

Section III: Program 1000: Education

This section includes detailed information about the FY2017 Operating Budget & Financing Plan for education. It includes:

- 1100 Lexington Public Schools III-2
- 1200 Minuteman Regional School III-9

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Mission/Vision Statement: The Lexington Public Schools serve to inspire and empower every student to become a lifelong learner prepared to be an active and resilient citizen who will lead a healthy and productive life. Educators, staff, parents, guardians and community members will honor diversity and work together to provide all students with an education that ensures academic excellence in a culture of caring and respectful relationships.

The Lexington Public Schools is responsible for providing a high-quality education program to all school age residents residing within the boundaries of the Town of Lexington. Lexington Public Schools focuses on continuous improvement and strives to be a collaborative, high-performing District. This helps ensure that its mission is met and all students are successful. In order to support the curriculum, a myriad of support services are provided daily to our students. The school system provides competitive student-teacher ratios; programs such as arts, music, drama, physical education, wellness, athletics, world language, school counseling, interventions, enrichments, advanced placements; individualized education plan supports; and various specialists and coaches throughout the District.

Budget Guidelines: On September 8, 2015, the School Committee voted the FY17 budget guidelines and requested that the Superintendent present a level-service budget that addresses nine areas noted below. For purposes of clarification, a level-service budget is defined as the funds necessary to replicate the current level of services provided and to meet all legal requirements, including current collective bargaining requirements and special education laws.

In order to provide for the educational needs of Lexington students, the Superintendent will develop a fiscal year 2017 budget that will:

1. Ensure all legal mandates will be met.
2. Include sufficient operating and capital funds to –
 - (a) continue the current level of services;
 - (b) be responsive to projected enrollment growth and corresponding needs: staffing, instructional supplies, and facility needs;
 - (c) move the district forward in meeting the increasing demands for technology and technology services in our different education settings.
3. Ensure professional staffing guidelines will be met.
4. Maintain capital assets in order to support the instructional program, protect the physical assets of the Town of Lexington, and ensure the health and safety of our students and staff.
5. Continue to identify and plan alternatives that will provide services in more cost-effective ways.
6. Identify ways to reduce costs, if there are not sufficient monies available to fund a level-service budget.
7. Identify a small number of high leverage new academic or prosocial programs or supports in anticipation of the potential elimination of Thursday afternoon half-days at the elementary level, as a result of the potential implementation of a World Language program in FY2018 at

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the elementary level.

8. Identify those funds necessary, should the district adapt a re-districting plan that addresses space needs for all students, as well as feeder patterns for special education programs.
9. Complete year two (of two) addressing the adequacy of department and/or school per pupil expenditure levels.

Recommended Budget and Summary of Significant Budget Changes: The recommended budget for 2016-2017 is \$97,727,216, which requires an additional \$5,666,900. The FY17 request represents an increase of 6.16% over the FY16 appropriation.

Appropriation Summary	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 2016 Budget	FY 2016 Budget (adj)	FY 2017 Recommended	Dollar Increase	Percent Increase
Salary and Wages	\$ 64,117,953	\$ 68,264,740	\$ 73,057,650	\$ 78,675,324	\$ 78,627,324	\$ 81,785,398	\$ 3,158,074	4.02%
Expenses	\$ 10,314,624	\$ 10,807,819	\$ 12,215,151	\$ 13,384,992	\$ 13,432,992	\$ 15,507,901	\$ 2,074,909	15.45%
Total 1100 Lexington Public Schools	\$ 74,432,577	\$ 79,072,559	\$ 85,272,801	\$ 92,060,316	\$ 92,060,316	\$ 97,293,299	\$ 5,232,983	5.68%
* Amounts show are general fund only and does not reflect spending supported by Labbb Credit, Circuit Breaker Funds, Revolving Funds, or local/state/federal grant funds								
					Transfer to Unclassified (Health, Medicare, Workers Comp) Workers Comp)	\$ 433,917	30.00 FTE	
					Total Recommended	\$ 97,727,216	\$ 5,666,900	6.16%
					Unallocated from Revenue Allocation Model	\$ 927,107		

As described above, the total recommended budget increase is 6.16% over the FY2016 appropriation, inclusive of benefits, Medicare, and Worker’s Comp costs associated with new positions. For comparison, the FY16 budget recommended an increase of 7.00% (\$6,060,171) above the FY15 appropriation, inclusive of benefits, Medicare, and Worker’s Comp costs associated with new positions.

