

CITY OF NEWTON

IN BOARD OF ALDERMEN

JOINT SCHOOL BUDGET MEETING REPORT

PROGRAM & SERVICES AND FINANCE COMMITTEES

WEDNESDAY, APRIL 4, 2012

Finance Committee Present: Ald. Gentile (Chairman), Ciccone, Linsky, Rice, Blazar, Fuller, and Lappin; Finance Committee Absent: Ald. Salvucci

Programs & Services Present: Ald. Sangiolo (Chairman), Merrill, Linsky, Hess-Mahan, Rice, Blazar, Baker, and Fischman

Also present: Ald. Albright, Crossley, Harney, Kalis, Johnson, Laredo, Lennon, Schwartz, Swiston, and Yates

City officials present: David Fleishman (Superintendent of Schools), Sandra Guryan (Deputy Superintendent / Chief Administrative Officer of Schools), Joseph Russo (Assistant Superintendent for Elementary Education), Cynthia Bergan (Assistant Superintendent for Secondary Education), Michael Cronin (Chief of Operations; School Department), and Maureen Lemieux (Chief Financial Officer), Claire Sokoloff (School Committee Member), Geoffrey Epstein (School Committee Member), Jonathan Yeo (School Committee Member), Diana Fisher Gomberg (School Committee Member), Angela Pitter-Wright (School Committee Member), and Matt Hills (School Committee Member),

SCHOOL FACILITIES UPDATE

The School Department provided the Committees with a school facilities update before the budget discussion began. Deputy Superintendent Sandra Guryan presented the attached PowerPoint presentation. The School Administration is excited to be moving forward on the short-term facilities work and some of the longer, larger school facilities projects.

Angier Elementary School

The update began with a timeline for the Angier Elementary School project. The Angier Elementary School was identified as the school with the greatest need for renovations and study to determine if it should be replaced. It is the oldest school in the City with the most difficult physical conditions. The City has been working directly with the Massachusetts School Building Association (MSBA) to begin the Angier Project. The MSBA invited Newton to participate in the eligibility period for Angier Elementary School. The City is committed to following the MSBA process. The City has submitted all the required documentations in order to get on the agenda of the MSBA's March Board meeting. The City reached an agreement with the MSBA to proceed with a design for the Angier School that would accommodate 465 students with a square footage of between 74,000 and 75,000 square feet. The MSBA Board invited Newton to move forward to the feasibility study phase of the MSBA process.

At this point, the City's School Building Committee will convene for its first meeting on April 10, 2012. The School Building Committee will collaborate with the Designer Selection and Design Review Committees on the project. Newton will proceed with the owner's project manager selection process and enter into a contract with a project manager between May and July 2012. It is expected that the designer selection process for the feasibility study will begin in June and the contract with a designer completed by September 2012. The feasibility study will begin in September 2012. Once the feasibility study is complete, information on whether the school will be replaced or renovated, whether the current site is appropriate for the school, and other information will be available to the City. There is a possibility that the feasibility design firm would be the actual designer of the school. At the completion of the study, the project will be at approximately 50% schematic design.

As the Angier Project proceeds to the construction phase, the City will need to create swing space to house the Angier students. The School Committee has voted to request the reuse of Carr School as swing space and the Board of Aldermen has approved the reuse of Carr School. The swing space at the Carr School needs to be ready for occupancy by September 2014. The design proposals will be sent out by April 12, 2012 to design the necessary work at the Carr School. The Public Buildings Department is in the process of putting together the scope of work for the Carr School in order to put the project out to bid.

Day Middle School

The Day Middle School Project to add classroom space and administration space continues to move forward. The Design Review Committee will review the construction documents and cost estimates for the project, which should be between 80% and 90% complete at the end of April 2012. The City will be ready to go out to bid for contractors for construction after the Design Review Committee finishes its review of the plans. The school will be occupied during construction as the design allows for it. The additions to the building can be blocked off and worked on while the building is occupied. The administrators will be relocated to the Education Center annex for the summer.

As the designs for the six new classrooms and administration wing at the school are refined, the budget for the project is becoming more defined. The budget for the Day Project, the modular classrooms and the sprinkler systems installations is approximately \$9 million. The Day Middle School is reflected in the proposed Capital Improvement Plan. The School Department is working closely with the Executive Office and Public Buildings to stay within the cost estimate for the project. There is still some question whether the project will trigger accessibility requirements. Accessibility requirements are activated when the renovation of a building results in 33% increase to the valuation of the property within a three-year period. The project estimates are below that level and the hope is that it will remain the case as the project proceeds. The update is meant to inform the Board of Aldermen that the School Department is continuing to get refined information on the project and further information is expected at the end of April. When the project goes out to bid, the School Department will have the best idea of the actual cost of the project. The City's CIP includes the funding to address the scope of the project.

Sprinklers at Elementary Schools

The bid opening for the sprinklers at three elementary schools will be held on April 5, 2012. The results of the bid opening will be provided in the School Committee packet for April 9, 2012.

Long Term Facilities Planning

On April 9, 2012, there will be a presentation of a possible scenario addressing the longer range planning to the School Committee. It is expected that the School Committee and the Board of Aldermen will meet jointly in June 2012 to assess the possible long-range plan. The goal is to have at least the first few years of the plan readied for inclusion in the next Capital Improvement. The School Department is looking at the combined challenge of the condition of all the facilities, the programmatic needs and the City's growing population, which is resulting in capacity problems at the schools. The School Department is trying to come up with a plan to address all of the needs in the right order with the best results.

Members of both Committees requested that the School Committee and the Board of Aldermen come up with a schedule to have regular updates on the plans for the facilities updates. The Chair of the School Committee and the President of the Board of Aldermen are looking to set aside a date after budget discussions are complete to have an in depth discussion regarding the school facilities.

Proposed Riverside Development

There is concern among Committee members regarding the impact that the Riverside Project could have in terms of the School Department's facilities plan for the schools. Members of both Committees inquired if the proposed capacity of 465 students for Angier School takes into account the potential Riverside Development and if the School Department is investigating the possibility of children from the Riverside Development attending Angier Elementary School.

The previously mentioned School Committee discussion scheduled for April 9, 2012 will address those questions. The presentation includes the possibilities for accommodating the potential students from the Riverside Development. The presentation will not be a fully designed facilities plan. It will lay out a couple of scenarios that address the size of the elementary schools, the physical conditions, the capacity issues that the City is facing which includes the possible development of Riverside. The process is meant to be open for people to give input and suggest another way. There was a suggestion that the School Department look at the possibility of using a portion of the Hamilton Community Center to deal with the capacity issue.

The MSBA is highly aware of the growth that Newton is experiencing and has done its own enrollment projections and studied the City's, and is in complete agreement about the growth factor and the current space issues in Newton schools. The MSBA was very clear that

the Angier Project would not alleviate the City's school space needs. The proposed 465-student capacity at Angier is slightly higher than the expected enrollment for the next few years at the school. In addition, Angier Elementary School is not located in the same school district as the proposed Riverside Development. The possible development at Riverside will be reflected in the longer-term plan even though it is not definite.

Aldermen pointed out that there is currently a proposal before the Board of Aldermen for a potential 290 units of housing and it is possible that the site will become a 40B Project with a potential for 500 to 600 units of housing. It is troubling to some Aldermen that the School Department does not seem to be planning for a very large development while looking at renovating or replacing the Angier School, which is in close proximity to the project. The School Department has some data on how many school age children are yielded out of developments of these sizes and they intend to address the influx of students due to the Riverside Development. The School Administration pointed out that the Angier School project is about it being the highest need in terms of facility condition and not capacity issues. The School Administration explained that the City has capacity issues in multiple places and it needs to reach a solution that will provide additional classrooms in several areas of the City. It was noted that there are currently no other proposed large residential developments in the City with the potential to bring an influx of new students.

The 465-student capacity for Angier was arrived at after some negotiation with the MSBA. The MSBA, based on the growth going on in the City, would have preferred that Newton build a school for 530 students. The City and the MSBA had conversations regarding Newton's preference to keep the neighborhood school concept, keep school capacity below 500 students for staffing, and support reasons. Angier currently has 18 regular classrooms the proposed hypothetical school would have 24 regular classrooms to address regular education and special education, as set forth by the MSBA. The additional classrooms would allow the building to support between 80 and 100 students. The Committees requested the rationale on the 465 capacity versus the 500 + capacity number.

The comprehensive plan that will be presented to the School Committee on Monday, April 9, 2012 addresses capacity issues throughout the City and the Riverside Project will be taken into account. The Angier Project is not going to solve capacity problems throughout the City. There will be a thorough plan on April 9 that will explore other options in terms of adding capacity.

