



# Douglas Public Schools

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Kevin G. Maines, Interim Superintendent

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## Agenda Item Summary

Date: March 28, 2018

To: Sherry Zetlan, Chair, School Committee & Members

Prepared By: Cortney Keegan, Business & Operations Manager *CK*

Reviewed By: Kevin Maines, Superintendent *K.M.*

Subject: FY 2019 Appropriation for General Fund Operating Budget and Reductions & Additional Use of Fund Balances – **Required reduction - \$643,670**

### Background

On March 9, 2018 the Town Administrator provided the school district with an appropriation amount for FY 2019 of \$12,679,853. This amount represents a required reduction to the FY 2019 Superintendent's Proposed Budget of \$643,670.

This FY 2019 appropriation amount is \$209,484 less than the FY 2018 budget and \$119,025 less than the FY 2017 Budget. In other words, this budget appropriation is less than the amount that the district received two years ago.

The DESE preliminary required Net School Spending amount is \$15,536,709 (which includes town expenditures that count towards NSS). At this time, the school district does not have any town budget projections or details with regard to determine whether the town will meet its NSS obligation with this appropriation amount.

### Discussion/Analysis

The school district has been making substantial reductions to its budget for a number of years which has resulted in the loss of courses, educational and extra-curricular programs, much needed textbooks and instructional materials, technology, building and grounds maintenance, and support staff.

FY 2018 was the first year in many years that a reduction in personnel was not required. We were able to avoid this by utilizing much more of our circuit breaker revolving fund than was done in previous years; partially due to a substantial increase in circuit breaker revenues due to the substantial increase in special education expenditures. The other factor was an increased use of school choice revenue.

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Prior to the start of the 2017 – 2018 school year, the Leadership Team recommended and School Committee approved to utilize more school choice revenue to reinstate several positions to address areas of concern. These decisions were made to provide a level of stability and certainty for parents and students as they make decisions regarding staying within the Douglas Public School District.

These positions are included in the proposed and updated FY 2019 budget.

#### Financial and Educational Impact

The Leadership Team has reviewed their budgets and submitted reductions, not including any reductions to staff. The total amount districtwide came to \$132,358. It has become more difficult to reduce these various budgets each year as they have already been reduced year after year and there is not much left to reduce.

After much deliberation and discussion, particularly around the topic of providing stability and certainty, the Superintendent and I recommended to the School Committee budget sub-committee that we utilize more School Choice and Circuit Breaker funds for the remaining \$511,312 (\$400,000 from School Choice and \$111,312 from Circuit Breaker) of the required \$643,670 reduction.

Certainly, this brings our projected FY 2019 year end balances (all things being equal) to even lower amounts. In weighing the damage that would occur to both the school department (reduction in staff of approximately 10 positions) and the town side of the budget (probable increase in students choosing to go to other schools resulting in much higher School Choice out, BVT, and/or Norfolk Agricultural school assessments), we determined that this course of action was necessary to remain stable for the next school year.

An increase to the number of students choosing to go to other school districts affects all town departments due to the further reduction to the overall town revenue that is available for appropriation.

#### Recommendations:

It is recommended by the Superintendent, Business and Operations Manager, and Budget Sub-Committee that you approve the following motion:

***MOVE to approve the FY 2019 budget reductions as delineated on the spreadsheet entitled: "FY 2019 General Fund Budget Proposed Reductions Dated: March 28, 2018" for the total amount of \$132,358; and further to utilize an increase of \$400,000 from the school choice revolving fund and \$111,312 from the Circuit Breaker revolving fund to come to the \$643,670 required reduction from the FY 2019 Superintendent's Proposed Budget. This reduction will result in an appropriation amount of \$12,679,853 for the FY 2019 school department operating budget.***

#### Attachments

FY 2019 General Fund Budget Proposed Reductions Dated: March 28, 2018  
FY 2019 Superintendent's Updated General Fund Budget Dated: March 28, 2018  
School Choice Trend Analysis  
Circuit Breaker Trend Analysis

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