The FY17 budget recommends that the salaries and wages line increase by \$3,158,074 (or 4.02%) to support the addition of 30.00FTE included in this budget. For comparison, the FY16 budget recommended an increase of \$5,178,473 (or 7.05%) to accommodate the recommended increase of 46.61 FTE.

The expense line is recommended to increase by \$2,074,909 (or 15.45%) over the FY2016 appropriation. The increase in the expense budget is largely driven by three main factors. These include the increases in the Regular Ed Transportation, Special Ed Transportation, and Tuition budget lines. These three budget lines are recommended to increase by \$1,738,970. This is approximately 84% of the recommended expense budget increase. The remaining 16% of the increase (\$335,939) is a function of per-pupil adjustments, cost of living adjustments, and other minor expense requests. For comparison, the FY16 budget recommended an increase of \$257,915 (or 1.96%), which was reduced by \$773,580 due to the 50% reduction in High Risk Category of Tuition. The FY17 budget recommendation re-instates 100% funding of the High Risk category as described later in the Budget Overview.

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The major drivers in the recommended school budget are a result of the following explained in further detail:

Negotiated Salary Increases: The FY17 budget includes funding for all negotiated bargaining unit increases and non-union positions. This includes both step increases and cost of living adjustments (COLA). Estimated amounts are used for contracts that remain unsettled and also for non-bargaining units. The current status of contracts and expiration dates can be seen below:

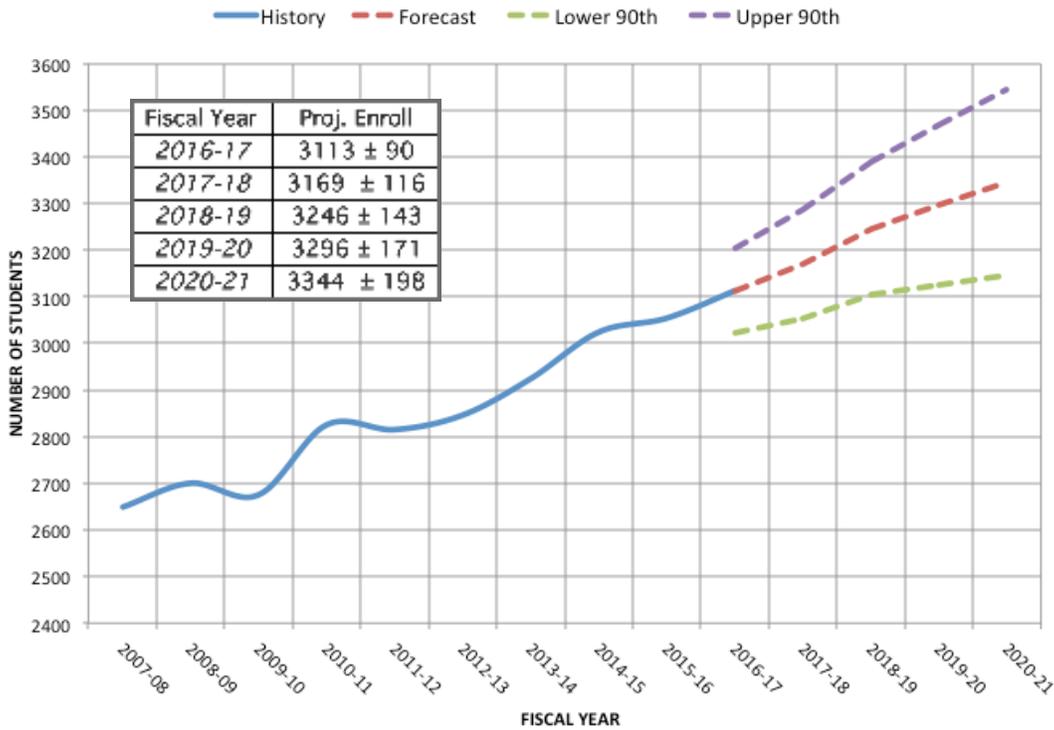
Bargaining Unit	Contract Term
LEA Unit A	09/1/15-8/31/18
LEA Unit C	09/01/12-08/31/15
LEA Unit D	07/01/12-06/30/15
LEA Tech Unit	07/01/12-06/30/15
ALA - Administrators	07/01/15-06/30/17