The Board of Aldermen will be receiving information regarding the potential Riverside Development on an ongoing basis. It was suggested that the School Department receive and review any information provided by the developer on how many children are expected to move into the Riverside Development. If there were a number of children, it would seem that the Angier School should be built to take an extra 30 or 40 children to address the increase in students.

The members of both committees requested that the School Department submit all the materials presented at the April 9, 2012 to the Board of Aldermen, as some members of the

Board of Aldermen have a meeting conflict and cannot attend the meeting. In addition, there was a request that the School Department invite Aldermen to School Committee meetings when key touch points are discussed. Both Committees felt that further discussion between the Board of Aldermen and School Department regarding the Riverside Development and the possible impact on the Angier School Project is warranted.

Preservation of Angier School

The School Department will be seeking help from the MSBA to identify potential designer who have experience in MSBA projects and, as a subset, projects where schools are on a constrained site. The School Department has already started a historical review of the Angier School building with the Historical Commission. The Historical Commission will make a recommendation on the preservation of the school. There has been no conclusion reached in terms of renovating or replacing the school, as that process is be part of the feasibility study.

SCHOOL DEPARTMENT BUDGET & CIP

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#383-11 HIS HONOR THE MAYOR submitting the FY13-FY17 Capital Improvement Program pursuant to section 5-3 of the Newton City Charter and the FY12 Supplemental Capital budget, which require Board of Aldermen approval to finance new capital projects over the next several years. [10/31/11 @ 3:12 PM]

ACTION: **FINANCE HELD**
PROGRAMS & SERVICES HELD 8-0

NOTE: Superintendent of Schools David Fleishman provided the attached presentation on the budget. The School Department's Budget for Fiscal Year 2013 is \$178,781,245. Salaries and benefits for School Department employees total 84% of the budget, which is typical of school districts. The other 16% of the budget is dedicated to expenses. There is an increase of \$6,961,245, which is a 4.1% increase over last year's budget. The breakout of the increases are related to maintaining current school programming at an increase of \$4.4 million or 2.6%, enrollment increases resulted in a \$1.7 million increase or 1%, and to fund jobs that were previously funded through federal job funds that were cut for this upcoming fiscal year at an increase of \$.9 million or .5%.

The pillars of the school budget provide a framework to look at the issues. The School Department makes decisions about a number of areas that drive cost like class size, breadth of programs, student services including special education, educational and operational infrastructure, and salaries and benefits. Every year the School Committee provides guiding principles for the School Department, which are detailed in the presentation. Before submitting the budget to the School Committee, the budget is reviewed to make sure that it is in line with the guiding principles. One of the principles relates to opportunities for increased revenues. Last year the School Department implemented new fees and fee increases; however, there are no fee increases or new fees in the proposed budget. Other factors that drive the School Budget are the updated strategic plan, special education trends, educational research, and student achievement data.

The Fiscal Year 2012 Budget was incredibly challenging as the School Department faced a shortfall in the \$4 million range, which resulted in staff reductions. This fiscal year is different although there were increases in enrollment, student services, and the loss of education jobs funding, the settlement of the collective bargaining contracts that changed health insurance benefits, increased Chapter 70 Aid, lower utility costs, and revenue from the fee increases last year has enabled the budget for this fiscal year to grow. The attached presentation includes slides that highlight the details related to the budget increases and savings.

There are four areas of focus for the budget. One of the top priorities is accounting for enrollment increases. Enrollment increases have reached the point where the School Department needs to increase staff. Focuses also include maintaining successful programs, and endeavoring to create efficiency in all operations. The School Department will also implement additional supports for students by providing mental health and instructional intervention strategies in elementary and middle schools. The schools are enrolling students that are more complicated and in certain schools, there were days that a psychologist or a social worker was unavailable, which prove to be challenging. At almost every school at some point during the day, a child needs mental health support.

The elementary school highlights include three additional classroom teachers and two reserve teachers to address rising enrollment, reduction in K-2 class size, increased small group instruction for literacy and math, the restoration of the fourth grade chorus and increased art time. There is a projected increase of 70 students in the elementary schools for next school year. The middle school population is expected to increase by 43 students. To ensure that student educational needs are met, there is an addition of four classroom teachers in the middle schools. In addition, two new positions that focus on reading support to provide regular education intervention and two part-time positions to provide a reserve teacher and world language teachers. The projected enrollment increase in the high schools is 79 additional students. In response, five additional teachers are included in the Fiscal Year 2013 Budget, the One-to-One Program is being maintained, and there will be a part-time employee added to that program. The Superintendent reviewed the expanded student services in the next school year. At the elementary schools, the number of elementary co-taught classes is being expanded and there will be additional mental health staff at the elementary schools. Two citywide middle school programs for students with social/emotional disabilities and students with autism spectrum disorder will be implemented. Details on the expenses are provided in the presentation.

The Superintendent stated that professional development for School Department employees remains a high priority as well as moving towards a common core curriculum. The School Department entered into a new partnership with Boston College this year and continues to maintain a close partnership with the Newton Schools Foundation. Boston College is providing \$300,000 over three years to the School Department for technology related expenses. The Schools Foundation is about to kick-off a capital campaign related to school technology. Due to the unexpectedly low health insurance rate, there are funds available to be used for technology, professional development, updates to the Newton South Language Lab, and other small projects.

On the operations side of the School Department an additional custodian has been added to the budget to support Newton North High School and other buildings. The School Department really wants to take care of the new school in terms of maintenance. There is also a small increase in support for capital projects.

The presentation concluded and members of both Committees thanked the Superintendent of Schools for the presentation. Ald. Hess-Mahan thanked everyone for resolving the issues related to students lunching at the Tiger's Loft. The students and parents are grateful that the Tiger's Loft can serve students again.

Members of both Committees had several questions and comments on the School Departments budget.

Questions and Comments:

Full-Day Kindergarten

Why was implementing a full-day kindergarten program not considered for the upcoming budget?

The City's kindergarten program is a hybrid program where children attend two full days and three half days. There are twenty-four students in a kindergarten class and twelve students of those students stay for a full day on two days. In school districts that have full day kindergarten, there are full time aides in the classrooms. The Wellesley Public Schools' kindergarten program is a similar model to Newton Public Schools. They have looked at the cost of implementing a full day kindergarten program and the cost of hiring full-time aides for the kindergarten classrooms and came up with a cost of \$450,000 per year. For Newton to hire full time aides for the kindergarten classrooms, it would be about \$1.2 million, as Newton is approximately three times the size of Wellesley. If the School Department were to go to the full day kindergarten program that \$1.2 million would need to come from elsewhere in the budget. It is likely that class sizes in other grades would increase, as a result as funding would not be available for the part-time aides employed in the upper grades. If the School Department had the \$1.2 million to fund the aides for kindergarten, they would be happy to do full time kindergarten.

If you look at the budget, there is a small amount of money to invest in the youngest children and the School Department needed to be creative in using that small amount of money to benefit the children. The Superintendent felt that using the money for early literacy support would be the most creative use

What is the grant related to full day kindergarten, as the City does not have full day kindergarten?

The School Department meets all of the requirements for the grant and has been receiving it for years.

Class and Team Sizes

The School Department has some estimates but kindergarten registration is not complete; therefore, exact information is not available. The kindergartens to second grade classes are slightly smaller overall this upcoming year. The average class size is projected to be 21 to 23 students. The overall class sizes in kindergarten to fifth grade are an average of 22.3 students per class. The class sizes are not significantly different from the past two years. However, there is expected to be a couple of classes in the upper grades that will have 26 to 28 students with support. The School Department is looking at making adjustments such as using a half-time teacher for core instruction for literacy and math class, which would create a class of 15 or 16 students for half of the day. In the second half of the day, the students would be combined for larger group project classes like social studies and science.

The middle schools' registration is just finishing and the School Department is in the middle of programming. With the addition of four team teachers, the average team size is anticipated to be around 90 students. The average team size will be closer across the four middle schools this upcoming school year than it has been over the last couple of years. If additional staffing were applied at the five academic areas, the class size would come down just slightly from what it was last year, which were about 22 students per class.

The high schools have a much more complex process for determining class size due to scheduling. The process will begin at Newton North High School next week and will be finished at Newton South High School next month. When the information is available, it will be made public.

