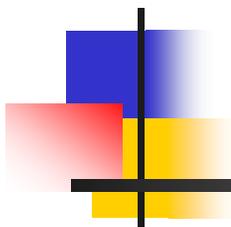
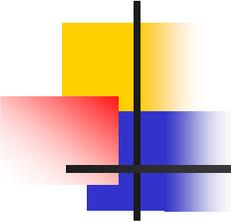


Fiscal constraints on the 2006-2007 Wayland Public Schools budget



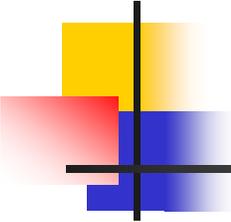
October 2005

www.waylandschoolcommittee.org



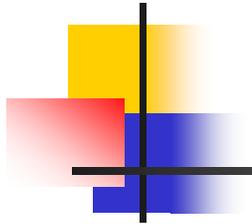
Presentation outline

- Review current 2005-2006 school budget
- Information on 2006-2007 school budget
- Overview of tight fiscal constraints
- Schedule leading to April Town Meeting
- Q&A



School budget guidelines

- 1. Deliver a high-quality educational program** to Wayland's children.
- 2. Place highest budgetary priority on personnel**, budgeting for staff/pupil ratios in accordance with prevailing district policy, and on the supervision thereof, with an overall expectation that any budget reductions minimize the impact on student learning.
- 3. Provide for the continued development of programs** as designated in the curriculum program review process and explore the possible creation of new programs.
- 4. Respect the fiscal priorities of the Town** by considering cost reduction, new revenue, and program redefinition, with attention given to such considerations as staff patterns, operational efficiencies, and cooperative ventures.
- 5. Budget realistically**, based on the needs of the system without the benefit of a contingency fund, **for non-personnel items** including materials, technology, maintenance, cleaning, and general operation of all school buildings.
- 6. Advocate for significant equipment and building capital** needs.

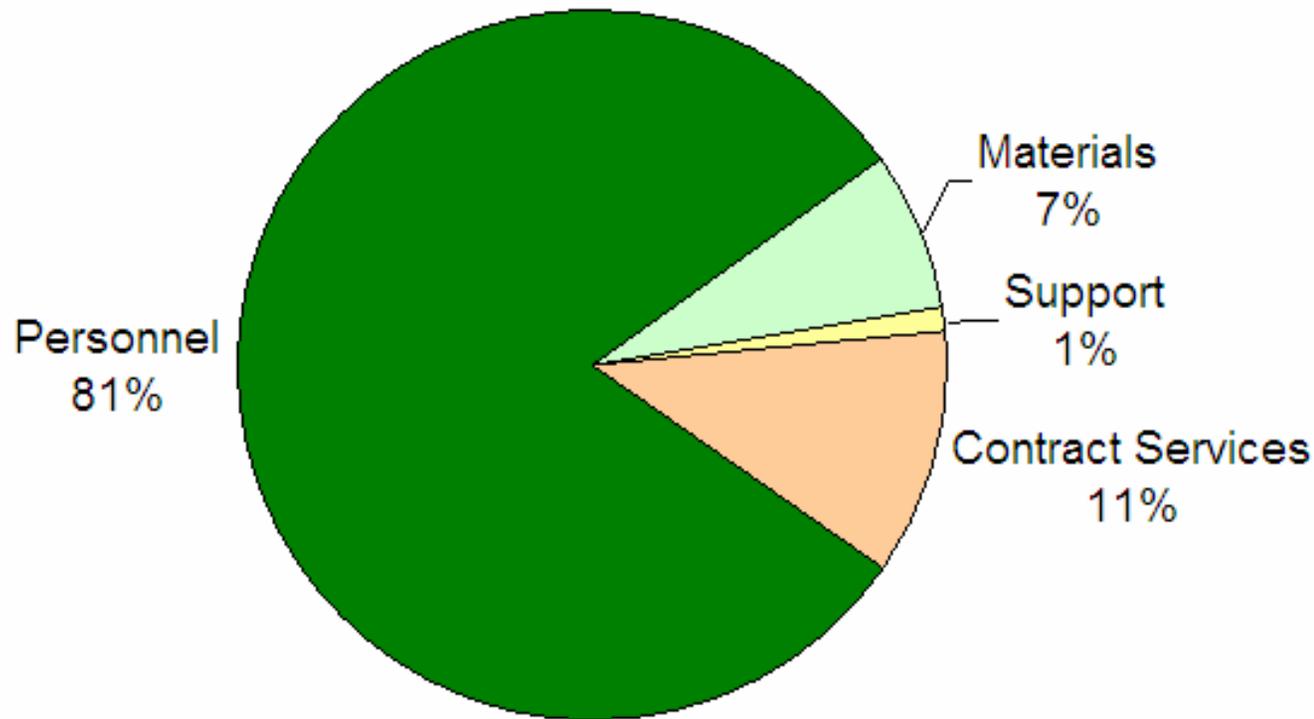


Current 2005-2006 school budget

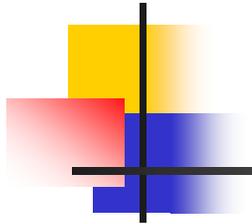
Wayland's school budget: \$27,881,368 including \$501,625 in offsets

FY2006 WPS Budget by Function

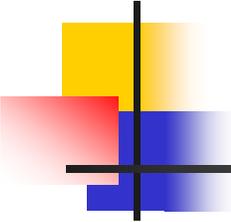
Contract Services are primarily personnel costs



[more](#)



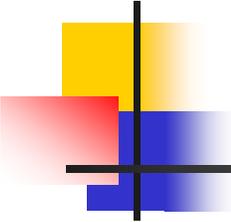
Upcoming 2006-2007 school budget



Preliminary 2006-2007 estimate

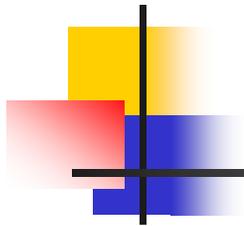
- To maintain 2005-2006 core service level

Salary, steps, lanes, retirement	+\$975,000
Utilities	+\$345,000
Transportation	+\$50,000
Total (+4.8%)	+\$1,370,000

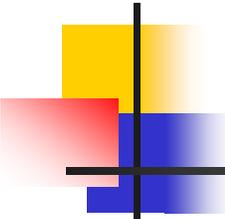


Finance Committee guideline

FY2006 school budget	\$27,379,743
Increase salary, utilities, transportation	+\$1,370,000
Interim amount	\$28,749,743
8% reduction to balance budget	-\$2,299,979
FY2007 school budget guideline	\$26,449,764
Delta compared with FY2006 budget	-\$929,979



Overview of tight fiscal constraints

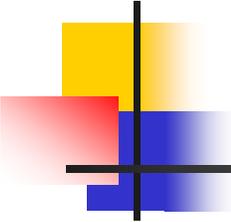


Projected school/municipal deficit of \$3M+

- Budget drivers
 - Salary
 - Health care
 - Pension
 - Utilities
 - State aid

“Increase in health costs [during 2001-2005] consumed approximately four out of every five dollars of [Proposition 2 ½].”

