

**BUDGET WORKING SESSION  
 OF THE NEW BEDFORD SCHOOL COMMITTEE  
 ~MINUTES~**

**PRESENT:** MAYOR MITCHELL, MR. AMARAL, MR. COTTER, MR. LIVRAMENTO,  
 MR. OLIVEIRA, DR. FINNERTY (6:30)

**ABSENT:** MR. NOBREGA

**IN ATTENDANCE:** DR. DURKIN, MR. DEFALCO, MR. O'LEARY, MS. BETTENCOURT,  
 MRS. DUNAWAY (Recording Secretary)

Dr. Durkin addressed the Committee and explained the process for the budget sessions and stated that the level service budget amount is \$135,000,000 and that the targeted amount for a balanced budget is \$131,000,000 or a little above. Dr. Durkin went on to say that it is imperative that large costs items are reviewed such as Special Education.

For Budget Session II, cost center materials will be provided and representatives from elementary, middle and the high school, along with facilities and technology, will give brief presentations.

She introduced Mr. O'Leary, Business Manager, and Kim Bettencourt, Ex. Director of Special Education and Student Services who gave a budget presentation primarily focused on Special Education costs and proposed FY18 reductions. (See attached.)

In the presentation, Mr. O'Leary pointed out the trends in the budget, illustrating how special education costs are rising faster than inflation. In the presentation, trends, costs and strategies to handle the increasing costs in special education budget were reviewed.

## Special Education Budget FY2018

<u>Cost Center Description</u>	<u>2016 Actual</u>	<u>2017 Original Budget</u>	<u>2017 Revised Budget</u>	<u>2018 Proposed Budget</u>
Certified Salaries	2,027,836	2,058,053	2,589,053	2,715,195
Clerical Salaries	111,492	113,051	113,051	79,359
Other Salaries	144,595	133,000	133,000	133,000
Contracted Services	4,115,282	2,825,000	4,407,500	4,721,000
Supplies & Materials	11,410	10,300	10,300	53,800
Other Expenses	4,509,148	3,805,500	3,805,500	4,895,500
Equipment	10,260	9,450	9,450	24,450
	<b>\$11,050,032.00</b>	<b>\$9,565,374.00</b>	<b>\$11,067,974.00</b>	<b>\$12,623,215.00</b>

Mr. O'Leary pointed out that costs exceeded what was budgeted in Contracted Services and Other Expenditures for the past several years. In FY 18, the proposed \$12.6M will be closer to the potential costs, taking into account the inflation trends. This amount will help the district in avoiding the current challenges.

Dr. Durkin explained that while we are looking for ways to defray costs, we will continue to offer a good public education for special education students. Dr. Durkin also pointed out that while the number of special education students has not risen, the level of intensity of the students requiring specialized programming has, which accounts for the rising costs.

### 1226 Circuit Breaker

Fiscal Year	Special Ed. State / Contracted	Revenue	Expenditures	Balance
FY 2014	313,537.36	1,400,326.00	1,389,295.70	324,567.66
FY 2015	324,567.66	1,510,949.00	847,354.11	988,162.55
FY 2016	988,162.55	2,287,204.00	1,179,056.00	2,096,310.55
FY 2017	2,096,310.55	2,021,502.00	3,584,293.82	533,618.73

Anticipated Revenue for FY 18 2,000,000
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Mr. O'Leary pointed to the Circuit Breaker funding. He explained that it is a supplemental fund in addition to Chapter 70 funds and grants and is based on several factors. He noted that the anticipated revenue is level funded for 2018 even though costs have risen, especially in Out of District placement charges.

Mr. O'Leary reiterated that Individual Education Plans (IEP) have not increased. Ms. Bettencourt stated that the needs of the students coming into the district are greater and require more intensive services.

### GENERAL EDUCATION VS SPECIAL EDUCATION

School Year	Special Education State Expenditures	State District State Expenditures	%
2012-13	\$114,579,381	\$30,806,858	27%
2013-14	\$114,387,903	\$31,603,432	28%
2014-15	\$121,424,749	\$33,570,412	28%
2015-16	\$124,738,658	\$36,187,167	29%
2016-17 (estimated)	\$132,451,827	\$38,037,973	29%

Mr. O'Leary pointed to the impact on the general budget and noted that the cost is not decelerating but increasing.