Fees

The City is in an unusual position this upcoming fiscal year where the School Department can add things back into the budget. It is impossible to argue against the additions to the budget but it is also hard to argue that there are other things that should also be considered relative to the proposed budget such as the possible elimination of fees and additional money for building maintenance. For many Aldermen, it was upsetting to hear people use the phrase "raising revenue" in association with public education. It was very hard to learn of the fee structure that the School Department proposed last year to balance the budget.

Did the School Department experience any drop in student participation in school programs with a new or increased fee? In addition, what type of outreach was done to insure that participation did not drop in those programs due to hardships?

One of the School Department's real priorities was to make sure that no students that wanted to participate in activities were lost. The biggest issue was the student activity fee, as it was the newest and most complicated fee. The fees are a hardship and the School Department recognizes that but when faced with making many reductions last year, there was nowhere else to turn.

The fee proposal last year included an estimate that the new or increased fees would bring an additional \$1 million. The School Department expects to collect approximately \$700,000 in new fee revenue by the end of this fiscal year. The School Department is new at project fee revenue and overestimated the number of students that would participate in clubs in addition to participating in sports and drama, which have their own separate fees. For that reason, the School Department adjusted the fee revenue estimate downward in this budget.

The School Department is still working on its fee collection process. The data available indicates that there are a similar number of students riding the busses, participating in athletics and instrumental music as last year, and the percentage of fee waiver remains about the same. The School Department has been responsive and reached out to principals to encourage them to let families know that if they are expecting any hardship to apply for a waiver. The area where there is the most variance in the fee proposal implementation is the high school student activities.

What were the ramifications of not collecting all of the estimated revenue for student participation fees this past year?

Earlier this year the School Department began to see greater savings than projected in health insurance. Some of the health insurance savings and a small amount of utility savings offset the loss of some of the estimated revenue related to student participation fees. The special education estimates were higher at the beginning of the year and have now dropped. The School Department is balancing out in terms of pluses and minuses in the Fiscal Year 2012 Budget.

Is the School Department giving a large number of waivers or are students just not asking for waivers and not participating?

The School Department's estimates on the number of students participating in high school clubs were too high. It was estimated that between the two high schools there would be over 2,100 students participating in the various clubs in addition to athletics and there approximately 800 students participating in clubs this year.

What was the participation level before the fees?

The participation levels for clubs were never tracked; therefore, there is no data to refer to determine participation before and after the institution of fees. The School Department has collected student participation fees from 500 students at 1 high school and from 300 students at the other high school, where collection is ongoing. For the upcoming budget, the projection of fee revenue is based on 800 students participating in clubs, which accounts for the loss of estimated revenue in that line item.

How did the School Department follow-up and understand what the impact of the implementation or increase in fees was to families?

The School Department is in the process of investigating the impact on families. Unfortunately, club advisors did not keep track of students who participated in the clubs before

the student activity fee were implemented. It is impossible to track the change since the implementation of the fees but the School Department will now be able to track it going forward.

At this, the high school principals have checked with the club advisors, who have informed them that they have not seen a drop in participation. There has not been dialogue between the advisors and the principals regarding issues with students are not participating due to the fee, which does not mean it is not happening.

In addition, the School Administration was baffled that one high school was collecting more than the other high schools. In the past two weeks, the Administration has started to look at what would account for that and have discovered that the high school that is collecting fewer activity fees has considerably higher athletic and drama fee revenues. The Administration will be able to provide further information in terms of fees next year.

Is there any plan to reduce the School Department's dependency on fee revenue, such as reducing fees over a set number of years?

The elimination or reduction of fees depends on what kind of education the City wants to deliver. If the City decides it wants to increase class size and reduce programs, it can reduce fees. Unless there is another revenue source, the School Department will have to make reductions to balance the loss of fee revenue.

What is going to change in the collection policy for fees for the student activities fees, as it appears that there are a number of outstanding student activity fees.

The School Administration is in the midst of finishing its first year of high school student activity fees. All of the other fees are working well. The Administration has been addressing the student activity fee collection with the high schools in terms of the communications that were sent out to students and parents, what their practice is in keeping club rosters, and how the administration and schools can collaborate in collecting fees. When the Administration has the names of students who are in clubs and activities, an invoicing letter is sent directly to the parents and parents have been paying. The parents have been calling if they have any questions. The School Department did send out many different notices to parents informing them of the new and increased fees. The School Department is working on a better process for fee collection next year.

Some Aldermen feel like the closing of some elementary schools has resulted in the need for bussing to elementary schools. It does not seem appropriate that students who are required to take a bus because a school closed should be charged a bus fee. The School Department will provide information related to elementary school bussing, after they have an opportunity to look at the impact of school closing on elementary school bussing.

It was suggested that it would be nice to track the impact on traffic related to the addition of fees for elementary school bussing by tracking the increase in traffic around schools due to the number of people now driving their children to schools.

School Building Maintenance

There is \$6.15 million of new monies being put into salaries and related expenses to add 30.2 teachers and 3.4 aides but the operations portion of the School budget includes only the addition is one custodian. In a year where the School Department is benefitting from reduced energy costs, why are the school building maintenance accounts level funded? In addition, the capital facilities plan predicates its organization on a new model requiring projects with costs of under \$75,000 be funded through the department's budget and not be included in the CIP. If the plan is being followed, why is funding for building maintenance not increasing this year.

The Superintendent referred back to the School Committee's budget guidelines, which the School Administration takes seriously. One of the top guidelines was to address the enrollment increase. Of the 30 teaching related positions being added, over 24 are just to address the enrollment increases. If the School Department does not address the enrollment increases with staffing, the class sizes will rise substantially.

In regards to the 0% increase in the maintenance accounts this upcoming year, it should be put in context with the last seven or more budgets. In those years when reductions were being made, the maintenance accounts were not reduced. In the School Department's monthly fiscal report it states that as the savings grow in utilities some of the spending is increasing for maintenance. The School Department is allowing some extra expenses in Charter Maintenance to take place this current fiscal year with some savings that are occurring in utilities and this is likely to occur in the upcoming budget year.

What is the additional amount that is being spent on maintenance? It was \$90,000 but is now being increased to \$140,000 for maintenance projects.

Could the School Administration provide more detail on the condition of the school facilities in order to understand how the School Department is prioritizing capital and minor maintenance projects? The School Department agreed to provide the requested information to the Board of Aldermen.

Although there were not decreases in the School Department's maintenances accounts, there were increases in other parts of the budget. When accounts are level funded, they are essentially decreasing. There should be money dedicated to maintenance after a building project is complete to preserve the building project. It would be helpful to hear the thought process for not increasing the maintenance accounts.

There is an addition of a custodian this upcoming year and there has not been one added to the School Department in years. It came down to the fact the School Department had to address the enrollment increases. There were not a lot of funds left to address anything else.

At some point, maintenance funding is going to need to be addressed. Although some trade-offs will need to be made, there needs to be more money put into the maintenance effort in the future.

The School Department has made many inroads in the area of maintenance. A Facilities Operator position was added last year, which has allowed the School Department to operate the sophisticated systems at the schools and some of the savings that the School Department is realizing are coming directly from a result of that position.

The School Department is working on preventative maintenance with the Public Buildings Department. The School Department has a \$1.75 million dollar a year capital improvement program, which has allowed replacement of old, inefficient and undependable pieces of equipment. The School Department is now spending money on preventative maintenance instead of replacement and repair. As the School Department renovates or repairs its building, it will need to invest more money into maintenance.

Grants and Partnerships

There appears to be approximately \$10.5 million worth of grant funds in the budget. Due to possible changes in federal and state grant programs, things may not be as lucrative in the future in terms of grant money. How is the School Department addressing any possible reduction in federal and state grant money going forward?

Most federal aid in the United States is categorical, such as Title I; therefore, districts with a large percentage of low-income students receive the majority of federal aid. Due to this fact, the City is unlikely to see a significant drop in federal aid.

Periodically, it seems that the School Department misses an available grant. Is the School Department changing how it handles grant writing?

The School Department has a terrific grants coordinator. Most grants in education are categorical in terms of tending to be for districts that have a high percentage of students that receive free or reduced lunch. There are also competitive grants that the School Department pursues. The Superintendent explained that is important to note that grants supplement and do not supplant. Grants will never help the School department with budget challenges because grants are for new programs and are not going to yield additional teachers. In addition, some grants come with strings attached that require new money to be spent to obtain the grant. The School Department is always looking for competitive grants but often do not qualify because of the City's demographics.

Newton has received many millions of dollars in highly competitive federal and state grants over the past few years. The federal grants have been impressive as they have been for a span of years. A number of these grants are winding down and coming to an end, which has caused the total grant revenue to look down. In addition, the federal stimulus money has dropped down.