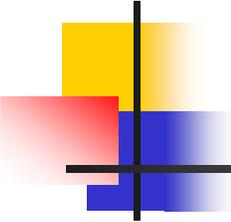
Massachusetts Taxpayers Foundation



“Local Communities at Risk”

“Massachusetts cities and towns are facing a long-term financial crunch caused by increasingly restricted and unpredictable local aid levels, constraints on ways to raise local revenue, and [health, pension, and utility] costs that are growing at rates far higher than the growth in municipal revenues.”

Municipal Finance Task Force
Massachusetts Municipal Association



Budget drivers

Budget Driver	FY01-FY06 Per Year Increase
Salary: School Personnel*	2.6%
Health Care: Insurance 32B*	15.9%
Pension: County Retirement*	9.9%
Utilities: School	10.2%
State Aid**	0.4%
Employment Cost Index (Northeast)	2.7%

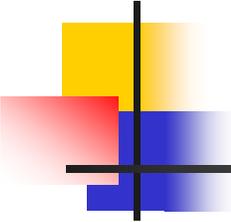
**Adjusted for head count increases*

***Adjusted for enrollment increases*

School costs within the municipal budget

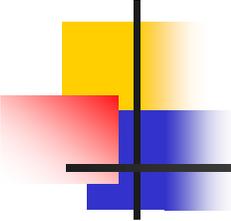
- FY2005: start at 55.7%
- Add health, Medicare, nursing, debt/interest
- Result: 65.8% (schools at 72.4% of FTEs)

	School FTEs ^a	Municipal FTEs ^b	School Budget ^c	Insurance 32B ^d	School 32B ^e	Medicare	School Medicare	School Nursing ^g	School Debt/Interest ^f	School Budget ^h
FY1999	333	151	\$17,346,728	\$1,500,000	\$1,033,237	\$80,000	\$55,106	\$175,000	\$1,684,945	\$20,295,016
FY2000	347	150	\$18,464,919	\$1,600,000	\$1,118,392	\$80,000	\$55,920	\$195,242	\$1,363,821	\$21,198,294
FY2001	370	153	\$20,462,780	\$1,908,580	\$1,350,580	\$80,000	\$56,611	\$211,000	\$1,741,709	\$23,822,680
FY2002	390	155	\$21,743,719	\$2,769,184	\$1,981,343	\$80,000	\$57,240	\$217,180	\$1,713,095	\$25,712,577
FY2003	400	155	\$22,869,117	\$2,899,885	\$2,089,715	\$230,000	\$165,743	\$239,939	\$1,191,921	\$26,556,435
FY2004	404	151	\$25,462,202	\$3,247,463	\$2,364,635	\$230,000	\$167,474	\$300,836	\$1,489,131	\$29,784,277
FY2005	409	156	\$25,909,202	\$3,846,056	\$2,783,290	\$350,000	\$253,286	\$213,944	\$1,439,664	\$30,599,385
FY1999	68.9%	31.1%	54.6%		3.2%		0.2%	0.6%	5.3%	63.8%
FY2000	69.9%	30.1%	55.0%		3.3%		0.2%	0.6%	4.1%	63.2%
FY2001	70.8%	29.2%	54.9%		3.6%		0.2%	0.6%	4.7%	64.0%
FY2002	71.5%	28.5%	55.1%		5.0%		0.1%	0.6%	4.3%	65.2%
FY2003	72.1%	27.9%	55.1%		5.0%		0.4%	0.6%	2.9%	64.0%
FY2004	72.8%	27.2%	56.7%		5.3%		0.4%	0.7%	3.3%	66.3%
FY2005	72.4%	27.6%	55.7%		6.0%		0.5%	0.5%	3.1%	65.8%



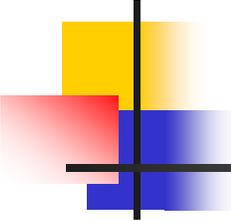
Addressing the budget gap

- FY07 Ad Hoc Budget Advisory Committee
 - Objective
 - Eliminate budget gap
 - Approach
 - Identify revenue increase/cost savings opportunities
 - Quantify value of these opportunities
 - Recommend areas to implement
 - Timing
 - Recommendations due December 2005



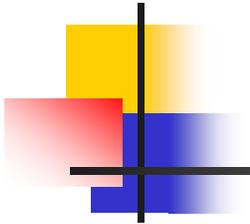
FY07AHBAC: school focus

- Salaries
- Utility cost savings
- Employee cost-savings suggestions
- Transportation fees
- School lunch fees

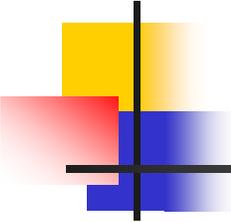


Activities at the state level

- Suburban Coalition
 - General lobbying, Legislative Breakfast
- School building assistance
 - Continued dialogue about past projects, future needs
- METCO
 - Lobby Day, regular communication with state
- MASC
 - Lobbying to restore FY04 budget cuts
- Our legislators
 - Regular interaction, strong rapport

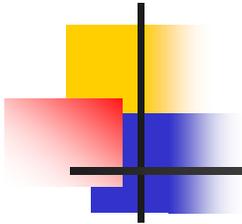


Schedule leading to April 2006 Town Meeting

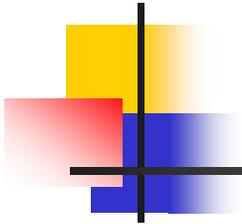


School budget schedule

- **Oct05** Receive Finance Committee guideline
- **Nov05** Principals create building-level budgets
- **Dec05** Superintendent compiles single budget
- **Jan06** School Committee receives budget
Budget work sessions
- **Feb06** School Committee finalizes budget
- **Mar06** Selectmen make ballot decision
Finance Committee sets overall budget
- **Apr06** School budget hearing
Town votes on budget

