

BEVERLY PUBLIC SCHOOLS
FY09 Budget Proposal
Questions and Comments from the Public Meeting on April 1st

The questions and comments below are ones that were raised at the Public Meeting on April 1st and a few that I have heard since that meeting.

Dr. Jim Hayes
Superintendent of Schools

The School Committee should just send a budget to the Mayor without making these cuts.

The School Committee can do this. It is something that I have seen school committees talk about from time to time over the past nine years, but they have never done so. Let's assume that the School Committee does approve a budget higher than its available revenue. Let's also assume that the Mayor includes in his budget proposal to the City Council an appropriation for the schools equal to a budget balanced figure, less than what the SC approved. The City Council could then increase the amount for the school appropriation to the level that the School Committee approved. Since the City Council must approve a balanced budget, they would need to recommend cuts elsewhere in the City budget or send it back to the Mayor for him to prepare a new proposal that is balanced.

If one believes the City has \$2.67 million available or is willing to cut that amount from other City departments, then this action would make sense. I would not recommend it. Our financial problem is really a City problem; they have their own challenges and don't have more money to help us.

The increase in Special Education is especially troubling. Why is there such a big increase in this area?

The FY08 special education budget was underfunded by \$953,000, thus the gap between FY08 and FY09 appears nearly a million dollars wider than actual expenditures. There was a surplus for both FY06 and FY07 in the school department budget. In FY07, the surplus was discovered to be \$1.6 million; also in FY07, the city budgeted \$800,000 on their side of the budget to cover our utility costs. Once the surplus was discovered, the school department covered their own utility cost (which was less than the \$800,000), and the school department invested approximately \$353,000 in computers and over \$150,000 in building and grounds capital improvement projects especially at Briscoe and the boiler replacement projects. When all was this was completed, there was still a remaining surplus of \$600,000 which was carried forward to the FY08 budget as prepayment for special education costs. In addition, one circuit breaker payment from FY07 was not utilized in that year and was carried forward; special education expenses from FY08 were charged to it. Thus the special education budget for FY08 was underfunded by \$953,000, giving the appearance of a much larger gap than actually was the case.

You are not doing anything to control the three main drivers of budget increases – special education, utilities, and health care.

Steps have been taken and more are in development to reduce expenses in these areas. In the area of special education, an in-district alternative school at McKeown will ultimately reduce costs in meeting the needs of some of our students. The preschool program serves special education students ages 3-5. By consolidating into an Early Childhood Center, we reduce the costs for providing those special education services, and we believe that a more effective early childhood program will reduce referrals to special education.

Regarding utilities, work has been done in recent years to upgrade our boilers and heating systems. The burners at both Memorial and Briscoe have been converted to gas heat, which we expect to bring savings. An energy audit will soon be conducted at Briscoe, and we expect it may point the way to efficiencies not only at Briscoe but at all our schools. Simultaneous to the High School Project, Mayor Scanlon is actively pursuing an upgrade to our solar and wind renewable energy systems at that site. If the Mayor is successful, we will certainly see savings through renewable energy.

Over the past four years, successive increases in employee contributions to health care have resulted in a 10% increase to the employee's contribution. Joining the state's GIC health insurance program is another possibility for reducing health care expenses, and Mayor Scanlon is exploring that topic with all the unions in the City.

You should limit salary increases.

Salary and benefits of our employees make up approximately 80% of our annual budget. Controlling those expenses therefore has a big impact on our budget. We have seven bargaining units within the school system, and all of their collective bargaining agreements conclude at the end of this school year. We are in the process of negotiating new contracts.

Why not just offer half-day kindergarten and then provide enrichment for a fee?

We currently have twelve full-day kindergarten classes in our elementary schools, and our plan for next year is to continue with that same number. While it is state law that we offer half-day kindergarten for free, full-day kindergarten brings in tuition and grant revenue that greatly offsets program expenses. Next year, we will be charging the maximum tuition that the state will allow, \$4,000 per student.

If you like the suggestion to "just offer half-day kindergarten", first you need to know that we will need to offer at least four classes of full-day kindergarten to satisfy the IEP requirements of our special education population. Second, though cutting eight full-day K teachers, we would have to add back four half-day teachers to handle the increase in half-day kindergarten. So, having cut four teachers plus some paraprofessionals for a total of \$305,167, we will experience a loss of tuition and grant revenue projected to be \$458,000. This represents a net loss of \$152,833. On a purely educational basis, moving away from full-day kindergarten is also a step backwards. A "half-day plus enrichment" model still does not equate to the curriculum we can provide in a full-day program and the learning growth that takes place.

