



Report of the Comparative Communities Subcommittee
to the Acton-Boxborough Regional School Committee

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Introduction and Background

The committee selected 9 school districts¹ and compared per pupil cost data listed on the Massachusetts Department of Elementary and Secondary Education website. We selected 6 districts with lower per pupil costs and 3 districts with higher per pupil costs.² School districts included in the study were: Belmont, Hingham, Reading, Westford, Winchester, Needham, Wellesley, Lexington and Wachusett.

We reviewed the FY15 Per-Pupil Expenditure data compiled by the Department of Elementary and Secondary Education from input provided by Massachusetts school districts.³ FY15 was the most recent year for which data were available. While the committee initially examined all function codes in the Chart of Accounts of the per pupil expenditure report, we selected 4 areas for further review: (1) health insurance/fringe benefits, (2) staffing, (3) transportation and (4) athletics and other student activities. These areas were selected because they represented a large portion of the FY15 budget or for their potential for cost savings. The districts selected for this study were then contacted via email and asked to provide data on these 4 target areas. Once this information was received, we contacted school committee members and district leadership by telephone with follow-up questions. Additional information was obtained from Mr. Roger Hatch at DESE.

It is a fiscal reality that the state grossly underfunds public schools; the foundation budget is a relic that has failed to keep pace of the cost of educating our children. We rely more and more on local tax dollars which stresses families and local taxpayers. It is within this context that we rise to the challenge year after year of maintaining our high standards and responding to our evolving needs. It is the view of the committee that comparative data is a tool that has the potential to identify resource allocation models and provide valuable insight into practices that best support student learning in a fiscally efficient way.

¹With the exception of Lexington, all school districts appear on the September 2015 *Update on Comparable Communities Analysis* by Peter Ashton.

²For inclusion rationale, see ABRSC Comparative Communities Subcommittee minutes from Tuesday, April 26, 2016.

³<http://www.doe.mass.edu/finance/statistics/ppx.html>

1. Employee Health Insurance

The committee looked at cost-sharing data for health insurance for both active and retired employees. In FY15, employee health insurance was the second highest spending category in our budget. Of the \$11M we spent on fringe benefits in FY15, \$8.5M (77%) went to health insurance for active and retired employees⁴ with a per pupil cost of \$1,429.01. Among 9 comparable districts, Acton-Boxborough ranked 6th lowest for per pupil spending on health insurance.

Employer/Employee Contributions (%)

	<u>Active Employees</u>	<u>Retired Employees</u>
A-B	75/25, 50/50	50/50
Belmont	75/25	-
Hingham	50/50	50/50
Reading	71/29	71/29
Wachusett	78/22	50/50
Westford	60/40, 65/35	50/50
Winchester	75/25	50/50, 70/30, 58.5/41.5
Needham	-	-
Wellesley	80/20, 71/29, 60/40, 50/50	50/50
Lexington	-	-

In several towns, percentages for active employees vary by plan. Acton-Boxborough offers active employees a 50/50 cost share for BCBS-MH+. Wellesley offers 80/20 for Fallon, 71/29 for Tufts, Harvard-Pilgrim and BCBS, and 50/50 for BCBS-PPO (60/40 for employees hired after July 1, 2015). A higher percentage is offered for Fallon to incentivize enrollment because Fallon is the least expensive of the plans offered. In addition, the town of Wellesley offers an opt-out payment of \$2500 for individuals and \$4500 for families if an employee has been in the plan for at least 2 years and then chooses to drop out in order to go on a spouse's plan. The employee receives this opt-out payment for 3 years.

Most towns offer 50/50 to retired employees, the lowest cost share allowed by Massachusetts law (MGL 32B). In **Hingham**, a number of years ago, retiree insurance for both teachers and administrators was 90/10 with GIC. The town moved those employees back to 50/50 with all other town employees and established a trust fund and sliding scale (down to 50/50) for the most senior in terms of years-of-service. In **Winchester**, the 50/50 split is for the PPO plan only. Winchester offers a 70/30 split for employees who retired prior to July 1, 2004 and a 58.5/41.5 split for employees who retired after July 1, 2004.

