforts to maintain and improve the condition of our buildings, technology and overall learning environments.
- Within the FY'17 budget, there is a continuing commitment to complete a long-term view of our capital needs through an *Existing Conditions Study*.

## FY'17 Capital Plans - Process

1. Requests submitted annually with budgets from any Administrator
  - Reviewed by Director of Facilities and Superintendent
  - Reviewed by Director of Finance for possible other funding sources
2. Prioritized according to:
  - Health or Safety
  - Required for Program Delivery
  - Timeframe needed
  - Defer to Existing condition study completion
3. School Leadership Team review of items requested for FY17 only
4. Superintendent decision for funding within increased Capital Budget of \$273,000

FY'17 Capital Requests	TOTAL
TOTAL REQUESTS	\$1,103,956
Funded in other budgets	\$95,720
Funded in Capital Budget	\$273,000
Deferred requests	\$735,237

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## FY'17 Capital Budget-Preliminary

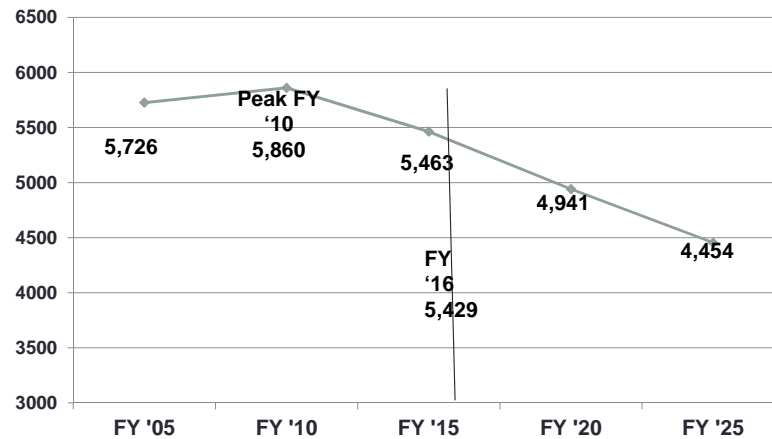
Location	Description	Estimate
Superintendent	Existing Conditions Study –Phase 2	\$120,000
Conant	North Corner of Building heaving	\$ 75,000
Junior High	Furnish and equip 2 new learning centers	\$ 18,000
High School	Begin Concrete replacement	\$ 25,000
Blanchard	HVAC Controls	\$ 25,000
McTowne	Carpet program -replacement with tile	<u>\$ 10,000</u>
	TOTAL CAPITAL BUDGET	<u>\$273,000</u>

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## Enrollment and Class Section Planning

Long Range Plan to address declining enrollment and increased numbers of high needs students

## K-12 Enrollment FY '05 - FY '25



Numbers reflect all K-12 students from Acton and Boxborough. They do not include choice or preschool. Including choice and preschool, FY '16 enrollment is 5,668.

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## Enrollment Trends

- Student enrollment is dropping but the number of high needs students is growing rapidly
- Grades 1-3 are 15-20 students higher than we planned even one year ago. The class sizes in these grades are 24-25 (as compared to target guidelines of 20-22).
- The Jr. High is growing by 40 students (888 – 929) over the next two years and then it is projected to go back down again. Within this, the number of Special Education students is growing by 23%.

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## Classroom Section Planning

	Peak	FY15	FY16	FY17	FY18	FY19	FY20
Acton K-6	108	104	103	101	98	94	90
Boxborough K-6	31	20	18	18	18	17	16
<b>Total K-6</b>	<b>139</b>	<b>124</b>	<b>121</b>	<b>119</b>	<b>116</b>	<b>111</b>	<b>106</b>

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## Sections and Class Sizes – FY16

	Boxborough Sections	Boxborough Class Size	Acton Sections	Acton Class Size
K	2	23.5	14	18.2
1	2	24.5	14	20
2	2	22.5	14	23.5
3	3	20.6	14	24.1
4	3	23.7	15	22.5
5	3	21.7	16	23.9
6	3	21.7	16	24.3

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## Sections and Class Sizes – FY17

	Boxborough Sections	Boxborough Class Size	Acton Sections	Acton Class Size
K	2	19	13	19.1
1	2.5	20.4	14	19.4
2	2.5	20.8	14	22.6
3	2	24	14	24.4
4	3	21	15	22.4
5	3	24.7	15	22.5
6	3	22.7	16	24.1

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## Special Education Enrollment

	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Total Special Ed Students	881	861	889	928	969	979	1,004
Total Out of District	83	78	78	81	84	95	92

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

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## English Language Learners

	FY10	FY11	FY12	FY13	FY14	FY15	FY16
<b>ELL Students</b>	<b>85</b>	<b>104</b>	<b>123</b>	<b>144</b>	<b>162</b>	<b>187</b>	<b>222</b>

**6 year increase +135% +122 students**

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## Multi-Year Personnel Planning

	FY16	FY17	FY18	FY19	FY20
Elementary Sections	-3	-2	-3	-5	-5
Elementary Learning Centers	0.6	0.6	1	1	0
ELL Teachers	0.6	2	1	1	0
School Psychologists	.4	.8			
JH Special Ed	1	2			
HS Special Ed				1	1
HS Counseling/ Psych				1	1
Strings		0.4	0.2	0.4	
<b>Totals</b>	<b>-0.4</b>	<b>3.8</b>	<b>-0.8</b>	<b>-0.6</b>	<b>-3</b>



