



Town of Natick Finance Committee

To: Town Meeting Members

From: Natick Finance Committee

Date: April 25, 2013

Subject: *New Recommendation and Motions for Article 12 -- Fiscal 2014 Omnibus Budget Article*

As Town Meeting members might be aware, the recently-released House Ways and Means Committee budget provides for greater FY 2014 local aid than previously projected by Town Administration. Subsequent discussions with the Massachusetts Municipal Association and members of Natick's legislative delegation have led town officials to believe that this level of local aid is reliable.

In addition, while Keefe Tech will not finalize its FY 2014 budget until the final state budget is approved, it has lowered its projected assessment for Natick.

These changes are summarized below:

<u>Item</u>	<u>Amount</u>
Increased FY 2014 Local Aid	\$645,821
Net Change from State Aid Offsets and Assessments	\$(29,703)
Reduced Assessment from Keefe Tech	\$20,486
Net Increase in Available Revenue	\$636,604

Approximately 85 percent of the additional state aid is in the form of Educational Aid under Chapter 70, and the Superintendent advised committee members that this is chiefly due to increased student enrollment.

Town Administration provided the Finance Committee with revised financial information for review. This information is also being provided to Town Meeting members by Town Administration in a separate document.

As a result of these events, the Town Administration requested that the Finance Committee reconsider its recommendations under Article 12, the FY 2014 Omnibus Budget Article that contains the operational budgets for all town departments (except for the Morse Institute and Bacon Free Libraries).

A. Natick Public Schools

At its meeting on April 23, 2013, the Finance Committee, in a duly-noticed public hearing, voted unanimously to reconsider the Natick Public Schools budget. This was based on a number of factors in addition to those noted above:

- The final School Department budget, as voted by the School Committee and recommended by the Finance Committee, left many priority needs unfunded.
- The Financial Planning Committee, at its meeting on April 19, 2013, unanimously voted to recommend that the sum of \$346,000 be added to the School Department’s proposed FY 2014 budget. This amount was based on recommendations from the School Superintendent and was derived as follows:

<u>Personnel</u>	<u>Amount</u>
1.0 FTE – Nurse at Wilson/High School	\$50,000
0.6 FTE – NHS Social Studies Teacher	\$30,000
0.4 FTE – NHS Chemistry Teacher	\$20,000
1.0 FTE – Kindergarten Teacher (Brown) or On-Line Specialist	\$50,000
0.5 FTE – Learning Center Specialist at Wilson	\$25,000
<i>Subtotal – Personnel (3.5 FTEs)</i>	<i>\$175,000</i>
<u>Expenses</u>	
U.S. History On-Line Resources	\$10,000
Professional Development	\$61,000
Principals Requests – On-Line Math Textbooks (Grades 3-12)	\$100,000
<i>Subtotal – Expenses</i>	<i>\$171,000</i>
<i>Total</i>	<i>\$346,000</i>

- Historically, final state aid numbers are not available at the time of Natick’s Spring Annual Town Meeting. Generally, however, the state budget is finalized by July, and if the final state aid numbers were lower than projected the town would modify its spending plan immediately and adjust the FY 2014 operational budgets at the 2014 Fall Annual Town Meeting.
- Timing is a critical factor for the School Department, as this is the optimal time for hiring new personnel. Much professional development and planning also takes place during the summer.
- Growth in student enrollment has resulted in increased class sizes and demands on other services provided by school personnel. Additional classroom teachers and personnel were needed to accommodate that growth.
- Both the School Committee and the Board of Selectmen, at their respective meetings on April 22, 2013, voted unanimously to support this recommendation.

Finance Committee Recommendation – Natick Public Schools:

By a vote of 10-0-0 April 23, 2013, the Finance Committee recommends Favorable Action with regard to the Natick Public Schools budget under Article 12, Section A, and that the sum of \$48,588,672 be appropriated from the Tax Levy.

During the Finance Committee's public hearing regarding the Natick Public Schools on April 23, 2013, the following items were noted:

- Previous the Finance Committee discussion on April 2, 2013, regarding the School Department's budget included a motion to add \$196,000 to enable to School Department to add an additional 2.5 FTEs and \$71,000 for professional development and on-line resources. This motion had narrowly failed, due largely to a lack of a defined funding source other than Free Cash. The availability of reliable local aid as a funding source for the additional personnel and expenses removed that concern.
- Personnel and expenses that were discussed had previously appeared on the Superintendent's priority lists should additional funding become available.
- As in previous discussions, the Superintendent committed that the School Department would "live within its means" and would not request additional funds for FY 2014.

B. Keefe Tech

At its meeting on April 23, 2013, the Finance Committee, in a duly-noticed public hearing, voted unanimously to reconsider the Keefe Tech budget. This was based on the reduced assessment noted above.

Finance Committee Recommendation – Keefe Tech:

By a vote of 10-0-0 on April 23, 2013, the Finance Committee recommends Favorable Action with regard to the South Middlesex Regional Vocational Technical High School budget under Article 12, Section A, and that the sum of \$1,270,852 be appropriated from the Tax Levy.

During the Finance Committee's public hearing regarding Keefe Tech on April 23, 2013, it was noted that this amount was based on the most recent written assessment as communicated by the Keefe Tech Superintendent. It was further noted that the assessment for Keefe Tech was paid on a quarterly basis, so there would be an opportunity to adjust the budget if necessary at the 2013 Fall Annual Town Meeting.

C. Employee Fringe Benefits

At its meeting on April 23, 2013, the Finance Committee, in a duly-noticed public hearing, voted unanimously to reconsider the Employee Fringe Benefits budget. This was based on the addition of three benefits-eligible positions to the Natick Public Schools budget.

Finance Committee Recommendation – Employee Fringe Benefits:

By a vote of 10-0-0 on April 23, 2013, the Finance Committee recommends Favorable Action with regard to the Employee Fringe Benefits budget under Article 12, Section G, and that the sum of \$15,361,236 be appropriated as noted in the motion.

During the Finance Committee's public hearing regarding the Employee Fringe Budget on April 23, 2013, the following items were noted:

- The town budgets \$12,131 for each benefit-eligible position, so the three additional FTEs are adding an additional \$36,393 to the Benefits budget.
- While health benefits are budgeted for all new benefit-eligible positions, not all new hires use the Town's health benefits. If the health benefits are not used during the fiscal year, unused funds would fall to Free Cash.

D. Article 12 – FY 2014 Omnibus Budget

At its meeting on April 23, 2013, the Finance Committee, in a duly-noticed public hearing, voted unanimously to reconsider **Article 12**. This was based on the reconsidered operational budgets for the Natick Public Schools, Keefe Tech, and Employee Fringe Benefits.

Finance Committee Recommendation – Article 12:

*By a vote of 10-0-0 on April 23, 2013, 2013, the Finance Committee recommends **Favorable Action** with regard to the subject of Article 12 and that the sum of \$126,114,473 be appropriated as specified in the individual motions for the purpose of funding the operations of the various Town departments during Fiscal Year 2014.*

Motion:

The new motions for Article 12, Sections A (Education and Learning) and G (Shared Expenses) are contained in the following pages. This packet also contains revised budget information for these sections to replace the equivalent materials in the Finance Committee's Recommendation Book. The original motions and budget information for Article 12, Sections B, C, D, E, F, H, and I, are contained in the Recommendation Book.

Please note that there are nine separate sections to this Article, motions for which will each be made, debated, and voted separately.