

NATICK

PUBLIC SCHOOLS

Town Budget 101 Forum



March 13, 2019



TOWN BUDGET 101

Massachusetts General Law

MGL Part 1, Title XII, Chapter 71:

Section 34: Support of schools; appropriations; recommendations

Section 34. Every city and town shall annually provide an amount of money sufficient for the support of the public schools as required by this chapter.....the city or town appropriating body shall vote on the total amount of the appropriations requested and shall not allocate appropriations among accounts or place any restriction on such appropriations.....The vote of the legislative body of a city or town shall establish the total appropriation for the support of the public schools, but may not limit the authority of the school committee to determine expenditures within the total appropriation.



TOWN BUDGET 101

**School Budget has several revenue sources.
The two main revenues are:**

State Funding (Chapter 70)

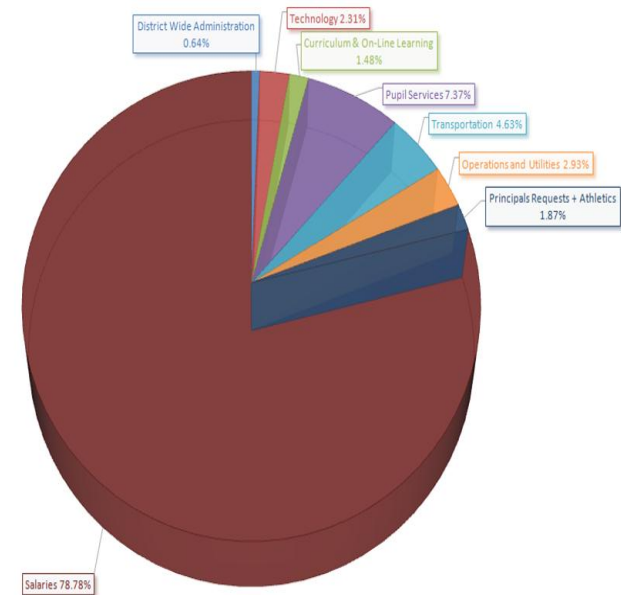
General Fund – Town funding

Major expenses include:

Personnel and related costs =
over 78% of our budget

Costs associated with operating a school district
such as utilities, supplies, etc.

FY20 SALARIES AND OPERATING EXPENSES BREAKDOWN





CHAPTER 70 – STATE FUNDING

WHAT IS CHAPTER 70?

Chapter 70 education aid is the Commonwealth's primary program for distributing its portion of K-12 public education funding to the state's 328 local and regional school districts.¹ The Chapter 70 formula aims to ensure that each school district has sufficient resources to provide an adequate education for all of its students, taking into account the ability of each local government to contribute. In short, the formula is designed to have an equalizing effect, with less wealthy districts receiving more state aid than wealthier ones.



CHAPTER 70 – STATE FUNDING

HOW DOES THE FORMULA WORK?

STEP 1: CALCULATE FOUNDATION BUDGET

The Massachusetts State Constitution requires that total K-12 spending in each district never falls below the amount needed to provide an adequate education to its students. Lawmakers developed the "foundation budget" as a way to calculate this funding level. A district's foundation budget is determined by multiplying the number of students at each grade level and demographic group (e.g., low-income and limited English proficiency students) by a set of education spending categories (e.g., teacher compensation, professional development, building maintenance), and then adding together those total dollar amounts.

STEP 2: CALCULATE REQUIRED LOCAL CONTRIBUTION

Once the total foundation budget is established, the state calculates each city and town's ability to contribute local revenue towards the operation of its schools. Local ability to contribute varies widely based upon the incomes and property values of different cities and towns. The state expects that each municipality can contribute the same share of local resources to the foundation budget by setting uniform contribution rates.

STEP 3: FILL THE GAP WITH CHAPTER 70 EDUCATION AID

Chapter 70 education aid is then determined by filling the gap between a district's required local contribution and its foundation budget.

