

Sharon Public Schools
FINANCIAL STATISTICS SUMMARY compiled by the Superintendent's Office
For the FY07 Proposed Budget
 May 1, 2006

There are two budget proposals by the School Committee:

(1) **Option A** represents a 2.67% budget to match funding (\$783,765) identified as available by the Priorities Committee. This budget will cut approximately 31 staff from the current school budget, increases class size and eliminates support positions that have been part of a reorganization plan to reduce Special Education costs.

(2) **Option A with Override**, is a 5.86% **\$31,023,615** budget that provides additional funding of \$934,000. This budget provides a basic level of services and will restore approximately half, but not all of the positions identified for cut. **This budget is \$1,717,765 over the current school budget of \$29,305,850**

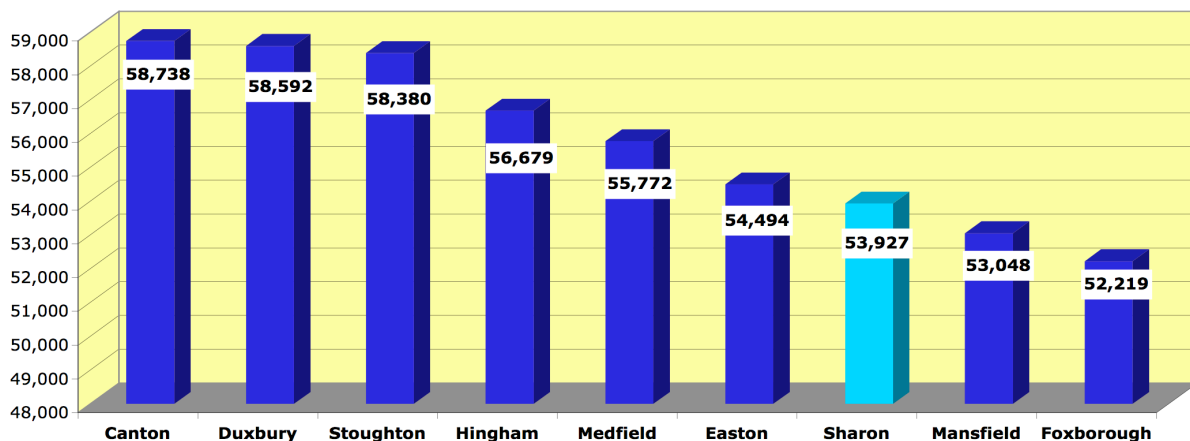
School budgets in recent years have been held to an average increase each year of 5.52%, including the override in 2003. This is in contrast to previous budget increases that averaged 8.73%.

Sharon Public Schools
Historical Budgets 13 years (source DOE website)

Fiscal Year	School Budget	Difference	Included Override	Percent Change	Avg Increase
1995	\$13,416,432	\$1,201,224		9.83%	
1996	\$14,466,856	\$1,050,424		7.83%	
1997	\$15,786,930	\$1,320,074		9.12%	
1998	\$17,455,722	\$1,668,792		10.57%	FY 1995-2002 8.73%
1999	\$18,174,556	\$718,834		4.12%	
2000	\$19,621,811	\$1,447,255		7.96%	
2001	\$22,114,993	\$2,493,182	\$850,713	12.71%	
2002	\$23,813,005	\$1,698,012	\$827,392	7.68%	
2003	\$26,659,611	\$2,846,606	\$3,880,000	11.95%	INCLUDES 3.8 million dollar override
2004	\$26,258,185	(\$401,426)		-1.51%	<u>AVERAGE '03-'07</u>
2005	\$27,570,599	\$1,312,414		5.00%	5.52%
2006	\$29,305,850	\$1,735,251		6.29%	
2007	<i>\$31,023,615</i>	\$1,717,765	\$934,000	5.86%	

