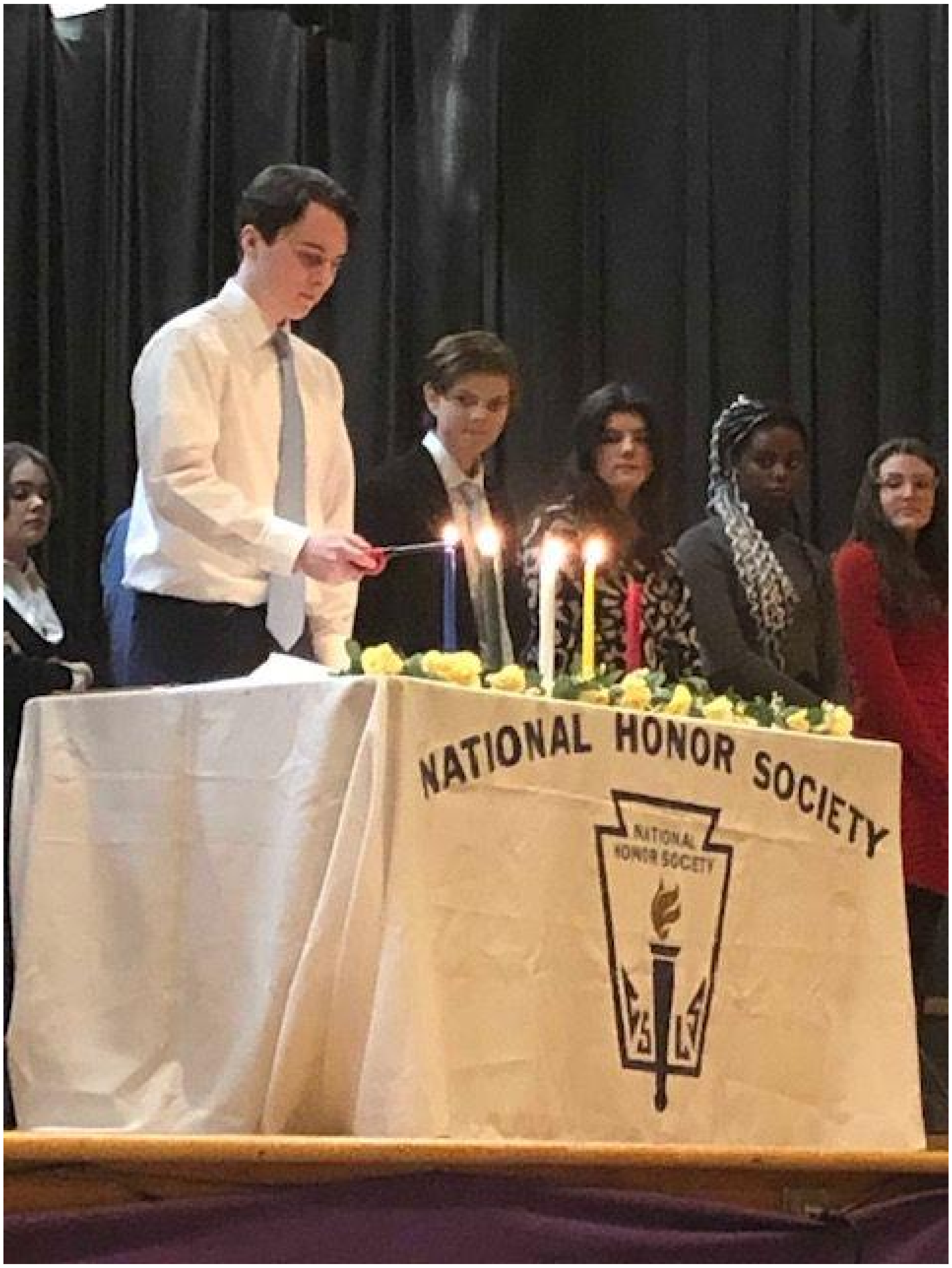
North Brookfield Public Schools



Proposed FY24 Operating Budget

Executive Summary

Developed By:

Tim McCormick; *Interim Superintendent*

with the support of the Administrators, Faculty,

and Staff of the North Brookfield Public Schools.