The School Administration is actively searching for and creating teams to seek grants in the areas of science and technology. The School Department put together a very strong proposal for science labs at Newton South for a Massachusetts School Building Authority competitive program. The School Department is waiting to find out if it has been invited into that program. Obtaining grants are an area that the School Department is actively working on.

What is the School Department doing to investigate education and vocational education partnerships with companies, in particular in the biotechnology industry? There have been grant opportunities that Newton did not take advantage of and it would be good to see going forward that Newton make partnerships a priority.

The innovation lab at Newton North High School is all about partnership. The School Administration is committed to and interested in expanding partnerships. Ald. Johnson is in the biotechnology field and is aware of opportunities. She would like an opportunity to discuss partnership opportunities with the School Department.

During the budget presentation, the Superintendent indicated that the \$300,000 from Boston College is intended for the purchase of technology but also it was indicated that in some fashion it works with the student teachers, could the Superintendent explain that.

The School Department has a number of student teachers from Boston College. When the City talked with Boston College regarding developing the partnership, they were interested in making sure that the student teachers work in schools that have technology, which is how the partnership benefits them.

Naming Rights

Is the understanding that the target for any funds generated by naming rights would be used for technology correct?

The School Department is working closely with the Newton Schools Foundation and they are really the group to talk with in terms of technology. It is an area where the schools are lacking and there is no funding mechanism for technology. Whatever the School Department can do get other support from outside is a benefit.

Additional Positions

When you add new personnel, there are associated benefit costs that become part of the budget for the long term. What reserves does the School Department have to deal with those issues like deferred pension obligations and retirement obligations.

There are unanticipated costs in the School Department, which requires a reserve. However, the questions around pension obligations and retirement are really for the city, as the School Department does not carry those costs in the budget.

When you look at the number of School Department employees and retirees, the School Department has accounted for all of them and any increases and carefully costed out expected benefits costs for the coming year. The School Department works very closely with the City because the unfunded parts of retirement costs and pensions are not currently in the schools budget but that is currently under discussion.

It would be helpful to get further information from the School Department regarding the collateral impacts of the new positions within the School Department. With details on how the positions are factored into the overall City budget.

What type of impact factor is there for the investments that are made in the physical plant and maintenance of school buildings and how much the City saves for each dollar invested. This information would inform the work on the Capital Improvement Plan (CIP) and highlight how much the City is saving from those investments. If the City can increase the savings with a little more investment, the City will reap the benefit in upcoming years. Further information on this topic will be provided by the City and School administration.

Enrollment

Increased enrollment is 24% of the increased budget. The middle school increase is 43 for the upcoming year but last year it was 117. Why is it so much less this year?

The middle school growth is occurring because there was growth in the elementary schools over the past few years and a large number of those students entered middle school last year. Last year the growth was even greater than what was projected but it is leveling off. It is not just one straight upward line when projecting enrollment. There is always a margin of error in enrollment projections. This school year there were more students than what was projected, which does not happen every year. Although the enrollment projections are not perfect, they are generally within 1% accuracy overall. In order to give a more definite number, there would need to be a review of the enrollment projection numbers for the past year and the upcoming year. Once the numbers are reviewed, the School Administration will provide a more specific answer.

Health and Utility Savings

Does the School Department have any indication of why the health care savings are being realized? Is it related to decreased utilization because of the changes to health plan design? Do the savings relate to some of the incentives in the contract or is it anomalies? It is important to note as the School Department is depending on those savings in the future.

The School Administration cannot give a specific answer. The City is self-insured. There are two parts in terms of health care savings. One part is a derived rate that is translated as a health insurance premium, where the City pays their share and the employees pay their share. When it comes to the actual underlying real health care costs, the City works with consultants to manage the health insurance plans. It is quite complex and the Chief Financial Officer, Maureen Lemieux and the Human Resources Department work closely with the consultants.

Some of the savings that have been realized are a result of employees paying higher co-pays and the addition of the deductibles. In future years, there may be health cost and utility cost increases and how will that affect future budgets. Further information will be provided to the Committees.

Facilities Planning

What are the long-term proposals for school facilities and will the Board be able to see on a school-by-school basis the full picture? As we look at the total picture, will the Board be able to see what the priorities are over a period time?

It is a difficult question to answer because the CIP already includes two different types of projects. Some of the projects are projects related to the need to repair something that on the City's system of evaluating projects and priorities has risen to a very high level because of risk of failure. Health and safety issues make the projects rise to the top. Some of the projects are in a continuing category of upgrading some of the energy related systems. Some of the projects are the actual building projects that are now starting to populate into the CIP. The challenge is to find a way to rank those things and reflect either the needs because of the overall condition of buildings, which would lead to risk of failure and consequences and mix in the capacity challenge that the Schools face. The School Administration is working on how to make the system adjust for that.

At the April 9, 2012, School Committee meeting a presentation on the strategy to prioritize the approach to address needs like capacity and building condition in the elementary schools will be made. It is a first attempt at showing broadly one or two scenarios on how it might be done.

At what point will the funding requirement be known and at what point will there be a funding source for the Angier School. How will a request for a debt exclusion override dovetail into the fact that Angier Elementary will be occupying Carr in 2014?

The School Administration could not answer all the pieces of the questions. The start of the feasibility study is meant to accommodate the review and preliminary design in a timeframe such that the City can reach an agreement with the MSBA on the preliminary design and scope of a project, which will have a dollar number attached to it that will come from professional consultants and architects. It needs to be in time to proceed to final construction documents and go out to bid contractors to begin construction in July of 2014. It is in September 2014 that the population of Angier would need to move out of the school. The School Department is not expecting that Angier Elementary School will be occupied during the project, which is the reason for the need for swing space.

The funding source will have to be addressed by the City once the funding information is known. It is true that there is going to be a tricky interweaving of timing to have the best possible information on the size and scope of the project.

State Aid

There is concern regarding the Chapter 70 State aid funds, as the City does not control the allocation. If the School Department does not receive the projected funds from the State, is there a Plan B?

This budget allocation has been set, the School Committee has voted it, and unlike some other years, the School Administration understands that the budget is not conditional. The Chief Financial Officer, Maureen Lemieux, explained that if the School Department does not get the State aid, there would be a conversation. The City has not asked the School Department to come up with a Plan B. The City met with Jay Gonzalez, Secretary of Administration and Finance for the Commonwealth, and the change in the Chapter 70 allocation for the City was based on foundation funding. Because the City was not getting the amount of money it should, it got the increase it did. When the State relooked at the aid, some communities should have received a decrease but were held harmless. Therefore, it would be likely that even if there was a reduction to Chapter 70, the City's allocation would remain the same and communities that should have received a decrease would then receive the decrease. However, if the City were to lose almost \$2.7 million slated to be received, it would be difficult to make that up in the budget.

Budget Increase

A lot of work that the School Department, the School Committee, and the Administration have done in the past is coming to fruition. Nonetheless, there is a sense that this year's school budget is so different from last year's budget because of the Mayor's decision to fund a 4.1% increase for the Schools. It looks like that the City is going to get a 1% increase.

Since the Mayor's budget meetings with the Board of Aldermen, the City sold its bonds at 2.08%. The debt service for next year will be better; therefore, the City's portion of the budget will increase by more than the 1%.

There is a gap between available revenues in the needed level of funding, as you look out at the School budget projections over the next few years. This is in part due to growth in student population but there is no gap in Fiscal Year 2013 due to the increase of 4.1%. The problem is the 4.1% increase is unsustainable. As you look out more realistically, the School Department is facing \$2-3 million in shortages each of the next foreseeable years. What strategies is the School Administration employing in Fiscal Year 2013 to set up for the next five fiscal years, as the pressures return?

This year was about the Governor's increase of 20%. It was the difference between this year's proposed budget and last year's budget. The fact that the School Department's percentage increase is larger than the City's is the result of the Governor allocating \$145 million for education and level funding everything else. The budget reflects the Governor's, Mayor's and likely the Board's priorities.

The impact of settling the collective bargaining agreement and structurally reducing the benefits costs throughout the City is what is allowing the budget to grow even with the Schools being at 4.1%. If you took away the loss of State Funding, which was the final almost \$1 million in funding and the enrollment increase, the School Department would have been within the revenue growth line of the City.

Growing enrollment at almost 200 students a year is a tremendous challenge. If there were no revenue beyond the 2.5% expected growth, the School Administration would be looking for efficiencies through class size and program offerings. Fiscal Year 2013 is the last year that there is funds allocated to the school lunch program, that and the drop-off in health insurance costs and reductions made previously have made a tremendous difference. The School Administration cannot really give the answers to what happens if funding is level in the future.