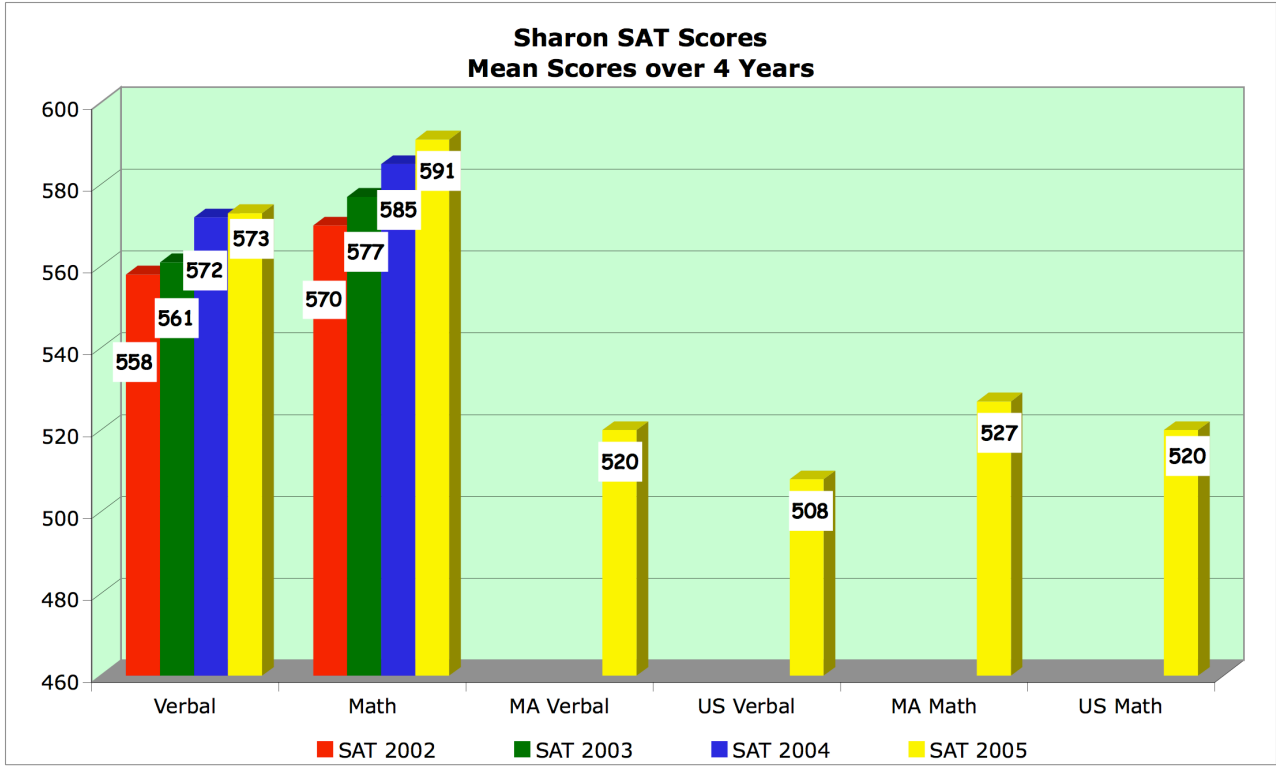
Salary and Wages: Salaries constitute 78% of the school budget with the remaining 22% divided among Special Ed tuitions, transportation, materials and supplies, professional development and utilities. Since last Fall, utility costs have increased approximately 40% in spite of lower actual use at the buildings.

Parity Districts: Average Teacher Salaries 2005 (Dept of Education data)