⁴This excludes OPEB.

2. Early Retirement Incentive (ERI) & Early Retirement Notification (ERN)

We asked comparable districts if they have an incentive in place for early retirement. Several districts reported that, while they do not have an ERI, they do incentivize early retirement notification:

A-B	ERI
Belmont	none
Hingham	ERN
Reading	none
Wachusett	ERN
Westford	none
Winchester	ERN
Needham	-
Wellesley	none
Lexington	-

Acton-Boxborough is the only district among our selected comparative communities that currently offers an early retirement incentive (ERI). The ERI program, which expires in 2021, offers teachers with a minimum of 15 years of service a lump sum which is calculated by multiplying the difference between the teacher's final salary and the B1 salary for that same year by a factor of 1.2, 1.0 or 0.9-0.7, depending on age. There were various iterations of the ERN incentive, three of which are described below:

In **Hingham**, a teacher with 20+ years of service receives 16% of his/her base salary when (s)he provides irrevocable, written notice of retirement by June 1st of the year prior to the retirement date. They noted, "We have no evidence that this notification motivates any teachers to retire; it may motivate some to let us know a year earlier."

Wachusett offers a one-time payment of \$1000 to each bargaining unit member who submits an intent to retire by November 1st and agrees to stay until the end of the school year.

Winchester offers sick-time buy-back for teachers with 20+ years of service for all days accrued beyond 100 at \$25/day when notice of retirement is given prior to December 1st.

3. Staffing

We compared per pupil data in 3 staffing areas:

- Certified Specialists⁵ (Function Code 2310) & Paraprofessionals/Teaching Assistants (Function Code 8398)
- Curriculum Support in 4 areas:
 - District-level Curriculum Directors with supervisory functions (Function Code 2110)
 - Dept. Heads (non-supervisory) reporting to district leadership (Function Code 2120)
 - Building-based Curriculum Leaders and Dept. Heads (Function Code 2220)
 - Building-based (non-supervisory) personnel: Curriculum Facilitators, Team Leaders, Instructional Coordinators, Dept. Chairs (Function Code 2315)
- Building Leadership (Principal’s Office, Function Code 2210)

FINDINGS

Certified Specialists & Paraprofessionals/Teaching Assistants

Several districts (Acton-Boxborough, Wellesley, Hingham) appear to rely on paraprofessionals/classroom assistants over more highly compensated certified specialist teachers, resulting in a lower per pupil cost for Function Code 2310 (see chart, below). For example, **Acton-Boxborough** has 25.6 special education students per certified specialist teacher in comparison with the median of 15.9 for our comparable communities and 6.5 special education students per paraprofessional in comparison with the median of 7.7. **Winchester** reported that they are moving to decrease the number of paraprofessionals and introduce more co-teachers (hopefully in a budget-neutral way). This initiative was launched in response to a 20% increase in students on education plans at the middle and high schools, likely due to increased performance expectations at the post elementary level. The co-teaching model is an attempt to curb pull-out instruction and more fully integrate and support diverse learners in a regular education setting at the elementary level.

Per pupil costs for Certified Specialists (FC 2310) and Paraprofessionals/Assistants (FC 8398)

	A-B	Belmont	Hingham	Reading	Wachusett	Westford	Winchester	Needham	Wellesley	Lexington
FC 2310	245.45	1,129.20	209.38	1,013.33	0	889.81	497.30	1,305.57	66.21	419.43
FC 8398	830.39	513.57	672.17	580.53	790.47	585.53	474.00	730.05	1,070.79	730.05

⁵Certified Specialists includes certified teachers who provide individualized instruction to students (in-class, pull-out, 1:1 or small group) to supplement services delivered by classroom teachers. Services include Title I Reading Specialists as well as reading recovery, academic support and language acquisition services.

