

I am very pleased to present the FY2017 budget proposal for the Essex North Shore Agricultural and Technical District. The creation of this school district, which opened in September 2014, represents the visionary work of leaders from our seventeen (17) member districts, along with the Department of Agriculture, in merging the North Shore Vocational School, Essex Agricultural High School, and programs from Peabody High School.

While there are a number of outstanding technical high schools in Massachusetts, Essex North Shore is truly unique in offering agricultural programs like veterinary technology, equine sciences, and landscaping and turf management as part of career offerings. In addition, these programs presently enroll students from our member communities, as well as from 38 other cities and towns throughout the Commonwealth. In total, our students have access to 24 career technical programs in four (4) academies: Animal and Plant Science, Technology and Services, Life and Natural Science, and Construction Technology.

FY2017 Budget Goals

1. To create a proposed budget that is transparent and specific so that School Committee members and community leaders can understand our proposals and how they support the educational vision of the District
2. Upgrade to an online registration and application capability; equivalent of a common application process for students and sending district guidance staff
3. Creation of a more focused and robust cooperative education structure
4. A focused approach to early college relationships, communication (with and for) member communities, and adult/community education
5. Providing appropriate staffing for new programs (plumbing, biotechnology, dental assisting, HVAC), while adjusting staffing in other programs to better meet student enrollments
6. To streamline the custodial and grounds staffing to meet the needs of this campus
7. To adjust academic staffing (Spanish, science, and special education) to meet the needs of a growing student population
8. To provide wellness courses for students during all five (5) days in the CTE cycle
9. To examine possible opportunities to reconfigure existing programs, where appropriate
10. To begin implementation of a long-term vision for instructional materials and equipment
11. To examine all potential sources of revenue beyond community assessments, including the use of fees, revolving accounts (building rental, tuition, CTE), Excess & Deficiency (E&D), etc.
12. To implement salary and benefits in a clear and consistent manner for all employees

Overall Budget Picture

This preliminary FY2017 budget represents a 4.2% increase over FY2016. Specifically, the budget would increase by \$1,067,112, from \$25,419,392 to \$26,486,504.

Teaching Staff

Teacher and Paraprofessional Increases

1. Health Assisting (.50 FTE): This additional staffing will allow us to meet our enrollment requests and meet Department of Public Health (DPH) regulations for student supervision. The cost of this additional staffing is \$30k.
2. Biotechnology (.50 FTE): This additional staffing will allow us to add a grade 12 component to this new program. The cost of this additional staffing is \$30k.

3. Dental (.70 FTE): This additional staffing will allow us to add a grade 12 component to this new program, as well as to provide supervision for our field placement to Tufts Dental. The cost of this additional staffing is \$42k.
4. Plumbing (.50 FTE): This additional staffing will allow us to add a grade 12 component to this new program. The cost of this additional staffing is \$30k.
5. World Language (.50 FTE): This additional staffing is associated with our growing student population and is necessary so that we can meet the growing student need for Spanish II for seniors in the coming year. The cost of this addition is \$30k.
6. Wellness (4.0 FTE): This additional staffing allows us to embed College and Career Readiness to the CTE schedule and replace the current CCR model, which has not been as effective as we originally hoped. The cost of this change is \$240k.
7. Special Education (.50 FTE): This additional staffing is associated with our growing student population. The associated cost is \$30k.
8. Adjustment Counselor (.20 FTE): This addition, which will move our present .80 FTE counselor to full-time, is designed to meet the mental health issues of our student population. The cost of this change is \$15k.
9. Our proposal for Student Supervision represents a \$50k increase to fund three (3) positions to supervise our lunch room, parking lot, and act as substitute teachers, when necessary. This will reduce the need for substitute teachers and add consistency to our program.