You should take a year to study this reconfiguration.

Reconfiguration of the elementary schools has been actively considered by School Committees for the past six years, mostly as a means to reducing district expenses while also preserving the program. We have considered the following: turning McKeown into an Early Childhood Center; closing McKeown altogether; closing any other elementary school; returning grade 6 to elementary schools; reorganizing schools as K-2 & 3-5 schools; pairing schools such that one is a lower (K-2) school and the other is an upper (3-5) school; and most recently, turning Hannah into an Early Childhood Center. The School Committee and school administration all knew that having six small elementary schools required more staff than if we consolidated. We were unable to agree on a viable alternative. Looking at this problem again this year, we identified a very different solution that achieves the objective we have long sought - reducing district expenses while also preserving the program.

Your class sizes are right at the state maximums.

The misstatement in one local newspaper that there are in fact state maximums has taken on a life of its own. The fact of the matter is that there are none. Districts set their own standards; some are defined by teachers' contracts, but ours does not. The School Committee sets maximum class size guidelines as a planning standard, not a strict requirement. Up until several years ago, at the elementary level we used 22 students in grades 1-2 and 25 in grades 3-5 as our maximums. As it became more difficult to balance budgets, the standards were raised to 25 students in grades 1-2 and 30 in grades 3-5.

These class sizes are unacceptable. Yes, we've had classes at these maximums before, but now they have become the standard for all classes.

In each of the last three years, we have had a few classrooms either at or very near the maximum for that grade. The proposal to reconfigure the elementary schools means an average shift of 20 to 24 students per class in grade 1, 20 to 23 students in grades 2, 24 to 28 students in grade 3, 24 to 28 students in grade 4, and 24 to 30 students in grade 5. There is no question that this places a greater challenge on our teachers in providing good instruction and meeting individual student needs.

Teachers, administrators, and support staff will need to work throughout the year to strategize how to respond to this challenge. I am confident they will work hard to meet that challenge. I certainly wish we could go back to the maximums we once lived under to ease the challenges of the classroom, but the financial resources available to us will not allow that to happen in the foreseeable future.

I see class size data that doesn't agree.

The inconsistencies arise from data that was presented in the February 27th draft of our budget proposal and the data presented in my presentation on March 26th. In February, I presented to the School Committee a budget document that included for the first time a complete revenue estimate and some recommendations for cutting the budget. It resulted in a budget shortfall of \$2.36 million. I included in that proposal a recommendation to increase the maximum class size guideline in grades

3-5 to 35 students. I did not expect it to be well-received; it was presented more symbolically to show the level of difficulty and pain that we would be faced with in order to close the shortfall. The School Committee accepted everything else in that February budget but did tell me to take out the increased class size proposal and seek other ways to reduce the shortfall. I then added back the teachers necessary to return to a maximum of 30 students, resulting in current shortfall of \$2.67 million. Thus the current proposal reflects the maximum of 30, not 35, students.

Your projected enrollments data doesn't add up.

In the February budget document, I included projected enrollment data developed by the Merrimack Education Center (MEC) in spring 2006 primarily for use with our High School Construction Project. Their demographic analysis used the cohort survival method (most accepted standard for this purpose) and incorporated factors within Beverly that may affect future student enrollment. These factors included predictions such as new housing, including condos, and what number of children they might produce and the turnover of existing homes to families with young children. Their projections for elementary enrollments went as far out as 2017, thus predicting births yet to happen, a risky business. Most people in this line of work, and MEC would agree, indicate that the farther you go out with projections the riskier the projections are.

The district also receives enrollment projections in January of each year from the New England School Development Council (NESDEC). They also use the cohort survival method, and their projection for the foreseeable future for K-5 shows a slight decline in our elementary population. I did not replace the MEC data with the NESDEC in my February proposal, but after learning more and more about the real estate market, it made more sense to use the NESDEC projection rather than one made in early 2006. Over the years, the annual NESDEC projection has proven to be a good predictor of enrollments in our school system.

You speak of a slight decline in enrollment and then refer to an exploding preschool population. How can this be?