North Brookfield Public Schools
10 New School Drive
North Brookfield, MA 01535

"Education is the great equalizer of our time. It gives hope to the hopeless and creates chances for those without"

- Kofi Annan

February 2023

Dear North Brookfield School Committee and North Brookfield Residents,

I am pleased to present to you an Executive Summary of the FY24 Superintendent's Recommended School Operating Budget. This document is a "big-picture" overview, but one that also provides detailed explanations of our budget requests. It is written with the goal that any North Brookfield resident can read it and fully understand the school budget. I hope you find it clear, concise, and easy-to-read, as one of my primary goals is to provide a high level of transparency during the budget process. Please refer to the table of contents for easy reference.
The budget request for FY24 totals $8,975,209.79 which represents a $1,175,446.73 increase over FY23. A summary table is below:

Final FY23 Budget	$7,799,763.00
FY24 Recommended Budget	$8,975,209.79
Increase ($)	$1,175,446.73
Increase (%)	15.07%

For more detail, the following table breaks down the FY24 budget further into three major accounting categories and includes an FTE[1] count. For FY24 the major budget driver is special education increases; salary increases, and additional costs for all transportation. **Salaries account 51.3% of the total FY24 budget, and 24.5% of the total increase.**

Account Type	FY23 FTE	FY23 Budget	FY24 FTE	FY24 Budget	Difference ($)	Difference (%)
1- Salaries (Professional, Admin, and other)	101 FTE	$4,317,289.88	103 FTE	$4,605,143.89	$287,854.01	7%
2-Contract Services/SPEd tuition		$809,179.73		$1,425,502.20	$616,322.47	76%
3- Transportation		$745,839.58		$982,052.96	$236,213.38	32%

1. *FTE stands for Full Time Equivalent personnel. As an example, a full-time teacher or staff member is 1.0 FTE. A part-time teacher is a fraction of the FTE.*

The budget increase in context

I will be the first to acknowledge that the over 15% budget increase is higher than desirable, and I am committed to working collaboratively with the Town to develop and present sustainable school budgets now, and in the future. However, the development of the FY24 budget outlines what NBPS students need to be successful. Additionally, the district has been presented with some significant challenges that are beyond our control. Specifically, three major budget drivers are straining the FY24 budget:

- First, the Special Education Tuition/Contracted Services budget increased by $616,322.47 over FY23, which is in part attributable to a decision by the State to approve a 14% tuition increase for private special education schools. Additionally, the FY24 budget forecast includes two additional students projected for private school placements. For perspective, an out-of-district placement, on average, costs the district over **$100,000.**
- Second, Transportation will have a projected increase of 6% for FY24 and roughly 30% total over the next five years. Even with the continued elimination of 1 school bus, this will be a new line item increase we will have to make adjustments for. We are looking at a $235,000 increase for regular day; special education, and athletics transportation.
- Lastly, as stated already, salaries and salary increases will remain another major budget driver. Last spring, we negotiated in good faith with our teachers and custodial unit and we will honor these increases for FY24. Salaries will see a $287,854 increase based on lane, step, and negotiated increases for both personnel units..

Together, the increases to Special Education Tuition/therapeutic services at $616,000; the salaries budget increase of $287,854, and the transportation increases of $236,213 are the three major drivers for our budget increase. In totality, these three account for 97% of the total budget increase of 15%. Said another way, without those three budget drivers that are beyond our control, the budget increase would have been 2%.

Sped Tuition	Salaries	Transportation
$616,000	$287,000	$236,000

More detailed information about Special Education and Utilities can be found later in the Executive Summary.

Our version of a Snowy Winter

I am greatly concerned that the schools will be forced to cut critical staffing and educational programming to offset the increases to Special Education Tuition, Transportation, and Utilities. That would be an unfortunate scenario – our students' education should not be compromised because we have to pay the heating bills, or because the State made a unilateral decision to raise Special Education tuition rates. However, while the Special Education and Utilities increases are beyond our control, they are indeed real, and it will take real Town resources to fund them.

Although how to allocate municipal resources is beyond my purview, I would recommend we address this much like we address the "Snow and Ice" budget. Namely, because the annual cost of snow removal is something that is difficult, if not impossible, for Towns to forecast, the Commonwealth allows towns to "deficit spend" their snow removal budget. Importantly, the Town Department responsible for snow removal (in our case the DPW) is not "penalized" for a snowy winter since the expense is accounted for outside of the departmental budget.

The extraordinary increases in Special Education Tuition and Utilities is the School Department's version of a snowy winter. To the extent that we can treat it as such, and find a way to fund this budget anomaly and not compromise our public schools, is an approach to consider.

