

## **PAST CHANGES: PAIN and GAIN**

The FY09 budget cannot be fully appreciated or considered without an understanding of the prior years' budgets.

### **The Context – FY07 and FY08**

During these two years, \$1.3 million needed to be cut just to maintain all staff and programs, while meeting our special education needs.

At the same time, we had identified a number of unmet student needs, which required new staff and programs. To serve these children, cuts or new revenue beyond \$1.3 million was needed. The School Committee made difficult and unpopular decisions to put children first. Staff and parents felt most of the burden.

### **Prior Pain: FY07 and FY08**

A great deal of belt-tightening, streamlining, reorganization, and just downright pain and suffering has already taken place.

#### **Staff Cuts**

- \$500,000 reduction in administrators (8.0 full time equivalents) including the loss of the Director of Guidance, Director of PE, K-8 Director of Library, Director of Elementary Reading, Elementary Health Coordinator, High School Assistant Principal, and ACE (Academic Challenge and Enrichment) Coordinator. We have also reduced, but not eliminated, administrators in Family Consumer Sciences, World Languages, Athletic Director, Nursing, and Health Coordinator.
- Elimination of certified librarians at the elementary level.
- 14.5 other teacher positions eliminated.
- English teachers, grades 7-12, must now teach 5 courses/day, rather than 4.

#### **Expense Cuts**

- Superintendent and Assistant Superintendent expenses and support reduced by nearly \$50,000 plus voluntary end to Superintendent's merit compensation.
- Supplies level funded.
- Increased deductibles and co-pays for health insurance by teachers and administrators.

#### **Fees & Revenue**

- Increased rental fees on after-school programs.
- Fees raised for athletics, full day kindergarten, the Bishop bus, and after-school activities.
- Grant funding refocused on core activities and district goals.

## **The Gain: FY07 and FY08**

Despite the tough budget situation, the district has made major commitments in time and money to address the identified needs of children.

### **Help for struggling students**

- K-5 reading initiative, including 7 additional certified reading teachers, which has increased the number of students reading at grade level.
- Middle school reading initiative, including 2 additional certified reading teachers.
- Dramatically expanded ELL (English Language Learners) program.
- 2.0 more certified math and 4.0 more certified English teachers working with struggling students (due to increased teaching load).
- Increased after-school and summer school programs for struggling students.
- Late bus for METCO students (grades 6-12) to allow wider participation in after-school help.

### **Help for students with social and emotional needs**

- 6.8 additional counselors through a partnership with AYCC for the cost of just 1 counselor.
- Greater coordination and support for at-risk students.
- A school resource officer (jointly funded with the Police Department).
- An in-house suspension program.
- Drug and alcohol counseling.
- A social worker.
- Partnership with a town-wide coalition.
- A very active diversion program.

### **Improved educational opportunities for all students**

- Class size, on average, still below most similar communities.
- No elimination of courses offered, including no reduction in art, music, or PE.
- An aggressive and far-reaching commitment to providing 21<sup>st</sup> century skills to all students.
- Expanding college planning and support services.

### **Increased support for staff**

- Reasonable salary increases for all staff.
- Expanded opportunities for teachers to be leaders.

- Professional development dollars shifted from outside organizations to Arlington staff-led study groups.

### **Special Education improvements**

- Dramatically improved compliance with special education laws, regulations, and timelines made possible in part by 4 additional staff and a large investment in new systems.
- Five new or expanded in-house special education programs.

This is a very long list, given the demanding economic times. This was only possible because of the painful cuts, bold decision-making by the School Committee, and the heroic efforts of staff who are clearly doing more with less. Arlington is fortunate to have such talented and dedicated staff.

## **PROPOSED CHANGES**

### **LESS STUFF**

In an effort to balance the budget and minimize the impact on staff, most expenses that we can control were reduced. This is not a case of cutting frills, but rather meaningful reductions in the tools and supplies needed to run a great school system.

- Curriculum and department supplies cut 5% (\$9,607)
- High school leadership support cut 20% (\$5,000)
- Textbooks cut 27% (\$28,972)
- AYCC school-based counseling cut 15% (\$25,000)
- Substitutes (mostly for professional development) cut 12% (\$40,000)

**Total reduction of \$108,579**

## CASH MANAGEMENT

Working closely with town officials and/or partner institutions, we have made major efforts to manage our funds to maximize operating budgets in FY09 and beyond.

