

PROPOSED FISCAL YEAR 2006 SCHOOL DEPARTMENT BUDGET

MARCH 2005



Dear Resident,

On behalf of the Bedford School Committee, I am pleased to present the proposed FY06 School Department budget of \$25,718,100, an increase of \$972,235 (4.00%) over FY05. The development of this budget began in earnest in early September 2004 in a very challenging fiscal environment. In response to the fiscal constraints of the Town, the budget before you reflects a reduction of \$436,557 from the initial 5.80% increase presented to the Bedford School Committee on December 7, 2004. Following the initial budget presentation, the Bedford School Committee held weekly discussions of this budget which culminated in a Community Budget Forum on January 18, 2005, and then a budget vote on January 25, 2005 when the Bedford School Committee voted unanimously for a 4.00% increase from FY05. On February 8, 2005, the Finance Committee voted its approval of the Bedford School Committee's budget. As this budget moves forward, I want to acknowledge the collaborative efforts of our Town officials through the Fiscal Planning Committee process as well as the dedication of the Bedford Finance Committee members who worked so diligently to support a budget that maintains the integrity of the schools' programs while balancing the fiscal needs of the Town.

In Table 1 below, you will see the major budget drivers. While reviewing the budget, please note significant fixed budget drivers, such as Special Education expenses, transportation, and contractual salary obligations. For the first time in many years, the requested Special Education budget decreased from current year funding levels. This is in part due to the Commonwealth's new Circuit Breaker program, which reimburses municipalities for special education expenses. Next, you should know that FY06 represents a contract negotiation year for three of our largest collective bargaining units: teachers, teaching assistants and education assistants. Funds for anticipated contractual obligation increases are carried in the School Committee Reserve, which accounts for the significant change in that category. Finally, due to increased fuel and heating costs, utility line items represent a 22.71% increase over FY05. Further detail of the budget drivers is included within the subsequent pages of this newsletter.

TABLE 1: BUDGET DRIVERS

CATEGORY	2006 PROPOSED	2005 BUDGET	\$ CHANGE	% CHANGE
SALARIES	\$18,227,552	\$17,659,296	\$568,256	3.22%
ADMINISTRATION	357,752	378,284	(20,532)	-5.43
SCHOOL COMMITTEE RESERVE	552,188	95,000	457,188	481.25
INSTRUCTION	641,082	678,589	(37,507)	-5.53
SPECIAL EDUCATION	3,730,435	3,859,990	(129,555)	-3.36
ATHLETICS & EXTRA-CURRICULAR	133,473	137,914	(4,441)	-3.22
MAINTENANCE	217,918	246,046	(28,128)	-11.43
TRANSPORTATION	530,130	527,424	2,706	.51
UTILITIES	887,570	723,322	164,248	22.71
TOTAL:	\$25,278,100	\$24,305,865	\$972,235	4.00%

It is my hope that this newsletter is helpful to you. If you have any questions about the budget or any other matter concerning your schools, I encourage you to contact me at 781-275-7588. The Bedford School Committee, administrative team, and faculty are grateful to you for your continuing support of our schools.

Sincerely,

Maureen LaCroix, Ed.D.
Superintendent of Schools

SALARIES

\$18,227,552

The requested FY06 School Department salary budget is \$18,227,552, which represents a 3.22% increase over FY05. Salaries are further broken down into two categories: Professional & Para-Professional (*see Table 2 below*). Professional salaries (Administration & Teachers) account for 83% of the total salary figure and Para-professional salaries (Administrative Assistants & Custodians) account for the remaining 13% of the total salary figures. As with all employers, our salary line items are the greatest contributors to our bottom line, accounting for 72% of the total FY06 request, which is consistent with current and prior budgeting years.

TABLE 2: FIVE-YEAR SALARY BUDGET COMPARISON

YEAR	SALARY		TOTAL BUDGET	% OF TOTAL
	PROFESSIONAL	PARA- PROFESSIONAL		
2006	15,132,849	3,094,703	25,278,100	72%
2005	14,709,170	2,950,126	24,305,865	73%
2004	14,224,085	2,805,794	23,341,115	73%
2003	13,474,711	2,767,894	21,576,843	75%
2002	12,805,988	2,650,636	20,242,653	76%

In consideration of another tight fiscal year, FY06 enrollment-driven staffing additions are limited to:

- 1.00 SPED Teacher at the High School
- 1.00 Grade Three Teacher at the Lane School
- 1.00 SPED Teacher at the Lane School
- 0.50 SPED Inclusion Specialist at the Lane School

The 1.00 SPED Teacher and the .50 Inclusion Specialist at the Lane School as well as the 1.00 SPED Teacher at Bedford High School will be offset by Circuit Breaker reimbursements and do not represent a net addition to the salary bottom line for FY06. Of the total FY06 salary request, \$94,000 is for new positions and \$474,256 is for known contractual degree and step increases. As mentioned before, three of our largest collective bargaining units (teachers, teaching assistants, and education assistants) are currently negotiating a new contract and funds have been set aside under the School Committee Reserve line item to settle these contracts. *Table 3* provides a summary of the School Department's professional staff, represented as Full-Time Equivalents (FTEs).