Conclusion

Meanwhile, I can say affirmatively that there are unfunded needs in the North Brookfield's Public Schools' FY24 Budget. Unfortunately, while we are certainly not making draconian cuts, the budget also contains only limited new positions, services, or innovations, and at best allows us to maintain the status quo. I recognize the budget limitations all towns face, and there is no easy solution to funding public schools. Today's public schools are more complex than ever, and students require a higher level of service than at any other time in history. Schools have transformed from institutions that provide a one-size-fits-all education into ones providing specialized instruction to a highly diverse group of learners. Today's schools must also focus on the increasingly complex social and emotional needs of students, and attend like never before to student safety and building security. Finally, schools are more accountable than ever to the state and federal government, and when we promise to educate all students, we truly mean *all* students. As we look ahead to the future, we need to ensure that North Brookfield Public School students continue to receive a top-notch educational experience. As the Commonwealth's newly appointed education Secretary Dr. Patrick Tutweiler so eloquently stated, "now is the time for the Commonwealth to 'stabilize…heal…transform' in education, seeking to understand the experiences of students in the work of schools." The students and families of North Brookfield deserve a school district that is appropriately funded for our students to do just that!

Please let me know if you have any questions about this budget or any other school related matter. I can be reached by email at tmccormick@nbschools.org or by phone at 508-867-8148 Thank you for your continued support of the North Brookfield Public Schools.

Sincerely,

Tim McCormick

Note: In Massachusetts, the "Fiscal Year" runs from July 1 to June 30. The FY24 budget is for the time period July 1, 2023 to June 30, 2024.

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How was the FY24 Budget Calculated?

Using our current-year budget as a starting point, the chart below shows a **sample** of the step-by-step progression of how we arrived at the Superintendent's Recommended Budget of $8,975,209.79. Detailed explanations of the major budget drivers can be found later in the document.

Budget Action	Budget Impact ($)	Cumulative Total Budget	Cumulative % Increase
Starting Point: Final FY23 Budget	$7,799,763.06		
Salaries: increase in salaries including steps, lanes, and estimated cost-of-living increases	$287,855	$4,605,143.89	7%
Special Education: Increase in out of state tuition	$701,889.47	$5,307,033.36	15%
Facilities: Increase in NON-SALARY accounts (Utilities)	$15,703	$5,322,736.36	15.5%
Technology: Increase in NON-SALARY accounts	$41,728.92	$5,364,465.28	16.3%
Contracted Services:	$85,000	$5,449.465.28	

Why did the Special Education Budget increase by such a large amount?

Special Education is, without a doubt, the most volatile of all school department budget items almost every year. The reason is that we are legally mandated to provide a certain level of service to students with special needs, as defined in the student's Individualized Education Plan, or "IEP". As it relates to budget requests, it is important to note that as students' needs change, the budget must also change. This interdependent relationship between a) mandated services, b) student needs, and c) school budgets means that forecasting Special Education expenses is a difficult, if not an impossible challenge for school administrators throughout the country.

This year the challenge is exacerbated by a recent decision by the state's Operational Services Division (OSD) to approve a **14% increase in tuition** for private special education schools. For context, in the last 13 years the OSD rate increase averaged under 2% annually, so a rate increase of 14% for the next school year will significantly and negatively impact all FY24 budgets in Massachusetts public school districts which send students to out of district placements.

It is important to note that we develop our Special Education tuition budget on a student-by-student basis. Our projected FY24 budget reflects only students that we expect to require a private placement next year - there is no "contingency" in our budget request.

Special Education by the Numbers

In FY24, it is projected that 9 North Brookfield students will attend either a Special Education Collaborative, a private day school, or a private residential school. See table below for FY23 and FY24 placements and corresponding budget. These numbers do not tell the whole picture as some students will require additional services at an additional cost along with the increase in special education transportation (6%).

Placement	# of Students	FY23 Budget	# of Students	FY24 Budget
Collaborative	1	$49,987.95	2	$113,924.08
Private Day	2	$201,011.46	3	$332,057.79
Residential	4	$657,135.84	4	$696,745.09
Grand Total	**7**	**$908,135.25**	**9**	**$1,142,726.96**
Tuition Difference 23/24				**$234,591.71**
Transportation	**3**	**$138,808**	**5**	**$483,345.20**
Cumulative total		**$1,046,943.25**		**$1,626,072.16**
Transp. Difference 23/24				**$344,537.20**
Cumulative difference				**$579,128.88**
Cumulative % increase				**55.32% increase**

Budget Reallocations
(Net $0 budget impact)

Budget reallocation means the redesignation of appropriated or budgeted funds from one account to another account or to a newly-created account for a different use or purpose. In the absence of new revenue or adequate funding levels, it is critical for Town departments to think creatively, and when possible, reallocate funds to meet organizational needs. In total, the FY'24 School Department budget request contains over $78,327.00 in reallocations, resulting in a net $0 budget increase.