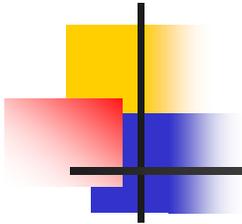


Q&A

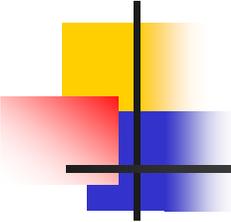


Thank you

www.waylandschoolcommittee.org

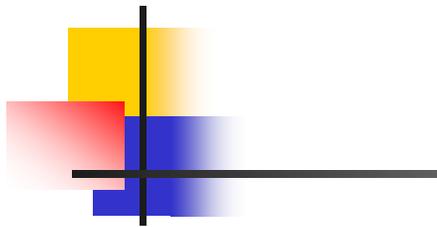


Supporting information: Successes



Wayland's schools succeed

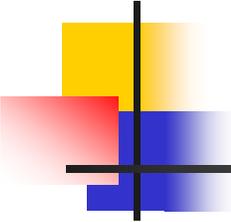
- As measured by
 - Percentage of eligible students attending
 - Student test performance
 - Student activity participation
 - Wayland awards
 - College and university acceptances
 - Feedback from Wayland graduates



MCAS 2005

Source:
boston.com

10th GRADE ENGLISH				10th GRADE MATHEMATICS			
2005 Rank	District name	Number tested	Score	2005 Rank	District name	Number tested	Score
1	Mass. Academy for Math & Science, Worcester	12	100	1	Mass. Academy for Math & Science, Worcester	12	100
2	Harvard Public Schools	103	99	2	Harvard Public Schools	103	95
2	Francis W Parker Charter, Devens	62	99	2	Dover-Sherborn Regional	149	95
				2	Norwell Public Schools	163	95
4	Lenox Public Schools	65	97	5	Weston Public Schools	182	94
5	Weston Public Schools	182	95	6	Media and Technology Charter, Boston	27	93
6	Dover-Sherborn Regional	149	94	7	Nauset Regional, Orleans	266	92
7	Medfield Public Schools	244	93	7	Hadley Public Schools	42	92
7	Millis Public Schools	78	93	9	Wellesley Public Schools	296	91
9	Wayland Public Schools	241	92	9	Sharon Public Schools	284	91
9	Winchester Public Schools	270	92	9	Holliston Public Schools	204	91
9	Norwell Public Schools	163	92	9	Holliston Public Schools	204	91
9	Concord-Carlisle Regional	313	92	12	Winchester Public Schools	270	90
13	Wellesley Public Schools	297	91	12	Lexington Public Schools	489	90
13	Nauset Regional, Orleans	266	91	12	Needham Public Schools	355	90
13	Mystic Valley Regional Charter, Malden	31	91	15	Medfield Public Schools	244	89
16	Lexington Public Schools	489	90	15	Millis Public Schools	78	89
16	Duxbury Public Schools	256	90	15	Wayland Public Schools	241	89
16	Hadley Public Schools	42	90	15	Concord-Carlisle Regional	313	89
16	Cohasset Public Schools	108	90	15	Cohasset Public Schools	108	89
20	Westford Public Schools	347	89	15	Acton-Boxborough Regional	452	89
20	Westwood Public Schools	209	89	15	Sutton Public Schools	103	89
				15	Nashoba Regional, Bolton	224	89



Test scores

- SAT

- Math: 622 (1st in state)
- Verbal: 597 (state average 520)

- Advanced Placement

- 90% of 257 tests in 3-5 range

Boston Magazine: "Lucky 13"

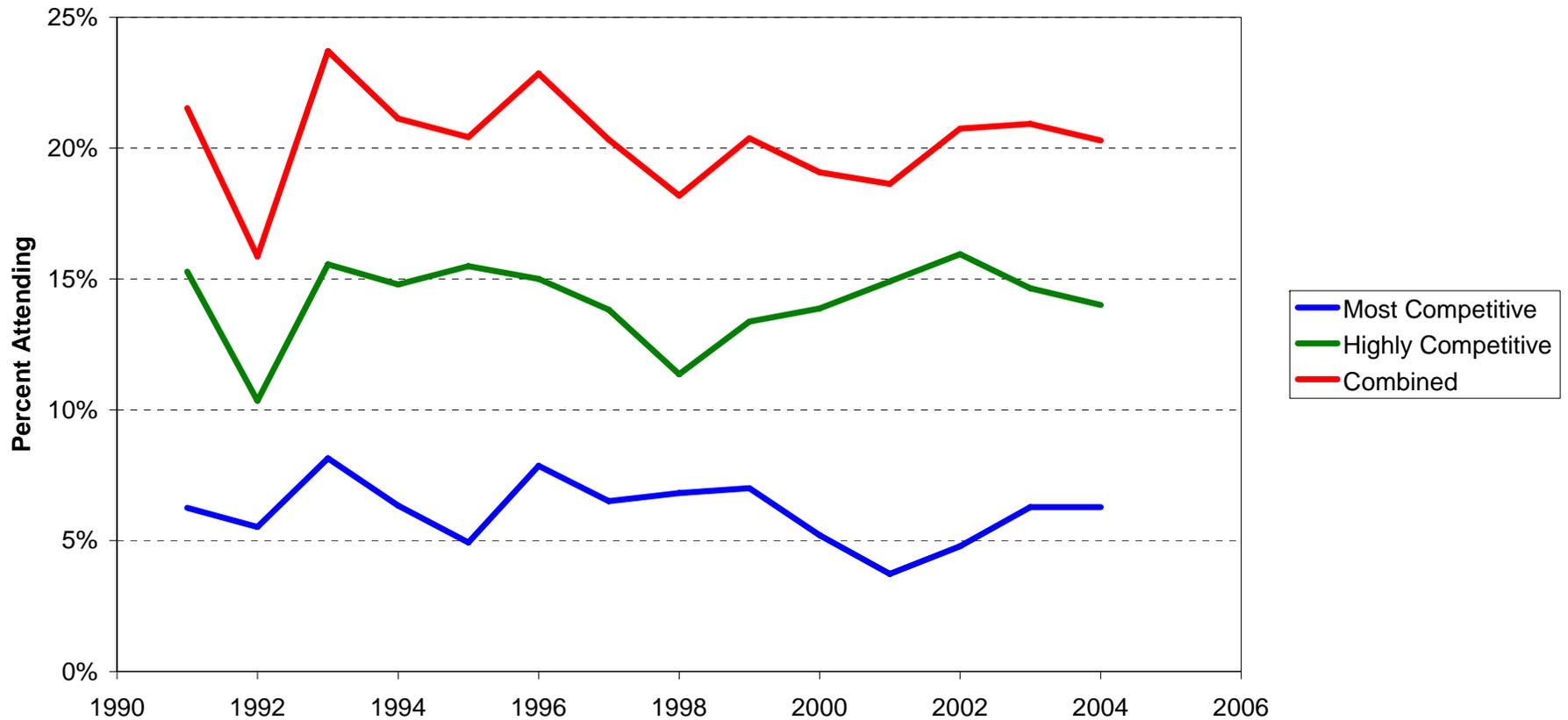
- September 2004
 - WHS ranked 13th
- September 2005
 - All 3 Wayland elementary schools in top 13 of ranking of top 100 elementary schools in MA