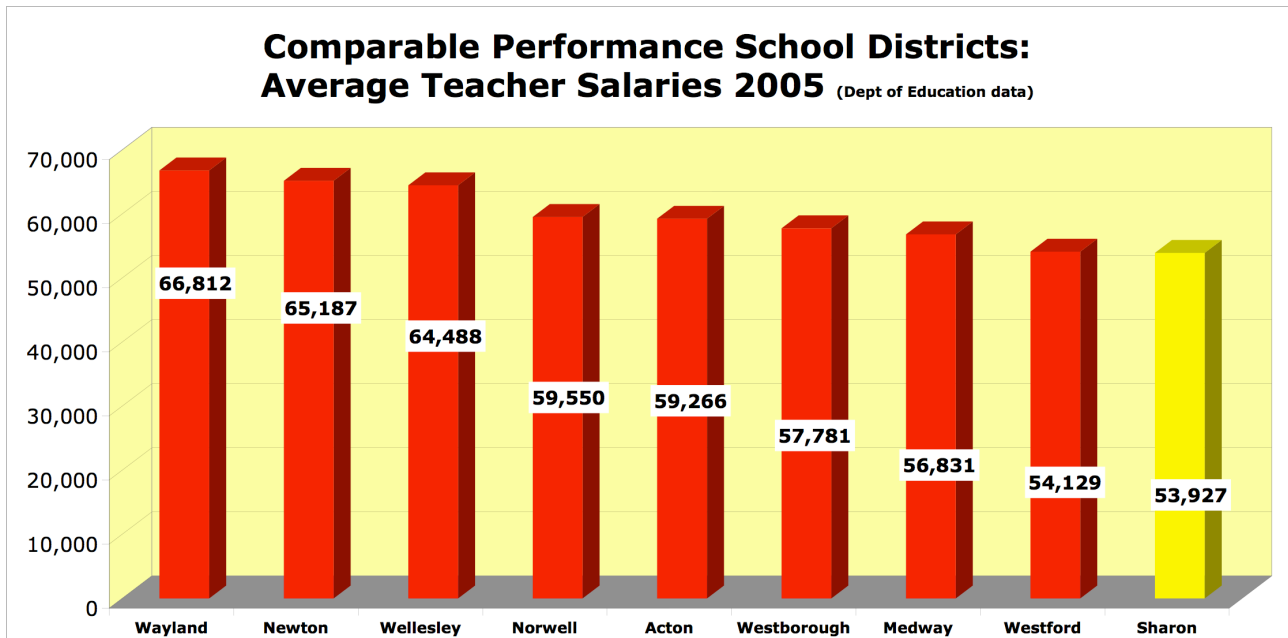


It is important to note that when teacher salaries are compared to a group of towns in the area commonly used to establish "parity" for other town departments, the average Sharon teacher salary for 2005 ranks in the bottom third at \$53,927.

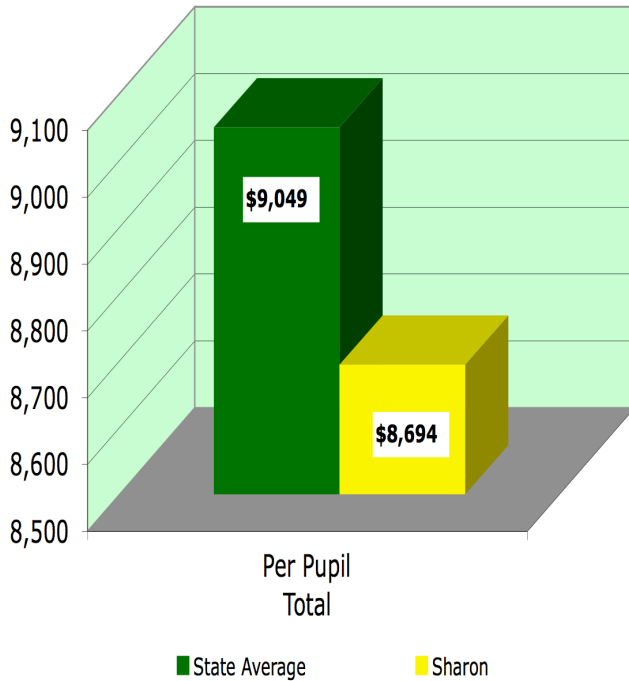
Sharon Schools perform higher on both state MCAS tests and SAT testing than the towns commonly used for parity comparisons by the Town of Sharon. Over the past four years, SHS has raised its SAT scores by 15 points in English and 21 points in MATH. The average increase for Massachusetts in 2005 is 9 points in English and 12 points in Math.



When Sharon teacher salaries are compared to towns of comparable performance in 2005 and other years, it is clear that the Sharon taxpayer is getting value for dollars spent. Note that Sharon teachers are at the bottom of the average pay scale when compared to pay scales in communities showing similar performance.



**Per Pupil Costs Compared to State Average
(DOE, 2005 data)**



Per Pupil Costs: The Department of Education (DOE) calculates per pupil costs across all school districts using specific criteria taken from mandatory and audited end of year school district reports. Certain expenditures are used statewide to determine comparison points for all school districts. Sharon’s costs are below average for regular education and above average for special education.

In Sharon, for the last fiscal year (2005) regular education per pupil costs were \$7,009 Special Education \$18,8634, and total per pupil costs were \$8,694.

