



## Nauset Public Schools

78 Eldredge Park Way, Orleans, Massachusetts 02653  
Phone: 508-255-8800 • Fax: 508-240-2351 • <http://nausetschools.org>

**Dr. Richard J. Hoffmann**  
Superintendent of Schools

**Dr. Bonn L. Gifford**  
Assistant Superintendent

**Dr. Ann M. Caretti**  
Director of Student Services

**Hans Baumhauer**  
Business Manager

**Barbara Lavoine**  
Director of Technology

### \*\*\*MEMORANDUM\*\*\*

Date: December 23, 2011  
To: Region School Committee Members  
From: Dr. Richard Hoffmann  
Subj: FY2013 Budget Proposals & Recommendations

Enclosed for your review and initial discussion at our January 5th School Committee meeting are your FY13 budget materials for the Region: High School, Middle School, Region Only, and Region Shared (Central Office). At this first meeting we will walk through the components of the budget book and then review the proposed budget line by line for the Middle School and the High School. The goal will be to ensure that our top priorities for 2012-2013 have been addressed. I encourage School Committee members to ask questions and make comments during this early stage of budget review. This will allow us to gather information and data for subsequent meetings as we move towards final approval of the budget on March 1, 2012.

Our budget development process this year is similar to prior years. The Principals completed their budgets with input from their staff and school councils. These budgets were then reviewed by Business Manager, Hans Baumhauer, and me and some adjustments were made. The Region Budget and Finance Subcommittee met and also reviewed the budgets from the Middle School and the High School. The budgets for Region Only and Central Office were prepared by the Business Manager and Superintendent. These two budgets will be scrutinized by Subcommittees before they are brought before the full School Committee for review on January 12.

Overall, the FY13 budget proposal is sufficient to maintain the programs and services that we were able to initiate in FY12 thanks to the Proposition 2 ½ Overrides that each of our member towns approved last May combined with fair and reasonable employee contracts that were negotiated last year. These and other cost savings have allowed us to bring in the budget with a modest 2.7% increase over FY12.

It should be noted that enrollment is expected to remain the same in FY13 with a total of 1538 students in Grades 6-12 compared to 1,536 students in FY12. Final enrolment will depend somewhat on the number of School Choice students we admit next year and the number of students who decide to leave Nauset to attend one of the two area Charter Schools. Competition for students on the Cape in general has been fierce with many schools running radio and print ads to attract students. While Nauset has

enjoyed tremendous demand for seats at our Middle and High Schools, we will need to also expand our marketing for students to ensure that revenues received from School Choice and revenues saved by retaining students who might choose a Charter School remain at current levels. This is especially important since these funds allow us to offer our entire student population one of the most diverse and robust programs of study in Massachusetts.

### **SALARIES**

Salaries continue to make up at least 80% of our budget. Most of our contracts with union employees call for a 2.00% cost of living increase. In addition, some employees will also receive salary increases if they have achieved an advanced degree since last year. While there are some proposals to increase hours or days for certain staff (secretarial help, guidance staff, and technology for example), there are no new positions in the FY13 budget. In order to meet needs in the schools for new, required services, our principals have redeployed existing staff: a current educational assistant will work in a new in-school suspension program at the Middle School while a Special Needs teacher at the High School will teach reading to struggling students. This entrepreneurial spirit is alive and well in Nauset.

### **BUDGET ESCALATORS**

Non salary line items that will increase in FY13 include:

#### Contracted Services – Special Needs Therapies

Student needs for Physical therapy and Occupational therapy will increase slightly in FY13

High School	\$ 5,457 increase
Middle School	\$12,341 increase

#### Transportation

The implementation of the Two-Tier Bus System in FY12 cost more than anticipated because additional buses had to be added to accommodate more riders and shorten student bus rides. It should be noted however that the Two-Tier System was still less costly than the Three-Tier System overall.

Costs are also increasing because of increases in our bus contract.

Regular Day	\$199,694 increase (Middle and High School combined)
Special Needs	\$13,063 increase

#### Special Needs Tuitions

These are costs for students with severe disabilities who cannot be educated in Nauset.

Non Public Schools	\$246,006 increase
Cape Cod Collaborative	\$ 16,145 increase

#### Professional Development

These funds provide training opportunities for staff and are essential for us to maintain a highly qualified workforce

Lines 8711-8714	\$24,442
-----------------	----------

### **BUDGET SAVINGS**

#### Texts & Instructional Supplies

Last year's Override allowed us to purchase many non-consumable instructional supplies

Middle School	Lines 8022-8033	\$39,144 savings
High School	Lines 8322-8333	\$12,198 savings
Middle School	Lines 8081-8089	\$21,075 savings
High School	Lines 8381-8389	\$ 7,336 savings

### Health Insurance

Because of the State's Health Care Reform Law, health insurance costs that have historically increased by double digits will actually decline from FY12 levels.