The School Administration is looking at how to provide an effective program first and then determining what efficiencies can be gained. It is the hope that there will not be a repeat of last year's budget in the near future. The School Administration is always thinking about the budget because it is a challenge every year. The question becomes what else could the School Administration do when there is pressure from increased enrollment. If the enrollment were steady or going down, there would be no shortfalls in outlying years.

One of the recommendations of the Citizen Advisory Group was to look at hard at one more pillar of the educational budget, which was teaching loads in the high schools. There has been some discussion regarding the possibility and it will be interesting to see if the School Department will have to turn to that moving forward. It was pointed out that the School Department has implemented virtually all of the recommendations of the Citizen Advisory Group.

What are some of the things that were cut last year but are being restored in the Fiscal Year 2013 budget or were restored during this fiscal year? It would be beneficial to have the information before the Board acts on the budget. The School Department agreed to provide the requested information.

Capital Improvement Plan

Chairman Gentile referred the Committees to the packet of information provided by the School Department related to school capital improvement projects. There is a memo regarding the capital improvement projects from the past and the Fiscal Year 2013 proposed capital projects, which should inform the Aldermen on upcoming CIP projects.

There appear to be add-ons to the Capital Improvement Program (CIP) that are not included in the book but are on the City's website. There are a number of these types of projects related to the schools that will require millions of dollars to do. When will these projects come before the Board?

The projects that have been added were part of a brainstorming session and are not official requests. The School Department has asked that those projects be removed from the on-line version of the CIP.

Both Committees held the School Department's budget for further discussion at the Board of Aldermen's Committee of the Whole meeting.

All other items before the Committees were held without discussion.

Respectfully Submitted,

Amy Sangiolo, Chairman
Programs & Services Committee

Leonard J. Gentile, Chairman
Finance Committee

School Facilities Update

Board of Aldermen

April 4, 2012

Angier

- January 2012 – MSBA invitation to eligibility period
- March 2012 – all MSBA submission deadlines met
- March 14 -- MSBA Design Enrollment Certification
- March 28 – MSBA Board invitation to Feasibility Study

Angier – Continued

- April 10 – School Building Committee first meeting
- May - July -- Owner's Project Manager selection process and contract
- June – September – Designer selection process and contract
- September - Feasibility study begins

Swing Space

- March 26 -- School Committee voted to request Carr School reuse
- March 27 -- Real Property Reuse Committee voted to approve the reuse of Carr
- April 2 – Reuse of Carr approved by the Board of Aldermen
- April 12 – Carr Designer Proposals bid deadline
- September 2014 – Carr ready for occupancy

Day Middle School

- April 26 – Design Review Committee reviews 80-90% construction plan with cost estimate.
- Summer Interim Space: Day admin and student services relocate to Central High this summer while temporary swing space is under construction at Day.

Elementary Sprinklers

- Bid opening will be held on April 5, 2012

Newton Public Schools

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Pillars of a School Budget

1. Class Size
2. Breadth of Program-electives, Fine Arts Programs, Extra Curricular Activities, etc.
3. Student Services – Special Education, Mental Health Services
4. Operational Infrastructure – Custodial, Clerical, Maintenance, Utilities, Technology, Transportation
5. Educational Infrastructure – Professional Development, Curriculum and Technology Support, School Administration
6. Salaries and Benefits

School Committee Guiding Principles

- Focus on improving student achievement
- Maintain or improve quality of teaching and learning by preserving critical educational supports
- Address increase in student enrollment and the intensity & diversity of student needs
- Allow schools to improve in a few explicit areas

School Committee Guiding Principles (continued)

- Works toward achieving equity by allocating resources based on student population and program needs
- Places emphasis on early elementary education resources and most effective interventions
- Advances 21st century teaching and learning
- Identifies opportunities for increased revenues, creative programs and partnerships that offset budget reductions

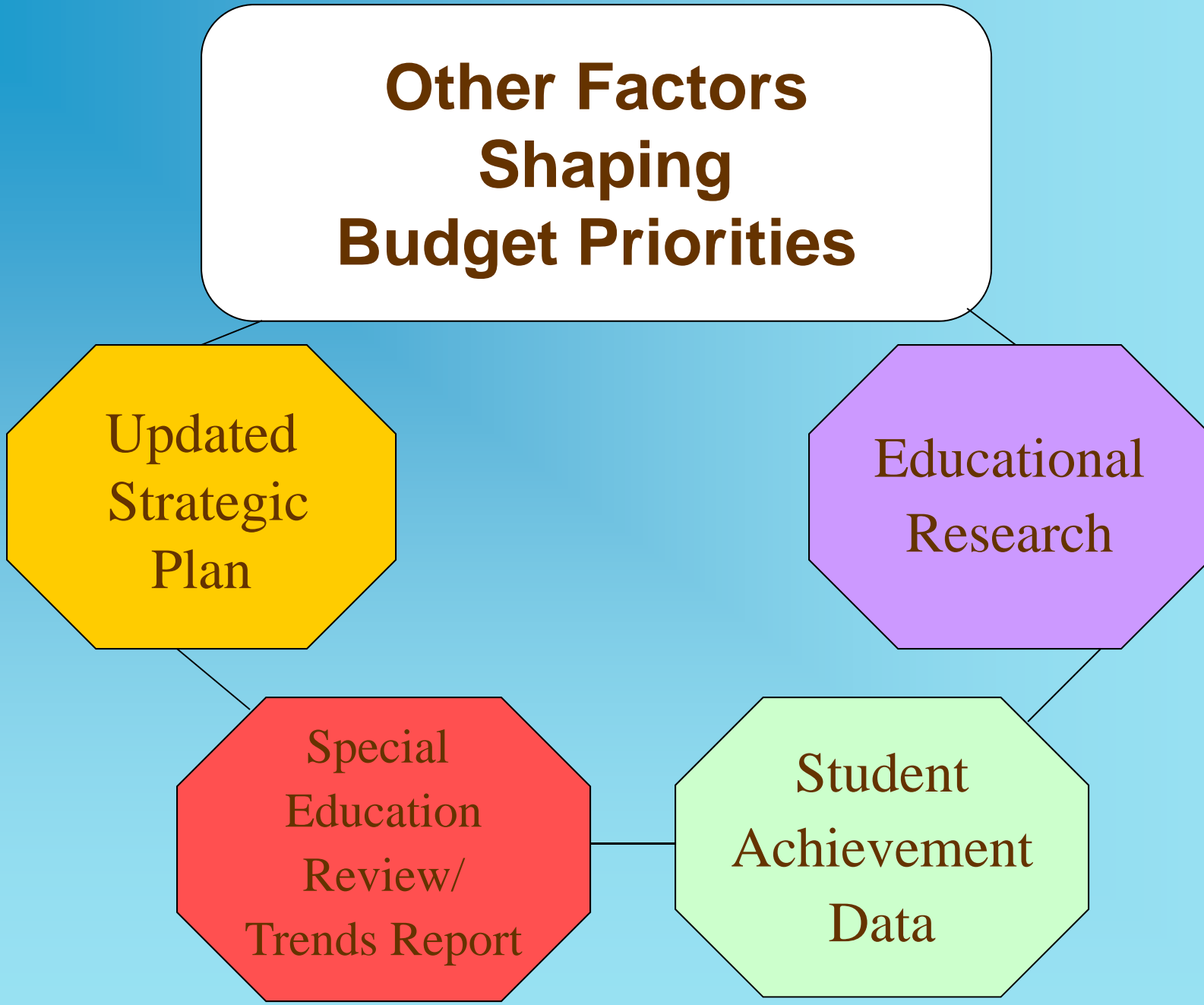
Other Factors Shaping Budget Priorities

Updated
Strategic
Plan

Educational
Research

Special
Education
Review/
Trends Report

Student
Achievement
Data



Four Areas of Focus

1. Maintain programs that are successful
2. Account for continued increases in enrollment K-12
3. Provide additional supports for students through mental health and instructional intervention strategies in elementary and middle schools
4. Continue the fee policies and strive for efficiency in operations.