TABLE 3: CERTIFIED STAFF FULL-TIME EQUIVALENTS (FTEs)

LOCATION	2006	2005	2004	2003	2002
ADMINISTRATION	11.10	11.10	12.10	11.50	11.50
HIGH SCHOOL	78.80	77.80	77.50	77.60	75.40
MIDDLE SCHOOL	53.75	53.75	51.95	51.35	48.15
ELEMENTARY SCHOOLS	79.80	76.80	76.50	77.70	77.70
SYSTEM-WIDE	1.50	2.00	2.00	3.00	3.20
TOTAL:	224.95	221.45	220.05	221.15	215.95

ADMINISTRATION

\$357,752

Administration items are limited to non-salary line items within the Superintendent's, School Committee's, Principals' budgets and essentially represent the cost of doing business; costs such as legal counsel, school department mailings, membership in professional organizations, copier and Riso leases and maintenance contracts, Rediker support, curriculum consultants, and emergency communication devices like Nextel cellular phones. Often the target of budget cuts, these accounts sustained a cumulative cut of

-4.12% in FY05 and, in an attempt to restore some of these forgone funds for FY06, we are proposing a 1.56% increase (\$5,743), which is still -2.56% less than what was budgeted FY04 (*see Table 4 below*).

TABLE 4: THREE-YEAR NON-SALARY ADMINISTRATION BUDGET COMPARISON

CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
CONTRACT SERVICES	\$143,340	\$121,288	\$140,982	15.64%	-13.97%	1.67%
SUPPLIES	65,402	59,276	57,253	10.70	3.53	14.23
OTHER	108,025	127,245	125,513	-15.31	1.38	-13.93
TRAVEL	6,205	5,905	5,907	5.08	-.03	5.04
EQUIPMENT	34,780	38,295	37,484	-9.38	2.16	-7.21
TOTAL:	\$357,752	\$352,009	\$367,139	1.56%	-4.12%	-2.56%

INSTRUCTION

\$641,082

The non-salary instruction line items represent the cost of services and supplies and materials used specifically for curriculum related items. These costs are the paper and supplies, textbooks, teacher training & professional development, student testing & evaluations, library books, and computers used each day by the students. Similar to the Administration line items, the Instruction line items are often the target of cuts during fiscally difficult times. Since FY04, the Instruction line items have witnessed an overall reduction of -10.76%, or -\$77,329 and the reductions continue into FY06 as well (*see Table 5 below*). Most notably, the new computer equipment purchases scheduled for the High School have been eliminated.

TABLE 5: THREE-YEAR NON-SALARY INSTRUCTION BUDGET COMPARISON

CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
CONTRACT SERVICES	\$131,866	\$111,185	\$123,635	18.60%	-10.07%	6.66%
SUPPLIES	240,233	245,879	297,028	-2.30	-17.22	-19.12
TEXTBOOKS	108,792	123,870	139,599	-12.17	-11.27	-22.07
OTHER	87,575	81,500	88,457	7.45	-7.86	-1.00
TRAVEL	5,465	5,050	9,317	8.22	-45.80	-41.34
EQUIPMENT	67,145	111,105	60,371	-39.57	84.04	11.22
TOTAL:	\$641,076	\$678,589	\$718,408	-5.53%	-5.54%	-10.76%

SPECIAL EDUCATION

\$3,730,435

TABLE 6: THREE-YEAR NON-SALARY SPECIAL EDUCATION BUDGET COMPARISON

CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
SUPPLIES & OTHER	\$25,380	\$25,385	\$25,826	-.02%	-1.71%	-1.73%
COLLABORATIVE	1,845,400	1,439,515	1,236,017	28.20	16.46	49.30
IN-DISTRICT TRANSPORTATION	60,200	60,200	60,120	-	.13	.13
OUT-OF-DISTRICT TRANSPORTATION	559,000	503,480	452,650	11.03	11.23	23.49
OUT-OF-DISTRICT TUITION	1,112,655	1,709,910	1,644,770	-34.93	3.96	-32.35
PSYCHOLOGICAL SERVICES	127,800	121,500	115,771	5.19	4.95	10.39
TOTAL:	\$3,730,435	\$3,859,990	\$3,535,154	-3.36%	9.19%	5.52%