Reallocation Goal: Addressing the critical needs in Special Education

1.0 NBHS Paraprofessional (retirement) and 1.0 additional FTE paraprofessional	1.0 FTE Special Education Teacher NBHS ($49,627)

<u>Explanation</u>: Regarding the need for an additional Special Educator: In order to effectively serve the increasing population of students requiring intervention and specialized services by way of Individualized Education Programs, NBHS requires additional Special Education teacher-level services. An additional Special Education teacher will allow for services to occur in a less restrictive model, focused grade level groupings, and more equitable caseload distribution for professionals. It will further allow for the expansion and more effective educational approaches when considering co-taught service options; interventions and instruction provided alongside classroom peers by professionally licensed staff.

Reallocation Goal: Addressing the need to fill a .5 FTE NBES media specialist position

Utilize a 1.0 FTE NBES ($28,700) papraprofessional (retirement)	Create a .5 NBES Media Specialist

<u>Explanation</u>: Media centers or libraries are often an important learning hub of the school. This reallocation of funds will allow the NBES media center to continue and operate with a part time educator allowing access for all students throughout the school week.

Budget Additions
(Net $131,108)

Budget Additions: Addressing the need to restore our 1.0 NBHS media specialist; maintain our 1.0 NBPS instructional coach (Mathematics)

1.0 FTE NBHS Media Specialist ($49,627)

1.0 NBPS District wide Instructional Math Coach ($81,481)

Rationale: Due to previous budget cuts, the NBHS 1.0 media specialist position was eliminated. Media centers or libraries are integral to the learning environment of any school and lead to increased reading and research skills for all students. This position would also allow for an increase of elective courses offered to all students.

Based on recent MCAS, MAP testing, and piloting multiple new math curricula, the district brought on a grant funded mathematics Instructional coach. This grant will end without an option for renewal in June while our work is just getting started. This position has been instrumental with supporting our educators with our district wide goal of aligning the K-12 math standards and with their individual pedagogy.

Using Outside Revenue to Offset the Operating budget

There are a significant number of outside revenue sources that are used to reduce, or offset, the District's operating budget. These consist of federal grants, state reimbursement programs, and other sources such as pre-school tuition. All told, **$1.34 million** in outside revenue sources will be used to help fund the North Brookfield's Public Schools budget. See chart below for more detail:

Budget Offset	FY'23	FY'24	Incremental Changes ($)	Offset to account type	Notes
ESSER III (FY'23/FY'24)	$307,714.26	$267,209.38	$40,504.88	Salaries	
SPED Circuit Breaker Reimbursement	$201,060	$350,000	$149,000	Out of District Placements	

SPED IDEA Grant 240	$150,490	$150,490	$0	SPED salary costs; supplies	
SPEd Early Childhood Grant 262	$4,163	$4,163	$0	Supplies	
Early Learning Center Tuition	$38,000	$115,210	$77,210	Salaries; Testing	
Student Gift	$0	$24,162.25	$24,162.25	Math Curriculum Software and Training	
School Choice	$409,905	$200,000 (projected)	$209,905	Salaries	
Title I Grant	$109,657	$109,657	$0	Salaries; Reading supports	
SRSA	$28,000	$31,173	$3,173	PPS/ODP	
Rural School Aid	$45,000	$33,342.00 [$28,243.28*]	$11,658	Technology	*Carry over
Title IIA Grant	$15,910	$15,910	$0	PD/Course Reimbursement	
TOTAL	**$1,309,899.26**	**$1,349,427.49**	**$39,528.23**		

The two largest offsets are the **Special Education Circuit Breaker** and the **Federal Special Education Entitlement Grant (240)**. Definitions for both are below.

The state's Special Education **Circuit Breaker** program reimburses local school districts for a portion of their costs for educating severely high-needs special education students. The state reimburses a portion of district costs above a certain threshold and the precise reimbursement formula changes year-to-year depending on the total amount allocated for this line item in a given fiscal year and on the level of claims statewide.

The purpose of the **IDEA Federal Special Education Entitlement Grant (240)** is to provide funds to ensure that eligible students with disabilities receive a free and appropriate public education that includes special education and related services designed to meet their individual needs.

There are two major changes that I want to highlight:

1. **$150,000 increase to Circuit Breaker Offset**

As was previously mentioned, our Special Education Tuition budget is increasing by $145,193.94 in FY24, which is partly attributable to a state-approved 14% tuition increase for private schools. To help mitigate the impact of this increase, we are recommending that we use additional Circuit Breaker funding to balance the FY24 budget. There is a risk that this amount will not be sustainable in future years, however we believe it is a prudent move at this time to avoid making staff or program reductions.

