

Ipswich School Committee
Budget Presentation to the Finance Committee
Tuesday, March 12, 2019
Ipswich Town Hall, Meeting Room A
Meeting Minutes

School Committee Members: Carl Nylén, Sarah Player, Hugh O'Flynn, Charles Whitten, Pavica Kneedler, Barry Hopping, Nicole Zito joined the meeting at 8:00pm

Finance Committee Member (FINCOM)s: Walter Hartford(WH), Janice Clements-Skelton(JCS), Tammy Jones(TJ), Mike Dougherty(MD), Robert White(RW), Michael Schaaf(MS), Christopher Doucette(CD)

School Administrators: Sheila Halloran, Sheila McAdams, Beverly Hegedus, Tracy Wagner, Dave Fabrizio, Keith Borgen, Jonathan Mitchell, Joanne Cuff, Brian Blake

Call to Order: Sarah Player, Chair, called the meeting to order at 7:35pm.

Citizen Queries: None

Budget Presentation: Presented by Dr. Brian Blake, Superintendent of Schools
Dr. Blake presented the FY20 School Budget in its entirety. During his introduction, he stated that the presentation would not cover the long term plans for the elementary school facilities or grade configurations, as the district was not yet in a position to do so. He asked that all questions be held until the end of the presentation.

Ipswich Strategy for District Improvement:

- Vision- Ipswich Public Schools inspires all students to embrace the power, wonder, and joy of learning.
- Mission Statement- IPS aspires to empower all students to be global citizens who are effective communicators, analytic problem solvers and savvy consumers of information. We propose to do this through an emphasis on communication, critical thinking, creativity, self-management, perseverance, and collaboration. Students will be active partners in authentic learning, offering voice and choice in demonstrating competency.

Objectives:

- The budget was built using the Strategy for District Improvement as the foundation for requests and future work. The three objectives include:
 - Meeting the needs of all students
 - Creating innovative learning environments
 - Building a connection to the global community

Five Year Budget Plan

- When the FY16 budget was built, these were some of the priorities-

- Elementary School-
 - Reasonable class sizes
 - Art and music
 - Library and media
- MS-
 - Reasonable class sizes
 - Middle school model
 - Social and emotional support
 - World languages
- HS-
 - Reasonable class sizes
 - Varied course offerings
 - Art and music
 - Pathways
- Central Office-
 - Director of Teaching and Learning
 - Tech and STEAM
 - Teacher leadership
 - Birth to Three
 - Building maintenance
- It is becoming more difficult to maintain these areas given increasing costs.

Budget Considerations

- FY20 will be the 5th year of the override and the district is going to try and extend it
- PD budgets are down in more areas and will rely more heavily on grant funding and partnerships
- New England BioLabs TIF agreement ends which funds STEAM Showcase
- Recreation Department will no longer be school programs
- Transportation needs/concerns
- Attempting to add 2 FTE for new programs through grants
- Fixed costs continue to rise
- As the process continues, health costs may go down, but Special Ed costs may rise

New Priorities in Changing Times

- Social/Emotional supports
- Digital literacy/computer science
 - 1 FTE Technology Integration Specialist
- Project based learning opportunities
- Standards based work
- Co-teaching model
- Student supports for academic success
 - PBL, standards based curriculum and co-teaching are all part of the norm now
 - Budget allows to continue delivering services, not not for innovative practices or new initiatives

- Looking to consolidate the preschools in this budget

MCAS

- Overall the district is performing higher than state standards

FTEs

- Not all FTEs are created equal
- Most changes to FTEs occur in the professional support staff and specialists based on the needs of the students
- This budget includes an overall increase of 2.5 FTEs across the district

Total Budget

- \$33,575,401
 - Base budget- \$33,194,647
 - Stabilization Fund- \$380,754
 - Outside funds and grants are also used to supplement the appropriated budget
 - Overall increase of 3.79%
- Education Stabilization Fund
 - Cash balance of \$2,329,942
 - If used as planned for FY20, \$1,949,188 will carry forward to FY21
 - May increase with additional funds carried over at the ATM plus interest earned