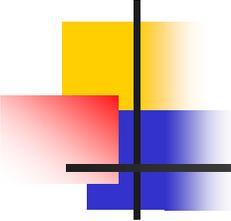
[back](#)

College/university attendance

College/University Attendance over Time



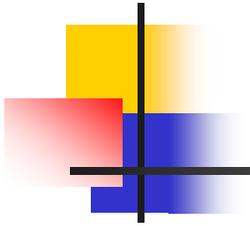
[back](#)



Feedback from Wayland grads

“I am writing because after a year in this incredible place [Wellesley College], I am so much better able to recognize and appreciate the [Wayland] teachers who got me here. ... Not only did these individual teachers prepare me to succeed in one the nation’s best colleges, but the High School as a whole did, with all of its demands, pressures and high expectations.”

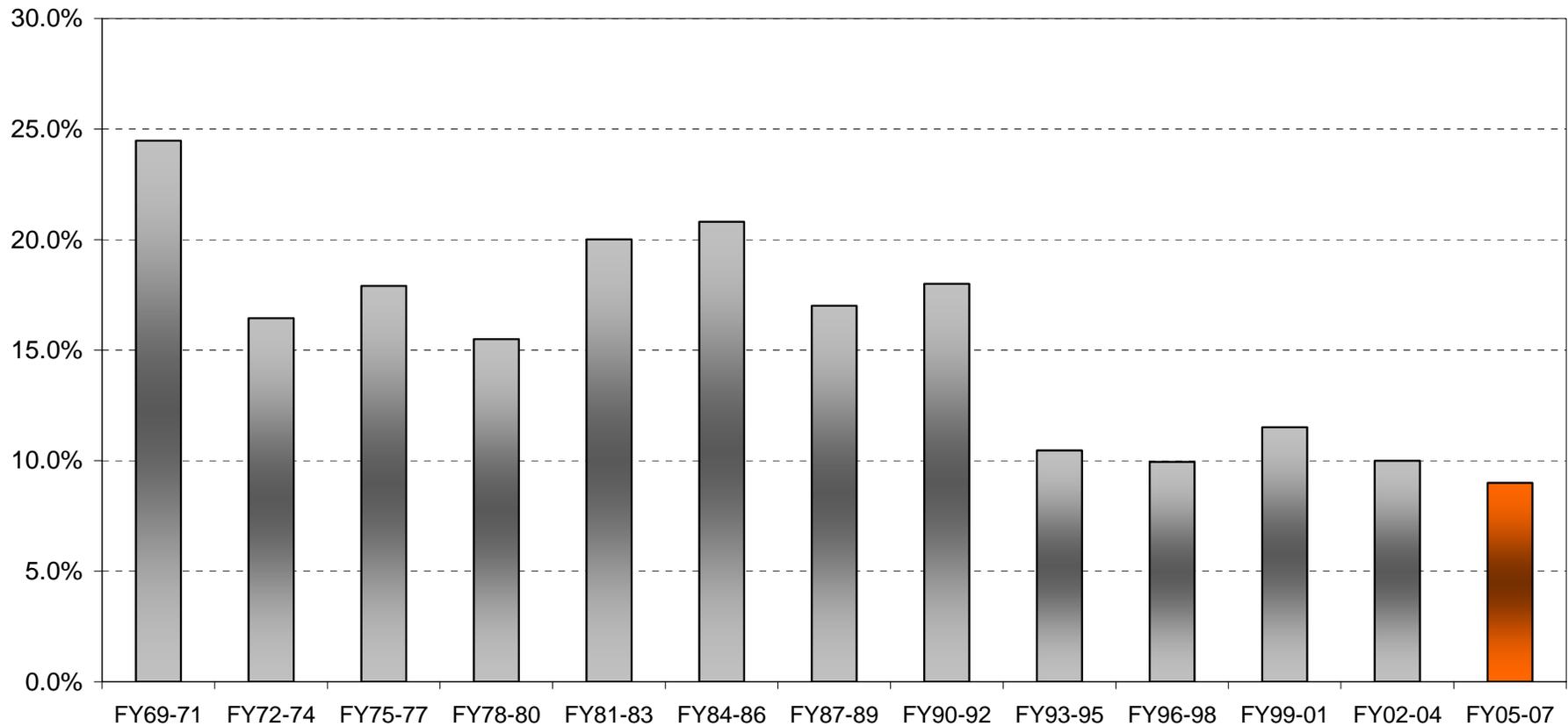
- Recent Wayland graduate