FY13 Budget Proposal

Salaries and Benefits	\$150,689,538	84%
Expenses	\$28,091,707	16%
TOTAL REQUEST	\$178,781,245	100%
FY13 INCREASE	\$6,961,245	
% INCREASE	4.1%	

FY13 Budget Increase

Total FY13 Budget Increase	+4.1%	\$7.0M
Maintenance of Effort Small adjustments	+2.6%	\$4.4M
Enrollment Increase +192 students	+1.0%	\$1.7M
Replace Ed Jobs Federal Funds	<u>+0.5%</u> +4.1%	<u>\$ 0.9M</u> \$7.0M

Budget Factors

A Different Year

- Enrollment
 - Student Services
 - Loss of Education Jobs Funding
-
- Settlement of Collective Bargaining Contracts
 - Proposed Increase in State Chapter 70 Aid
 - Lower Utility Costs
 - Fees – Adjusted Revenue

Budget Increases Due to Enrollment

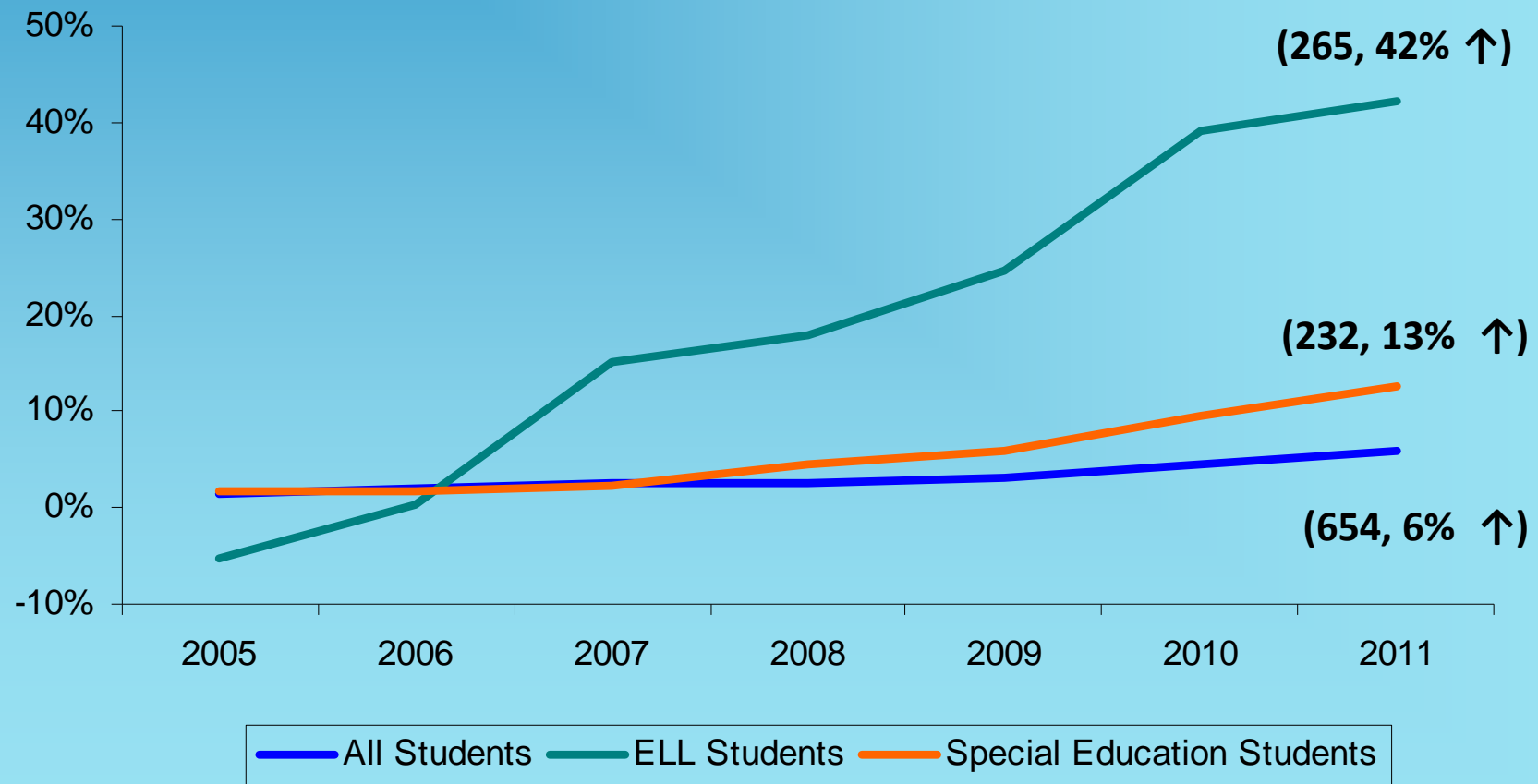
Expenses	Enrollment	FTEs	Amount
<u>Elementary Education</u>	+70	6.2	\$282,700
Reserve Teachers		2.0	\$108,000
<u>Secondary Education</u>			
Middle School	+43	4.3	\$230,040
High School	+79	5.0	\$270,000
Reserve Teachers		1.0	\$54,000
<u>English Language Learning</u>		2.0	\$88,000
<u>Student Services</u>			
Aides/Aide Specialist/Psychologist		6.2	\$225,265
Tuition, Transportation, Other Expenses			\$149,876
<u>Other Enrollment Increases</u>			\$263,339
Total Enrollment Increases	+192	18.5	\$1,671,220
Overall Budget Increase (FY13 vs FY12)			\$6,961,245
Enrollment Driven Costs as Percentage of Increase			24%
Enrollment Driven Costs as Percentage of Total Budget			1%

Enrollment Growth Trends

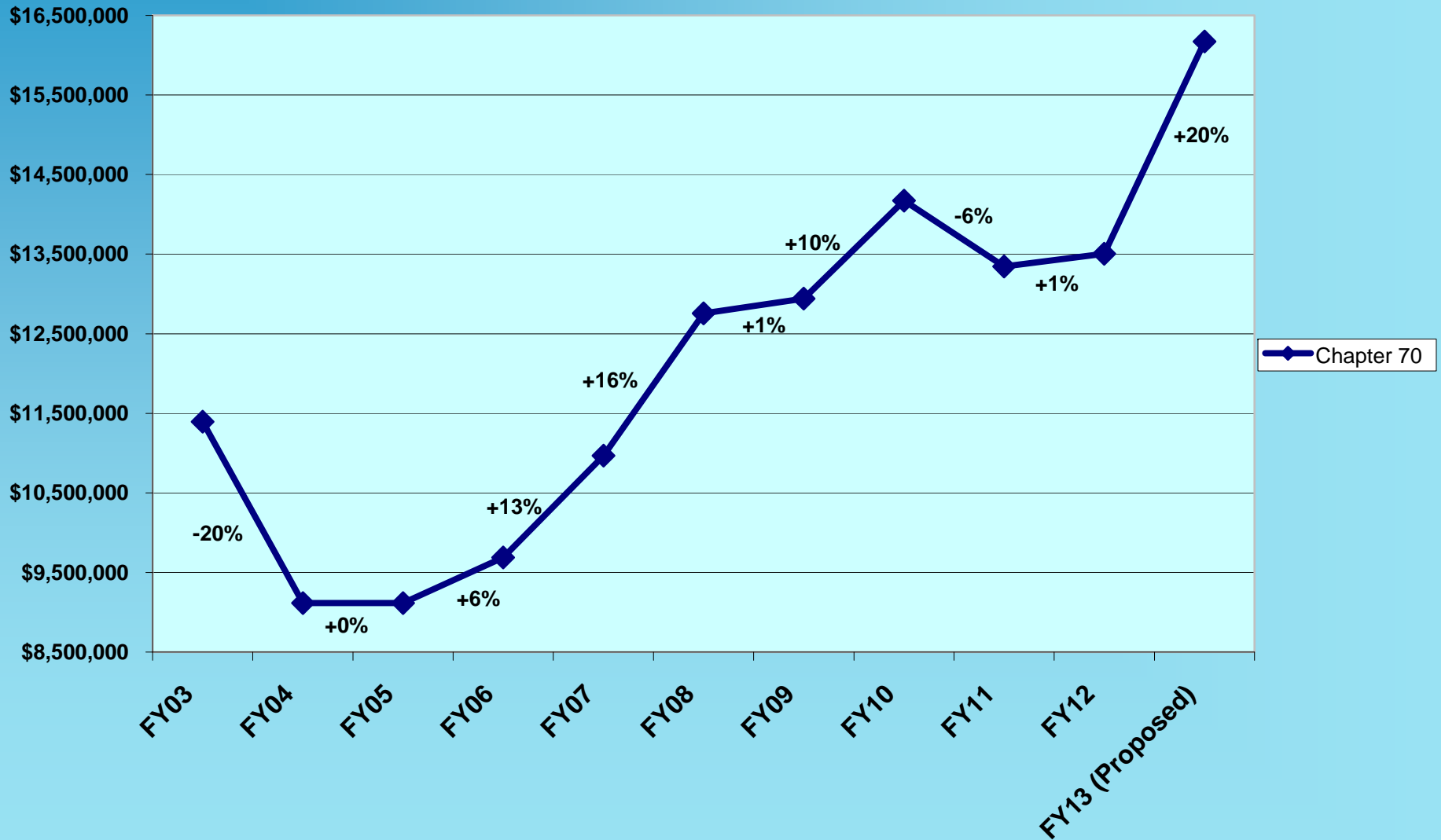
- **Eight years of growth from FY04 to FY13**
+846 students +8%
- **12,144 students projected in FY13**
+192 students from FY12
- **Cumulative growth expected FY04 to FY17**
+1,428 students +13%

