

The 2007-2008 Proposed School Budget: Summary of Cuts
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Cuts in staff, cuts in services, and increases in fees proposed by the School Committee for next year's budget are prompting residents to ask questions like "What's happening to our school system?" "Why is the School Committee cutting staff next year?" "Is this the start of a downward trend?"

Right now, the proposed FY08 budget includes fee increases that add \$264,000 to school revenues. It also cuts 18.5 full-time equivalent positions (administrative, teaching, and support).

In last week's article, the School Committee described how the municipal financial system in Massachusetts creates a structural deficit – a situation where, as a town and a school system, we can never afford to maintain what we had the previous year unless something extraordinary occurs to increase revenues. The article listed examples of how the town's revenues had been boosted in recent years by one-time events.

No such events are expected next year, so the town is in a bind to balance its budget for FY08.

A year ago, when the town voted \$1.9M Proposition 2 ½ override to fund the town and school operating budget, the expectation was that the town would not ask for an override this year. No one said that the town would not need an override this year to maintain the level of services. The belief was that it would not be prudent to request an override a year after a relatively large override had been approved.

When the FY08 budget cycle began a few months ago, the Board of Selectmen requested that all town departments, including the school department, present a budget with an increase of 1% over last year to stay within predicted available funds.

People have asked, "Why is there only a 1% increase when revenues go up 2 ½%?" The answer lies in how certain town expenses are accounted for. "Fixed" expenses such as debt service, employee benefits (e.g., health insurance premiums), water and sewer enterprise fund subsidies, are funded first. After these "fixed" costs are covered, the remaining revenues cover the rest of the operating budget such as salaries and expenses.

With the "fixed" expenses covered, only a 1% increase was left for each department for the rest of the budget.

The School Committee, compelled to advocate for the schools, put forward a 2.1% increase, with the hope that the town's FY08 revenue estimate would increase when the Governor's budget is announced on February 28.

Even with this hope of a 2.1% increase, the school system's budget could not cover current staffing levels and services.

Let's look at the numbers. A 2.1% school department budget increase equates to an increase of approximately \$650,000. However, expense increases to maintain level services would amount to approximately \$1,950,000, comprised of the following:

- Approximately \$150,000 due to inflation in expense items like pencils, paper and notebooks
- Approximately \$1,400,000 in salary increases for staff based on contractual obligations for step and lane changes and cost-of-living increases

- \$400,000 to replace current year funding from the state in what's called circuit breaker funds that Hopkinton will not qualify for this year

The proposed budget is about \$1,300,000 less than what we need for a level service budget. In order to avoid an override to cover this amount, the School Committee plans to increase fees and reduce expenses. Some of the expense reductions are attributable to lower energy costs and reduced spending on professional development, but approximately 80% of the reductions are in staffing.

A small portion of the staffing cuts were taken because fewer students are enrolling in the elementary grades. Others came out of changes in programming such as the move to teach reading and language arts together at the Middle School and offering foreign language to all 7th and 8th grade students. But the majority of cuts will have a negative impact on class size.

The decisions on where to make cuts were difficult. The School Committee endeavored to maintain the integrity of the vision described in the [Strategic Educational Plan](#). Thus, no programs were cut. However, the Committee realizes that unless the town's funding model is changed, it will need to re-think the strategic plan to conform to the fiscal environment.

For the FY08 budget, the School Committee remains committed to working together with other town officials to create a townwide budget that meets the affordability parameters of the community. Afterwards, the School Committee would welcome a collaborative effort with the Board of Selectmen, Town Manager, Appropriation Committee, and other town officials to develop a long-term strategy to deal with the structural deficit. The future of our schools depends on it.

Hopkinton School Committee:
Rebecca Robak, Chair
Phil Totino, Vice Chair
Lyn Branscomb
Nancy Alvarez Burdick
David Stoldt