2. **$573,527 decrease to ESSER II and ESSER III:**

The Elementary and Secondary School Emergency Relief Fund, or ESSER, was established to address the impact that COVID-19 has had, and continues to have, on schools across the country. Like all school districts, North Brookfield received ESSER funding in three phases. See below for our total allocations:

- ESSER I: $65,002
- ESSER II: $265,813
- ESSER III: $574,924

In the past two fiscal years, we have used the majority of the ESSER funding for much-needed teaching positions and some instructional supplies. Unfortunately, we will not receive additional ESSER funding, and thus we are preparing for the "fiscal cliff" that occurs when non-recurring revenue is used to fund anything other than one-time expenses. In short, the positions we funded using ESSER will need an alternative funding source that needs to be identified.

Are there needs that are going unfunded?

Absolutely – there are legitimate and justifiable needs that are not included in the Superintendent's Recommended Budget. That is because there are finite resources and it is my responsibility to present a reasonable and sustainable budget to North Brookfield residents. However, I believe it is important to articulate the district's needs regardless of the fiscal climate, so that when resources do become available there are no surprises. In short, it is important to acknowledge that simply because ***a need goes unfunded, does not mean the need has gone away.***

How Does North Brookfield's Spending on Schools Compare to Other Towns?

Massachusetts' Department of Elementary and Secondary Education (DESE) calculates a "per-pupil expenditure" for all school districts. It is the only "apples-to-apples" data point available that allows for comparative analysis.

Generally speaking, North Brookfield spends much less per-pupil than many of the 322 public school districts in the Commonwealth. However, it is important to analyze per-pupil spending objectively. For example, it wouldn't be reasonable to compare North Brookfield's spending to a district with dramatically different demographics, different needs, or even different levels of student achievement. With that said, we recently analyzed our per-pupil spending relative to other districts who were either: 1) Identified as a comparable district by the Massachusetts Department of Elementary and Secondary Education using its District Analysis and Review Tools (DARTs), or 2) Members of the Southern Worcester Education Collaborative (SWCEC), to which we belong.

As the table and corresponding graph below show, North Brookfield's spending of $17,162.11 is right in the middle of its DART school contemperaries. It is also considerably lower than many neighboring districts. In fact, of these 17 districts, North Brookfield has a lower per-pupil expenditure than 7 of them and is nearly $2,000 lower per-pupil than the State Average of $19,113.

What does this mean? In one respect, it could mean that North Brookfield provides a great value to its residents. To an extent, I would subscribe to that theory. However, we can't ignore the fact that we also have **significant unfunded needs in our public schools**. For example, our facilities need updating and repair, and that is partly attributable to years and decades of deferred maintenance and upkeep. Additionally, many of our programs (athletics, extra-curriculars,) are partially subsidized with user fees. We have, in small part, passed on some of the cost of funding our schools to families. Additionally, we are continually telling our teachers and support staff to "do more with less" regarding funding for supplies and materials. Finally, we certainly have unfunded needs in the teaching and learning realm, and an additional infusion of resources could help to lower class sizes and/or add much-needed programing.

However, I want to be clear that we cannot address all our needs in one year, or even in the very near future. We have finite resources in Town, and it is our responsibility to operate the school district as efficiently and effectively as possible even when resources are not available. However, data like this is extremely important, and we must at least acknowledge the reality of our fiscal situation so that, when additional funding is available, we know where it could be applied.

School Name (DART Schools)	Total Expenditures per Pupil
Ware	$15,904.34
Winchendon	$16,066.88
Hoosac Valley Regional	$17,090.72
North Brookfield	$17,162.11
Avon	$18,771.55
Gateway	$19,062.60
Monson	$19,243.81
State Totals	$19,459.53
North Adams	$19,460.82
Mohawk Trail	$23,807.15
Hull	$26,154.61

School Name (Nearby Schools)	Total Expenditures per Pupil
Auburn	$15,022.63
Belchertown	$15,178.61
Brimfield	$15,412.34
Brookfield	$15,420.41
Holland	$15,904.34
Leicester	$16,044.98
Palmer	$16,569.41
Quabbin	$16,982.58
North Brookfield	$17,162.11
Quaboag Regional	$17,400.14
Southbridge	$17,549.40
Spencer-E Brookfield	$17,883.41
Sturbridge	$18,352.02
Tantasqua	$19,062.20
Wachusett	$19,261.52
State Average (2021)	$19,459.53