Use of Outside Funds to Support Budget

- Preschool-
 - Budgeted less to come from Preschool Revolving Account
 - Combine two locations for cost savings on salary and materials
 - Not sure impact of one school will be on tuition revenue
- Athletics
 - \$30,000 decrease from Athletic Revolving Fund and moved to appropriated budget
 - Cover cost of transportation
- Choice
 - \$300,000 will be used for health insurance
 - Increase of \$37,000 for district IT hardware
 - Four virtual host to run all district servers and applications
- Circuit Breaker
 - \$363,717 will be used
 - Equal to amount of reimbursement which will be received in FY19
- Town Capital
 - \$50,000 increase for Erate purchasing

Federal and State Grant Funding

- Small increase in grant funding
- Title IVA used to support all students, especially vulnerable students

- Funded Girls, Inc., AP exam costs for low income students and PD for chronic absenteeism

Choice Fund

- Cash balance- \$958,420
- Total expected revenue FY19- \$303,165
- 14 Tuitioned Out students - assessment will be \$93,644
- Planned Expenditures -
 - \$300,000 for Health Insurance,
 - \$97,500 for district-wide hardware
 - \$75,791 is slated to be spent at the building level in accordance with the choice policy which provides for discretionary expenditure by the principals.
 - It is anticipated that the fund balance will be apx. \$782,384 at the end of FY20

Circuit Breaker Fund

- Cash balance- \$953,307
- \$892,068 planned expenditure for FY20
 - Based on expected reimbursement amount determined by DESE

Fixed Cost

- Retirement \$1,057,840 - Payment made annually to Essex County Retirement for all non-professional staff. Increase of \$66,259 based upon current plan enrollment.
- Medicare \$313,200 - Increase of \$23,200. Budgeted amount is based on FY20 Staff list.
- Sick Leave Buy-Back \$20,000 - Budgeted at last year's amount, no increase
- Unemployment Compensation \$230,000. Significant increase due to under budgeting in FY19 (apx. \$40,000 short) and an estimate based on planned reductions next year.
- Life Insurance \$1,800 - Remains the same, no increase
- Health Insurance \$3,145,113 from Appropriation and \$300,000 from Choice. Currently budgeted at a 4.15% increase. According to Sarah Johnson, the increase may prove to be as low as 0% for next year. We are awaiting final rate information from MIIA.
- Insurance (Liability and Package) \$124,000 - Additional budget of \$12,334 is to cover insurance premium increases

Health Insurance Expense

- Total Budget for Health Insurance \$3,445,113. (4.15% increase over FY19)
- \$3,145,113 from appropriation, \$300,000 from Choice
- Only the EDP and Tiger Tots pay for employee Health Insurance from their own Revolving Funds. Everyone else is paid for with district funding.

Special Education Expenses

- Drivers are out of district placements
- Not major increase in appropriated budget, but relying more heavily on Circuit Breaker Funds
- Appropriated budget realigned with reductions in legal services and professional development and an increase for transportation expenses

Compensation for All Staff

- Included are salary and contractual compensation (stipends)

Professional Salary

- Salaries for administrators, teachers and program director
- FY20- \$16,273,366

Paul F. Doyon

- Stable enrollment projections when you account for the consolidation of the preschool program
- Highlights:
 - Budget decrease of 0.41%
 - Decrease in FTEs due to consolidation of preschool
 - Level or slight decreases in other funding lines
 - Maintaining support for social/emotional learning
 - Maintaining co-teaching model
 - STEAM interwoven in curriculum
 - Special Education summer program cost decreases as result of new negotiated contract

Winthrop School

- Stable enrollment projections
- Highlights:
 - Overall increase in budget of 1.67%
 - Shifts in personnel resulting in 1.32 FTE decrease
 - Maintains support for social/emotional learning
 - Maintains funding for programmatic support
 - Maintains co-teaching model
 - Special Education summer program cost decreases as result of new negotiated contract