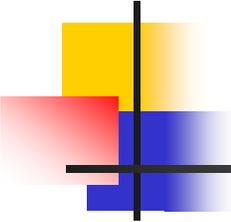


Supporting information: Salaries

Wayland salary history

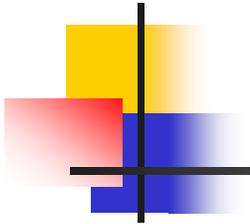
3-Year Negotiated Increase over Time





Wayland vs. Weston

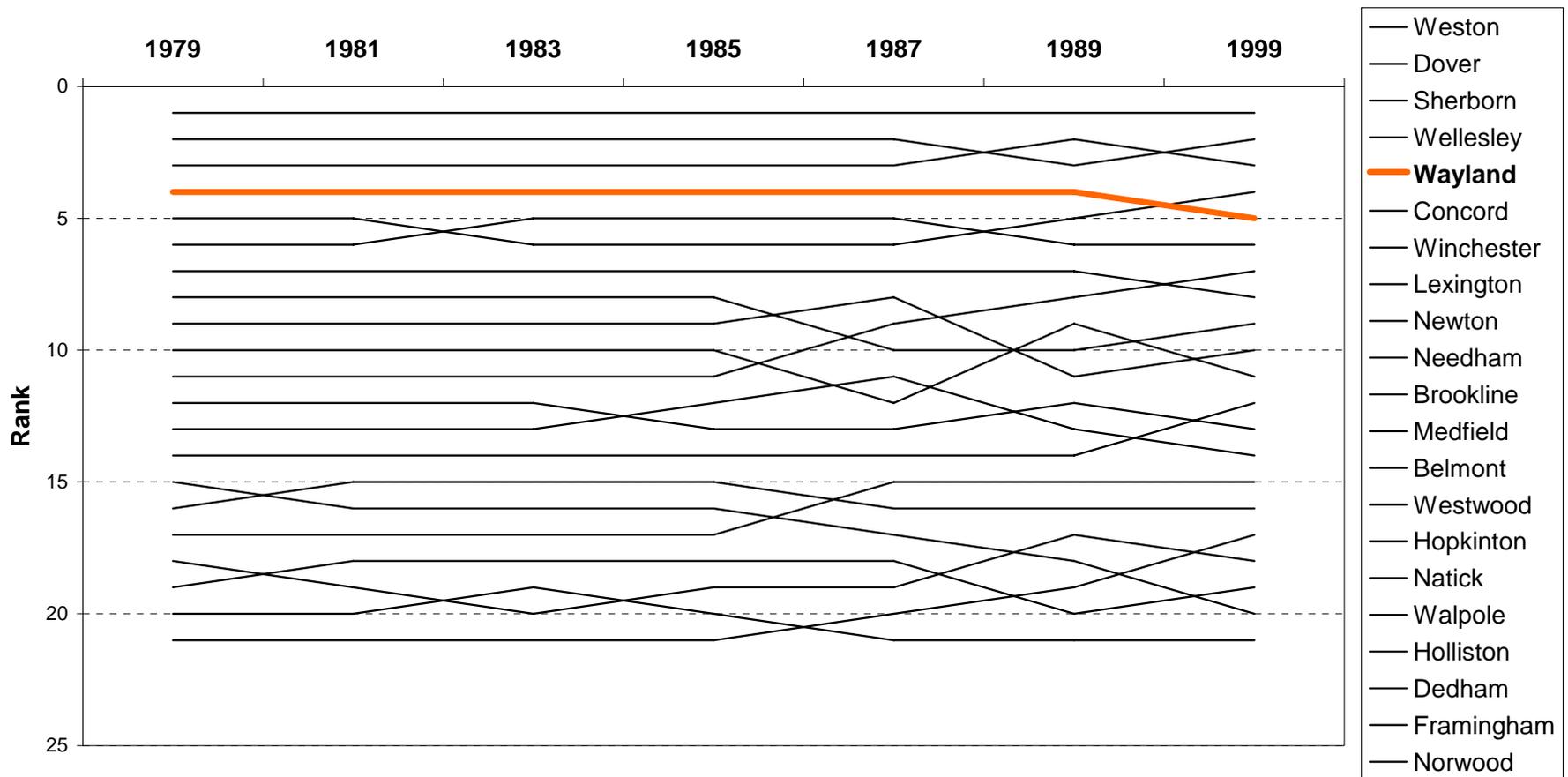
- On the surface
 - Wayland: 0-2/3.5/3.5, average 3.00
 - Weston: 2.5/2.5/2.5, average 2.50
- “Backloading” helps
 - Over the settlement period, Wayland could have spent the same amount as 0-2/3.5/3.5 if we had instead settled for 2.6/2.6/2.6



Supporting information: Comparing to peer towns

Per capita income

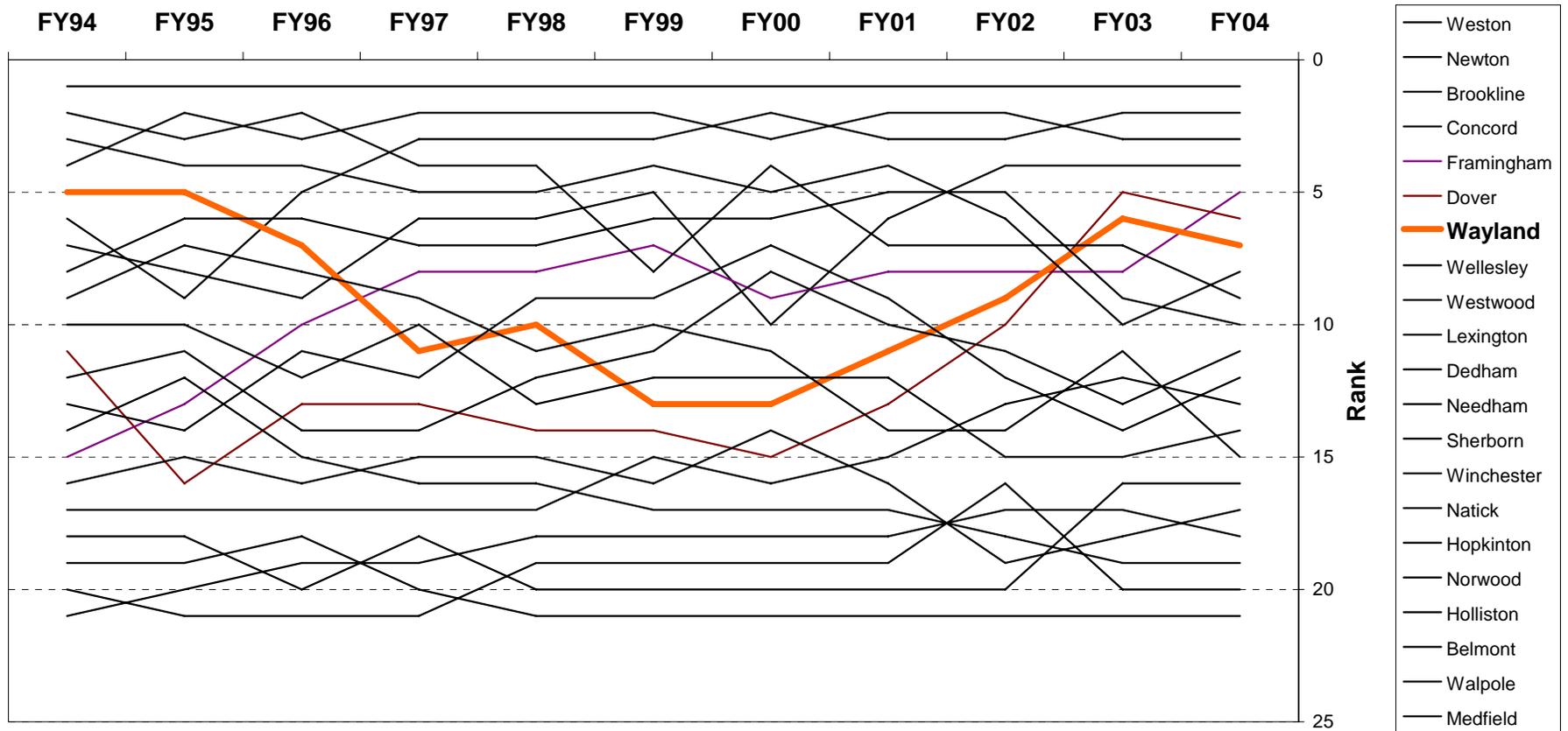
Income Per Capita over Time



[back](#)