Ms. Bettencourt explained that Out of District students are placed due to severe autism issues or severe social emotional problems that require more intensive services than the district can provide.

Dr. Durkin pointed out that the number of students on IEPs has not increased dramatically and that is due to the district preventing the amount of unnecessary referrals from occurring and not placing students in special ed unnecessarily. Interventions have been put into place to keep students in the general education setting.

TOTAL DISTRICT EXPENDITURES FOR ALL OUTSIDE PLACEMENTS EXCLUDING "COLLABORATIVES"

School Year	Outside Placement Expenditures
2012-13	\$2,937,326.73
2013-14	\$2,889,842.28
2014-15	\$3,838,435.46
2015-16	\$5,073,931.81
2016-17 (estimated)	\$5,905,438.07

TOTAL DISTRICT EXPENDITURES FOR "COLLABORATIVE" OR "CONSORTIUM" PLACEMENTS ONLY

School Year	"Collaborative" Placement Expenditures
2012-13	\$789,022.38
2013-14	\$795,607.12
2014-15	\$985,433.00
2015-16	\$1,395,396.14
2016-17 (estimated)	\$1,749,410.42

Mr. O'Leary referred to the outside placement and collaborative placement costs. He stated that FY 18 costs are expected to increase as well, noting that some individual student's Out of District placement cost could be as high as \$200,000.

In response to a question by Mr. Oliveira, Ms. Bettencourt said that supplies and materials costs relate to technology and special adaptive equipment a student may need.

### Transportation – Special Education

Special Education	Special PUPILS IN DISTRICT	Special PUPILS OUTSIDE DISTRICT	TOTAL
3 – Year Old All Placements	\$663,364.00	\$17,643.00	\$681,207.00
Public School Programs	\$4,121,056.00	\$46,257.00	\$4,167,313.00
Private Separate Day School	\$1,335,182.00	\$179,661.00	\$1,514,843.00
Private Separate		\$91,828.00	\$91,828.00
<b>TOTAL</b>	<b>\$6,119,802.00</b>	<b>\$335,389.00</b>	<b>\$6,455,191.00</b>

Mr. O'Leary said Transportation costs are another element to the needs of special education students and commented that costs have risen steadily over the years. He also mentioned that some savings resulted by pre-school and special education working together to find ways to save on transportation. Strategies will be put into place to be sure there are not duplicate routes and other efficiencies will be looked at including partnering with local school districts to share costs in Out of District placement transportation.

To a question by Mr. Livramento regarding the transportation bidding process, Mr. O'Leary explained that the district is entering into the final year of the "three year, plus one year, plus one year" contract and that the district is reaping the benefits of this multi-year option.

To a question by Mr. Cotter regarding supplies, Ms. Bettencourt answered that a student qualifies for certain supplies or devices through the IEP process. The student uses the device while in class and it is not something that is provided to families to use at home. Parents are notified during the IEP process of the availability of technology and other equipment that will be available.

To a question by Dr. Finnerty regarding the spike in K-8 Out of District placements, Mr. Bettencourt explained that the K-5 population does not have a therapeutic day program (social emotional diagnosis) within the district unlike Trinity Day Academy that provides services to students in grades 6-12.

To a follow up question by Dr. Finnerty, Ms. Bettencourt stated that only students that have a type of disability that prevents them from getting to school the traditional way receives transportation. This is determined through the IEP process as a needed service in order for them to access their special education services.

Mayor Mitchell asked about the "other expenditures" line item that consists of Out of District placement costs. Ms. Bettencourt stated that the district conducted an analysis of all the trends from the past 3 – 5 years from all programs outside the district and found that costs are increasing each year.

Mr. O'Leary said this year is a healthy year for Circuit Breaker which is offsetting some of the costs but the district will have to absorb more of the costs in FY18 due to an unhealthy year for Circuit Breaker funds.

Mayor Mitchell asked about the sharp increase in placements. Dr. Durkin stated that New Bedford is below average for a district our size. Ms. Bettencourt responded that the district is at capacity for the social emotional program within the district and there is a space issue for students with severe autism that may have the social emotional component as well.

Mr. Amaral asked if any thought has been given to expanding special programs within the district. Ms. Bettencourt said the district is in need of an elementary counterpart to Trinity Day Academy as the number of students in that age group represents the spike in Out of District placements. Dr. Durkin stated that there is a discussion taking place in regard to program expansion. Dr. Durkin said that not only would this help the district financially but families would benefit by not having their children transported out of the city. She stated that it would also be the moral and humanitarian thing to do.