Middle School

- Stable enrollment projections
- Highlights:
 - Overall budget increase of 4.78%
 - Increase of 4.24 FTE due to incoming student needs and maintaining the Middle School model
 - Moved to a Humanities/STEAM Model that continues to support Teaming
 - Many supply and textbook lines cut to help contain the budget increase
 - Continue co-teaching model
 - Will have heavier reliance on Payne grant this year for PD
- Notes:
 - A lot of innovative project based learning happening
 - Supply lines decreased because materials were purchased last year

High School

- Decline in enrollment as the 8th grade class is smaller than previous classes
- Highlights-
 - Increase in FTE of .85
 - Level funding or reductions in many lines
 - Maintain support for students with social/emotional needs
 - Maintain co-teaching model

- Maintains elective offerings and pathway opportunities
- Notes:
 - Educational Funds are not used in this budget, but left as discretionary funds managed by HS principal

District Wide Building Operations

- Budget increase of 6.56%
- Highlights:
 - Electricity budget increased due to loss of wind turbine credits
 - Attempted to level fund where possible until Facilities study is complete
 - Maintains funding for 1.0 Asst. Facilities Director and .5 Facilities Director shared with the Town
 - Includes a \$10,000 set aside for wind turbine repairs

District Wide and Central Office

- Increase of 7.2%
- Contains reserve funding for anticipated contractual increases
- Increase 1.0 FTE Integrated Technology Specialist
- Technology increases due to availability of E-Rate funding
- Contains significant increase in Fixed Costs (\$427,179)
- Budget contains increases for contract settlements
- Includes a request for an Integrated Technology Specialist
- This budget includes fixed cost increases

Discussion/Questions:

After Dr. Blake completed his presentation, he invited the the Finance Committee (FINCOM) to ask both him and the leadership team any questions related to the FY20 budget.

It was decided that the FINCOM would begin their questioning from the first slide and work through the presentation.

Introduction

No comments

Vision/Mission Statement

No comments

Objectives

JCS asked: In objective number two, creating innovative learning environments, can you give a rough estimation of where the realization of that objective happens between the operational budget and Feoffees? Is that where we are spending are Feoffees money?

- Dr. Blake responded that teachers in the classroom have the ability to be innovative in their classroom, but that the Feoffees money is used to enhance and enrich the learning that is already happening.

MS asked: In meeting the needs of all students, we have a population of low income students and other students who are performing less well than their peers. Could you tell us about the activities that the district is engaged in to help support those students including the use of Feoffee funds. Administrators responded with:

- Responsive intervention- in allocated budget
- There was a Feoffees grant written specifically to support these children
- Working with Open Door for clothes, clothing for concerts, instruments, etc.
- District has done it through both the Feoffees and the operational budget
- Because these grants are not guaranteed, the district has also looked elsewhere for support

MS then asked if the levels of support previously described have changed at all in this new budget?

- Sheila M. spoke to the level of support in Winthrop saying that the support has not changed, but the way in which that support is given has shifted
- It may not always be a cost i.e. homework help after school
- Sheila H. also spoke to the support given at Doyon, including Open Door's presence at different events held at the school

WH spoke to the Feoffees money, noting that he understands how it needs to be positioned and used. He said the Leadership team needs to emphasize the importance of these grants. He suggested that anything over a maintenance budget should qualify for Feoffees grant money.

- Dr. Blake explained that the original intent of grants was to write them and those grant funded programs deemed to be successful would then be written into the operating budget. This is difficult to do with a maintenance budget.

Members of FINCOM then began a discussion about the logic of the old approach to the Feoffees Grant Allocation and suggested that adding these programs to an operating budget blows up the budget and then you need to find new uses for the Feoffees money.