Teacher and Paraprofessional Reductions

1. While we are still finalizing areas of reduction in staffing, we are committed to a 3.0 FTE reduction at a total savings of \$180k. The specific criteria being utilized to determine program reductions includes a close examination of CTE areas impacted by the elimination of the College and Career Readiness (CCR) program. In addition, we are looking at retirements and the possible combining of certain CTE program areas to create more efficient use of current staff. Details of the specific areas of reduction will be shared with the Finance Subcommittee in early February.
2. Guidance Counselors will be reduced by \$59k in FY2017 to reflect our actual staffing. In addition, the Guidance Coordinator line item will be reduced by \$14k to reflect the change from "Director" to "Coordinator" implemented in FY2016.
3. We propose eliminating a .50 FTE librarian position in the FY2017 budget. This position was not filled for FY2016. The budgetary change represents a savings of \$33k.
4. We propose eliminating a 1.0 FTE library clerical position in the FY2017 budget. This position was not filled in FY2016. The budget impact represents a change of \$17k in the coming year.
5. Our line item for paraprofessionals (CTE) has been reduced by \$35k in the FY2017 spending plan to reflect actual staffing costs.

Administrative Staff

1. This spending plan includes \$5k for the new School Committee Recording Secretary position.
2. While we are still finalizing specifics, we are committed to bringing efficiency and "right sizing" to certain of our administrative functions. We are committed to a .50 FTE reduction at a total savings of \$30k in our FY2017 plan. Details of the specific reduction(s) will be shared with the Finance Subcommittee in early February.
3. The mid-year retirement of our Director of Curriculum has allowed us to eliminate that position as part of the FY2017 budget plan. This represents a savings of \$132k.

4. The upcoming retirement of our Vocational Director on August 31, 2016 will allow us to save \$93k. The CTE Coordinators and Association Principals will assume her programmatic responsibilities in the coming year.
5. We propose the creation of a .50 FTE Cooperative Education Coordinator role, effective on September 1, 2016. The cost of this position is \$34.5k.
6. The FY2017 budget needs to reflect that our STEM and Humanities roles were created as "Director" positions, not "Coordinator" roles. This increased number of days results in a \$29k increase to the budget for FY2017.

Employee Salaries and Benefits

1. Employee retirement expenses are driving much of the increase in our FY2017 budget. Specifically, we are forecasting an increase of \$620k in this area, given that we will need to budget \$568k for the Salem system and \$421k for the Essex system. Committee members should note that this will be the first year of our payment to the Essex system for retired Essex Agricultural School (non-teaching) employees.
2. We are projecting a savings of \$162k with respect to active employee health insurance, given our move to the Group Insurance Commission (GIC). This savings reflects an assumption of a 7.5% increase in GIC plan rates for FY2017.
3. In addition, we are projecting an increased cost of health insurance for retirees, given our move to the GIC and the anticipated 7.5% increase in rates. This increase will be approximately \$70k.
4. We anticipate savings of \$143.5k associated with discontinuing the 80% dental insurance subsidy for former Essex Agricultural School (both active and retired) employees.
5. Our FY2017 budget proposal assumes a 1% increase for teacher salaries (\$91k), AFSCME (\$24k), and administration (\$25.5k). In addition, the proposal includes step and column costs (teachers) of \$218k, or 2.4%.

Utilities and Legal Fees

1. We have proposed budgets in a number of areas to more accurately reflect actual expenditures during initial year of building operation. Specifically, we have decreased trash removal (by \$27.5k), heating of the building (by \$18k), electricity (by \$81k), and water/sewer (by \$120k). However, telephone expenses are slated to increase by \$22k to better reflect our actual experience.
2. Our proposal increases legal fees by \$38k to \$75k to more accurately reflect actual costs.

Textbooks, Instructional Material and Equipment, and Professional Learning

1. Contracted Services (Professional Development) has been eliminated in the FY2017 spending plan to reflect actual expenditures. This represents a savings of \$49k.
2. Dues and Conference (Professional Development) has been increased by \$38k in the FY2017 plan. This represents an effort to provide \$500 for every CTE teacher, to be spent in accordance with an individual plan to be developed with their supervisor(s), along with a team visit to High Tech High Charter School (to support our goal of increasing integration between CTE and academic program).
3. Textbooks have been increased by \$30k to provide for academic textbooks (English and mathematics). The mathematics expenditure represents an annual expenditure to provide on-line editions for students.
4. Instructional Materials have been increased by \$81k in the FY2017 spending plan. This represents the beginning of a long-term planning process, while assuming some ongoing expenditures that were originally associated with FF&E costs of the building project.
5. Instructional Equipment requests are projected at \$145k for FY2017. Again, these represent the beginning steps of developing a long-term spending plan, while assuming

ongoing costs originally included in FF&E associated with the building project. In addition, a significant portion of these costs is associated with our new programs (dental, plumbing, and biotechnology).