Enrollment Increases and Corresponding New Positions: During the past five years, enrollment at Lexington Public Schools has increased by 552 students (+8.7%), or an average of 110 students per year (1.7% per year). Growth over the past five years has been most consistent and sustained when reviewing the last eight year period. These past increases have had a direct impact on the School Department operating budget each year to accommodate these new students and maintain the level of programming offered by Lexington Public Schools.

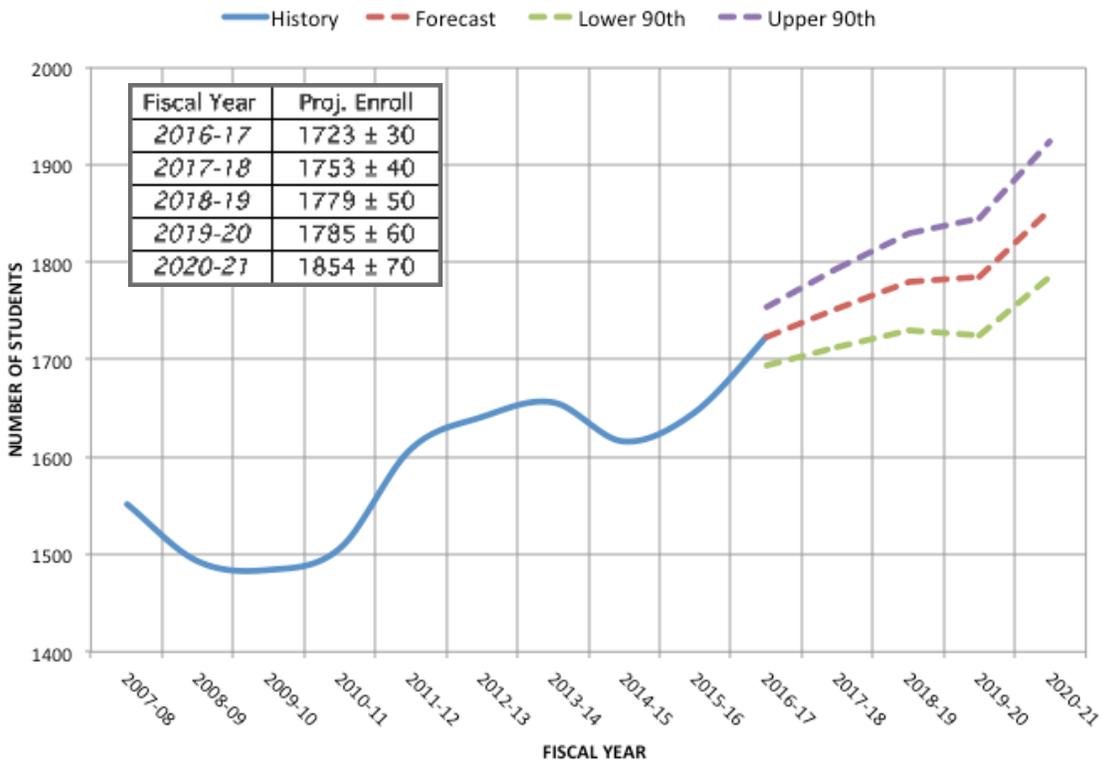
The District has completed an update in the fall of 2015 to the projections completed by the Enrollment Working Group last year. The updated projections are higher than the last year's Enrollment Working Group's numbers with narrower confidence intervals. These projections show that next year, the K-12 enrollment is projected to increase by 149 students (6,866 to 7,015), which is an increase of 2.17%. Over the full five year period the projection shows a total increase of 612 students (for a total of 7,478 students) from FY2015-16 levels (or about 1.8% per year).