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## Special Education Stabilization Fund

- S.24 of Ch.218, 2016 provides for establishment of a *Special Education Stabilization fund*
- Reserve fund that can be used in future years for unanticipated/umbudgeted costs of special education, out of district tuition or transportation.
- Majority vote by both the School Committee and local council.
- Set maximum balance and maximum annual expenditure. Balance cannot exceed two percent annual required net school spending of the school district. [NBPS: \$3.25m]
- Funds only expended or transferred out after a majority vote of both the School Committee and Selectmen or City Council

Mr. O'Leary stated that recent legislation by the legislature provided that the school department in partnership with the city could set up a Special Education Stabilization Fund (SESF) to be an easy mechanism to offset unexpected costs. Circuit Breaker funds can only exist for two years with special funding circumstances but the SESF can be maintained for many years and can be used for multiple uses within Special Education. Mr. O'Leary continued that it is an accounting mechanism that would be very helpful to the district.

Dr. Durkin said that this fund would be used for exactly what is needed this year.

Mr. O'Leary suggested a smaller budget book be created with cost center summaries and all other information could be accessed electronically. The Committee agreed to this proposal.

## Proposed FY18 Reductions

<b>FY18 Target</b>	<b>131,000,000</b>
<b>FY18 Projected Budget w/o Enhancements</b>	<b>135,135,700</b>
<b>FY18 Projected Shortfall</b>	<b>(4,135,700)</b>
<b>Pre-Buys and Reductions</b>	<b>1,881,275</b>
<b>Further Reductions Needed</b>	<b>(2,254,425)</b>
<b>Revised TOTAL</b>	<b>\$133,254,425</b>

Mr. O'Leary explained that the Level Service budget will have a shortfall and that the initial reduction will include pre-buys and other items such as workers compensation and salary reductions. Further reductions will be needed to get to the budget target of \$131,000,000 (as shown in the slide above).

Mr. Oliveira commented that sometimes the district is criticized for taking advantage of pre-buys but stated that it is the fiscal efficiencies developed by the district that allows for this to take place and it is a good thing.

Mr. O'Leary mentioned that there are two websites that report on the end of the year reports for Massachusetts districts. A comparative analysis is also available and one statistic shows that New Bedford's administrative expenditures per pupil is 276 out of 314 districts reporting.

Mr. O'Leary stated that Budget Session II will feature school cost centers as well as a departmental overview and budget reductions.

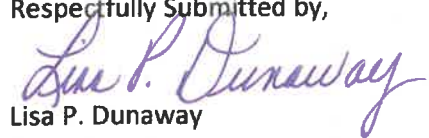
At 7:50 P.M., on a motion by Mr. Amaral and seconded by Dr. Finnerty, the Committee voted to adjourn the meeting.

The roll call vote was as follows:

Mayor Mitchell – Yes	Mr. Amaral – Yes
Mr. Cotter – Yes	Mr. Livramento - Yes
Mr. Nobrega – Absent	Dr. Finnerty – Yes
Mr. Oliveira - Yes	

6 – Yeas      0 – Nays      1 – Absent

Respectfully Submitted by,



Lisa P. Dunaway  
Recording Secretary

Reviewed by,



Pia Durkin, Ph.D.  
Superintendent,  
Secretary/School Committee

# NEW BEDFORD PUBLIC SCHOOLS

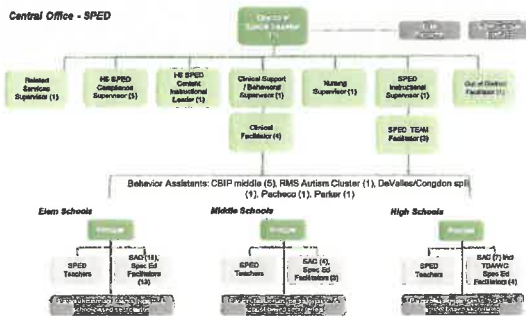
FY2018 Budget Workshop I March 16, 2017

- I. Special Education cost trends and analysis
- II. Initial FY18 Budget Reductions
- III. End of Year report