- Joanne Cuff explained that the \$250,000 returned to the Feoffee accounts was a combined amount of money from the past 6 years. Roughly \$30,000 went unspent each year, plus the Feoffees money sits in an interest bearing account so interest also grew. The intent of the policy was such that if there was an amount that could be returned to the corpus with the Feoffees management, you'd be getting a better return on the interest amount. Just because money went back to the Feoffees, does not mean the programs went unfunded. Some programs over-budgeted and found materials for lesser amounts

WH suggested that the district needed to relook at the way the Feoffees money was being used.

CD spoke to the "run-off" of funds over six years that accumulated to \$250,000. He suggested that money could be better spent on operational budget shortfalls. Currently, budget shortfalls are something that the taxpayer would need to cover, whereas the Feoffees money is a gift that should be spent yearly to cover costs where the appropriated budget cannot.

JCS clarified that the operational budget and the Feoffee money are two separate types of money. When looking at how the Feoffees money is being used, there is a fine line between what becomes enhancement and what is “enhanced operational”. She then asked if there is a part of the operational budget that we could look at to enhance more.

- Dr. Blake responded that the Feoffees grants are written for specific purposes. If money isn’t spent, we can’t arbitrarily support other programs or budgetary shortfalls. The budget is already relying heavily on the Feoffees grants for things that should already be in the budget.
- Tracy Wagner talked about her grant funded professional development programs and how they are only able to run because of the grant money. At this time, there is simply not enough money in the budget to run these successful programs without the support of grants.
- Dr. Blake went on to explain that the Feoffee process is under review by a working group. He also explained that he felt the School District has been good stewards of the Feoffees money.

JCS said that we need to ask the question of how do we make the most of what we have? The Feoffees “bucket” falls into what we have. Taking that discussion off the table becomes difficult. She felt that wherever you can stretch those dollars is the goal and that it is the obligation of the FINCOM to look at creative and innovative ways to fund both the town and the school.

TJ responded saying that there is the need to treat the Feoffees as if it were an outside grant. We need to continue to honor the boundary and know that the Feoffees money is a grant and not and cannot be part of our operational budget.

MS asked about the schedule for review process and wanted to know when the findings of the working group would be shared.

- Dr. Blake responded that the working group formed in October where it began to look at the policy. They then surveyed staff members and are reviewing those results. There will be interviews scheduled to follow-up with stakeholders. The working group is looking to make recommendations around policy moving forward and would like to have those recommendations ready by the end of the year. If there is any impact to the current policy, it would not go into effect until the following school year.

MS then asked that the community be informed because these assets are community assets.

RW asked the leadership team to discuss what has gone well with the Payne grants. What was accomplished and what were the benefits?

- Dr. Blake answered that all ones that grants that were spoken about earlier have been very successful and achieved their objectives.
- Sheila Halloran and Tracy Wagner both explained their grants and benefits

CD then asked what triggered the return of the \$250,000?

- Joanne Cuff answered the question by explaining the policy.

Budget Considerations:

JCS asked that if the district anticipated ending FY20 with \$1.9million in stabilization fund, what would be the minimum balance that you would like to have in order to not move forward with an override?

- Dr. Blake first responded that the question should be answered by the School Committee and not the leadership team.
- Carl Nysten and Hugh O’Flynn spoke to the stabilization fund and explained the override calculator that has been used to determine the length of the override based on the amount deposited into the stabilization fund each year. Based on the calculations, larger amounts would be taken from the stabilization fund at the end of the override and ultimately, the funds would be exhausted in FY21. Based on the calculations, the School Committee is able to extend the override by a 6th year and would be looking for another override in FY22.

MD brought up the snowball effect in declining enrollment. It was then asked how are expenses continuously increasing with the declining enrollment. How will this affect the budget?

- Dr. Blake explained that even with a declining enrollment, fixed costs continue to rise. Although there may be a declining enrollment, each year there continues to be an increase in students needs that require more staff and supports that can be costly. If numbers increase, that could have a costly affect, as well. The district is tracking projections and working to plan for these changes.