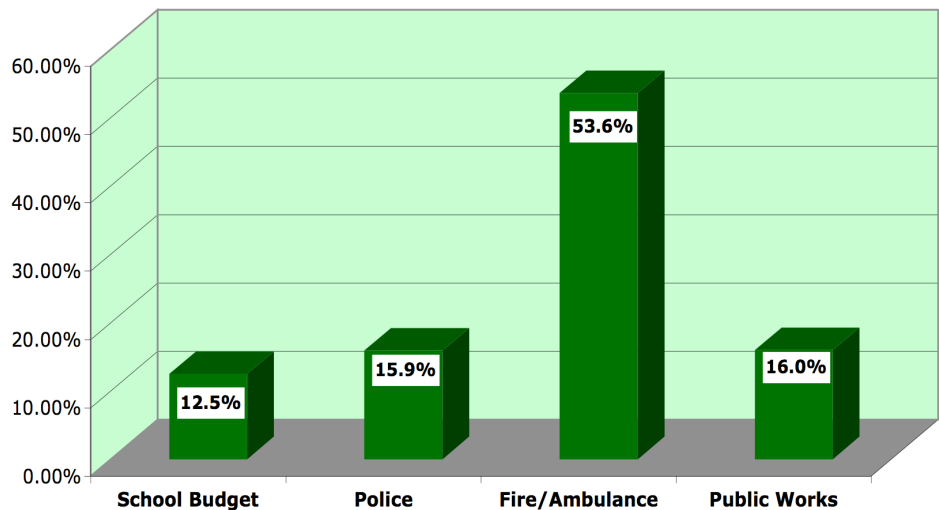
The **state average** for all schools was \$7,355 regular education, \$11,781 for Special Education or \$9,049 total.

During the period of time between 2004-2007, using data from the current Town Warrant, comparative increases in major Town budgets show that the school budget has increased less than other departments. This data is based on Option A in the Town Warrant and percentages shown as budget increases over the 2004-2007 budget years. These percentages do not include funds taken from reserves each year to offset budget expenses.

Using reserve funds set aside for unexpected expenses, the schools and Town have spent funds via reserve fund transfers over the past 4 years. The schools used \$46,888 to pay an unexpected legal settlement. The Town used \$1,333,846 for various departments listed in the first 3 pages of the warrant. These amounts are not included in budget figures previously listed.

Over the past 4 years, the School Department has returned unspent budget funds to the Town at the end of each fiscal year. These funds go into free cash for reuse by the Town.

**Total Percentage Increase in Major Town Budgets 2004-2007
(with Option A budget)**

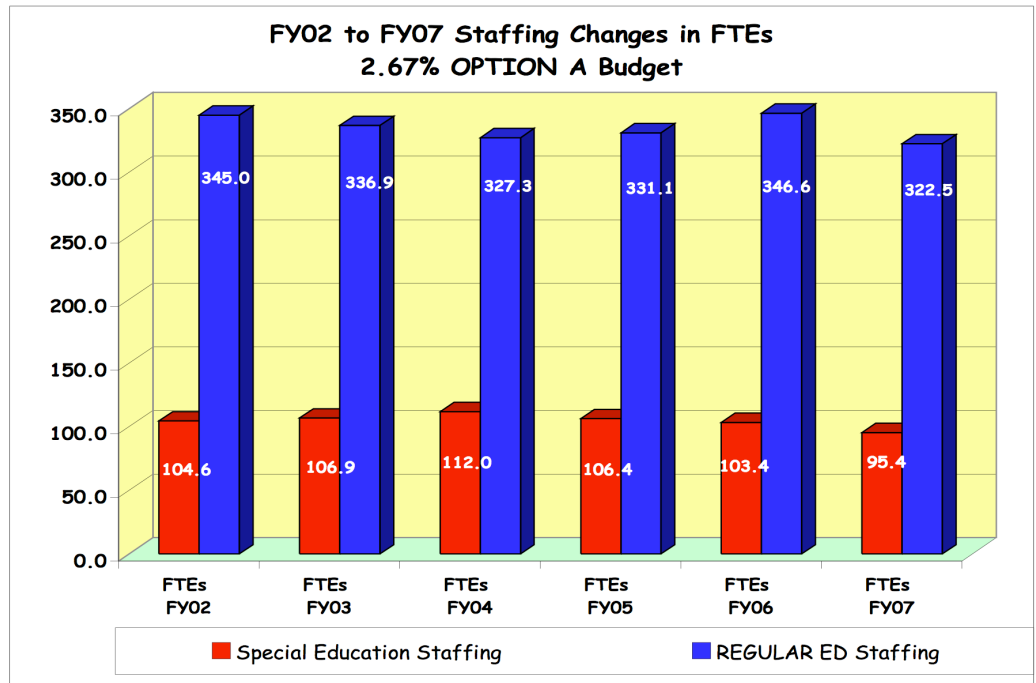


Funds Returned to the Town by Schools

FY02	\$4,012
FY03	\$5,338
FY04	\$22,239
FY05	\$237,948 (Circuit Breaker)
TOTAL	\$269,536