Curriculum Support

There is wide variability in curriculum support staffing models among our comparable communities. **Belmont** employs 3 Elementary Curriculum Specialists at the district level (Math & Science, ELA & Social Studies and an Elementary Science Facilitator) as well as 4 Department Directors (English, Social Studies, Foreign Language & Science, Health & Technology). One individual in their Central Office oversees Curriculum for grades 5-12. **Hingham** has 5 K-12 Department Directors (English, Math, SS, Science, Foreign Language) with supervisory duties and who report to the Superintendent; they do not teach but rather coordinate curriculum and directly supervise building-based specialists. **Wachusett** employs 2 district-level staff to support professional development and teaching in K-8; there is no curriculum support at the building-level. **Winchester** similarly employs no building-based curriculum or coaching support at the elementary level. They have 2 full-time Reading Specialists at each of their elementary schools who provide direct instruction but no curriculum support. Their middle and high schools have Curriculum Directors for grades 6-12 who split their time between teaching and curriculum support. **Wellesley** employs coaches for math and literacy as well as a Math Coordinator (this is in addition to math and literacy interventionists) in 2 of their 7 elementary schools. **Needham** employs 5 Math Coaches for its 5 elementary schools, one of whom also holds the title: Head of Elementary Math Department.

Building Leadership (Assistant Principals)

The role of the Assistant Principal at the elementary level varied widely among our comparative communities. 9 districts reported that they have Assistant Principals at their elementary schools, but there was much variability in their roles. In **Needham**, for example, the Assistant Principals in 2 of 5 elementary schools also serve as the Special Education Program Coordinators for their school. **Wachusett** reported that all Assistant Principals do “double duty” as Special Education Team Chairs (some also oversee 504s), and, at one of their smaller elementary schools, there is no Assistant Principal; instead, 2 staff members received stipends to perform those duties. **Reading** has no Assistant Principals but offers stipends to teachers who take on some of their duties. **Winchester’s** Assistant Principals are half-time at 4 of their 5 elementary schools (the other half of the time, some function as Reading Specialists); they did hire 1 full-time Assistant Principal at an elementary school with a higher number of high needs students. **Belmont** does not have Assistant Principals at their elementary schools except for 1 school in which enrollment exceeded 600 students. **Acton-Boxborough** employs full-time Assistant Principals in all 6 of its elementary schools.

4. In-District Transportation

COST DRIVERS:

- number of pupils transported
- linear miles traveled per day
- bus fees
- contract/leasing costs

	A-B	Belmont	Hingham	Reading	Wachusett	Westford	Winchester	Needham	Wellesley	Lexington
In-district PP	\$552.33	\$176.38	\$379.17	\$124.02	\$648.98	\$492.56	\$775.39	\$285.01	\$350.50	\$494.24
Pupils Transported	5682 (98%)	835 (19%)	3325 (77%)	321 (7%)	6682 (89%)	3999 (77%)	1119 (25%)	1089 (19%)	1272 (25%)	2511 (37%)
Linear Miles/day	1587				2500					
FTE in-district	5643	4224	4265	4376	7329	5100	4488	5535	5022	6777
FTE OOD	146	91	60	83	216	68	71	91	72	98
OOD PP	\$6,714.64	\$8,928.16	\$7,142.85	\$8,143.75	\$5,022.44	\$4,024.89	\$1,241.91	\$11,288.27	\$7,720.40	\$5,955.94
Bus Fee	no	yes	no	yes	no	yes	yes	yes	yes	yes
In-District OOD	lease CASE	contract LABBB	lease bids	contract SEEM	contract bids	contract owns	contract SEEM	-	- owns	- LABBB