Your confusion probably comes from not seeing preschool as a response to special education needs. We are required by law to service special needs students after 3 years of age. Special needs students often require an integrated program that includes typical peers (Department of Education regulations), and preschool serves this purpose. We are not experiencing an increase in our student population, but we are seeing a dramatic increase in the number of those students who are diagnosed at an early age with a condition that warrants special education intervention. Often this condition is autism; it is often in the news media because of this dramatic increase.

Contrary to the slide you presented, overwhelming research does say that class size makes a difference.

My point with that slide was more to say that class size is not the sole determinant of a successful learning experience. The quality of teaching and the quality of parental support/involvement are simply more important factors. I do not disagree about the research and the importance of class size. However, even the people who referenced research on this topic admitted that class sizes of 12-15 students were the ones that produced the measurable improvements in achievement. I know that, but I think we all agree that that level of class enrollment is not within our reach.

When our elementary schools were redesigned, what were class sizes expected to be?

I can find no specific data on the number of classes and class size they projected. Current building code requires a minimum of 20 square feet per person in a classroom setting, but accounting for handicapped accessibility, a better measure is 25 square feet per person. Thus a classroom would need to have 750 square feet in order to safely contain 30 students. All our elementary classrooms easily exceed 750 square feet.

There needs to be a better distribution of Free & Reduced Lunch students across all our schools.

While a goal is to have similar F & R numbers at all of our schools, that objective cannot be accomplished without significant busing. We are better to strive toward the goal of having no school with a percentage over 30% for F & R students. North Beverly Elementary School currently exceeds that benchmark. From November 2006 to November 2007 the percentage increased from 34% to 37%. That does not mean it had more F & R students in 2007; it actually had less. The percentage rose because the total school enrollment declined from 341 to 307 students. When we analyzed the reconfiguration proposal, the estimated F & R percentage for North Beverly actually dropped to 34%. We will make it a priority to improve on the F & R percentage at North Beverly as we actually assign McKeown students to that school.

There is no "wobble room" in your proposal.

There is more wiggle room in this proposal than may be apparent. As pointed out earlier, not all grades are actually at the class size maximum for that grade, so there is some room for growth in those classes. In addition, each school has at least one regular sized classroom plus some small group classrooms that are at least half the size of a regular classroom. District wide programs, most of which are special education, can be moved to a different school than currently planned as even more space is needed. Rooms designated for art, music, and science could be used as any need for regular classrooms becomes necessary; science rooms have been used in this way in the past. In recent years we have budgeted classrooms at the maximum level, waiting until mid-summer to decide whether we needed an additional classroom. In most instances the enrollment declined, not increased, and we did not have to add a teacher or a paraprofessional. It is fair to say, however, that we may decide to add a paraprofessional rather than split off a new classroom to resolve an enrollment that rises slightly above the maximum.

What if in a couple years we have the money to support smaller class sizes? If enrollments increase, what will you do?

Money in the future to return us to smaller class sizes across the board would have to be in the millions, as the override effort shows. For this to happen, I believe both the state and the federal government would have to step up to a whole new level of funding. There does not appear to be any political will or ability to make a significant change in funding that would affect education in Beverly. If I am wrong in this assessment, I am certain we can make changes. We are not selling our schools, just using them for different purposes, and nothing in this reconfiguration prevents us from using them in another way in the future.

What would happen if our two parochial schools should close? Where would those students go?

There has been nothing brought to my attention that would indicate that one or both schools could close. If any change in their status were to happen, we would solve the problem it may present to our school system. It makes no sense now to arrange our schools based on the premise that one or both would close.

This reconfiguration plan creates more pick-up and drop-off issues at Cove and other schools.

In understanding the pickup/dropoff issue, we need to remember that we do not provide transportation for all our pre-school and full-day kindergarten students. Parents must provide their own transportation. With Cove as an Early Childhood Center, we will be pulling all those private vehicles from our other school sites. They will be driving to Cove. Cove will go from the most busing to the least. While the enrollments certainly go up at Centerville, Hannah, and North Beverly, bus transportation goes up while the volume of private vehicles should diminish. None of our elementary schools has a great pickup/dropoff arrangement now, and I do not foresee the reconfiguration making a major change to this experience.

I've seen Early Childhood Centers with grades K-2. Is there evidence that an Early Childhood Center (PreK-K) really works?

