

February 12, 2008

The proposed FY09 budget is mostly about trying to hold on to what we have, and coming up short. The budget tries hard to minimize the pain and impact to staff, students, and parents, in recognition of the last two very difficult budgets. There is no joy in delivering this budget, other than knowing that the entire administrative cabinet and I did our best to value and serve children and staff within very difficult financial constraints.

The “status quo cost” to simply bring back every current employee and program we currently have and to meet our legally mandated special education requirements creates a \$1,250,000 shortfall. We have strived to minimize the impact on staff by planning around retirements and other attrition, where possible.

The FY09 budget is built based on 6 guidelines:

1. Live within the 5-year financial plan as promised during the 2005 override.

The plan called for 4% increases in operating budgets and a 7% increase in health insurance. The 4% increase does not actually allow us to maintain current staff and programs, given the rise in special education costs.

Because health insurance costs rose by 12%, our operating budget can rise by only 3%. To maintain the “status quo” requires more than a 6% increase, thus the \$1.25 million shortfall.

2. Maintain reasonable class sizes and the centrality of the classroom

The critical work of teaching and learning takes place in the classroom. Students and teachers both benefit from reasonable class sizes, allowing for greater differentiation, personal attention, and sense of community. We need, of course, to also maintain the critical supports to classroom learning like the reading program, social workers, and counselors.

3. Basic belt-tightening everywhere

In order to save teaching positions, we have trimmed most supplies and controllable expenses. This includes:

- Reducing school supplies
- Reducing operational supplies
- Reducing curriculum materials
- Reducing textbooks
- Reducing memberships in professional development associations
- Reducing travel

4. Increase revenue from new sources

Taxpayers and parents have in recent years helped balance our tight budgets. This year we are looking to new sources of revenue. This includes more rental income from organizations using our buildings and fields, and a very aggressive commitment to winning grants from corporations.

No new fees are proposed, and fee increases are held to 5%, which is below the rate of school inflation.

5. Moderate the increase in the fast-growing special education costs while improving service to children

I always feel guilty highlighting special education costs as the primary driver of our budget shortfall, but it is. Arlington has a legal and moral obligation to provide a great education to students with disabilities, and we do. We also have an obligation to taxpayers to provide this great education in a cost-effective manner. Through the vision and insight of our teachers and administrators, we can take steps that reduce the increase in special education spending and improve student learning. We cannot, however, in the near future limit special education spending to below 5-6% growth/year. This means general education spending will continue to decline as a percentage of total spending.

6. Make small investments to improve future budgets

This year is a difficult budget, but future years look worse. To help ease the pain in FY10, we are taking steps in FY09. This includes continuing with the position of Director of Cost Containment, which saved 4 times his salary in the first year. Working with a local business school to help automate some special education paperwork, creating an in-house early childhood autism program, and moving some special education contracted services to less costly in-house staff.

This draft budget represents the collective thoughts of the Administrative Cabinet. It is just a draft. Input from the School Committee, staff, parents, and taxpayers is welcomed and, in fact, needed. Changes and suggestions are expected. The best decisions come from dialogue and brainstorming.

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