RW asked if anyone has reached out to New England BioLabs to see if they would continue their agreement past this current year.

- Tracy Wagner said that at this time no one has reached out, but she would like to. She then went on to explain that she has used the \$10,000 to fund STEAM initiatives throughout the district, including her 3rd Annual STEAM Showcase.

RW also discussed the Recreation Department and the decrease in funding to the schools.

MS asked if Dr. Blake could describe the transportation in more detail.

- Both Joanne Cuff and Dr. Blake spoke to the high bus fees and the increase in cost of Salter Transportation which the district has entered into contract with for another three years. Joanne said the district sent bids to 10 different transportation companies as well as posted on the state website, but only received one response from Salter. She went on to explain that the district can no longer maintain the district owned buses for several reasons- a lack of drivers, the age and expense to maintain. The requirements to obtain and maintain a bus driver license have become increasingly strict and it is not worth the time or money for people to keep their license.

It was then asked if students are missing out on programming, to which Joanne responded, no. Joanne also explained that Salter is also experiencing a shortage of buses due to a lack of staff. The decrease in drivers and the high demand of school transportation is not a local problem, but one that districts are facing on a national level.

Fixed costs:

WH asked if Dr. Blake had a sense of how bad the fixed costs are they going to trend up? Do we think it is going to continually get worse based on demographics of the teaching population?

- Dr. Blake said that the district has an experienced staff and then went into detail about the retirement costs for the district.

JCS wanted to discuss funding FTEs through grants and what would happen if that grant was not renewed for the following year. She asked if this is part of the accelerator for the budget? Would the budget include 2 FTEs the following year?

- Sheila M. spoke to the world language teacher and said that if the FTE had to be worked into the budget, she would need to make more realized efficiencies elsewhere.

A discussion began with Jonathan Mitchell and the administrative team around the BRYT program and the need for supports to deal with the chronic absenteeism issue seen at both the middle and high school. Jonathan Mitchell and Dave Fabrizio shared the statistics on the number of students who are currently categorized as chronically absent. This discussion then led to questions about the graduation rate at the high school for four years and five years, as well as the dropout rate across all grades.

The FINCOM agreed that chronic absenteeism should not just be considered a school problem, but also a community problem and suggested they find ways to educate the community on these ongoing issues.

MCAS

Dr. Blake presented a brief overview of the most recent MCAS scores for the district, pointing out that Ipswich did very well and surpassed the state average in all grades. Tracy Wagner also spoke to the results and said these results are a direct reflection of the work that teachers are doing in the district.

Outside Funds to Support Budget:

JCS asked about the \$10,000 put away for wind turbine repairs and wanted to know if this was for specific repairs or is this a safety net?

- Joanne Cuff responded that this was part of a savings plan.

RW asked Joanne to provide the amount in each of these funds? (use of Outside Funds to Support Budget Slide)

- Joanne shared cash balances in revolving accounts and explained that they do not take out ALL monies in the account. Joanne then went on to answer FINCOM questions regarding bus fees, parking fees and the Extended Day Program.

JCS suggested that it would be more helpful when looking at the Revolving Fund Slide if the current balances were also listed. She believes it would help to better understand the numbers that are presented tonight.

Keith Borgen discussed the technology purchases that will take place this year as part of a capital planning project with the use of e-rate purchasing.

There was a discussion about state funding and whether changes to the funding at the state level would impact Ipswich at all.

Tracy Wagner and Bever Hegedus discussed the decrease in larger grant funding for their programs and the impact that will have on their programs.

There was also a discussion on the use of Choice funds and the number of students participating in the Choice program.

JCS ended the FINCOM meeting and asked both committees to reconvene on Wednesday, March 13, 2019 to continue the discussion.

Adjourn:

*Ms. Player moved the School Committee to adjourn the meeting at 10:28 PM, seconded by Dr. O'Flynn.
UNANIMOUS.*