The development of the FY07 budget presented a significant challenge for the Town of Sharon. The Priorities Committee considers revenues and expenses in order to determine how best to utilize resources to meet the town and school department needs in the face of extremely limited financial resources.

During the Priorities process, it was determined that \$783,765 was available for the schools as a 2.67% increase. Based on that level of funding a shortfall of \$1,511,937 was identified. Several renditions of the school budget have been created that can be best summarized as:



- (1) **Maintenance of Services (MOS)** budget. This budget represents the cost to maintain same staffing and services.
- (2) **CUT budget of 2.67%**. This represents the school budget with identified cuts to balance with available funding.
- (3) **OVERRIDE budget**. This budget is proposed to the Town when the cuts are determined to be detrimental to the school system. This year, an override budget is being requested since the CUT budget will mean a loss of 32 positions for the Sharon Public Schools.

Detailed budgets are presented annually to Finance, Selectmen and School Committees. More information is available upon request or online at www.sharon.k12.ma.us

In either budget # 2 or #3, serious cuts occur to the school budget. For example, not included in the 5.86% override budget are approximately 14-15 staff positions. Not included in the 2.67% budget are 31-32 positions.

The School Department proposes a 5.86% increase from FY06 to an FY07 “Option A with Override” budget of \$31,023,615 that includes estimated Chapter 70 (state aid for education) projected at \$6,503,062 or 21% of the school budget. This means that the Town is asked to fund 79% of the school budget for the upcoming fiscal year. The remaining \$24,520,553 constitutes about 57.7 % of the Town’s proposed tax levy base of \$42,492,751.

Other town budgets also provide for health benefits, snow removal, grounds maintenance and other basic services that complement and enhance school operations. Additionally, the Town Capital expenditures include a substantial amount of money for school construction and renovation projects. The School Department is happy to learn from the Selectmen’s office that in the upcoming year, the MSBA (Massachusetts State Building Assistance) plans to pay off school construction projects at East and Cottage, which should relieve this tax burden from the Town of Sharon.

A) Maintenance of Services budget:

Salaries represent approximately 77% of the total school budget. To maintain services going into next year, together with the increases in fuel, transportation and heating costs, the MOS budget (Maintenance of Services) was estimated at approximately 8%. Contained in this budget is a 3% placeholder, level staffing and contractual step increases. The salary budget increase of 5.3-5.4% is needed or a dollar increase of approximately \$1,226,108 bringing the salary portion of the budget to \$24,332,954. See chart below for other increases:

<u>Change from FY06</u>	MOS: 8% Maintenance of Service budget
\$521,395	Utilities (including rental offsets)
\$222,210	Regular and Special Ed transportation, fuel etc
\$42,003	Insurance, fuel, repairs
\$218,483	SPED tuitions
\$1,226,108	Salary increases, same staff, average 5.35%
<u>\$65,503</u>	Contracted Services, legal, other
\$2,295,702	Total increase to maintain current services

B) Cut budget of 2.67%:

With a current FY06 school budget of \$29,305,850, an increase of 2.67% allocates an additional \$783,765 for the FY07 fiscal year. Increases in Utilities, insurance and fuel, and transportation consume \$785,608 of \$783,765 available, putting the school budget in deficit/cut mode prior to considering other needed increases to fund special education tuitions, legal costs or contractual salary increases. As a result, the School Department has identified 32 positions to be eliminated if further funding does not come forth from the state (Chapter 70) or the town (via Priorities or override processes).