STEP 4: AFTER CHAPTER 70 AID IS DETERMINED, DISTRICTS MAY CONTRIBUTE MORE

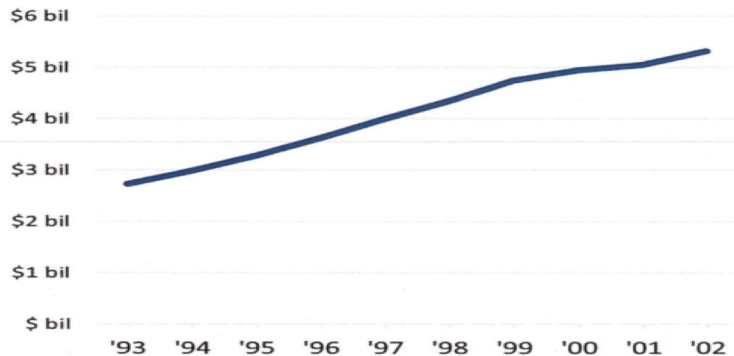
The required local contribution is only a minimum amount that cities and towns must contribute to their school districts, and many communities opt to contribute significantly more



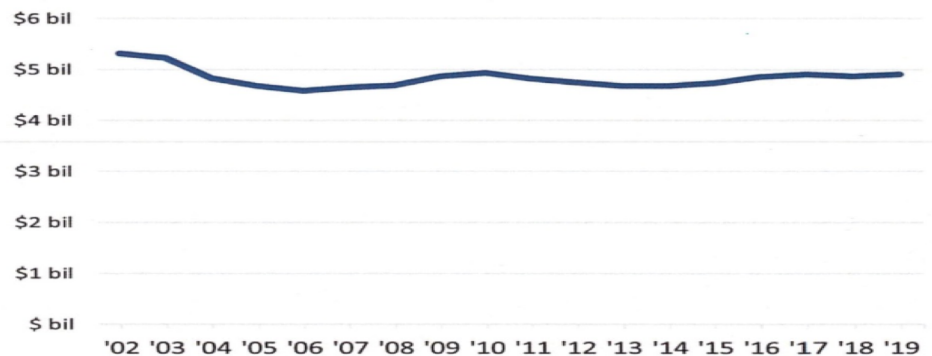
STATE FUNDING ISSUES

Funding Progress in Massachusetts Has Eroded

Chapter 70 Aid doubled over first decade



...and has been cut \$405 mil since FY 2002



Inflation adjusted using factor identified in CH70 law (Implicit Price Deflator for State and Local Government), 2019 \$

Source: Massachusetts Department of Elementary and Secondary Education

This means cities and towns are forced to provide more local aid as state funding has been cut over the last several years



HOW WE DEVELOP OUR BUDGET - TIMELINE



September/October

- ✓ Superintendent distributes to Program Leaders the budget forms.
- ✓ Principal and Administrators review class size, curriculum, staffing patterns and expense spending in each category. The zero based budgeting principles are used.
- ✓ Principals discuss the budget with school leaders, at their school council meetings.
- ✓ Preliminary budgets are forwarded to the Director of Finance.



November/December

- ✓ Superintendent and Director of Finance begin reviews with Program Leaders regarding their requests. All requests are documented and reviewed.
- ✓ A first draft of the budget is created.
- ✓ Draft budgets are reviewed and refined based on educational needs and available resources.
- ✓ The draft budget number discussed with the Town Administrator and her team and if necessary further refinements are made.
- ✓ The draft budget number is presented to the Town Administrator by December 31st.



January/February

- ✓ Superintendent and Director of Finance make first budget presentation to School Committee.
- ✓ School Committee reviews budget.
- ✓ Adjustments are made.
- ✓ Presentation made to Finance Committee.
- ✓ Public Hearing is held on proposed budget.
- ✓ Continued presentations to School Committee, Finance Committee, Selectmen.
- ✓ School Committee votes budget in March.



BUDGET GOALS

- Safety, security (physical and emotional), contracts, mandated and fixed costs
- Sustain academic rigor and excellence in keeping with our like communities and region
- Maintain all professional positions
- Meet all mandated transportation and tuition costs associated with special education
- Address mandated Special Education services across the district
- Address calculated increases in energy, maintenance and transportation





WHAT ARE THE MAJOR DRIVERS IN OUR BUDGET?

