

Cape Elizabeth Schools

To: Cape Elizabeth School Board

From: Meredith Nadeau, Superintendent of Schools

Date: February 25, 2014

Subject: Fiscal Year 2015 Budget Overview

The budget development process began even earlier than usual this year due to the retirement of long-time Business Administrator, Pauline Aportria. Ms. Aportria saw us through the development of a draft budget, and I am extremely grateful to her for her work on the FY15 budget. While a draft budget has been assembled, there are still several unknown variables that could significantly impact the FY15 budget including state revenues, insurance increases, and negotiations with the CEEA.

Over the past year, the district has articulated Strategic Plan goals and a long-term Capital Improvements Plan for the district. Both of these initiatives, under the direction of the School Board, have focused on thoughtful planning for both the immediate and long-term needs of the school district and in support of its vision, mission, and values for education. The FY15 budget proposal builds on the work of prior years and advances all four goals of the strategic plan. Some of the initiatives, such as the proposal for full-day kindergarten, will require additional funds, but others, such as the implementation of a breakfast program at Pond Cove have no fiscal impact but can significantly improve the educational experience for our students.

Goal 1 of the strategic plan (Ensure opportunities for the success of all students by providing a high-quality and comprehensive instructional program.) addresses most of the instructional work of the school district: the development and alignment of curricula, the work to develop standards-based assessment and reporting systems, the alignment and delivery of interventions across K-12, the delivery of differentiated instruction, and improved access to education for those most at risk for school failure.

Enrollment for the district is again projected to remain relatively stable (a 0% change is projected for FY15; in FY14 we also experienced a 0% change in enrollment), and staffing levels are therefore relatively flat for the upcoming year. While enrollment remains flat, the district continues to see increases in the numbers of students receiving English Language Learner support as well as the number of children qualifying for free and reduced lunch (140 or approximately 8.5% of the student population) and class sizes approaching or slightly above the class size guidelines at several grade levels across K-8.

One significant budgetary proposal related to Goal 1 is the proposal to provide full-day kindergarten for all incoming kindergartners at Pond Cove. The pilot of full-day kindergarten provided the District with sufficient evidence to support full adoption, and feedback from the community indicates broad support for a full-day program. Costs to implement full-day kindergarten include the on-going costs for two teachers as well as one-time costs for furniture and equipment, supplies, books, technology for two classrooms, some renovations to the existing kindergarten wing, and professional development time for the kindergarten team. Total one-time costs are estimated to be approximately \$100,000. A slight reduction in transportation fuel costs for the mid-day kindergarten runs will offset these one-time costs by approximately \$10,000. One of the teaching positions needed for kindergarten is proposed to be absorbed from within existing staffing at Pond Cove based on current class size numbers; however, it is recommended that the School Board maintain contingency funds to allow for the hiring of an additional teacher if enrollments should change and the need for an additional teacher is warranted.

The number of students qualifying for special education and related services is projected to remain flat at approximately 160 students, or 10%, of the student population. The FY15 budget proposes the reduction of 1 educational technician in special education based on student needs as well as the reduction of an Instructional Strategist position at K-8. With the addition last year of an assistant principal at Pond Cove, we believe we can continue to meet student needs by sharing a strategist position across Pond Cove and the middle school; the high school has not had an instructional strategist position since 2011.

Another initiative related to Goal 1 is the implementation of a universal screening system for students in reading and mathematics across all grade levels as well as increases to maintain the current NWEA assessment system used as a local assessment tool and as a method of assessing student growth. The screening system is required as a part of a comprehensive Response to Intervention model and allows the district to quickly assess student performance in order to guide decisions about necessary interventions. As the state transitions from the current New England Comprehensive Assessment Program (NECAP) to the SmarterBalanced system to measure performance in alignment with the Common Core State Standards, the NWEA assessment system will provide us with a consistent means of measuring student performance. Finally, the high school has requested \$10,000 for assessments at the high school level that align with College Board measures of student performance and can help provide useful indicators of student performance; some of these assessments had previously been provided to students by the state at no cost to the district.

Finally, we are recommending the addition of a .2 science teacher at CEHS as class sizes in physics have continued to average above 26 students per class and a 1.0 educational technician position at Pond Cove to support interventions for students as well as to provide coverage for classroom teachers to allow for planning and professional learning community meeting time.

Much of the work on the **second goal** of the **strategic plan (Expand learning opportunities for all students by cultivating an inclusive and supportive district culture.)** will continue into the upcoming year with no added costs. We will continue to utilize an annual survey, begun this year, to measure district performance as benchmarked against some national data. The work on climate and culture in FY15 will also build on the collaboration at all three schools of faculty, students, and parents with consultants Stan Davis (at Pond Cove) and Steve Wessler (at CEMS and CEHS) which was funded last year by the Cape Elizabeth Educational Foundation. In FY15, world language/culture offerings will expand to grade 1 through careful scheduling of resources, and we will continue to offer Mandarin Chinese as an after school exploratory program to our students at the middle school. At the middle school, reworking the master schedule will provide time for daily advisory for our students in grades 7 and 8 to increase their connectedness with the school and its staff. Neither of these efforts will require additional funding.

Our strong budgetary support for co-curricular and extracurricular activities, including athletics, provides our students with access to activities that help them to feel that they are part of a larger community. Some increases are proposed to the co-curricular and athletic budgets to provide continued support for these activities, including increases for supplies, a new line for replacement of aging equipment, and added stipends to provide for adequate staffing to support our increasingly popular after school robotics program participation.