There certainly is. The National Association for the Education of Young Children (NAEYC) promotes the need for a program that is comprehensive and guided by sound practices. Research shows that strong consistent programming at this age results in fewer referrals for special education, retentions, failing classes later in career, greater social and emotional maturity throughout their career and greater academic success (Bercutte/Clement 1985).

This concept does look different in different communities that have such a center. Arrangements generally start at preschool or kindergarten and go as high as grade 2. While we think PK-1 would be the best arrangement for Beverly, we do not have such a facility. That does not mean that a PK-K school makes little difference. We will improve consistency of program implementation, provide greater ability for flexible grouping of students (providing for individual needs) to utilize staff to capacity, and more easily achieve integration of special education with regular education. We can better focus teacher preparation, improve support for programming that leads to integration of PK, K, and 1st grade programs, and improve transition (grade to grade) programs without moving students from the center. Currently students attend preschool in either Ayers or Cove, possibly attend kindergarten in another school (not necessarily their home school), and then may move to 1st grade in a third school.

We need to see a detailed plan of transforming McKeown into a viable alternative school. If there are one-time costs, put them into the "one-time costs" being covered by Mayor Scanlon. How can we be sure that an alternative school will find students whose parents will agree to send them there?

We will prepare a separate document that thoroughly describes the alternative school plans. We project no one-time costs for this program. Assigning students to this setting can only be as a result of a Team meeting (which includes staff and parents) that concludes that this setting is in the best interests of the child. We project that there will be circumstances where this will be the best decision. Even our most cautious projections show that this will be a financial win for the district. More information on our expectations will be included in the separate document that we are preparing.

This reconfiguration proposal is not sustainable. What do you mean when you say this is “sustainable”?

What this reconfiguration proposal provides is a continuation of the elementary programs that all Beverly students experience today. The savings from this reconfiguration are not one-time savings; the positions lost do not have to come back into the budget in future years. One definition of the “sustainable” is “to keep up or keep going”, and we will be doing that.

When people ask about “sustainable”, though, I believe they are really asking “for how long?” The measures proposed are sustainable for next year. Depending on circumstances, this may be true for another year or two beyond that. However, if nothing changes in the near future, expenses will still continue to rise faster than revenues. I use the term “financial rescue” to characterize how this feels. It is as if we are struggling offshore to keep our heads above water and no one on the shore is willing to come to our aid. This elementary reconfiguration is a smart move for Beverly given its financial circumstances; my worry is that there are no more options after this.

You are breaking up our neighborhood school.

The School Committee and school administration value schools that are part of a “neighborhood”.

Our school communities are wonderfully supportive school environments for our children.

Neighborhood schools are not, however, without a cost. The School Committee and school administration have long recognized that having six small elementary schools requires more staff than if we arranged grades PK-5 differently. The proposal to reconfigure our elementary schools is about a cost-cutting measure that preserves program, and there are no better alternatives available.

The Middle School has gone through a great many changes in recent years. With all that they face in terms of making AYP, can't you just keep things consistent there for a while?

The budget development process goes through changes between the first draft in January and the approved budget in late May. The Middle School cut of four teachers is the most problematic of all the cuts proposed. If there is an ability to restore anything to the budget, this will be the first priority.

If the class size numbers at Beverly High School increase, what will you do?

Class sizes in some courses at the High School will increase. It is difficult to say which courses; we won't know until student course selections are tallied and the schedule is built. We will try to resolve the most egregious problems, but we will have little flexibility.

Why not get rid of the block schedule at the High School? That should reduce costs without affecting program.

In 2006-07, the School Committee studied a number of areas where one might think there are ways we could reduce costs while still preserving program. The block schedule at BHS was one of those areas. The bottom line to that analysis was that it was not in our best interests to change the schedule. The level of staff reductions was not as sizeable as had been anticipated, the amount of transition costs was significant, and the losses in educational opportunities were unacceptable.

There should be a citizen committee representing all stakeholders who could meet with the school administration to review the entire FY09 budget. Perhaps there is another way to close this budget shortfall.

If the community votes a prop 2½ override, I would recommend to the School Committee that they establish some type of school / community group to study our long range options. But with the budget and revenues as currently defined, we are frankly out of other options. There is value in getting more people to more fully understand our plight; however, to educate a group of citizens about what it takes to provide a PK-12 system of education, to understand how \$50 million is spent to achieve our goals, and then to debate how they might see the budget done differently – that is no easy undertaking and certainly is not done in a few evening meetings. And quite honestly, the School Committee is elected to do all this work, and they are assisted by citizen representatives to subcommittees. They represent all stakeholders and spend a great deal of time in understanding our PK-12 school system, in setting goals for the school system, and in developing, monitoring, and analyzing the budget. You need to trust in their good work.

