Questions Regarding the SBRSD Preliminary FY19 Budget

The New Marlborough Finance Committee submitted the following questions:

1) Are we going "out of our way" to provide school choice transportation? If so, is this economically viable?

   We do provide one bus that transports school choice student only. The cost of that bus in FY19 will be $64,260. This year, ridership on that bus averaged around 31 students per day in December and January counts. At Chapter 70 revenue of $5,000 per student, these 31 students bring in $155,000 per year to SBRSD (not including any SPED increments, if any). We have other choice students who, if space is available, ride to and/or from SBRSD on buses that transport in-district students. They are picked up and dropped off at stops within the district borders. This does not increase the district's transportation expenditures. However, we are not reimbursed through the Chapter 71 program for seats filled by school choice students.

   As of December 2017, we had 111 school choice students here at SBRSD. The revenue that we receive for these students totals $670,317.

2) Why have you raised the contingency ?(p.1)

   We are in the process of planning for a transition from a PreK-6 elementary, 7/8 middle school, and 9-12 high school model to a PreK-5 elementary, 6-8 middle school and 9-12 high school model. The costs that will be associated with this change, whether fully implemented in FY19 or not, have yet to be determined. Also, salary costs are unknown due to ongoing contract negotiations.

3) What does the "Leadership Administration" for both the elementary or secondary cover (p.1)

   At Mount Everett, the major items in the Instructional Leadership Administration budget include salaries for the principal, the Secondary Level Student Support Assistant, the In-House-Suspension/Student Support Center Director, and two secretaries. In addition, this category includes related expenditures such as dues, postage, travel/conferences, printing, and office supplies. The homework center and the summer school program, which are academic in nature, are overseen by the principal's office, and are currently included in this category.

   At the elementary level, the major items include salaries for the principal, the assistant principal, two secretaries at the Sheffield campus and one secretary at New Marlborough Central. In addition, related expenditures such as postage,

travel/conferences, office supplies, printing and advertising are included. Two programs that are academic in nature - the Garden Club and the homework center - are also currently housed in this budget.

4) How many Grade Ones are there and so on?

The current number of classes at the elementary level are currently projected to be as follows. However, these numbers may change as enrollment figures develop.

At New Marlborough Central (average class size = 16):

Pre-K:	*1*
Early-K/ K:	*1*
Grade 1:	*1*
Grade 2/ 3:	*1*
Grade 3/ 4:	*1*

At South Egremont (current registrations as of 3-9-18

Early-K/ K:	*1*

At Undermountain (average class size = 16 – 17)

Pre-K:	*1*
Early-K:	*1*
Kndgt:	*2*
Grade 1:	*2*
Grade 2:	*2*
Grade 3:	*2*
Grade 4:	*2*
Grade 5:	*2-3*
Grade 6:	*3* (this grade will be at either UME or at Mt. Everett in FY19)*

5) What is the average class size for the elementary grades and for the secondary grades?

See above for elementary class sizes.

At the secondary level, current class size averages 10 students.

6) What does ELA before Elementary stand for ?(p.3)

ELA stands for English Language Arts. This area of teaching includes reading, writing, and communication skills.

7) How many SPED kids do we service and are they all integrated into their regular classes? (p.6)

We have 128 students with Individual Education Plans (IEPs), or about 18.7% of our student population. The majority of these students participate in our inclusion model, which means they do have some or all of their classes in regular education classes.

8) What does "medical/therapeutic" involve (p.6, No 210).

Medical/Therapeutic programs include therapeutic services such as occupational, physical, speech, behavioral and vision services.

9) What does the Vocational Tec programs involve, how many students and how many subjects? (p.7 No. 221)

Classes in our vocational technical programs that students are participating in this school year include Food Preparation, Entrepreneurship, Culinary Arts, Family and Consumer Science, Woodworking, Building Structures and Careers. These classes are electives. The food related, entrepreneurship/family and consumer science courses are averaging about 8 students per class. The carpentry/career courses are averaging 7 to 8 students per class.

10) What does the School Committee budget pay for?(p.7No.305)

The School Committee budget pays for legal fees, fiscal advisory fees, dues to the Massachusetts Association of School Committees, travel/conferences, advertising and supplies.

11) What does the Student Services Administrative Personnel involve?(p.8 No 315)

The Student Services Administrative personnel costs include the Student Services Director and two secretaries (1.5 full time equivalencies). The Student Services Director is responsible for early education, special needs education, nursing services, and English language learner education.

12) What does the "School Health Services" involve? (p.9 No.340)

School Health Services refers to our school nurses. Costs include salaries and associated expenses for their work during the regular school year and during the summer special education school.

The Egremont Finance Committee submitted the following questions:

1. The budget is forecast to increase 2.3% over year ago. Assuming a decline in student enrollment, what is the % increase in the cost per student in the district year over year?

   The projected increase from FY18 to FY19 is now projected at 1.98%, due to plans to use approximately $50,000 of remaining available MSBA and bond reoffering funds to pay down the bond principal next year. Our enrollment figures change throughout the year. Based on the end of year enrollment figure in June, 2017 of 715 students and the current year's enrollment figure of 686 as of March 1st, our per student General Fund expenditures (for all expenditures, including operating, transportation and capital) would increase by 6.3%. Using October 1, 2016 and October 1, 2017 enrollment figures, the increase would be 8.9%.

