



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

29 January 2016

To: School Committee

Subj: FISCAL AND OPERATIONS UPDATE

1. FY17 School Department Budget and State Aid Update

a. FY17 School Department Budget

On Friday January 29th Mr. Morgado filed his initial FY17 Budget Plan with the Board of Selectmen and Finance Committee. It is a balanced budget using his traditional model for estimating revenues and expenditures. Over the coming months of the budget season both the revenue and expense estimates will be revised as new information comes forward as a result of the State Budget process and our local receipts and expenditure trends. The table below depicts our current situation regarding the FY17 School Department Budget.

Superintendent's Initial Recommendation	Town Manager's Initial Recommendation	Gap
\$62,446,298	\$59,112,145	(\$3,334,153)
6.83% increase	1.12% increase	(5.71%)

The administrative team has already begun a planning process to make some headway in closing this gap. In early March we plan to present to the committee a series of recommendations that may include increases in fee revenues and consideration of opting back into receiving School Choice students on a small-scale. It will also be necessary to propose expense reductions and we are keeping the School Committee Budget Priorities and Guidelines at the forefront as we devise these recommendations.

b. State Aid Update

State aid to Shrewsbury comes in a number of revenue categories. The town also has a variety of "charges" from the state that must also be factored each year. Mr. Morgado's initial estimate based upon Governor Baker's budget is that Shrewsbury would receive a net increase of \$385,338 in state aid for FY17.

Chapter 70 education aid increases from a current \$19,195,638 to \$19,315,358 in FY17. This is an increase of \$119,720 or .62%. The increase is in the category of "Minimum Aid" and equates to \$20 per pupil for the 5,986 students in our Foundation Enrollment.

Another state aid in the form of reimbursement is "Non-Resident Pupil Transportation". This is reimbursement for transporting students from Shrewsbury to Assabet Valley Regional Technical High School. The state budget level funds this item at \$1.75M in FY17 which will likely result in an overall decreased reimbursement percent and amount for us in FY17. In FY16, we expect to receive approximately \$105,000 which equates to 59% of our FY15 actual costs.

Special Education Circuit Breaker Reimbursement is also level funded in the Governor's Budget at \$271.6M. All other things being equal this would equate to a decrease for us next year as tuition costs rise. We will soon get more information from MA DESE about an estimated reimbursement percentage and we are also refining our

FY16 costs which are the basis for the FY17 reimbursement calculation. More information will follow on this topic as the budget process develops.

The Full-Day Kindergarten Grant Program is also level funded in FY17 at \$18.6M on a statewide basis. However, there appears to be some new criteria for eligibility that prohibits districts who charge tuition from also participating in this grant program. In our FY17 budget proposal we had assumed the loss of this grant. So, if we are not eligible in FY17, it will not impact our current FY17 budget plan any more than the planned loss of the \$62K we already factored.

Finally, it appears that Governor Baker is proposing a new Charter School Reimbursement schema in FY17. As of this writing we do not have any further details. Clearly, this has been a widely debated topic and the funding mechanism will likely be in flux until the end of the state budget cycle in June or July. We will share more information and the projected impact on Shrewsbury as it becomes available.

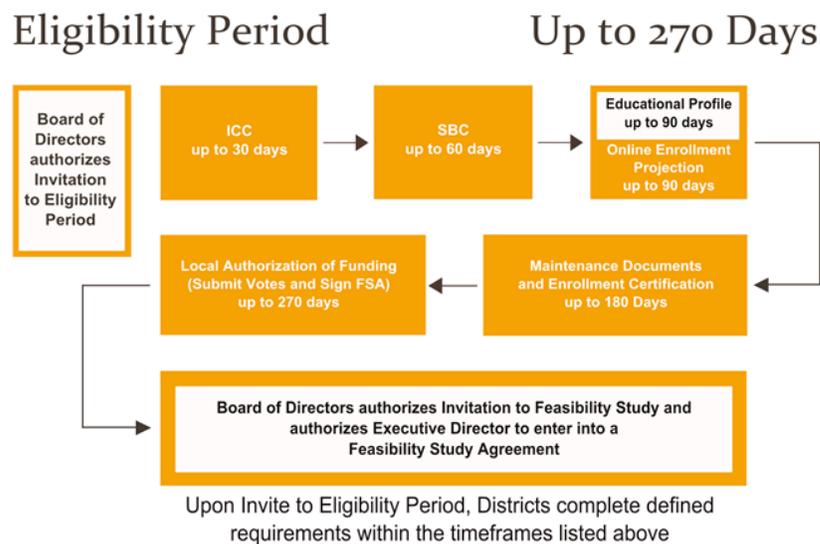
2. Facilities: Beal Early Childhood Center Invitation into Eligibility Phase with MSBA

On January 27th the Board of Directors of the Massachusetts School Building Authority [MSBA] unanimously voted to invite the Town of Shrewsbury into the Eligibility Phase for replacement of the Beal Early Childhood Center.