- Moved \$61,500 from school operating budget to prior debt service for Peirce School construction. This freed up \$61,500 in the operating budget and did not increase taxes.
- One-time infusion of \$370,000 from LABBB Special Education Collaborative by altering the cash management practices of the collaborative. Based on new payment rules, reserve rules, and cash management, LABBB can safely reduce its working capital needs.
- Reduction of Special Education unplanned expense reserve of \$150,000. This fund was established 2 years ago and will be fully depleted at the end of FY09.
- Reduction of facilities unplanned expense fund of \$200,000. Given the multi-year capital plan for Thompson and Stratton and the new condition of many of our other schools, this is a reasonable step in difficult times.

**Total financial gains \$781,500**

## **LESS STAFF**

Reducing staff is always the hardest part of creating a budget in difficult financial times. The needs of children are carefully considered, while taking every effort to minimize the impact on staff.

The following guidelines were used to determine the staff reductions:

- Set staffing based on enrollment
- Principals and department heads have significant input in the decision making
- Eliminate no programs, services, or courses currently available to students
- No impact on student health and safety
- Preserve & respect the whole child - no cuts to art, music, PE, or library time

Using all of the above guidelines, it was not possible to balance the budget. One additional, very undesirable guideline was needed.

- Consider average and multi-year elementary class sizes, especially in grades 3-5. This means some children will have bigger-than-desired classes for a year or two, while maintaining reasonable class sizes for each child over time and in each school as a whole. As the chart on the following page indicates, 7 small schools is an inefficient (but highly desirable) structure. For a certain number of students, unlike “Goldilocks,” classes will be either too big or too small. Just right is not an option.

### **Administration Reductions**

- Math Lead Teacher, rather than Math Department Head
- Eliminate Data Analyst and Curriculum Development position
- Eliminate \$40,000 from elementary principal part-time clerical support

### **AHS Reductions**

- Reduce 1 math teacher (average class size from 17.6 to 19.0)
- Reduce 1 foreign language teacher (average class size from 17.1 to 19.1)
- Reduce 1 English teacher (Literacy Lab average class size from 1.6 students to 2.5 students and English class size from 19.7 to 20.8)
- Eliminate business teacher
- Eliminate 1 custodian

## Elementary class size options

The chart below indicates the options available for a given grade with a given number of students in that grade. The light grey boxes indicate classes that are bigger than our target or smaller than our target. The black (such as 25-38 students) represents grade level enrollment that has no optimal solution. We will have either set of classes above or below target, but not within the target range.

Number of students	1 class	2 classes	3 classes	4 classes	Number of students	1 class	2 classes	3 classes	4 classes
20	20				61			20	15
21	21	11			62			21	16
22	22	11			63			21	16
23	23	12			64			21	16
24	24	12			65			22	16
25	25	13			66			22	17
26	26	13			67			22	17
27	27	14			68			23	17
28		14			69			23	17
29		15			70			23	18
30		15			71			24	18
31		16			72			24	18
32		16			73			24	18
33		17			74			25	19
34		17			75			25	19
35		18			76			25	19
36		18			77			26	19
37		19			78			26	20
38		19			79			26	20
39		20			80			27	20
40		20			81			27	20
41		21	14		82			27	21
42		21	14		83			28	21
43		22	14		84			28	21
44		22	15		85			28	21
45		23	15		86				22
46		23	15		87				22
47		24	16		88				22
48		24	16		89				22
49		25	16		90				23
50		25	17		91				23
51		26	17		92				23
52		26	17		93				23
53		27	18		94				24
54		27	18		95				24
55		28	18		96				24
56		28	19		97				24
57			19		98				25
58			19		99				25
59			20		100				25
60			20						

Assumes a target of 20-24 students

### Middle School Reductions

- Because of the recent events at the middle school and the desire to provide added stability to the school, Ottoson has been spared staff cuts, unlike the high school or the elementary schools. Some shifting will occur based on the new schedule, but total staff count will remain unchanged.

### Elementary School Reductions

- Reduce a net of 5 elementary classroom sections.
- Eliminate K-2 math support teacher

School	Grade	Students	Status Quo Sections	Sections	New Class Size
Bishop	5	71	4	3	23.7
Brackett	3	78	4	3	26.0
Dallin (existing)	4	51	2	2	25.5
Hardy	4	56	3	2	28.0
Stratton	3	53	3	2	26.5
Thompson	5	55	3	2	27.5

Adjustments in future years will balance out class sizes for these students. **District wide, the average elementary class size will be 20.9, which is below many of our surrounding communities and similar social-economic communities.**

# REVENUE

## Tax Revenue

Balancing a budget means spending no more than our revenue. The largest component of our revenue is taxpayer funds. In accordance with the 5-year plan, the schools received only a 3% increase. This is about half of what is needed to maintain current staffing and programs and meet our moral and legal special education obligations.