2. What are the specific key drivers (in order of impact) of the +2.2% increase?
   (NOTE: The increase is now at 1.98%)
   a. *Personnel costs.*
   b. *Fewer dollars available in School Choice funds to cover teaching costs. The FY19 contribution is $270,000 less than the FY18 contribution.*
   c. *Energy costs*
   d. *Investments in new curriculum*

3. In FY 2018 Budget, this committee cited certain line items for their significant ***5 year (five budget cycles) compound average growth rates:***
   a. Curriculum Directors (#2110) increasing at +8.5% gaining size at $230,000 range.
   b. Paraprofessional (#2330) increasing at 8.9% potentially nearing $1million line item
   c. Teacher Specialists (#2310) which was showing an increasing rate of growth at 7.7%
   d. Transportation Services (#3300) at 3.6% (but boasting a 10% yr on yr bump in FY2018
   e. Insurance (#5200, 5250, 5260) for active and retired employees was a total $3.5 million item in FY 2018, and growing at 5%, an unsustainable future trend
   f. What are the rates of change for these key areas in FY 2019 Budget, and can you provide some insight as to the strategic outlook for reigning these costs in?

   Some of the areas above are related to salaries and wages. Because we are in the midst of negotiations, we will not be providing any information on personnel costs at this time. Transportation services are actually seeing a 3.9% projected decrease in FY18, due to excess funding in FY18, elimination of intra-district choice transportation from Sheffield to New Marlborough Central, and the availability of FY18 transportation funds that can carry forward for use in FY19. Health Insurance rates, the largest piece of the 5200 series of expenditures, are not increasing in FY19 due to actual claims history, and with fewer retirements and associated employee separation costs, this area is projected at a .1% decrease.

4. Has the District developed contingency budget trimming if needed?

   This is currently being analyzed at all levels.

5. Has SBRSD realized the projected savings (and what are those numbers) from the new bio-pellet boiler configuration (how do they compare to the proposal)?
   a. What are the realized savings versus prior years?

      We have not yet maximized our use of the pellet boilers because we have been using excess supplies of oil from contracts signed in 2015 and 2016. We should be able to begin to measure savings in the 2018-2019 school year.

   b. Has there been any recovery of cost from the sale/disposal of the clean-out ash?

      We have not sold any of the ash, but will look into this. We expect that we will soon, however, be receiving revenue from the sale of our alternative energy credits.

6. What is the ratio of administration cost to instructional cost for that last 3 budget cycles, and what explanation is there for any significant (greater than two percentage point change) difference?

   Per the state Department of Elementary and Secondary Education, "administrative" costs include the following functions:

   School Committee
   Superintendent
   Assistant Superintendents
   Other District-Wide Administration
   Business and Finance
   Human Resources
   Legal Services
   Legal Settlements
   District-wide Information Management

   We had various percentage changes, up and down, between FY16 and FY19 based mainly on changes in personnel. . The total cost for administration in FY16 was $626,195. In FY19, the proposed total is $659,395. This represents a total increase of $33,200, or 5.3% over three years. The average increase in these years 1.8% per year.

   The ratio of instructional costs to administrative costs for FY16, FY17, and FY18 are as follows:

FY16	FY17	FY18	
$ 626,195	$ 587,707	$ 636,474	Administration Costs
$ 6,799,678	$ 7,224,204	$ 7,104,941	Instructional Costs
$ 7,425,873	$ 7,811,910	$ 7,741,415	Total Costs

Ratio of Instruction to Administration

10.86 to 1	12.29 to 1	11.16 to 1	Ratio of Instruction to Admin

Principals, assistant principals, curriculum leaders are considered instructional leadership, and are not included in the category of District Administration.

7. Does SBRSD have KPIs (Key Performance Indicators) for your management of the operating (physical plant) budgets and human (personnel) costs associated with your academic plan?

   We have a prescribed evaluation process, as required by the Department of Elementary and Secondary Education that is used to evaluate the performance of employees licensed under that agency. We have collective bargaining agreements that specify processes used to address discipline and performance issues. We do not have KPIs set up to manage physical plant budgets, but do have an established process for review of all purchases.

Strategic Questions:

1. What is the 5 year projection outlook, in broad percentage terms, for the budget in light of expected enrollment declines?
2. Are there any expectations of significant changes in enrollment (increases) going forward?
3. Has SBRSD established through the School Committee a Strategic Task Force separate and apart from any exploratory (consolidation) committee (exploring how SBRSD might stand alone and prosper)?
4. Would there be associated financial resource requirements with any strategic options to be considered (i.e., magnet school, trade module, technical module, etc.)?
5. What are the potential savings of shuttering the New Marlborough Central School on some timetable to locate all students on the campus in Sheffield and leverage that asset at a greater level?
6. What strategic initiatives are being prepared and is there an implementation timetable?
7. Are you satisfied that the proposed FY2019 Budget accomplishes your key priorities?