Do you support an override? If one is successful, what will you do?

As a non-resident, I do not think it appropriate for me to tell residents to increase their taxes. As the educational leader of this community, however, the citizens of Beverly need to know that we are at a crossroads. Over the last several years we have chipped away and chipped away at the kind of education we should be providing the children of Beverly. The professionals we employ have done their best to adapt what they do with the resources they have and have "made it work". We can make this reconfiguration work, too, but it will not be easy, and Beverly will not be providing the quality of education we aspire to. That difference in quality has a direct correlation to the perceived quality of a community. And that has a direct impact on all Beverly citizens. If you think these cuts to education don't affect you, you are wrong. Yes, it costs a lot to educate a child; it costs even more if you don't.

If an override is successful, I would recommend to the School Committee a budget for next year that restores the cuts I proposed on March 26th, maintaining the elementary schools as they are currently configured. I would also recommend that they form a study committee composed of Committee members, citizens, and school staff to examine a future reconfiguration of our schools.

Dr. Hayes chose the Cove School as his Early Childhood Center purely as a ploy to get the most citizen outrage that would then lead to an active override proposal. This is not a serious proposal; it's really just meant to draw attention to the financial plight of the schools and hopefully more financial support of the schools.

Anyone who suggests this surely doesn't know me, how I work with people, or how I approach problems. I am preparing this school system for the future as I see it. While one might disagree with my proposals, never doubt that I have worked collaboratively to take a thorough look at the options, that I take seriously my responsibility to safeguard education for all Beverly's children, and that I am already working to do just what I have proposed.

If not this, then what?

In March 2004, facing a budget shortfall of over \$3.5 million, the superintendent presented four options to the School Committee that involved changing the use of our facilities to reduce expenses through conducting preschool education differently. The program was moving out of the Patten Wing. His presentation included four options: making use of McKay School; spreading classes throughout the district; reconfiguring Hannah Elementary School; and reconfiguring McKeown Elementary School. McKay had a huge renovation expense. Distributing classes around the district required adding additional specialists. Hannah produced a predicted savings of \$771,800. McKeown's predicted savings was \$558,500. Advantages and disadvantages to all of these options were considered. As we know, preschools were sent to other schools and the number of specialists was increased. The budget gap was closed in other ways (chipped away and chipped away).

Some folks have suggested to me that instead of my proposal, we should use savings from the close of McKeown to address our shortfall. I told them that at the time we proposed closing McKeown it only saved about a half million dollars, and digging into my records, I have found that my memory was not far off the mark. Let's suppose that in today's budget a similar cut would produce a savings of \$700,000. We would still need to come up with over \$1.1 million in other cuts not yet described in public to equate to the reconfiguration proposal under consideration. Repurposing two schools might get you there if done right; look at the 2004 predictions for Hannah and McKeown and project it to today's budget.

There is obvious opposition to that strategy, so let's suppose I really had to cut \$2.67 million from our current budget while preserving our six elementary schools within the maximum class size limits of 25 and 30 students. As I have stated publicly, preserving program was our priority. Keeping the elementary arrangement the same as it is today requires significant cuts to programs. Forced to recommend such a budget, here's where I would begin with for discussions with the School Committee:

- Eliminate all elementary art, music, PE, and library for a savings of \$1,170,668. We would have to impact bargain with the teachers union the change in working conditions (loss of a planning period). One way to address the loss in planning time is to have an early release of students one day each week.
- Eliminate two technology teaching positions (\$77,604) and five Foreign Language teaching positions (\$279,484) at Briscoe, for a total reduction of \$357,088. This would result in having to change the school day schedule to a shorter length and having students spend part of their school day in study halls.

- Eliminate seven teaching/administrative positions at the High School, with an estimated savings of \$350,000. Courses would be cut, class sizes would increase, and we would need to consider possibly waiving or altering elements of our graduation requirements.
- Eliminate all athletics. The district's contribution is \$485,613, but the burden for any private effort to fund athletics is actually \$569,697.
- Cut an additional \$303,463 in staff and administration for district programs.

The cuts above equal the shortfall of \$2,666,832.