## Grant Revenue

As the federal government has cut grant funding in total and shifted more of what remains to low-income, low-performing districts, Arlington has seen its grant revenue decline.

To counter this trend, the district has hired a grant-writing firm to target corporate grants. For a \$30,000 investment (1/2 paid for in the FY08 budget), we can expect \$300,000 in grants over time. The FY09 budget assumed \$100,000 in new grant funds.

## Fees

No one likes fees. Parents don't like paying them, and school districts don't like charging them. Over the last 5-10 years, most school districts have become dependent on fees as an important source of balancing the budget.

Despite last year's fee increases, fees in Arlington are lower than many other communities.

- In keeping with promises from last year, no new fees will be imposed on parents and existing fees will rise by 5% (which is less than the rate of school inflation)
- Family cap will stay in place and also rise by 5%
- Scholarships and waivers remain – no student will be denied access or participation due to an inability to pay

## Rental Income

Our schools are valuable assets, and rental income is an important source of revenue.

- All existing rental rates to rise by 5%
- A new after-school program to rent Ottoson Middle School
- Pierce Field to be rented for non-school use – rates to be similar to surrounding towns for artificial turf fields, approximately \$200/hour, on average. A total of \$30,000 to be raised – detailed rates to be set in conjunction with the Community Relations Subcommittee and impacted groups

## **MIDDLE SCHOOL STAFFING & SCHEDULE**

Under the leadership of Principal Judy Malone-Neville, the Ottoson Middle School is undergoing a year of reflection and self-study. The outcome of this process is budget neutral, but will have significant, positive impact on students.

### **A New Schedule**

As past budgets indicated, the middle school schedule had become rigid, inefficient, and just downright hard to manage. Many full-time staff had less than full teaching loads, and some students could not easily receive all the support services needed.

Although the review is not complete, a new scheduling system that is child centered, true to the middle school philosophy, flexible, and efficient will be in place for next September. Principal Malone-Neville will present in May the new schedule for School Committee review.

The budget is based on a 1.0 FTE increase in 6<sup>th</sup> grade teachers and a 1.0 FTE staff reduction, based on increased efficiency (less staff paid full time for part-time teaching schedule).

# **SPECIAL EDUCATION: THE PROBLEM**

It is hard to discuss the budget without focusing on Special Education. Like the perfect storm, 5 factors are combining to create our special education spending crisis.

## **1. Past Problems, Future Improvements**

Based on Department of Education review and parent and staff feedback, the district did not invest sufficiently in the past to create the special education infrastructure required to meet the needs of students and the requirements of the law. This led to too many students out of district in very expensive placements, and an inability to wisely provide services in a cost-effective manner.

## **2. Demographic Trends**

The United States has seen an explosion in the number of young children with significant needs, ranging from autism, developmental delay tied to premature birth, and medically fragile children surviving and attending public schools. In short, we have more children with more severe needs to serve, including legally mandated home services and preschool services.

## **3. Price Increases**

The cost of providing many services to children with special needs is skyrocketing.

- The cost for special ed transportation is out of control statewide. Vendors are at capacity. Transportation runs that just a few years ago cost \$65 are now being quoted at \$200 for a 20-minute ride, if they are quoted at all. Special ed transportation costs are up \$390,000 since 2005.
- Out-of-district placements received state authorization for price increases, some as much as 20%.
- Staff trained in autism services, like ABA, are in short supply and very expensive subcontractors are needed to fill in.

## **4. Pressure for More**

A dramatic statewide increase in the use of advocates, parent-funded evaluators, and for-profit centers at large hospitals have shifted the balance of power to parents in team meetings, where services and service levels are set.

More often than ever before, we find ourselves being pressured into services we don't believe are warranted. In full fairness to parents, in the past the district had not always readily provided what was reasonable and, as such, fostered a climate of distrust.

## **5. Less Support for the State and Federal Government**

As Arlington struggles with escalating special education costs, the government has retreated.