As we have examined student needs across the district, we have also determined that the high school would benefit from increased social work support. We plan to utilize local entitlement funds for special education to provide for an additional .5 social worker at CEHS to address the needs of our students with disabilities; this addition will allow our existing social work team to better meet the needs of our non-identified students for both social work and substance abuse support. Local entitlement funds are intended to supplement—not supplant—locally provided services, and this use of funds seems an appropriate way to address these needs for the upcoming fiscal year.

Goal 3 of the **strategic plan** focuses on **student engagement in learning and teacher engagement in instruction**. For FY15, the primary foci from a cost-perspective are for technology and teacher professional development. The district funds professional development through lines in each school budget under the categories of staff development and student assessment /curriculum which provide for teacher professional development work during the summer, attendance at workshops and conferences for individual teachers or teams, and release time for work on curriculum alignment. The district also funds, in accordance with the teacher’s contract, reimbursement for approved courses at the university level. Finally, the district provides funds through the use of Title IIA and IDEA local entitlement funds. This year, due to the needs presented by

the work on proficiency-based assessment and the implementation of a curriculum review cycle, we are proposing modest increases to professional development lines at the district level.

Technology is an area where the district and its partners, including our parent associations and the Cape Elizabeth Education Foundation, have invested heavily in recent years. Our iPad initiative is already three years old, and the district is now ready to replace two grade-levels worth of iPads at the high school. The district proposes to purchase the new iPads through a lease arrangement through the state MLTI project which will provide better pricing, continued support for teacher devices, and ongoing network support. The three leases included in the technology budget allow the district to extend the use of funds to maintain current technology in the three schools. The approximately 250 iPads being replaced at the high school will be divided between the elementary and middle schools to provide increased access for students in grades K-6.

Additional costs for purchase of needed apps for those re-used iPads account for much of the increase to the software line in the technology budget. The technology lease also includes replacement of the 26 machines in the middle school computer lab (now six years old); technology (including whiteboard systems, teacher computers, document cameras, and iPads) for the two new kindergarten classrooms; replacement of our Destiny (school library software) server and our middle and high school MacOS servers; as well as switches and a MacMini for printing at Pond Cove. Additional funds have been set aside for replacement of cases for the repurposed devices and/or insurance costs for those devices to provide for additional years of use. The technology budget also includes modest increases for supplies, an increase for professional development to allow our technology staff members to stay abreast of changes in their field, and a new charge of \$1 per student for Internet connection services which were previously provided free of charge through the Maine School and Libraries Network (MLSN).

At the high school, \$10,000 is proposed to fund stipends for professional work related to the New England Association of Schools and Colleges accreditation process. FY15 is the “self-study” year for CEHS in advance of the visit by the accreditation team in FY16.

Finally, our last **strategic plan goal, Goal 4**, is to: **Align the budget with strategic plan goals and target resources accordingly.** For FY15, the focus is around our district facilities and capital improvements planning. The FY15 budget includes an increase to CIP spending of \$120,000. This increase is offset by a decrease in debt service costs for FY15. \$69,000 of the increase is attributable to the first year of a municipal lease for a replacement boiler for Pond Cove and the middle school. The current boiler is 20 years old and is operating at approximately 75% efficiency. The replacement is projected to save the district approximately 10,000 gallons of fuel per year. The boiler being purchased is a dual-burner system and could be changed in future years to utilize wood-pellets or natural gas should those options become available. The remainder of the

increase to that line includes work on projects detailed in the 10-year CIP such as roofing replacement and re-certifications as well as recurring costs for ongoing repair and maintenance and service contracts.

Another capital request for the budget is a lease for 2 school buses for the FY15 school year (an increase of \$35,000) and the addition of a half-time bus driver (summer only) for summer transportation needs in Special Education and for Community Services. While we normally replace one bus per year, we have seen significant increases in our trip use for buses for extracurricular and co-curricular activities. If no school bus is available, the district incurs additional costs to charter a bus. These additional costs have reached a point where the purchase of an additional bus would be more cost effective than continuing to charter buses to meet these needs.

One final change to our budget relates to the district's costs for the unfunded actuarial liability under Maine's Public Employees Retirement System for 7 retired school employees covered by Cape Elizabeth's old retirement plan. These costs were previously covered by the town. As of June 30, 2013, MePERS had added 4 additional vested inactive employees who have gone on to work for the state or other MePERS local districts, and the monthly combined school/town assessment increased from \$114,589 to \$189,888. The school share is 21% of that cost or \$39,876.

The greatest portion of the school budget, approximately 80%, continues to be staff salary and benefits. As indicated previously, insurance increases and the details of the teacher's contract are unknown at this juncture. We have projected for state revenues through General Purpose Aid to remain flat, but to date have received no preliminary numbers from the state. Finally, we are proposing to carry forward a larger amount of our unreserved fund balance (an increase of \$150,000) to help offset the loss of Medicaid funding (at \$0 in FY15) experienced during the last few years.

We believe this budget supports our commitment to providing students with access to quality programs, maintaining a high-caliber staff, and preserving the district's reputation for excellence. Given all of the variables, our current projection is for an expenditure increase of 3% over FY14 levels and a projected net increase to taxes of 2.2%. I look forward to the presentation and discussion of the budget during the coming weeks.