## Special Education Budget FY2018

Cost Center Description	2016 Actual	2017 Original Budget	2017 Revised Budget	2018 Proposed Budget
Certificated Salaries	2,027,836	2,688,083	2,680,063	2,716,106
Clerical Salaries	111,492	113,061	113,061	79,359
Other Salaries	144,596	133,000	133,000	133,000
Contracted Services	4,115,292	2,826,000	4,407,600	4,721,000
Supplies & Materials	11,410	10,300	10,300	53,600
Other Expenditures	4,609,146	3,805,500	3,805,500	4,895,500
Equipment	10,260	9,450	9,450	24,450
<b>Total</b>	<b>\$11,630,032.00</b>	<b>\$9,565,374.00</b>	<b>\$11,067,974.00</b>	<b>\$12,623,215.00</b>

## Special Education Current Staffing



## 1226 Circuit Breaker

Fiscal Year	Estimated State / Carryover	Revenue	Expenses	Balance
FY 2014	313,537.36	1,400,326.00	1,389,295.70	324,567.66
FY 2015	324,567.66	1,510,949.00	847,354.11	988,162.55
FY 2016	988,162.55	2,287,204.00	1,179,056.00	2,096,310.55
FY 2017	2,096,310.55	2,021,502.00	3,584,293.82	533,518.73

Anticipated Revenue for FY '18  
2,000,000

6

**TOTAL NUMBER OF STUDENTS WITH IEP AS OF OCTOBER 1ST**

School Year	Number of PK-8 IEPs	Number of 9-12 IEPs
2012-13	2394	570
2013-14	2476	566
2014-15	2392	568
2015-16	2300	546
2016-17	2308	510

7

**NUMBER OF OUTSIDE PLACEMENTS EXCLUDING "COLLABORATIVE" PLACEMENTS**

School Year	Total # K-8 Outside Placements	Total # 9-12 Outside Placements
2012-13	7	36
2013-14	8	41
2014-15	18	34
2015-16	21	54
2016-17	32	50

8

**GENERAL EDUCATION VS SPECIAL EDUCATION**

School Year	Total District Gen. Ed. Expenditures	Total District Spec. Ed. Expenditures	%
2012-13	\$114,579,381	\$30,806,868	27%
2013-14	\$114,387,903	\$31,603,432	28%
2014-15	\$121,424,749	\$33,570,412	28%
2015-16	\$124,738,658	\$36,187,167	29%
2016-17 (estimated)	\$132,451,827	\$38,037,973	29%

9

**TOTAL DISTRICT EXPENDITURES FOR ALL OUTSIDE PLACEMENTS EXCLUDING "COLLABORATIVES"**

School Year	Outside Placement Expenditures
2012-13	\$2,937,326.73
2013-14	\$2,889,842.29
2014-15	\$3,939,435.46
2015-16	\$5,073,931.81
2016-17 (estimated)	\$5,905,438.07



9

SAMPLE VENDOR OUTSIDE PLACEMENTS

School Year	Outside Placement Expenditures
2012-13	\$2,937,326.73
2013-14	\$2,889,842.29
2014-15	\$3,939,435.46
2015-16	\$5,073,931.81
2016-17 (estimated)	\$5,905,438.07

11

TOTAL DISTRICT EXPENDITURES FOR  
"COLLABORATIVE" OR "CONSORTIUM"  
PLACEMENTS ONLY

School Year	"Collaborative" Placement Expenditures
2012-13	\$789,022.36
2013-14	\$795,607.12
2014-15	\$985,433.00
2015-16	\$1,395,396.14
2016-17 (estimated)	\$1,749,410.42

10

NUMBER OF STUDENTS IN "COLLABORATIVE"  
AND "CONSORTIUM" PLACEMENTS

School Year	# of PK-8 "Collaborative" Placements	# of 9-12 "Collaborative" Placements
2012-13	2	12
2013-14	2	8
2014-15	5	17
2015-16	7	20
2016-17 (estimated)	16	22

17

Special Education Budget FY2018

Cost Center Description	2016 Actual	2017 Original Budget	2017 Revised Budget	2018 Proposed Budget
Certificated Salaries	2,027,836	2,688,063	2,589,063	2,716,106
Clerical Salaries	111,492	113,061	113,061	79,359
Other Salaries	144,596	133,000	133,000	133,000
Contracted Services	4,115,292	2,826,000	4,407,600	4,721,000
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Equipment	10,260	9,450	9,450	24,450
	<b>\$11,030,032.00</b>	<b>\$9,565,374.00</b>	<b>\$11,067,974.00</b>	<b>\$12,623,215.00</b>