The Beal Early Childhood Center project was 1 of 26 school projects selected from the 97 applications in the 2015 Statement of Application process. The MSBA made it clear that the 26 selected represented the most “urgent and pressing” school building needs from the applicant pool. The chart below depicts the number of applications to its Core Program and the number of projects selected in each respective year.

Application Year	Core Program Applicants	Selected
2013	141	14
2014	108	15
2015	97	26

Due to the larger number of projects selected in the 2015 cycle, the MSBA will be phasing the official “start time” for each project moving into the Eligibility Phase. They have conveyed to us that Shrewsbury’s start time will be in March 2016. This will commence a 270-day time period in which a number of requirements must be fulfilled which are detailed in the following chart.



Their recent vote does allow us to move ahead in appropriating the funding required for the Feasibility Study. Holding a Special Town Meeting before the May Annual Town Meeting may need to be considered for this purpose. The School Committee should also begin planning for an appointee to the Building Committee. This is an important multi-year commitment that will require additional nighttime meetings.

Finally, we are recommending that the School Committee send a message of gratitude to the MSBA and express our enthusiasm in moving ahead in the process. Please see the attached draft letter.

3. Food Service: Continued Implementation of *Meal Magic*® Point of Sale System

Previously, our food service operation implemented the *Meal Magic* Point-of-Sale System at Sherwood and Oak Middle Schools and Shrewsbury High School. This is a computerized cashiering system that amongst many other features, allows students to put money on their account for meal purchases. It works much like a declining balance system offered at most universities. We will continue with implementation into our elementary schools starting with Floral Street School, our largest elementary school.

The system will go live at Floral Street School on Tuesday March 1st. Under the direction of Ms. Nichols, a staff training plan and parent communications have been devised to meet this launch date. She has been coordinating all the details with the principal and assistant principal as well.

Implementation of this system will afford parents the ability to periodically place money on their student's account and obviate the need to purchase meal tickets or send cash with their son or daughter. Soon after, we will make available the ability of parents to make online payments to their student's account as well.

Our goal is to complete the implementation one school at a time into the fall until completed.

4. Transportation: Bus Audit of Free/Reduced Applicants

Consistent with the past, the district has undertaken an internal audit of all bus registrants who claimed eligibility for free or reduced lunches and thus became eligible for free busing.

Per federal regulation, parents must apply each school year to become eligible for free or reduced price lunches. At the outset of each school year, a student is afforded a 30-day grace period and their past eligibility carries over until the re-application is reviewed and approved or disapproved.

As you know, the district's bus registration period begins on the April 1st preceding the upcoming school year. So, parents applying for bus service use their existing or expected eligibility status for free/reduced price lunch. Sometimes their eligibility status changes upon re-application in the fall. As a result, we verify using a data match between their claimed status from the spring and actual status in the fall. Recently, we completed this process and it produced a listing of 42 families whose claimed eligibility status does not match our food service records. We are working through each of these cases towards resolution.

It's important that the committee and community know that we review this on an annual basis to ensure equity in the delivery of and payment for bus service.



SHREWSBURY PUBLIC SCHOOLS

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February 4, 2016

Deborah B. Goldberg

Treasurer and Receiver General of the Commonwealth of Massachusetts and
Chair, Massachusetts School Building Authority

40 Broad Street

Boston, MA 02109

Dear Chairperson Goldberg,

On behalf of the entire Shrewsbury School Committee I want to convey our gratitude, relief, and excitement for being voted into the Eligibility Phase for the Beal Early Childhood Center at your January 27th board meeting.

We acknowledge that completion of the 2015 Statement of Interest Process represents an enormous amount of staff work and detailed analyses of the 97 applications for the Core Program. Further, we understand that the 26 projects selected represent a larger than normal group and that our "start time" for our 270 day Eligibility Phase is planned for approval at your March 30th board meeting. Ms. Diane Sullivan has been most helpful in explaining this new adaptation to the program.

The Town of Shrewsbury and the Massachusetts School Building Authority have a proven record of forging a productive partnership as exemplified in the *Story of a Building* presentation at Sherwood Middle School last May.

We look forward to working with the board and staff again to meet the demands of our growing community and to replace a failing school facility with a modern, cost-efficient school building that will serve the educational needs of our youngest students into the next generation.

Sincerely,

John Samia
Chairman