FY06 marks the second year of using Circuit Breaker reimbursements to help offset the costs of mandated special education expenses. As a result, the FY06 Special Education budget is realizing a net decrease from FY05 (*see Table 6 above*). In FY06, Circuit Breaker offsets will amount to approximately \$628,000. Of this amount, \$128,000 will offset teacher salaries and the remaining \$500,000 will offset private day and residential school tuitions. In addition to Circuit Breaker, Federal grant PL94-142 also provides funds to support educational services and supplies for our Special Education program.

ATHLETICS & EXTRA-CURRICULAR

\$133,473

Athletics and extra-curricular non-salary budget line items are primarily comprised of transportation and practice space rentals, which account for 62% of the total FY06 Athletics budget request. Practice and competition equipment and uniforms are the second largest contributor to the total request. The FY06 budget is -3.66% less than FY05 and, in consideration of a 0% budget increase, the Athletic Director opted to reduce or zero-out certain line items to account for increased transportation and practice space fees (*see Table 7 below*).

TABLE 7: THREE-YEAR NON-SALARY ATHLETICS & EXTRA-CURRICULAR BUDGET COMPARISON

CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
TRANS & PRACTICE SPACE	\$83,180	\$78,180	\$77,443	6.40%	.95%	7.41%
SUPPLIES	8,700	12,515	8,832	-30.48	41.70	-1.49
OTHER (DUES & CLINICS)	14,775	14,805	11,805	-.20	25.41	25.16
TRAVEL	-	250	889	-100.00	-71.88	-100.00
EQUIPMENT & UNIFORMS	26,818	32,164	29,056	-16.62	10.70	-7.70
TOTAL:	\$133,473	\$137,914	\$128,025	-3.22%	7.72%	4.26%

MAINTENANCE

\$217,918

The FY06 Maintenance budget is subject to a significant cut in supplies. Despite the \$41,300 Custodial Revolving account offset (consistent with FY05), the custodial supply account is seeing a reduction of approximately -19%. The *Other* and *Travel* categories also have significant swings in their percentage changes from FY05. This is due to a reclassification and a shifting of funds from *Travel* to *Other*. After careful review, the Director of Facilities, Director of Finance and their respective staffs felt it would be more appropriate to carry certain budget requests under *Other* rather than under *Travel*, as they had been previously.

TABLE 8: THREE-YEAR NON-SALARY MAINTENANCE BUDGET COMPARISON

CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
CONTRACT SERVICES	\$107,870	\$117,500	\$116,446	-8.20%	.91%	-7.36%
SUPPLIES	91,935	113,416	121,176	-18.94	-6.40	-24.13
OTHER	10,910	3,495	3,495	212.16	-	212.16
TRAVEL	1,923	6,425	4,230	-70.07	51.89	-54.54
EQUIPMENT	5,280	5,210	5,783	1.34	-9.91	-8.70
TOTAL:	\$217,918	\$246,046	\$251,130	-11.43%	-2.02%	-13.23%

UTILITIES

\$887,570

In consideration of rapidly escalating utility costs, the Facilities Department is attempting to conserve energy and acquire it at the lowest price possible. Heating Fuel (oil), which accounts for 46% of the total utility request, is priced and acquired through vendors who participate in the TEC bid (*see Table 9 below*). The TEC bid represents thirteen communities that have joined forces to garner purchasing power and recognize purchasing savings through economies of scale. A competitive bidding process minimizes the gas supply charge. We also offset the gas budget with receipts from the Custodial Revolving account, which contains receipts from the rental of school facilities. For FY06, \$10,500 of Custodial Revolving funds are offsetting the gas and heating fuel budgets. This amount is consistent with FY05 offsets.