FY 17 Elementary Classroom Section Changes					
	Description	FTE	FY17 Salary	Health Ins	Total FY17 Cost
Merriam	Reduce 5th Grade Four section bubble moving through	-1.00	(\$54,000)	(\$19,000)	(\$73,000)
Conant & Douglas	Move .5 Kindergarten from Douglas to Conant	0.00	\$0	\$0	\$0
Conant	Reduce 2nd Grade Conant Two section bubble moving through	-1.00	(\$54,000)	(\$19,000)	(\$73,000)
Gates	Reduce .5 K at Gates New cut for lower enrollment	-0.50	(\$27,000)		(\$27,000)
Gates	Reduce .5 K Assistant Gates	-0.50	(\$12,000)	(\$19,000)	(\$31,000)
Gates	Add Back 4th grade at Gates due to increased enrollment and high class size	1.00	\$54,000	\$19,000	\$73,000
Blanchard	Reduce 3rd grade at Blanchard Two section bubble moving through	-1.00	(\$54,000)	(\$19,000)	(\$73,000)
Blanchard	Add 1st/2nd Mixed Grade at Blanchard due to increased enrollment and high class size	1.00	\$54,000	\$19,000	\$73,000
	<b>Reductions</b>	<b>-2.00</b>	<b>(\$93,000)</b>	<b>(\$38,000)</b>	<b>(\$131,000)</b>

## Pathways K-3 Special Ed Program

Pathways K-3 Special Education Program - Included in Budget				
	To serve 6 students who would otherwise go out of district 1.0 Special Educator; .3 Sp/L; .3 BCBA; .3 OT/PT; Reallocate 4 ABA trainers			
	Cost if 6 students went to CASE - tuition and transportation			\$549,666
	Cost of in-district programming to serve these six students - tuition and transportation			\$361,200
	Budget Savings to add program instead of sending out of district			(\$188,466)

## Personnel Additions – Tier 1

Tier 1 - Included in recommended budget - Highest Priority				
JH Special Ed Learning Centers	2.00	\$108,000	\$38,000	\$146,000
ELL Teachers	1.40	\$75,600	\$19,000	\$94,600
Elementary Schools Psychologist -Assessment/Direct Service	0.80	\$56,000		\$56,000
<b>Tier 1</b>	<b>4.20</b>	<b>\$239,600</b>	<b>\$57,000</b>	<b>\$296,600</b>

## Personnel Additions – Tier 2

Tier 2 - Included in recommended budget - Priority Requests				
ELL	0.60	\$32,400	\$19,000	\$51,400
.3 Speech & Language	0.30	\$24,000	\$19,000	\$43,000
Elem Special Ed Learning Center multi-year plan Merriam move from .4 to full time	0.60	\$32,400	\$19,000	\$51,400
Finance Accts. Payable/Payroll Transfer from HS office position	0.50		\$19,000	\$19,000
Phase in of Strings Program	0.40	\$21,600		\$21,600
<b>Tier 2</b>	<b>2.40</b>	<b>\$88,800</b>	<b>\$76,000</b>	<b>\$186,400</b>

## Personnel Additions Summary

	FTE	Salary	Health Ins	Total
<b>Section Reductions</b>	<b>-2.00</b>	<b>(\$93,000)</b>	<b>(\$38,000)</b>	<b>(\$131,000)</b>
<b>Pathways Savings</b>				<b>(\$188,466)</b>
<b>Tier 1</b>	<b>4.20</b>	<b>\$239,600</b>	<b>\$57,000</b>	<b>\$296,600</b>
<b>Tier 2</b>	<b>2.40</b>	<b>\$88,800</b>	<b>\$76,000</b>	<b>\$186,400</b>
<b>Total Personnel Changes</b>	<b>4.60</b>	<b>\$235,400</b>	<b>\$95,000</b>	<b>\$163,534</b>

## Deferred Personnel

<b>Tier 3 - Not included in recommended budget - Deferred Requests</b>				
Elem Literacy and Social Studies Specialist/Coach	1.00	\$65,000	\$19,000	<b>\$84,000</b>
Additional ELL Teacher	1.00	\$54,000	\$19,000	<b>\$73,000</b>
Strings Program (Add .6 to .4 above for K-12)	0.60	\$32,400	\$19,000	<b>\$51,400</b>
Additional Groundsman (offset by reduction in overtime)	1.00	\$25,000	\$19,000	<b>\$44,000</b>
Additional 3rd grade section to reduce class size	1.00	\$54,000	\$19,000	<b>\$73,000</b>
Additional 2nd grade at Blanchard to split mixed grade	1.00	\$54,000	\$19,000	<b>\$73,000</b>
<b>Tier 3</b>	<b>5.60</b>	<b>\$176,400</b>	<b>\$114,000</b>	<b>\$398,400</b>

## FY'17 Budget Planning: Next Steps

- **January 14 – School Committee Meeting**  
**Budget Presentation #3 - Line Item Budget Detail**
  - 7:00 p.m. in the RJG Junior High Library
- **January 23 – Budget Saturday Meeting**
  - 8:30 a.m. in the RJG Junior High Library
- **February 4 – FY'17 ABRSD Budget Discussion**
  - 7:00 p.m. in the RJG Junior High Library
- **February 11 – FY'17 ABRSD Budget Hearing and Vote**
  - 7:00 p.m. in the RJG Junior High Library

## FY'17 Budget

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## Questions & Discussion



# **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**

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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***

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- #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***

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- #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**

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### *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

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- 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

○

## **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**

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- 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

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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

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- 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**

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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**

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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