Per pupil expenditures

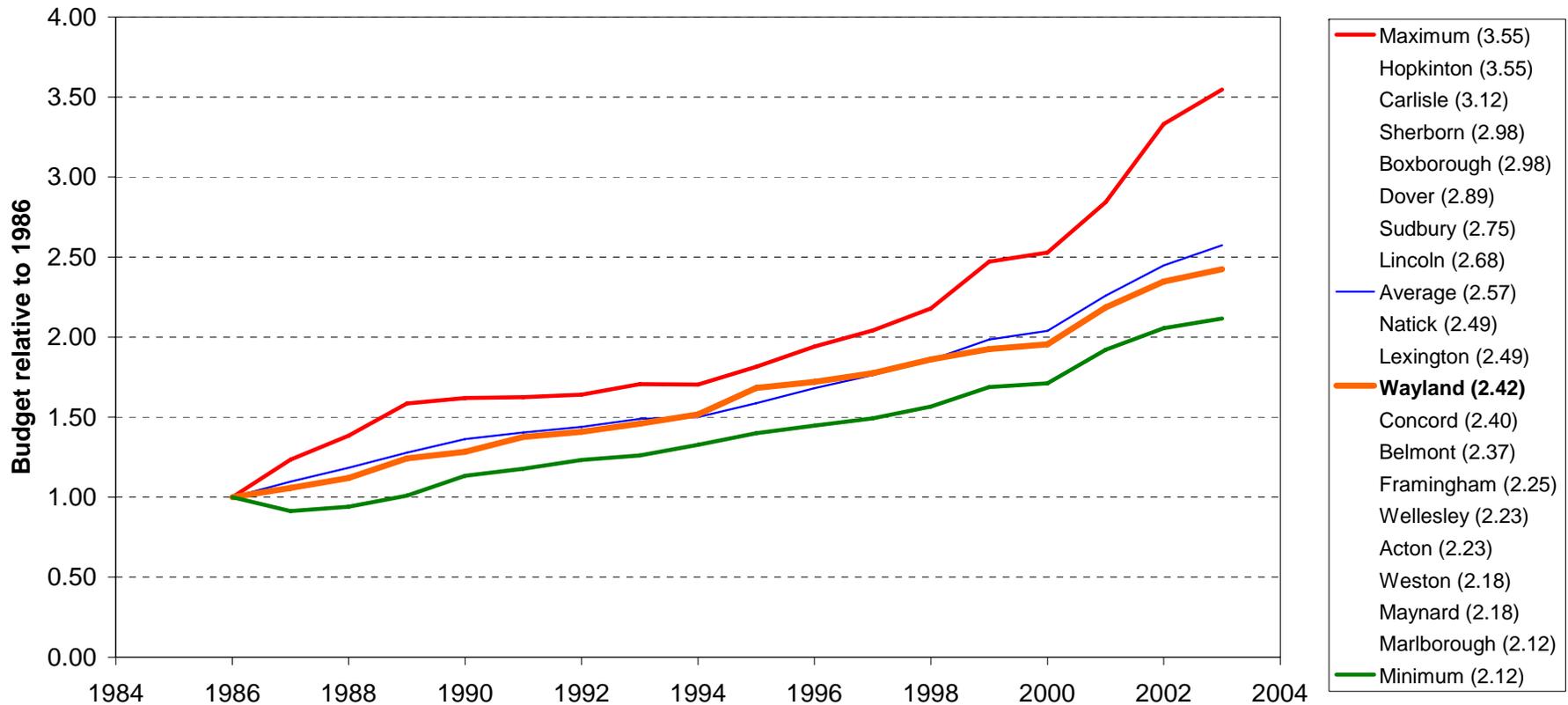
Rank of Per Pupil Expenditure over Time



income

How does Wayland's overall budget growth compare to peer towns?