6. Repair and maintenance of instructional equipment is slated to increase by \$12.5k. In addition, costs associated with service contracts will increase by \$30k.
7. The school is scheduled for a New England Association of Schools and Colleges (NEASC) accreditation in FY2018. This proposal includes a \$5k increase for FY2017 for committee work associated with preparing for the self-study and site visit.

Technology

1. The budget proposal includes \$14.5k for on-line student application capability, designed to make it easier for prospective students, parents, and sending school district counselors to provide required materials and documentation.
2. Our student management software system was implemented in FY2016 and this budget total of \$70k includes a \$50k charge for this initial effort. Going forward, we will only need to carry the \$20k annualized maintenance charge, resulting in a \$50k savings in FY2017.
3. Instructional Technology (Hardware) is projected to increase by \$78k to continue implementation of the iPad initiative (lease), as well as to purchase a laptop cart for our CTE programs.
4. Instructional Technology (Software) will be reduced by \$19k to reflect our actual expenditures.

Student Activities

1. The line item for Interscholastic Coaches is slated to increase by \$9k to accommodate two (2) gymnastics coaches and assistant coaches for cooperative teams in field hockey and volleyball. This budget line also includes funding for two (2) hockey coaches.
2. The line item for hockey is slated to increase by \$3.5k, which will pay for ice time for two (2) teams in FY2017.
3. The Student Activities (Contracted Services) budget will decrease by \$18k to reflect actual expenditures in this area.
4. The line item for a homework center has been eliminated in the FY2017 budget. The center was not implemented in FY2016 and, therefore, these dollars have not been spent. This represents a savings of \$10k.

Custodial, Maintenance, Farm and Transportation

1. We are currently finalizing proposals to streamline our custodial, maintenance and farm staffing. Specifically, we are committed to ensuring that all buildings are maintained appropriately within a staffing structure that provides transparency and accountability. In addition, we have made changes to the associated line items to ensure that these budgets (custodial and farm) more accurately reflect staffing in those areas. We anticipate that this could require the addition of up to \$40k to the FY2017 budget.
2. Maintenance and Repair of Equipment is projected to increase by \$16.8k, given that the warranty is ending on some of our equipment.
3. This budget proposal includes \$26k to cover leases on four (4) new buses, as well as the purchase of a new truck.
4. The budget proposal for FY2017 includes \$20k to add overnight (3rd shift) security for our campus.

Contingencies and Debt Service

1. The FY2017 spending plan includes contingency funding of \$200k.
2. This spending plan includes \$110k less in debt service than the FY2016 budget, largely reflecting actual debt payments (estimates were used in FY2016) and elimination of BAN interest payments.

Revenues

With respect to revenues, we are proposing that the following dollars be brought to paying for this plan prior to considering member district assessments:

1. Non-Member Tuitions: We have not yet determined an estimate of these revenues for FY2017. This projection will be available to the Finance Subcommittee at their meeting in early February.
2. Athletic Fees: We are proposing that students be charged \$25 per athlete per sport (with no family or individual cap), which will generate \$20k in revenue for the FY2017 spending plan.
3. Parking Fees: We are proposing that students be charged \$100 per driver for a school year parking spot, which will generate \$20k in revenue.
4. Essex Sports Complex: This lease will allow us to utilize the \$110k paid by the owner in our FY2017 spending plan.
5. Excess & Deficiency (E&D): We are recommending that \$600k (of the approximate \$1.1m) of these funds be utilized in FY2017.
6. Revolving Accounts: We are proposing that \$50k be utilized from the facilities account, that \$100k be taken from the tuition account, that \$100k be budgeted from the shop revolving, and that \$50k be taken from school choice.
7. Medicaid: We anticipate being able to use \$25k from Medicaid reimbursement in FY2017.
8. Interest Income: We anticipate that \$60k will be available for use in the FY2017 spending plan.
9. Gate Receipts: We project using \$25k in the FY2017 spending plan.
10. Transportation Regional Reimbursement Fund: We will utilize \$289k in funding toward the FY2017 spending plan.