### 1226 Circuit Breaker

Fiscal Year	Balance Start / Carryover	Revenue	Expenses	Balance
FY 2014	313,537.36	1,400,326.00	1,389,295.70	324,567.66
FY 2015	324,567.66	1,510,949.00	847,354.11	988,162.55
FY 2016	988,162.55	2,287,204.00	1,179,056.00	2,096,310.55
FY 2017	2,096,310.55	2,021,502.00	3,584,293.82	533,518.73

Anticipated Revenue for FY 18  
2,000,000

- ### Special Education Stabilization Fund
- S,24 of Ch.218 ,2016 provides for establishment of a *Special Education Stabilization fund*
  - Reserve fund that can be used in future years for unanticipated/unbudgeted costs of special education, out of district tuition or transportation.
  - Majority vote by both the School Committee and local council.
  - Set maximum balance and maximum annual expenditure. Balance cannot exceed two percent annual required net school spending of the school district. [NBPS: \$3.25m]
  - Funds only expended or transferred out after a majority vote of both the School Committee and Selectmen or City Council

### Transportation – Special Education

Special Education	Spec Ed PUPILS IN DISTRICT	Spec Ed PUPILS OUTSIDE DISTRICT	TOTAL
0 – 5 Year Olds, All Placements	\$663,364.00	\$17,643.00	\$681,207.00
Public School Programs	\$4,121,056.00	\$46,257.00	\$4,167,313.00
Public Separate Day School	\$1,335,182.00	\$179,661.00	\$1,514,843.00
Private Separate		\$91,828.00	\$91,828.00
<b>TOTAL</b>	<b>\$6,119,802.00</b>	<b>\$335,389.00</b>	<b>\$6,455,191.00</b>

- ### Cost Centers Budget Summary
- Ashley
  - Brooks
  - Campbell
  - Carney
  - Congdon
  - DeValles
  - Gomes
  - Hannigan
  - Hathaway
  - Hayden
  - McFadden
  - Lincoln
  - Pacheco
  - Parker
  - Pulaski
  - Renaissance
  - Rodman
  - Swift
  - Taylor
  - Winslow
  - Keith
  - Normandin
  - Roosevelt
  - High School
  - Trinity Day
  - Whaling City
  - Parenting Teens
  - Sea Lab
  - School Committee
  - Superintendent
  - Business Office
  - Chief Academic Officer
  - Human Capital Services
  - Family Welcome Center
  - ELL Manager
  - Academic Directors
  - Maintenance
  - Custodial
  - Transportation
  - DW Special Education
  - Fine Arts
  - Pupil Personnel
  - Health Services
  - Technology Services
  - Adult Education
  - Physical Education

17

### Budget Summary

FY18 Salaries & Wages	\$99,707,475	
FY18 Utilities	\$3,803,997	
FY18 General Expense	\$ 21,854,838	
<b>TOTAL FY18 NSS</b>	<b>\$124,966,310</b>	
NON NSS ( Adult Ed , Transport )	\$10,189,390	
<b>TOTAL</b>	<b>\$135,135,700</b>	* with no enhancements
Total Enhancement Requests	\$10,700,968	
<b>TOTAL FY18 w/o Enhancements &amp; Non-NSS Requests</b>	<b>\$145,842,668</b>	with enhancement

### Proposed FY18 Reductions

Amount saved or cut	Source	Notes
\$120,000	Misc Salary reimbursement	Reimbursement to District
\$243,000	Tech Services Contracts	
\$335,275	Prepay 3 <sup>rd</sup> and final Envisions payment	Vacancy savings as seen on the salary spend down report
\$228,000	Workmans compensation	Analysis/Forecast of settlement/savings
\$900,000	Vacancy Savings	Approx 1%, per FY17
\$55,000	Lexia Software	Renewal
<b>\$1,881,275</b>	<b>Total Pre Buy &amp; Savings</b>	

FOA FY17 Budget was reduced to

### \$127,510,668

Amount saved or cut	Source	Notes
\$875,255	Retirement Savings	The difference between actual Salary and 50K
\$77,148	NBEA President Salary reimbursement	Reimbursement to Schools
\$438,000	FY 16 Circuit Breaker funds	Money not used for OOD tuition in FY 16
\$1,200,000	FY17 Circuit Breaker funds	50% of anticipated FY 17 CB
\$559,818	Prepay 3 <sup>rd</sup> and final Reading Street payment	Vacancy savings as seen on the salary spend down report
\$536,767	Schools Reductions from Supplies and Equipment after analysis.	The average per pupil spending for each school was adjusted to the average.