<u>Change from FY06</u>	2.67% Cut budget for FY07
\$521,395	Utilities (including rental offsets)
\$222,210	Regular and Special Ed transportation, fuel etc
\$42,003	Insurance, fuel, repairs
\$218,483	SPED tuitions
- \$83,199	Salary budget decreases below FY06 levels w/31.6 staff cuts
- \$195,553	Cuts to professional development & curriculum supplies
<u>\$58,426</u>	Contracted Services, legal, other
\$783,765	Total increase to budget after severe cuts of 31.6 staff

C) Override budget of 5.86%:

A 5.86% rendition of the school budget eliminates fewer positions (-15.8 FTEs or full time equivalents) but depends highly on an additional \$934,000 over available funding of \$783,756. The budget represents the override request.

Since fiscal year 2002, the total number of employees in the schools has been declining until the present school year which brought levels back to 2002. The current level of cuts identified will reduce staffing to 418 FTEs from an overall 449.6 in FY02. Enrollment in the schools has remained fairly constant but is down 65 students overall from FY02.

<u>Change from FY06</u>	5.86% override budget for FY07
\$596,395	Utilities (including rental offsets)
\$222,210	Regular and Special Ed transportation, fuel etc
\$42,003	Insurance, fuel, repairs
\$218,483	SPED tuitions
\$775,801	Salary budget increase includes a reduction in 15-16 staff
- \$195,553	cuts to professional development & curriculum supplies
<u>\$58,426</u>	Contracted Services, legal, other
\$1,717,765	Total increase to budget to save 15.8 positions

Budget Summaries

	FY03 Amount Spent	FY04 Amount Spent	FY05 Amount Spent	FY06 BUDGETED	FY07 2.67% OPTION A BUDGET	FY07 5.86% Override BUDGET
Salaries Special Education	3,569,531	3,688,027	3,601,470	3,945,773	3,907,838	3,957,838
Salaries (Reg Education & Undistributed)	13,645,756	13,404,883	14,164,715	15,768,453	15,511,378	16,273,378
Salaries: Administration (Central & Bldg Admin incl Asst Principals, PPS Dir, Dir. Curriculum)	994,919	1,047,517	1,082,010	1,246,958	1,304,000	1,304,000
Salaries Maintenance/Operations	1,820,373	1,950,941	2,027,107	2,145,664	2,300,431	2,300,431
Contracted Services (SPED)	112,806	204,393	319,068	369,432	397,750	397,750
SPED Tuitions including state reimbursements	3,479,426	2,764,386	2,095,852	2,565,267	2,807,003	2,807,003
SPED Costs (supplies, legal, contracted services)	136,440	221,241	140,311	123,150	121,150	121,150
Teaching Supplies	557,000	374,748	557,769	491,940	365,387	435,387
Supplies, copiers, legal, advertising, etc	556,877	538,599	896,961	566,219	573,151	573,151
Non-instructional costs (Repairs, cleaning, etc.)	360,622	301,726	338,642	285,854	327,857	327,857
Professional Development	165,763	194,913	307,082	226,450	159,450	206,450
Transportation: Regular	361,323	405,748	435,193	384,166	404,289	409,289
Transportation: SPED	230,835	407,723	458,470	482,926	684,936	684,936
*Utilities (depends on rental offset)	662,602	731,100	908,003	703,600	1,224,995	1,224,995
	26,654,273	26,235,946	27,332,651	29,305,850	30,089,615	31,023,615
Budget increase over previous yr	11.95%	-1.57%	4.18%	7.22%	2.67%	5.86%
TOTAL FTE (Full time Equivalents)	443.8	439.2	437.6	450.0	418.0	435.3

If additional funds are allocated to the schools, approximately 17 FTEs can be restored to the school budget. Even with an override, 15-16 staff will be cut. Without additional funds, a total of 32 positions and other items will be lost.

FTE Staffing Summary (Option A and Override)	2002	2003	2004	2005	2006	2007 5.86% with Override	2007 2.67% NO Override
<i>FTEs=full time equivalents</i>							
Special Education	104.6	106.9	112.0	106.4	103.4	96.4	95.4
Regular Education and other	301.5	294.0	282.0	284.9	297.9	293.3	277.9
Central & Bldg Admin including Asst Principals	11.7	11.0	11.2	11.0	12.0	11.3	11.3
Mid-Mgmt Curriculum area Coordinators	7.6	7.6	8.8	9.0	10.4	8.0	6.4
Maintenance/Operations	24.3	24.3	25.3	26.3	26.3	26.3	26.3
	449.6	443.8	439.2	437.6	450.0	435.3	418