In order to better demonstrate the full impact of increasing enrollment to date and the projected trends visually at the various levels (elementary, middle school, high school) three charts have been provided below:

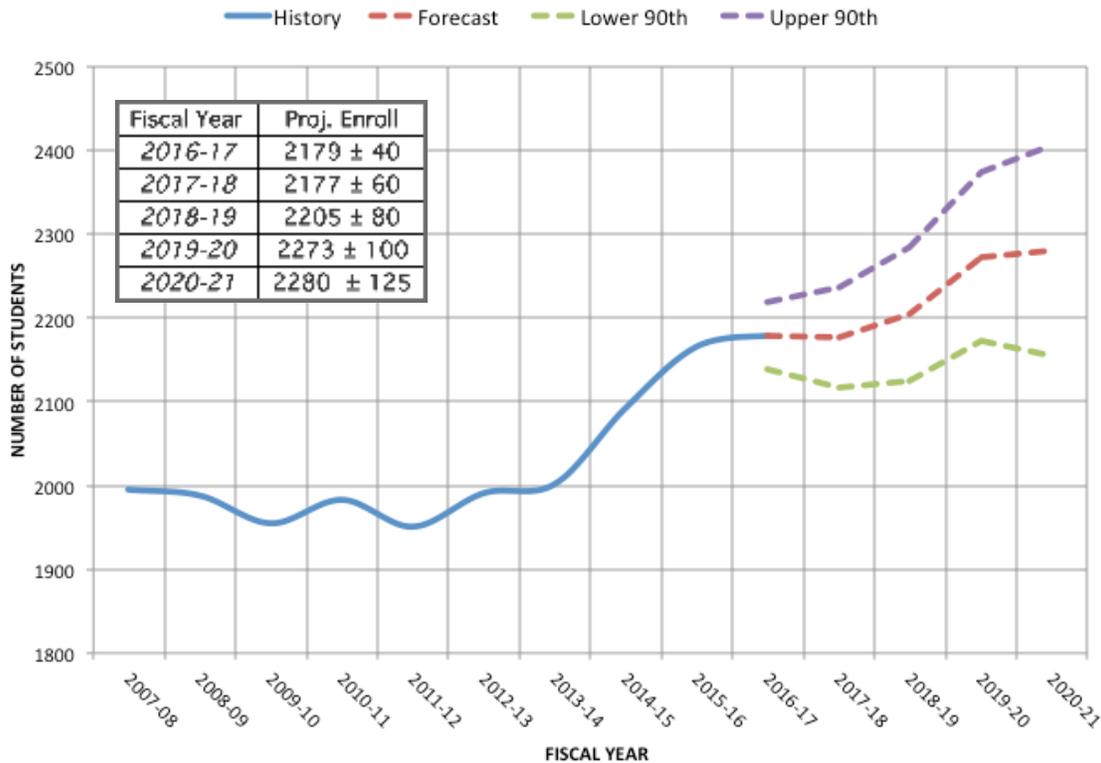
Elementary School Enrollment: History and Forecast for FY2017 to FY2021 (HDM)



Middle School Enrollment: History and Forecast for FY2017 to FY2021 (CSM)



High School Enrollment: History and Forecast for FY2017 to FY2021 (CSM)



In order to address the increasing enrollment projected for FY2016-17 (149 students, or 2.17%), additional positions are included in the recommended budget. A total of 23.49 FTE is linked with the increasing enrollment in Lexington, and the necessary staffing needed to maintain the quality and level of service. In total, the recommended increase in staffing for the 2016-17 budget year is 30.0 FTE. Historical trends (based on FY14-16) indicate that approximately 14.25 FTEs are required to address enrollment and mandate requirements for every 1% increase in student population. FY2016-17 is indicating a projected increase in enrollment of 2.17%. Based on this data, it would indicate a need of 30.93 additional FTE for FY2016-17, which is above the total recommended increase.