Growth of Special Populations

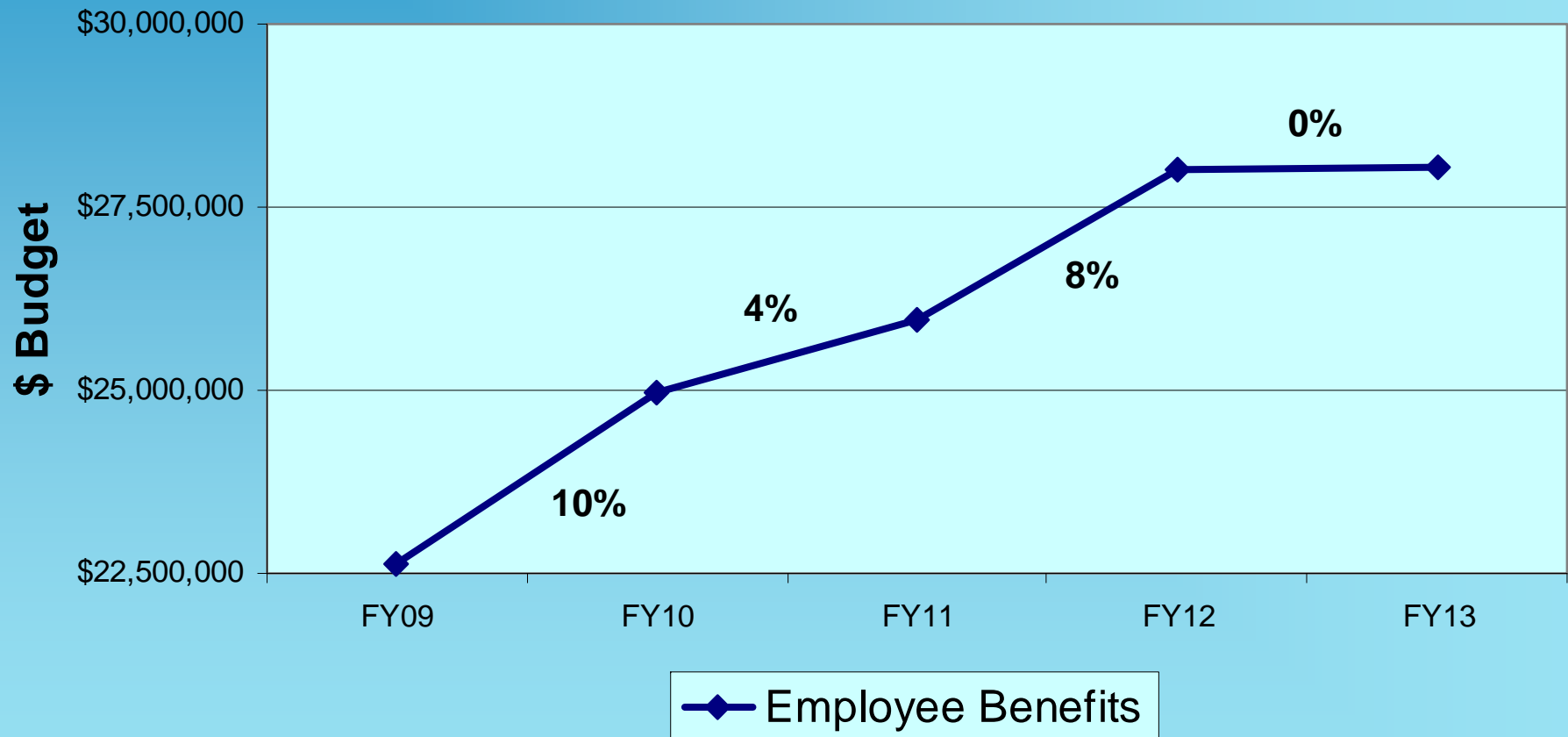
Percentage Enrollment Change Since 2004-05



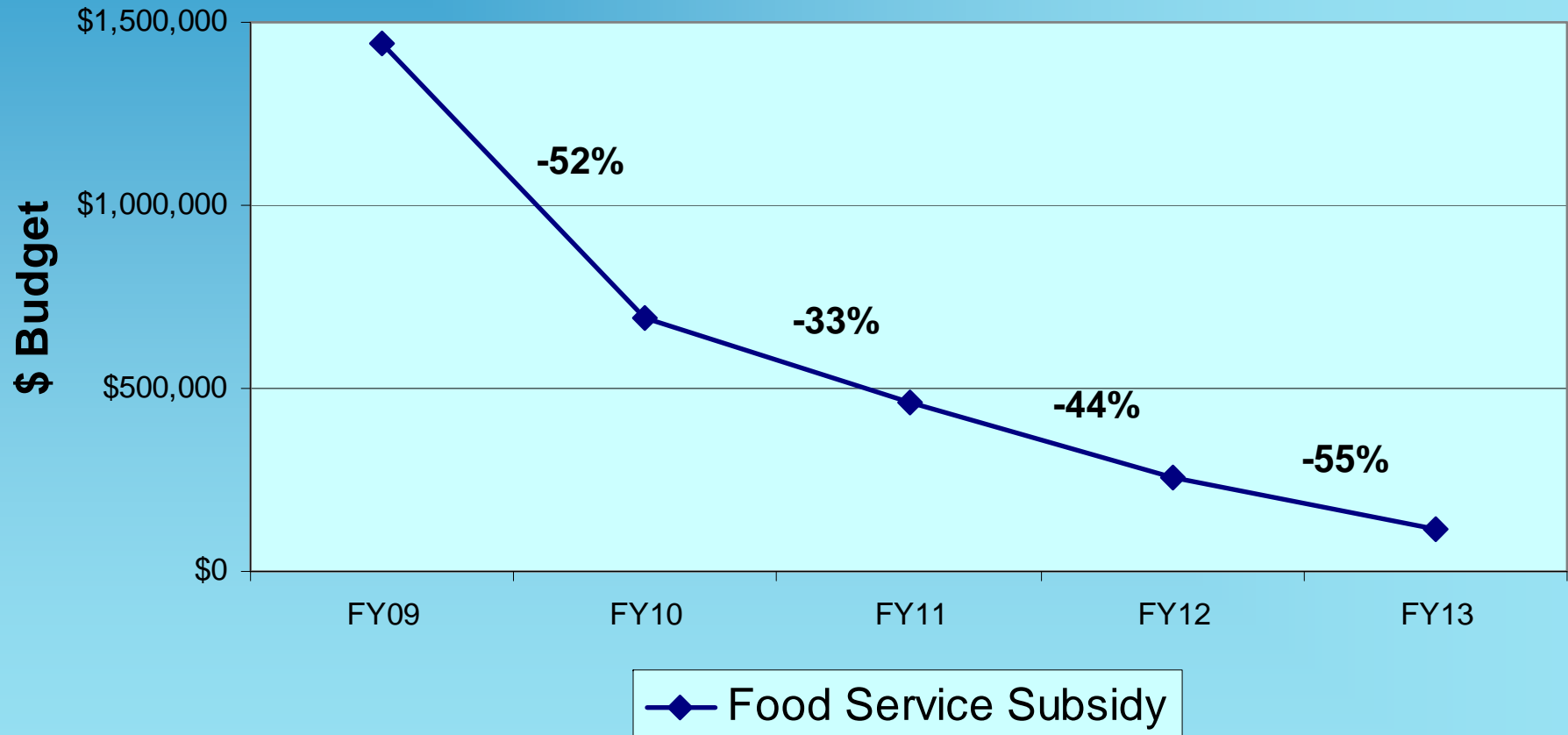
Newton's Chapter 70 Aid: FY13 (Proposed) Highest in Years