- New regulations force Arlington to pay for 50% of transportation costs back to the home district of children placed by DSS in Arlington-based shelters. Arlington has one of the highest numbers of such shelters in the state, adding \$70,000 in new costs.
- Circuit Breaker reimbursement rates were modified for FY09, costing Arlington \$210,000 in lost support.
- Department of Education appeals seldom support the districts, and place increasing emphasis on paperwork over student needs.

## **SPECIAL EDUCATION: THE (partial) SOLUTION**

As we think about special education costs, it's important to keep 4 guidelines in mind.

- 1.) We should not blame students or families. We have a moral obligation as a community to help children with special needs.
- 2.) We cannot stop the increase in special ed costs. The problem is too big for one small school system to fix on its own.
- 3.) We can, are, and must take steps to moderate the increases in special ed costs. Continued growth at 10%/year threatens our ability to provide a top-quality program to general education students.
- 4.) Nothing controls costs better than providing high-quality, effective education programs and services to students with special needs, and struggling students in general. This can be a win-win situation!

Over the last few years, much has been accomplished to moderate the long-term trends in special education costs.

- 7.0 FTE increase in staff to create and manage special education
- Outreach and trust-building with special education parents & SEPAC
- Intensive early intervention reading program
- 5 new or redesigned in-house special education programs
- Started integrated preschool
- Brought some services in house for cost savings and ability to serve more students at the same cost
- Partnership with AYCC for counseling services
- More formalized, need-based criteria for assigning teaching aides, OT, speech & language, and counseling services
- The use of strategic scheduling of services in a child-centered and cost-effective way
- Literacy Lab, double-block English, and double-block math and other general supports to help struggling students
- Conducted independent review of middle school special education program
- A lot of hard work, by a lot of smart, caring teachers and administrators
- Intensive cost-containment efforts around special education transportation by redesigning routes, collaborating with neighboring communities, and hard bargaining. This has already saved \$95,000.

### **Expanded Early Childhood Programming**

- Given the growth of young children with significant needs, especially autism spectrum disabilities, it is imperative that we serve more of these preschool children in house. The budget includes a new program, Footprints, to service these children. This program will pay for itself in reduced out-of-district costs in the first year.
- Children have individualized needs, but with our 4 existing preschool programs located and run separately, we cannot mix and match services to create the IEP's some students require. Moving all such programs to an early childhood center under the leadership of the early childhood director will greatly expand our programming options. This requires elevating the early childhood coordinator to an administrative position.
- Folding the Menotomy Preschool into the early childhood portfolio expands options for inclusion. The Menotomy Preschool will continue to serve the public at large, as in the past. Our high school students in our child development courses will have the new option of learning about special needs early childhood education as well.
- To house the programs near each other, some existing high school special ed programs will move to new space to be built in the unused part of the AHS library. A separate entrance will be provided.

### **Team Chair Reorganization**

Based on requests from the team chairs themselves, the principals and the Walker Partnership Middle School Special Ed Review, the roles, responsibilities, and reporting lines of the team chairs will be realigned. No positions are being added or eliminated, just roles realigned for greater efficiency and job satisfaction. This will also make it easier for the district to follow our exit and entry criteria for services.

### **Special Education Paperwork Automation**

The budget funds a small investment of \$25,000 to automate and streamline special education paperwork. The project will be supported by graduate business school students and led by a front-line special education teacher. This effort will significantly improve the quality of work life for special ed staff and save at least \$100,000/year when fully implemented.

### **Special Education Transportation**

Given the spiraling costs of special ed transportation, significant actions are required:

- Cost containment director will expand the regional “shared ride” program
- Special ed central office will be reorganized to provide more support and emphasis on transportation cost control. This is FTE and budget neutral, but some roles and responsibilities will shift.
- A parent incentive will be offered to encourage parents to drive their children to their out-of-district placements. This will be completely voluntary, and the district will provide transportation as required by IEP’s. The incentive will likely equal about 40% of the actual cost to transport a student. The special education communication protocol will be used to develop and communicate the plan.

### **Future Income**

Given our new, high-quality special education programs, our cost containment director will actively market these programs to nearby districts. The budget assumes 2 new special education tuition students.

## **21<sup>st</sup> CENTURY INITIATIVES**

Fortunately, the district's commitment to prepare students for social, emotional, academic, and vocational success for the next 80 years is imbedded in our teaching, curriculum, and courses. The AHS effort under way will continue, despite the tight budget.

The new grant writer will target funds that can further support our 21<sup>st</sup> century education goals.