TABLE 9: THREE-YEAR NON-SALARY UTILITIES BUDGET COMPARISON

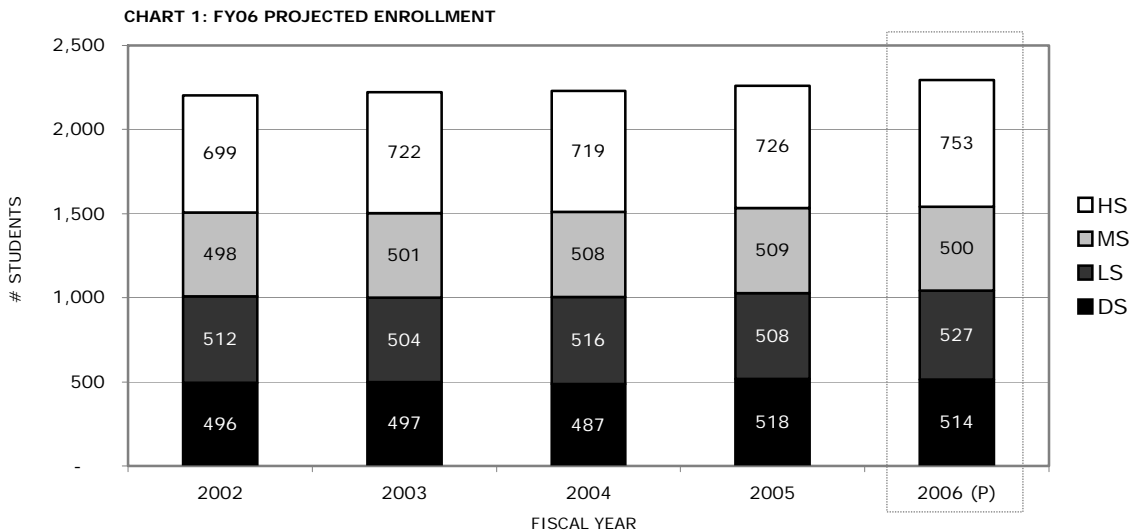
CATEGORY	2006	2005	2004	% CHANGE 05-06	% CHANGE 04-05	% CHANGE 04-06
GAS	\$9,370	\$4,576	\$5,660	104.76%	-19.15%	65.55%
HEATING FUEL	412,460	287,649	270,255	43.39	6.44	52.62
TELEPHONE	37,000	37,601	40,615	-1.60	-7.42	-8.90
ELECTRICITY	428,740	393,496	430,000	8.96	-8.49	-.29
TOTAL:	\$887,570	\$723,322	\$746,530	22.71%	-3.11%	18.89%

TRANSPORTATION

\$530,130

FY06 will be the final year of a three-year contract with Bedford Charter. Beginning late FY06, we will be advertising a competitive bid proposal for transportation services.

ENROLLMENT



Enrollment is projected to be 2,294 students in FY06, an increase of 1.46% over FY05 (*see Chart 1 above*), which is fairly consistent with the average 1.40% annual increase since 1999. In considering projections for FY06, the Administration considers the 2002 MEC enrollment study, the current Town of Bedford Census, current enrollment figures, the anticipated number of students who will elect to attend Shawsheen Technical High School, and current the number of students from Hanscom Air Force Base. In FY05, we saw a significant number of students who enrolled in the Kindergarten program (175 on opening day), which required an additional Kindergarten section to accommodate the influx. For FY06, we expect

Kindergarten enrollment to be 160 students. When reviewing enrollment trends, it is important to note that the projections do not consider the potential for a student body increase resulting from the Town's plan for new housing developments.

LOCATION SUMMARY

TABLE 10: PROPOSED FY06 BUDGET BY LOCATION

LOCATION	2006 PROPOSED		2005 ACTUAL		% CHANGE	
	SALARY	NON-SAL	SALARY	NON-SAL	SALARY	NON-SAL
HIGH SCHOOL	\$5,942,409	\$864,054	\$5,920,657	\$849,331	.37%	1.97%
MIDDLE SCHOOL	4,055,570	519,479	3,930,969	464,888	3.17	11.26
LANE SCHOOL	3,368,277	482,934	3,158,022	466,206	6.66	3.59
DAVIS SCHOOL	3,184,267	483,473	2,984,496	499,376	6.69	-3.18
SYSTEM WIDE	1,677,029	4,700,608	1,665,152	4,366,768	.71	7.65
TOTAL:	\$18,227,552	\$7,050,548	\$17,659,296	\$6,646,569	3.22%	6.08%
GRAND TOTAL:		\$25,278,100		\$24,305,865		4.00%

Table 10 above presents the proposed FY06 budget by salary versus non-salary by location. Consistent with the categorical explanations above, our non-salary location totals are increasing in an attempt to restore what was cut from the FY05 budget. Despite the 6.08% non-salary increase for FY06, non-salary line items are only increasing by .08% over a two-year period.

**Bedford Public Schools
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