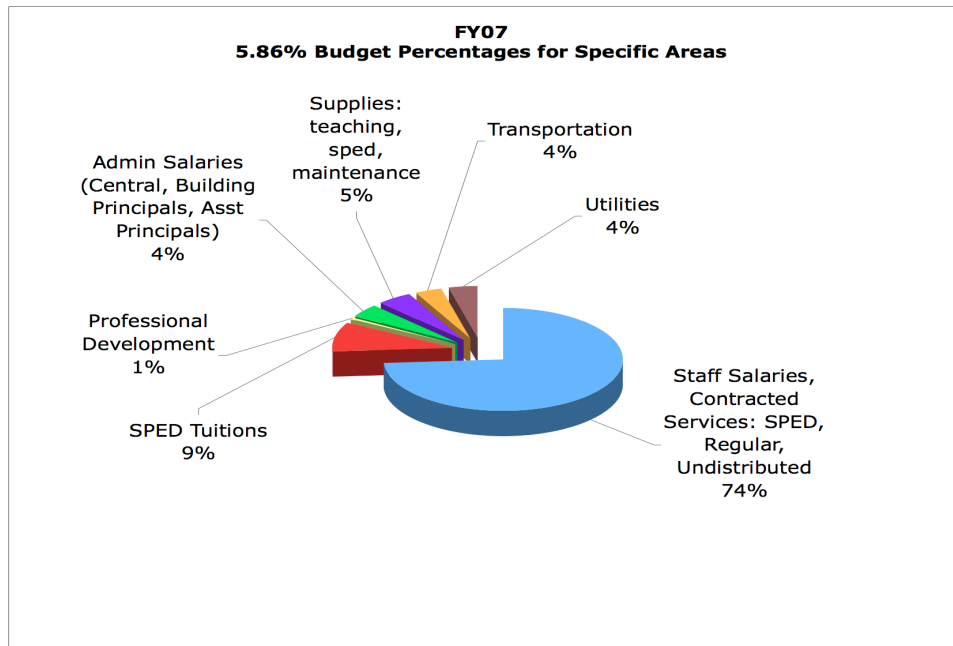
Capital Projects:

The long range comprehensive plan for Sharon School Construction projects included projects completed at Cottage and East Elementary Schools, and a plan to renovate and add to the Middle School. The Middle School construction project was put on hold due to a freeze on state reimbursements that paid up to 63% of school construction projects that have occurred at Heights, the high school, Cottage and East. Foresight on the part of

the Town of Sharon secured these reimbursement rates before the current freeze. As a result, the Middle School project has been delayed with Capital funding used to keep the school operational.

Last year, the Capital Outlay Committee approved a two-year plan to repair and replace the Middle School roof and heating system. Voted last year and included in this year’s borrowing is \$1,153,803 to repair and replace the Middle School roof. In order to avoid duplication of effort, this plan takes into account the future plan to renovate and add to this school once state reimbursements again become available (expected beginning in 2007). In considering planned housing developments that include significant 40B housing units for Sharon, the School Committee continues to consider school space needs as part of the long-range plan for the Town.

School capital outlay funding for FY07 represents a lean request for \$488,905 to support systematic replacement of classroom furniture (\$87,435), kitchen equipment for the high school (\$59,220), computer and networking updates for the schools (\$149,750), School Security (\$16,000), special education acoustical treatments for classroom with hearing impaired children, downspout repairs to address the freezing problem on the high school rear sidewalks, heat exchanger equipment to replace rooftop units at two elementary schools, and replacement of (2) Special Education vans (\$55,000). Each of these items represents materials discussed, screened and approved by Capital Outlay and School Committee as part of a long-range plan to keep the schools operational and maintained in a low-cost and sustainable manner. For example, computers, furniture, and Sped vans are replaced in a cyclical manner each year. School security and kitchen upgrades have been spread out over several years to prevent large replacement costs from draining limited Town resources.



FY07 School Capital Projects	
Acoustic Treatment (Special Education)	45,000
Furniture district wide	87,435
Downspout repairs (High School)	28,500
Kitchen Rehabilitation	59,220
Security / Life Safety	16,000
Vehicles (Special Education)	55,000
Technology District wide	149,750
Heat Exchangers (elementary schools)	48,000
	488,905

Resources for data:

- <http://www.dls.state.ma.us>
- <http://finance1.doe.mass.edu/statistics/>