   The district does not yet have a fully vetted long-range strategic plan in place after just 7 months in the District with our new Superintendent, but it is something she will begin working on this summer with the administrative council. Her first step is to work on the entry plan findings that she will be sharing with the School Committee. Those findings drive the work of the Strategic Plan. She appreciates the need for a long-range strategic plan, public access to that plan, the having the District's progress measured against these goals and action steps.

The New Marlborough Board of Selectmen submitted the following questions:

1. What was the projected student enrollment used to prepare the budget?
   The enrollment at the Prek-6 level is currently projected to be 378, although enrollments for Pre-K and K will be coming in throughout the spring and summer. The enrollment in grades 7-12 is

projected to be similar to the current year's figure of 310, as the current 6th grade and the graduating 12th grade both currently have 45 students.

2. If the Monterey school is closed, what will be the savings in the budget? Will the $10,000 set aside for Monterey school repairs be available to reduce the budget?

   If the Monterey School were to close, we would save about $3,000 - $4,000 compared to the costs we have had while the school has been on hiatus. In addition, the $10,000 match for Monterey School repairs would not be expended. This $10,000 is in the Capital Projects Fund, and would therefore not be available to reduce the FY19 General Fund Budget. It could be repurposed in the Capital Projects Fund, if the School Committee votes to do so, or it could be closed out to the Excess and Deficiency Fund (E&D) for use in the FY20 budget.

3. If the Egremont school is closed, what will be the savings in the budget? Will the $25,000 be set aside for replacement of the oil tank and playground improvements be available to reduce the budget? If the $25,000 has been sent to Monterey, please produce a copy of the written request from Monterey for the money and a copy of the minutes in which the request was approved.

   The $25,000 was paid to the Town of Egremont in June of 2017. The School Committee did not have to vote to make this payment, as it had been appropriated as part of the FY17 capital budget. The Superintendent, Business Administrator and a quorum of the Warrant Subcommittee signed the warrant to approve the payment. The letter requesting payment is attached.

4. What would be the amount of savings from moving the 6th grade to Mt. Everett?

   A middle school task force has been established, and has begun work on analyzing and preparing for a Grade 6-8 middle school. The model to be used has not yet been determined, and costs are unknown. We do not know if this change will be a cost savings or whether it will require additional funding to operate a successful Grade 6-8 middle school.

5. Does the proposed budget reflect any staff reductions due to retirement or otherwise? If so, how many?

   The budget does not reflect any staff reductions at this time.

6. Does the budget reflect reduction in buses or bus routes?

   We will be eliminating the two morning van runs from Sheffield to New Marlborough Central School. This transportation service is considered intra-district choice transportation, and is not required to be provided per district policy. We will not know if there are any other routes that could be eliminated until we review student enrollment and locations as we get closer to the new school year. We did eliminate several buses and routes after the 2016-2017 school year.

7. If Egremont and Monterey schools are closed, could the position of Assistant Principal of Elementary Schools be eliminated?

   No, the Assistant Principal position at the elementary school level will not be eliminated. It is an essential position. Some of the services that the Assistant Principal provides include proactive and reactive student discipline, evaluating staff, assisting with master scheduling, overseeing 504 plans for students who need accommodations to promote learning, providing site supervision, coordinating programs such as social-emotional learning, and interfacing with the Student Services department regarding students with Individual Education Plans.

8. Please explain the increase in the following accounts as listed in the budget: Contingency: 116; 119; 125; 131; 137; 143; 152; 158; 161; 315.

   We are in the midst of negotiating with our collective bargaining units, and as such, will not be providing information about any personnel costs at this time.

   The contingency budget has been budgeted at $100,000 per year for some time. When contingency funds are needed, they are transferred from the contingency line into the budget area that needs additional funding. At this point in FY18, we have used $22,000 out of contingency, leaving a current budget of $78,000. The actual increase from the original FY18 budget to the proposed FY19 budget is $100,000. Please see question #2 on page one for additional information on this budget line.

   Program #137, Middle School, includes increases in professional development, textbooks and instructional materials.

   Program #142, Math, includes the purchase of textbooks for Algebra 1, Algebra II and Geometry at the secondary level and Go Math! and instructional software at the elementary level.

TOWN OF EGREMONT

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June 15, 2017

Christine Reagan
Treasurer, SBRSD
491 Berkshire School Road
Sheffield MA 01257

PO# 20172382

Ms. Reagan:

Please pay to the Town of Egremont the sum of $25,000 allocated for the removal/replacement of the oil tank and the re-mediation of the playground area after construction at the South Egremont School.

The foundation stabilization work is scheduled to begin the last week of June. We have a contractor who will remove the oil tank within the next few weeks and then replace it in September/October, 2017. He has verbally quoted me a price of $1500 to remove the tank and is working on pricing for replacement in the fall with a new underground tank.

The Town thanks you for your contribution to this work. If you have any questions, please do not hesitate to contact me at 413-528-0182 ext 10. I am generally in weekdays 7am to 3pm.

Respectfully,

Mary Brazie

Mary Brazie,
Office Administrator

cc: Dave Hastings, SBRSD Superintendent