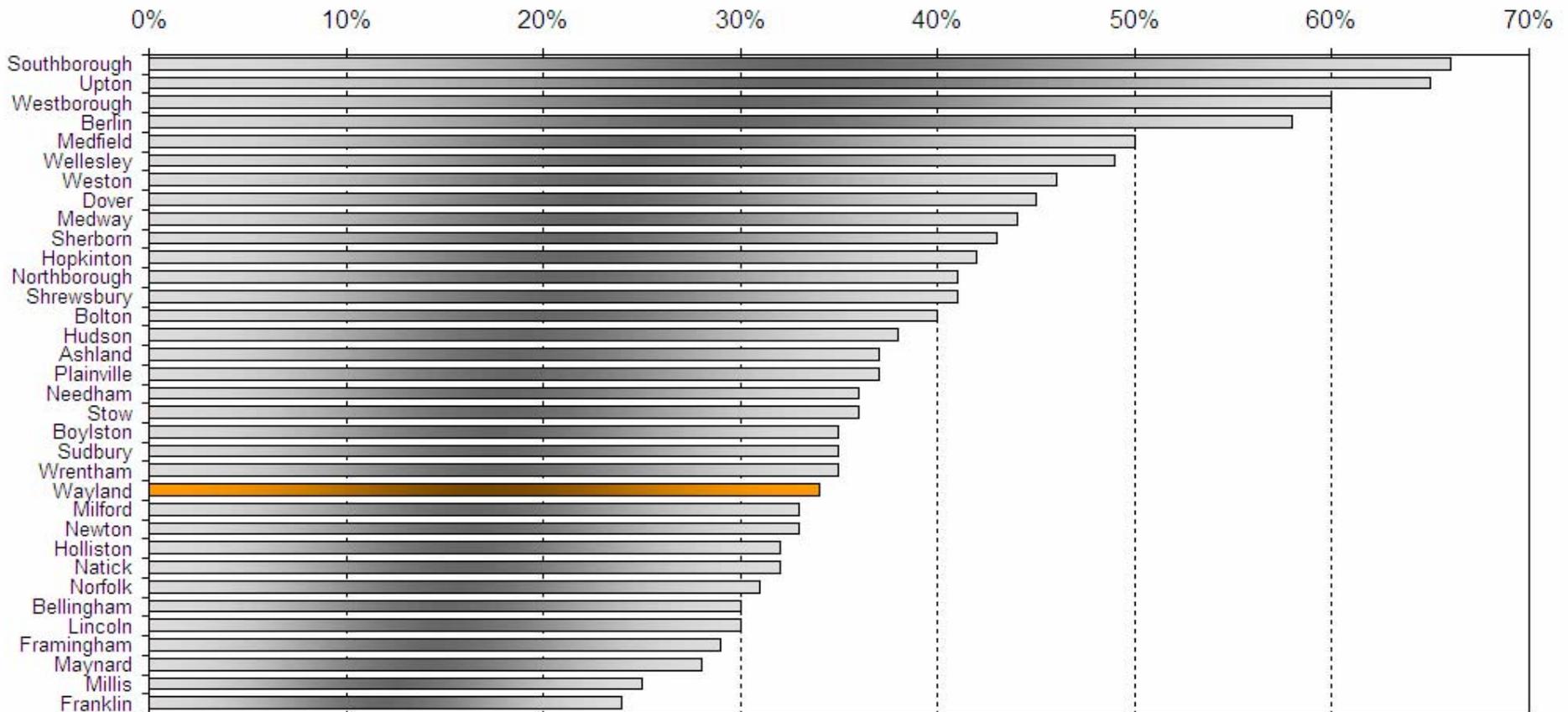
Per Capita Budget Increase: 1986-2003
 Selected MA towns: average = 2.57, median = 2.46

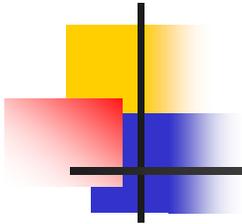


Tax bill change last 5 years

FY2000-FY2005 Average Tax Bill Change

Source: Boston Globe 18 September 2005



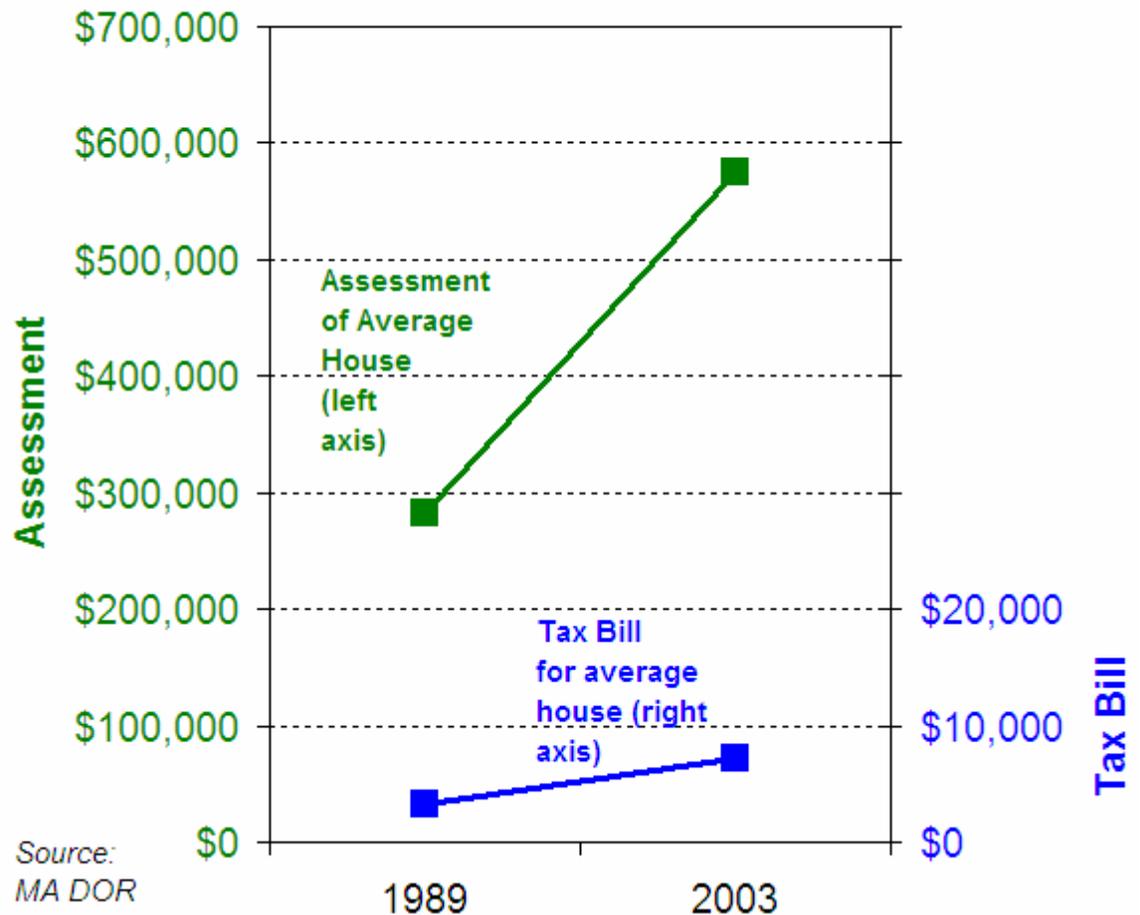


Supporting information: Real estate appreciation

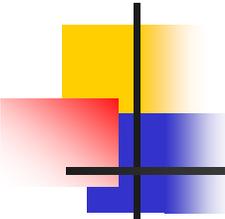
Real estate appreciation

- Sum of tax increases from 1989 to 2003 averages \$29k
- Home appreciation over same period averages \$290k
- Homeowner gain is 10x cost

Wayland Average House Assessment and Tax Bill
1989 and 2003



[back](#)



Real estate appreciation correlates with school spending

■ Additional 2% appreciation per year

Figlio, David N., and Maurice E. Lucas. "What's in a Grade? School Report Cards and House Values." NBER working paper 8019, November, 2000.

Mayer, Christopher, and Christian Hilber. Why do Households without Children Support Local Public Schools? House Price Capitalization, School Spending, and the Elderly. working paper, University of Pennsylvania, April 2002.