Major Budget Categories

Administration

Technology

Curriculum

Online Learning

Pupil Services (Special Education)

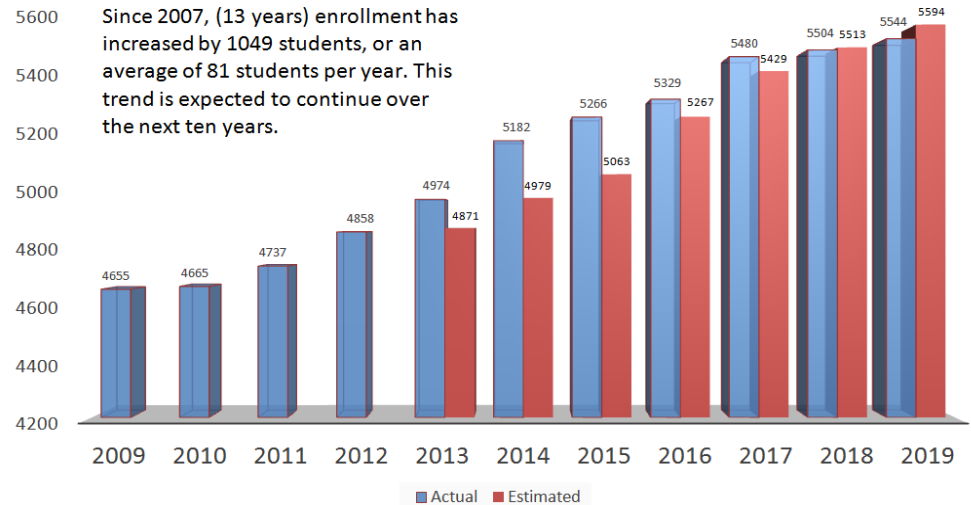
Transportation

Building Operations & Maintenance

NPS Schools (supplies, etc)

Athletics & Activities

**Actual Natick Public Schools
K-12 Enrollment**



Enrollment = class sizes



HOW WE DEVELOP OUR BUDGET - CONCEPTUALLY

1. Zero Based Budgeting
2. Review old contracts –Prior spending trends, instructional use (text/tools)
3. Audit/Inventory analysis and Return on investment analysis on current products and programs
4. State of the Union analysis and critical friends from every Principal every July
5. Mandates from the State/Federal Government
 - a. Social Studies (Yr 1)
 - b. STEM Implementation (Yr 3)
 - c. Online MCAS @ NHS
 - d. SEI endorsements – all teachers (English Language Learners)
 - e. State audit (CPR) on ELL indicates more teaching required, all teachers and administrators in state required to receive 10 hours training in ELL and SPED
 - f. MA Pay Equity Act/Pay Balance Equity (MEPA)



HOW WE DEVELOP OUR BUDGET - CONCEPTUALLY

- g. School Safety Enhancement Training
 - h. Anti-bullying Expectations – Victim Profile Support/Disability Awareness
 - i. Changes in student discipline (Alt Ed) – no more expulsions
 - j. Closure of youth centers and hospitals/ better medical advances mean more kids that were previously institutionalized are in schools
 - k. Vaping and Opioid education, support and treatment on the rise
 - l. Equity overlay from new ESSA means school districts must address achievement gaps in minority groups – racial – gender – gender ID – special needs with specific programs and resources
 - m. Response to Intervention (RTI) – required prior to special education services (rule out gap in coverage vs. learning disability)
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- 6. Compare core values and District Improvement Plans from our community engagement work and internal/external audits
 - 7. Consider Innovations from Across Education and landscape considered
 - 8. Consider creative ideas from Principals, Committees and Constituencies
 - 9. Collaboration with our town partners on facilities and shared revenue/opportunities.



PRESENTATIONS

Jan 2019	
3rd	Financial Planning Committee
7th	School Committee - General Overview
8th	Finance Committee - General Overview
16th	Public Forum - Senior Center - General Overview
22nd	Board of Selectmen - General Overview
22nd	Financial Planning Committee
28th	School Committee - Special Education/Transportation/Curriculum/Technology
31st	Finance Committee - Education Subcommittee - Special Education/Transportation
Feb 2019	
5th	Finance Committee - Audit Request
7th	Financial Planning Committee
7th	Finance Committee - Special Education/Transportation
11th	School Committee - Public Hearing
14th	Finance Committee - Education Subcommittee - Curriculum/Technology
25th	School Committee - Public Hearing
28th	Finance Committee - Curriculum/Technology
March 2019	
5th	Finance Committee - Education Subcommittee
11th	School Committee - Final Budget Presentation and Vote
12th	Finance Committee - Presentation
14th	Board of Selectmen - Vote
19th	Finance Committee - Vote
April 2019	
9th	Annual Spring Town Meeting





FOR FURTHER INFORMATION OR IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:



KENNEDY MIDDLE SCHOOL

Anna P. Nolin, Ed.D.
Superintendent of Schools

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Director of Finance





THANK YOU



for your continued support!

NATICK PUBLIC SCHOOLS

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JOIN OUR EMAIL LIST!