FY12 Health Insurance Costs	\$3,431,268
FY13 Health Insurance Costs	\$3,386,609
SAVINGS	\$ 44,659

### Unemployment Insurance

The Proposition 2 ½ Override allowed us to hire back several employees who were laid off and collecting unemployment insurance in FY11.

FY13 Savings	\$41,249
--------------	----------

### **REVENUE PROJECTIONS**

While it is still very early to have accurate projections for revenue and income for FY13, we are cautiously optimistic that State Aid will be level funded and that most of our other sources of revenue will remain at the same levels as FY12.

Chapter 70	\$3,204,119	Level Funding Anticipated
Charter School Aid	\$ 130,681	(\$22,609)
Transportation Reimbursement	\$ 400,825	\$ 7,756
School Choice	\$1,246,507	\$1,246,507
Truro Tuition	\$1,034,064	( \$11,408) Enrollment Decline
Provincetown Tuition	\$ 203,745	In Negotiations At This Time
Special Ed. Circuit Breaker	\$ 340,000	Level Funding Anticipated
Transfer from E & D	\$ 100,000	Level Funding Anticipated

Chapter 70 Aid will depend on the State's fiscal condition for next year. The Governor will release his budget in late January and this should give us an indicator of what to expect for base education aid, transportation reimbursement, and special education Circuit Breaker aid.

Excess and Deficiency (E&D) revenue to be applied toward the budget to lower town assessments will depend on the D.O.R. certified balance on June 30, 2011 and also the projected amount available at the end of FY12. Keep in mind that a target for E&D balance should be in the range of 5% of our operating budget. With a budget over \$26 million, we should have approximately \$1.3 million in our E&D account for emergency purposes. The FY11 E&D should come in around \$690,000 after deducting the deficit for the Region's food services program that has accumulated over many years.

School Choice revenue may actually come in higher than anticipated in FY12. We had reduced our estimates based on 20 School Choice students who were graduating in June 2011 but estimated payments from the State for FY12 could be \$100,000 higher than budgeted. However, due to the increased competition for students mentioned earlier, we are using our budgeted FY12 amount for FY13. Keep in mind too that in order to reduce the size of the Override for FY12, the School Committee voted to use approximately \$450,000 of School Choice funds that were set aside in the School Choice Revolving account to provide a kind of stabilization fund since Choice enrollments can fluctuate widely. The goal was to slowly add these costs back into the School Committee operating budget as the School Choice Revolving funds were expended down.

### **CENTRAL OFFICE BUDGET**

The Central Office Budget portion assigned to the Region shows an increase of just 1.96% or \$14,636 in FY13. Most of the increase in the Central Office budget is attributable to making the Technology

Director position full time from 80%. This was absolutely necessary in order to move our schools forward in the age of technology. There are many critical projects that need attention such as the building infrastructure in both schools (servers, switches, wiring, internet access) and a detailed plan to replace outdated computers over the next five years. These are costs that must be made in order to promote and embed technology as a tool of teaching and learning across the Region and Union #54.

### **CAPITAL PROJECTS**

A five year Capital Plan that was approved by the School Committee on February 3, 2011 is enclosed in a section of the FY13 budget book. Members are reminded that this plan is likely to change when we complete the building needs assessment (Middle School, High School, and Central Office) later this year. In addition, this summer will see the implementation of the Green Repair Project at Nauset High School which will replace the 40 year old windows and exterior doors as well as the 16 year old roofs. We thank our member communities for their support of this very, very important project that will serve our students long into the future.

### **GRANTS**

Your budget book contains information on Grants that the District secured in FY12. At this time the MA Department of Elementary and Secondary Education has not informed us of any changes – increases or decreases – to these grants. Your administration will continue to research and apply for grants aggressively as they allow us to provide additional programs and services that would not be possible within the operating budget. Should any grant sources be reduced or eliminated in FY13, the School Committee will be informed and will need to make decisions about continuing these grant funded services.

As we move forward in the budget development process, I encourage all of us to keep focused on our core mission of providing an excellent education for the children of our Region. No one wants their schools to be good enough; they want their schools to be excellent. Our schools are an investment in all of our futures. They promote economic growth, enhance property values, and build a stronger community for all citizens. When we read in the press about so many failing schools, we are all so fortunate that the Nauset Regional Schools will never be on that list!

I am very proud of the Nauset Regional Schools and know that our citizens are as well. We are continually striving to implement the most efficient and effective management of our precious resources so that we can provide our students with the programs and services they need in order to succeed in the 21<sup>st</sup> century. I sincerely thank the Nauset communities – Brewster, Eastham, Orleans, and Wellfleet – for the trust and confidence they place in us.

Should you have any questions, comments, or concerns about the budget, please do not hesitate to contact me at any time.

Respectfully submitted,  
Richard J. Hoffmann, Ed.D.  
Superintendent of School

**KINDLY NOTE THAT THE LINE ITEM BUDGETS POSTED TO THE WEB SITE ARE  
UPDATED VERSIONS THAT MAY NOT MATCH THE FIGURES IN THIS MEMORANDUM**