Re-districting, Capital Projects, and Salary Differential: The FY17 budget includes funding of \$35,000 to have a consultant assist with further re-districting efforts as a result of the increasing enrollments, capacity constraints with current facilities, and upcoming major building projects. Additionally, the FY17 budget includes additional positions to address the re-allocation of resources that will happen as a result of re-districting decisions in the FY17 budget year. A review of the salary differential was conducted to evaluate whether an adjustment would be recommended. The salary line has continued to return funds consistently despite the actual FTEs exceeding the budgeted FTEs each year. Also, the addition of increased unallocated positions to address enrollment and re-districting have prepared us to better address new position requests after the approval of the FY17 budget. Based on this decision and past trends in salary differential it is recommended that this increase by \$500,000 (from \$500,000 to \$1,000,000 as a budget offset).

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Increased Special Education Costs: The FY2017 budget includes an increase of \$1,122,806 to fund the cost of out of district tuitions next year. The Fiscal Year 2015-16 budget included a recommendation to reduce the High Risk Category of the Tuition budget by 50%, or \$773,580. This decision has been closely monitored by the School Department during the beginning of FY2015-16's budget cycle. A detailed review of FY2015-16 and the last two budget year's was conducted.

	FY2014	FY2015	FY2016 (projected)
High Risk Budget	\$1,645,452	\$1,195,325	\$1,547,160
SC HR Budget Adjustments			-\$773,580
Net High Risk Budget	\$1,645,452	\$1,195,325	\$773,580
Total Tuition Surplus / (Deficit)	\$852,485	\$61,145	-\$757,000
High Risk cut reversal	\$0	\$0	\$773,580
Difference	\$852,485	\$61,145	\$16,580
Percent of High Risk Returned	51.81%	5.12%	1.07%

The table above outlines the tuition budget surplus (deficit) by fiscal year relative to the High Risk budget of that year. In Fiscal Year 2016 the High Risk budget was reduced by 50% based on the Fiscal Year 2014 actuals, which indicated a large surplus. It should be noted, at the time the Fiscal Year 2016 budget was being created Fiscal Year 2015 final figures were not available. Fiscal Year 2015 actual experience resulted in a significantly lower return of funds, indicating that the 50% cut in FY2016 would result in a deficit. The chart includes adjustments to Fiscal Year 2016 to have a consistent comparison with prior fiscal years where the High Risk budget was not reduced by 50%. Even if the FY2016 had not been reduced, it would provide a negligible return of funds, as highlighted in the table. In actuality, the school department will need to transfer funds into the High Risk Special Education budget in FY2016 to cover the deficit caused by the 50% cut in FY2016. As a result, the above table illustrates that budgeting practices in the Tuition line have improved over time and supports the practice of budgeting the High Risk portion of the Fiscal Year 2017 Tuition budget at 100%. This will continue to be monitored very closely to track trends.

Based on this information, and the data from FY2014-15 and FY2015-16 budget cycles, the budget recommendation includes reinstating the High Risk portion of the Tuition line to 100%. This change is included in the \$1,122,806 increase described above.

The FY17 budget includes funds to add a total of 7.73 FTE for the Special Education Department that are required due to an increase in the number of students with special needs and students with more challenging needs. The increase in demand for special education services is related to the overall increase in the student population and more students with significant needs moving into Lexington. Our investment in building in-house capacity now means we can provide higher quality educational services in all nine schools and avoid some placements in out-of-district schools and the corresponding transportation costs. A detailed listing of all new positions can be found in the Recommended Budget section.

Transportation Costs

Regular Education Transportation - Regular Education Transportation is recommended to increase \$392,043 to address increases in enrollment. In FY2016, a total of three buses were added to address overcrowding on buses. Also, two additional after school buses were added to accommodate increased enrollment in the program. Further, an increase in rates for FY2017 is also included in the budget. The FY2017 budget plans for the potential addition of two additional buses. This recommendation is made based on historical trends along with the upcoming re-districting plans. FY2017 is the final year of a five-year agreement with C&W Transportation.