Haurin, Donald R., and David Brasington. 1996. "School Quality and Real House Prices: Inter- and Intrametropolitan Effects." *Journal of Housing Economics* 5 (December): 351-368.

Crone, Theodore M. "House Prices and the Quality of Public Schools: What Are We Buying?" *Business Review of the Federal Reserve Bank of Philadelphia* (September/October 1998): 3-14.

Bogart, William T., and Brian A. Cromwell. "How Much Is a Neighborhood School Worth?" *Journal of Urban Economics* 47 (March 2000): 280-305.

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Bogart, William T., and Brian A. Cromwell. 1997. "How Much More Is a Good School District Worth?" *National Tax Journal* 50 (June): 215-232.

Brunner, Eric J., James Murdoch, and Mark Thayer. 2002. "School Finance Reform and Housing Values: Evidence from the Los Angeles Metropolitan Area." *Public Finance and Management* 2 (No. 4)

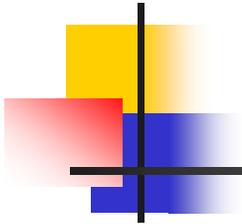
Black, Sandra E. 1999. "Do Better Schools Matter? Parental Valuation of Elementary Education." *Quarterly Journal of Economics* 114 (May): 577-599.

Hoxby, Caroline Mintner. 2000. "Does Competition Among Public Schools Benefit Students and Taxpayers?" *American Economic Review* 90 (December): 1209-1238.

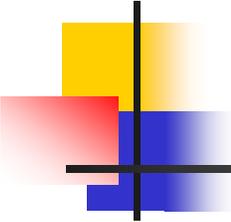
Jud, G. Donald, and J. M. Watts. 1981. "Schools and Housing Values." *Land Economics* 57 (August): 459-470.

Bradbury, Katharine L., Karl E. Case, and Christopher Mayer. "School Quality, and Massachusetts Enrollment Shifts in the Context of Tax Limitations." *New England Economic Review* (July/August 1998): 3-20.

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Supporting information: Miscellaneous



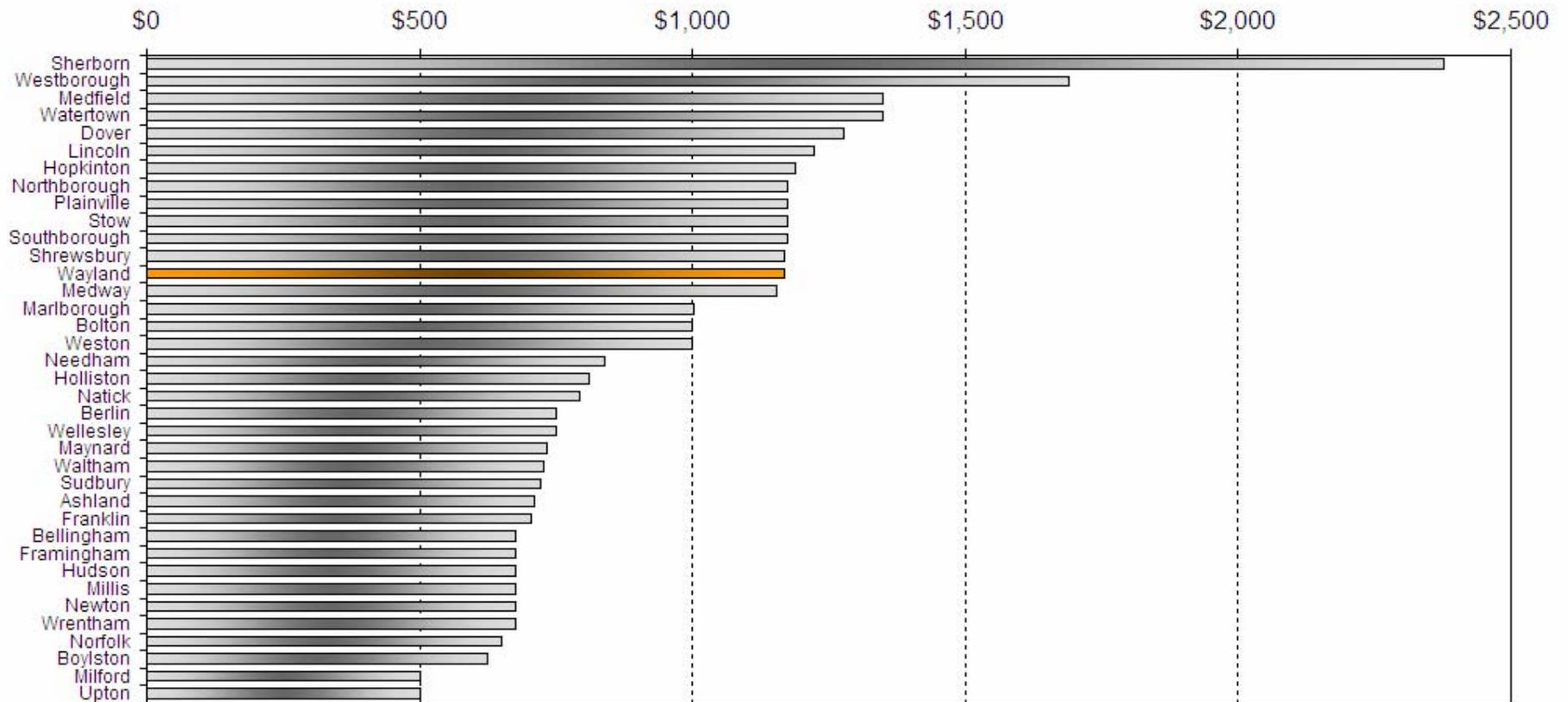
Last year's cut list: 2005-2006

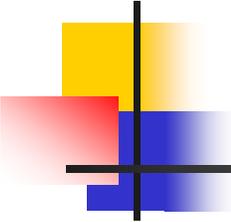
- Head count reductions
- MS/HS athletic programs
 - e.g., no freshman athletics or MS spring sports
- Other extra-curricular activities
 - e.g., no ES Band Program or 5th grade play
- Summer teacher professional development
- Instructional materials and supplies

Tax savings for seniors

2005 Property Tax Savings for Seniors - "Clause 17" + "Clause 41"

Source: Boston Globe 9 October 2005





Private school in Wayland?

- Compared with private schools, Wayland has
 - Lower per pupil expenditure
 - Larger class sizes
 - Less adequate facilities