Employee Benefits: Annual Budget Amount



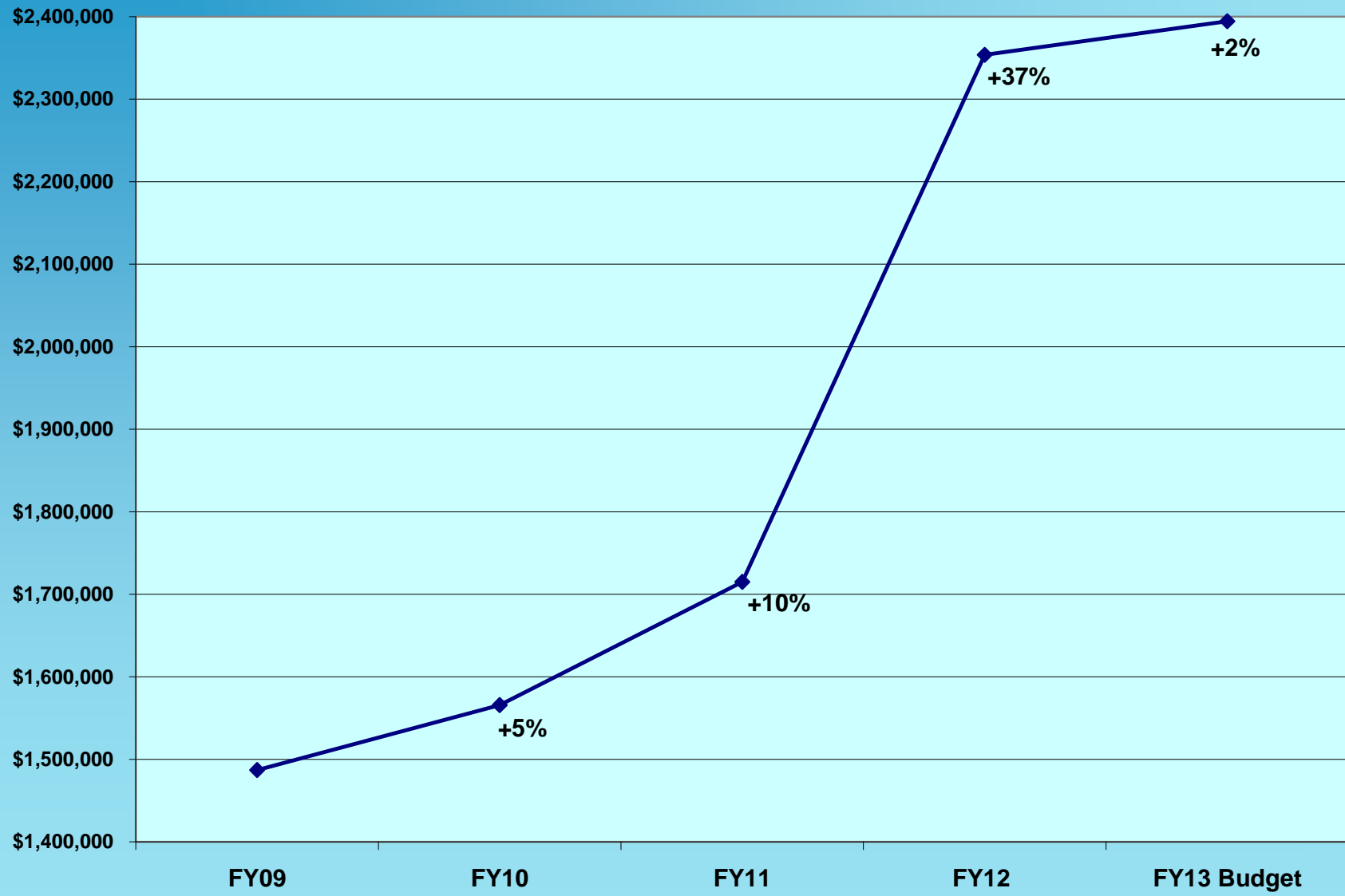
Food Service Subsidy: Annual Budget Amount



Utilities Efficiencies

- No budget increase for FY13 due to rates and efficiencies
- FY10: Converted 10 school buildings from heating oil to natural gas heat
- FY11: Opened New Gold LEED certified Newton North
- FY12: New Building Systems Coordinator; Converted Countryside School from heating oil to natural gas heat
- NORESKO Projects: Phase 1 and 2 completed at four middle schools and Ed Center
- Elementary Schools: City is investigating how best to proceed with elementary school efficiencies

Increasing Fee Revenues



Elementary School Highlights

- Additional classroom teachers added for enrollment
- Slight reduction in class size K-2
- Increased targeted and focused small group instruction during literacy and math in lower grades
- Restoration of 4th grade chorus
- Increase art time in grades 3-5

Elementary Schools

Projected increase of 70 students

Elementary Teaching positions for increased enrollment

Add classroom teachers	3.0 FTE	\$162,000
Add reserve teachers	2.0 FTE	\$108,000
Add art, music & PE teachers	1.0 FTE	\$ 51,300
Restore grade 4 chorus	0.8 FTE	\$ 50,050
Add math coach time	<u>0.2 FTE</u>	<u>\$ 14,000</u>
	7.0 FTE	\$385,300
Increase early literacy aides	2.0 FTE	\$ 55,400
Add early intervention aides math and literacy	6.0 FTE	\$180,000
Total Elementary Schools	15.0 FTE	\$620,750

Middle School Highlights

- Additional team teachers to address enrollment increase
- Additional reading support to provide regular education intervention

Middle Schools

Projected increase of 43 students

This year's increase was 117 students

Middle School teaching positions for increased enrollment

Add classroom teachers	4.0 FTE	\$216,000
Add multi-team teachers		
World language teachers	0.3 FTE	\$ 14,040
Add reserve teachers	0.5 FTE	\$ 27,000
Add reading support	2.0 FTE	\$108,000
Total Middle Schools	6.8 FTE	\$365,040

High School Highlights

- Additional teachers to address enrollment increase
- Maintain One-to-One Program (Budget adjustment)

High Schools

Projected increase of 79 students

High School teaching positions for increased enrollment

Add classroom teachers	5.0 FTE	\$270,000
Add reserve teachers	0.5 FTE	\$ 27,000
Add One-to-One Program	0.4 FTE	
Total High Schools	5.9 FTE	\$297,000

Student Services Highlights

- Expansion of elementary co-taught classrooms
- Additional mental health staff – full time coverage in all elementary schools
- Development of citywide middle school programs for students with social/emotional disabilities and students with autism spectrum disorder (ASD)
- Enrollment related increases: staffing and expenses
- Other mandated staffing increases

Student Services Expenses (Non-Salary)

Out-of-District Tuition Increase

Rate Increases and New Placements	\$1,306,023	
New Placements Due to Enrollment	\$62,000	
Increase in Circuit Breaker Credit	-\$477,994	
FY12 Circuit Breaker Carryforward	<u>-\$550,000</u>	
Total Out-of-District Tuition Increase	\$340,029	3.8%

Special Education Transportation Increase

Rate Increases for SPED Transportation	\$126,696	
Transportation to Allow for Enrollment	<u>\$47,993</u>	
Total Special Education Transportation Increase	\$174,689	6.4%

Special Education Contracted Services and Summer Increase

Rate Increases for SPED Contracted Services	\$278,618	
Contracted Services and Summer for Enrollment	<u>\$35,757</u>	
Total SPED Contracted Services Increase	\$314,375	15.8%

Special Education Supplies and Expenses	\$4,126	4.4%
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TOTAL STUDENT SERVICES EXPENSES	\$833,219	6.1%
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English Language Learners Highlights

- Additional teaching staff (1.0 FTE) to accommodate enrollment growth
- Additional aide support (1.0 FTE) to serve beginning English learners
- Increased staffing (.55 FTE) to support students at risk of not passing MCAS (funded by tuition revenue)

Teaching & Learning and Information Technology Highlights

- Professional Development remains a priority
- Aligning curriculum with the Common Core
- District support for Innovation Lab
- Small increase in technology support

Supporting Technology

- New partnership with Boston College
- Close partnership with Newton Schools Foundation
- Use of one-time health holiday funds
- Improve network infrastructure to support access at all levels

Operations Highlights

- One additional custodian to support North and other buildings
- Small increase in support for capital projects

Health Holiday (\$250K)

- Technology for the middle schools (\$91,000)
- Update the South Language Lab (\$40,000)
- Increase summer professional development for teachers (\$45,000)
- Increase the per pupil allocation (\$40,000)
- Extended learning for ELL students (\$25,000)
- Utilize Education 2020.com (\$9,000)

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