Special Education Transportation - Special Education Transportation is recommended to increase \$224,121 to address additional service needs for in-district transportation for expanding in-district programs, additional out of district student transportation, and the anticipated increase in rates. FY2017 is the 2nd year of a five year agreement.

Per Pupil Expenditure and Consumer Price Index (CPI) Adjustments: The FY17 budget includes funds to adjust expense budgets by a CPI of 1.8% to account for annual increases in costs. Additionally, those budgets with per pupil expenditures have been updated based on the October 1, 2015 enrollment data. Further, additional funding for year 2 of 2 to address the elementary principal school expense budgets is included. The total recommendation to address these increases is \$223,317. A detailed listing of expense budgets can be found in the Expenses section of the budget.

Elementary World Language: At the request of the School Committee during its December 15, 2015 School Committee meeting, the recommended FY17 budget includes funds to add a 0.25 FTE position to assist the Assistant Superintendent of Curriculum and Instruction with the development, planning, and details related to the K-5 World Language Program. Additional funding (\$50,000) is also included to convene task forces to address the re-structuring of the elementary school day. This is required because additional programming would be needed if this program were phased in at the K-5 levels. Initial estimates presented by staff anticipate this program implementation to cost approximately \$1,500,000 and \$1,800,000.

Program Improvement Needs: The FY17 budget includes funds to add 1.95 positions to address important programmatic needs. The total cost of these recommended programmatic improvements is \$143,683.

Budget Documents are available at <http://lps.lexingtonma.org/Page/7718>

1200 Minuteman Regional School

Budget Overview: The Regional School subprogram provides funding to pay the assessment levied by the Minuteman Regional Vocational Technical School District to support the operations of the Minuteman Science-Technology High School. Minuteman Tech is a regional school, located in Lexington and Lincoln, which provides technical and academic education for students in grades 9-12 from the 16-town Minuteman district.

Minuteman Tech’s programs include courses in biotechnology, environmental technology, computer programming, printing, commercial art, cosmetology, child care, carpentry, drafting, auto body repair and welding, as well as four-year academic and college preparatory programs. In addition, adults can pursue a variety of continuing education programs at Minuteman.

Lexington’s historical enrollment at Minuteman is shown in the table below as of October 1st of each year, the date that enrollments from school districts throughout the Commonwealth are reported to the Massachusetts Department of Elementary and Secondary Education.

	10/1/2010	10/1/2011	10/1/2012	10/1/2013	10/1/2014	10/1/2015
High School Students	54	53	53	47	41.5	49.5
Post Graduate Students	9	8	7	5	3	2
Total	63	61	60	52	44.5	51.5

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Appropriated/Authorized Staffing:

No staff is charged to this budget.

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Budget Recommendations

The FY2017 Town Manager's recommended budget for the Minuteman Regional School assessment is \$1,377,449. This is a \$204,713, or 17.46% increase over the FY2016 budget.

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Budget Summary:

Funding Sources	FY2014 Actual	FY2015 Actual	FY2016 Appropriation	FY2017 Recommended	Dollar Increase	Percent Increase
Tax Levy	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%
Enterprise Funds (Indirects)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Directed Funding (Revolving Funds)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total 1200 Minuteman	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%

Appropriation Summary	FY2014 Actual	FY2015 Actual	FY2016 Appropriation	FY2017 Recommended	Dollar Increase	Percent Increase
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expenses	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%
Total 1200 Minuteman	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%

Level-Service Requests	FY2014 Actual	FY2015 Actual	FY2016 Appropriation	FY2017 Recommended	Dollar Increase	Percent Increase
Total 1200 Minuteman Regional School	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%
Total 1200 Minuteman	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%

Object Code Summary	FY2014 Actual	FY2015 Actual	FY2016 Appropriation	FY2017 Recommended	Dollar Increase	Percent Increase
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	\$ -	-
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-
Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contractual Services	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-
Small Capital	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expenses	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%
Total 1200 Minuteman	\$ 1,474,266	\$ 1,244,384	\$ 1,172,736	\$ 1,377,449	\$ 204,713	17.46%