### Proposed FY18 Reductions

<b>FY18 Target</b>	<b>131,000,000</b>
<b>FY18 Projected Budget w/o Enhancements</b>	<b>135,135,700</b>
<b>FY18 Projected Shortfall</b>	<b>(4,135,700)</b>
<b>Pre-Buys and Reductions</b>	<b>1,881,275</b>
<b>Further Reductions Needed</b>	<b>(2,254,425)</b>
<b>Revised TOTAL</b>	<b>\$133,254,425</b>

# APPENDICES

## FY16 Administration expenditures per pupil

Rank*	District	Percentage
# 1	Minuteman RVT	9.1
# 15	GNBVT	6.91
# 163	Brockton	3.91
# 243	Fall River	3.03
# 276	<b>New Bedford</b>	<b>2.81</b>
# 289	Worcester	2.39

\*314 districts reporting data for FY16 expenditures per pupil

### FY16 Expenditures per pupil

Description	2015			2016		
	\$ Per Pupil District A	State Average B	% of State C=A/B	\$ Per Pupil District A	State Average B	% of State C=A/B
Administration	\$357.60	\$331.08	67.3%	\$374.65	\$545.36	68.7%
Instructional Leadership	\$663.81	\$576.22	67.8%	\$687.39	\$1,016.07	67.7%
Teachers	\$4,900.24	\$5,619.30	87.2%	\$5,004.23	\$5,831.96	87.2%
Other Teaching Services	\$734.72	\$1,177.10	62.4%	\$674.25	\$1,240.11	54.0%
Professional Development	\$192.84	\$197.46	97.7%	\$168.28	\$207.18	81.2%
Instructional Materials, Equipment and Technology	\$390.29	\$430.87	90.6%	\$316.64	\$466.69	67.0%
Guidance, Counseling and Testing	\$670.06	\$443.26	151.2%	\$714.82	\$461.50	154.9%
Pupil Services	\$1,607.58	\$1,430.21	132.4%	\$1,676.92	\$1,502.53	111.6%
Operations and Maintenance	\$872.49	\$1,140.40	76.5%	\$830.21	\$1,124.35	73.8%
Insurance, Retirement Programs and Other	\$1,573.29	\$1,490.70	105.5%	\$1,590.39	\$1,588.82	99.7%
<b>In-District Per Pupil Expenditure</b>	<b>\$12,960.92</b>	<b>\$14,436.60</b>	<b>89.8%</b>	<b>\$13,117.77</b>	<b>\$14,994.57</b>	<b>87.5%</b>
<b>Total Per Pupil Expenditures</b>	<b>\$13,144.71</b>	<b>\$14,942.48</b>	<b>88.0%</b>	<b>\$13,337.08</b>	<b>\$15,511.26</b>	<b>86.0%</b>

## End Of Year Reporting FY16

- The FY16 per pupil expenditures are now available here:  
<http://www.doe.mass.edu/finance/statistics/px.html>.
- State's Edwin Analytics guide  
<http://www.mass.gov/edu/docs/ese/edwin-analytics/guide.pdf>

## SPED AND CIRCUIT BREAKER FY2016 /FY2017 / FY2018

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The Massachusetts' Special Education Circuit Breaker program reimburses the school district for a portion of costs for educating severely high-needs special education students. In addition, districts can carryover a portion of unutilized Circuit Breaker funds to the following fiscal year. The Circuit Breaker funding is based on the state budget and the number of claims submitted by districts. The threshold for eligibility is reached when districts spend four times the state average foundation budget on a student as calculated under the Chapter 70 education funding formula. The Circuit Breaker program aims to pay 75 percent of the costs above that threshold.

## **NEXT WORKSHOP: FY2018 BUDGET WORKSHOP II MARCH 23, 2017**

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### **FY2018 Budget Workshop II March 23, 2017**

- I. School Cost centers: Elem, Middle, High*
- II. Departmental Cost centers*
- III. FY18 Budget Reductions*

