

TOWN OF WELLESLEY



**ADVISORY COMMITTEE
ANNUAL TOWN MEETING
March 28, 2016, at 7:00 p.m.
Middle School Auditorium
Wellesley Middle School**

To: Town Meeting Members

From: The Advisory Committee

Date: March 28, 2016

Re: Advisory Report pages 65-66

Attached please find new pages 65-66 for the Advisory Report. Please insert this sheet of paper in your Advisory Report and discard the previous one. The chart on page 66 under the "Out-Of-District Budget" heading is incorrect in the Advisory Report that was mailed to you.

represent 29% of the total school budget and support a projected 18% of the student population between grades K-12. The number of students receiving services fluctuates throughout the year as students come on and off IEPs, but the percentage of students receiving service has hovered around 17% for the past few years.

Between FY13 and FY17 (budget), SPED expense went from \$17,381,293 to \$19,647,928, an increase of \$2,542,902 (15%) over 5 years. In an effort to manage the significant annual cost increases while maintaining service levels, the Schools have brought more SPED programs in-house. These In-house programs are more cost effective than out of district placements and often times are better suited to service individual student needs, as mandated by law.

Total Program (net of CB)	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Request	% Inc/Dec
In-District	\$12,650,135	\$13,688,527	\$13,660,694	\$14,955,733	\$15,613,767	5.60%
Out-of-District	\$4,731,158	\$4,161,911	\$4,937,456	\$4,692,195	\$4,310,428	-9.90%
TOTAL	<u>\$17,381,293</u>	<u>\$17,850,438</u>	<u>\$18,598,150</u>	<u>\$19,647,928</u>	<u>\$19,924,195</u>	1.41%

To offset some of the costs generated by these mandated programs, the Schools receive reimbursement from the State in the form of Circuit Breaker (CB) funding. The table above shows expenses net of these reimbursements. CB reimbursement is based on costs from the previous year and, therefore, reimbursement lags actual expense increases or decreases by one year. School Committees are permitted to carry over reimbursement for one year and use it to reduce expenses in the next year, so the use of CB reimbursement funds can mask changes in actual spending.

Special Education Program	FY13 Growth	FY14 Growth	FY15 Growth	FY16 Growth	FY17 Growth
TOTAL	15.10%	2.70%	4.20%	5.60%	1.41%

*Budgets are net of Circuit Breaker reimbursement, which can fluctuate year to year.

Yearly net growth in the table above includes the use of CB funds to reduce spending. In FY17, the level of CB funds will be greater than in FY16 so the net budget growth understates growth in real program spending. While the actual cost of SPED programs expenses in FY17 are anticipated to increase by \$645,310 (2.9%), the budget is favorably impacted by an anticipated increase in Circuit Breaker reimbursement of \$369,043 (14%).

In-District Budget

In-District Budget Program	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Request	% Inc/Dec
Inclusion	\$8,310,275	\$8,215,159	\$8,590,797	\$9,103,381	\$10,018,784	10.01%
Specialized Programs	\$4,443,829	\$4,946,163	\$4,650,317	\$5,328,910	\$5,158,650	-3.20%
Transportation	\$171,031	\$527,205	\$419,580	\$357,117	\$436,333	22.18%
Circuit Breaker	(\$250,000)					
Total	<u>\$12,650,135</u>	<u>\$13,688,527</u>	<u>\$13,660,694</u>	<u>\$14,789,408</u>	<u>\$15,613,767</u>	5.60%
In-District						
Number of students*	809	772	877	854	897	

*NOTE: All student numbers are given as of October 1 for the actual or budget year and as of February 2016 for FY17

In-District costs increased in total by \$824,359, or 5.6% over FY16. Salaries are the major component of In-District expenses, representing approximately 93% of the In-District FY17 budget (net of CB). Salaries typically account for about 90% of In District costs. The ID programs have grown faster as additional programs are introduced within WPS and that the resulting ability to serve more students in-house reduced OOD program cost growth.

Out-Of-District Budget

Program	FY 13 Actual	FY14 Actual	FY15 Actual	FY16 Budget	FY17 Request	% Inc/Dec
Tuitions	\$6,232,112	\$5,853,598	\$7,048,169	\$6,484,852	\$6,440,447	-0.07%
Transportation	\$712,604	\$630,092	\$823,265	\$918,912	\$858,343	-6.59%
Circuit Breaker	-2,213,558	-2,321,779	-2,933,978	-2,619,319	-2,988,362	14.10%
Out-of-District	<u>\$4,731,158</u>	<u>\$4,161,911</u>	<u>\$4,937,456</u>	<u>\$4,784,445</u>	<u>\$4,310,428</u>	-9.90%
Number of students	75	66	67	67	67	

The Out-of-District (OOD) budget is comprised of three elements: the tuition costs for students who are placed in programs outside of the District where the students' specific disabilities can be addressed, transportation costs and the revenue offset from Circuit Breaker funds received from the State. Tuitions for OOD students are projected to decrease slightly as the composition of students in OOD programs shifts. The FY16 planned number of students in directed placements was 67 (11 were based on legal settlements). In actuality, there were 3 fewer. Currently, WPS has 64 students placed in OOD. There are 67 students projected to be placed out in FY17, including 8 budgeted settlement agreements. Transportation costs fell by \$60,569. Circuit Breaker funds used to offset expenses increased \$369,043 as FY17 is budgeted at 72% of over threshold expenses. This rate is slightly increased based upon higher actual reimbursement rates received in FY15 and FY16.

Requests for Adds to Staff: FTE

As shown in the table below, proposed additional staff of 9.0 FTE contribute an additional \$367,320 to expenses. The newly developed Cornerstones program requires 1.4 FTE and the Middle School is requesting an additional Therapeutic intervention specialist (1.0 FTE) to meet increasing and continually more complex student needs. Cost savings of \$78,498 offset result from the elimination of 2.2 High School paraprofessionals. The school was able to reduce the paraprofessional FTEs because students utilizing their services aged out of the program.