FINDINGS

1. The number of pupils that a district transports significantly impacts per pupil costs. **Reading**, for example, which had the lowest FY15 per pupil cost, transports only about 7% of students and meets this need with 2 buses, one of which is funded by bus fees; the bulk of students are transported by caregivers. **Wachusett** spends over 5 times that amount utilizing 50 buses and covering 155 sq. miles in 5 towns (Paxton, Rutland, Sterling, Princeton, Holden) to transport 89% of their students to and from school.
2. The majority of districts reported that they contract out for in-district bus service (Belmont, Reading, Wachusett, Westford, Winchester). Two districts lease their buses (Hingham, Acton-Boxborough). **Hingham** had a full service lease but is moving to service their own 22-bus fleet. Inflated costs resulting from leasing may include buyout costs that keep getting rolled into the subsequent lease agreement as occurred in **Acton-Boxborough** in FY15; the district has 30 buses and will be accepting bids for a new lease in FY18. Buses don't all come up at once; the district rotates 6 every 3 years.
3. All but 3 comparable districts charge a bus fee. State legislation permits school districts to charge a bus fee to families with children in grades K-6 living within 1.5 miles from

school and to all students in grades 7-12 except for student eligible for free or reduced lunch and students whose IEPs require it. According to a recent Boston Globe article, bus fees, a response to recession-era budget cuts in the late 2000s, were implemented to protect educational programming, services and teaching positions at a time when transportation costs were increasing 2-3% per year. There are currently 43 school districts in Massachusetts out of the 98 surveyed by the Globe who charge a bus fee. Acton-Boxborough, which uniquely affords their residents the choice to enroll their children at any one of 6 elementary schools, last considered implementing a bus fee in 2003.

Bus Fees for Comparative Communities

Belmont	\$575 (no cap)
Lexington	\$300 (cap: \$750)
Reading	\$450 (no cap)
Needham	\$395 (cap: \$800)
Wellesley	\$521 (cap: \$1042)
Westford	\$225 (1 student), \$450 (2 students), \$600 (3+ students)
Winchester	\$400 (1 student, 1-way; \$630 RT), \$625 (2 students, 1-way; \$940 RT), cap: \$720 (1-way: \$1100 RT)

5. Out-of-District Transportation

Districts appear to be utilizing several models for out-of-district transportation:

- ownership of their own fleet of vans
- bidding out for contracts
- reliance on educational collaboratives
- or a combination of the above

FINDINGS

Both **Westford** and **Wellesley** own their own fleet of vans and coordinate out-of-district transportation in-house. Westford reported that they contract out but only on an as-needed basis and only for a few routes; they do not use collaboratives to transport students though they are a member of MSEC (Merrimack Special Education Collaborative). **Hingham** and **Wachusett** solicit bids from vendors (every 3 years in Hingham and annually in Wachusett), awarding routes to the best value provider. For example, Wachusett uses Village Transportation (3 vans), AA Transportation (3 vans) and Van Pool (20 vans). In FY15 Hingham also utilized North River Collaborative, though they are not a member town. Districts relying heavily or wholly on collaboratives for their out-of-district transportation needs include: **Winchester**, **Reading** and **Acton-Boxborough**. For example, Winchester and Reading use the SEEM Collaborative for all special education transportation needs. SEEM owns the contract and bills the districts.⁶ The LABBB Educational Collaborative provides transportation for students in its member towns which include Belmont and Lexington. Students are transported to sites within the collaborative; in addition, LABBB bids out on behalf of its member towns to find the best deals for transporting non-LABBB pupils to their out-of-district placements.

⁶FY16 fees: \$225/day (7-10 passenger vehicles), \$323/day (29 passenger vehicles), \$95/hour for a van monitor. Costs for Reading were \$672,674 (58 students) and for Winchester about \$750,000 (50+ students)

6. Athletics and Other Student Activities

We compared per pupil costs for Athletics (Function Code 3510) and Other Student Activities (Function Code 3520). Although a very small portion of school budgets, this area was of interest to several committee members. Many districts have not conducted an analysis of Function Code 3520 but reported charging a nominal fee for activities. A comparable communities study for user fees was most recently conducted in Acton-Boxborough in November 2015 (see appendix).

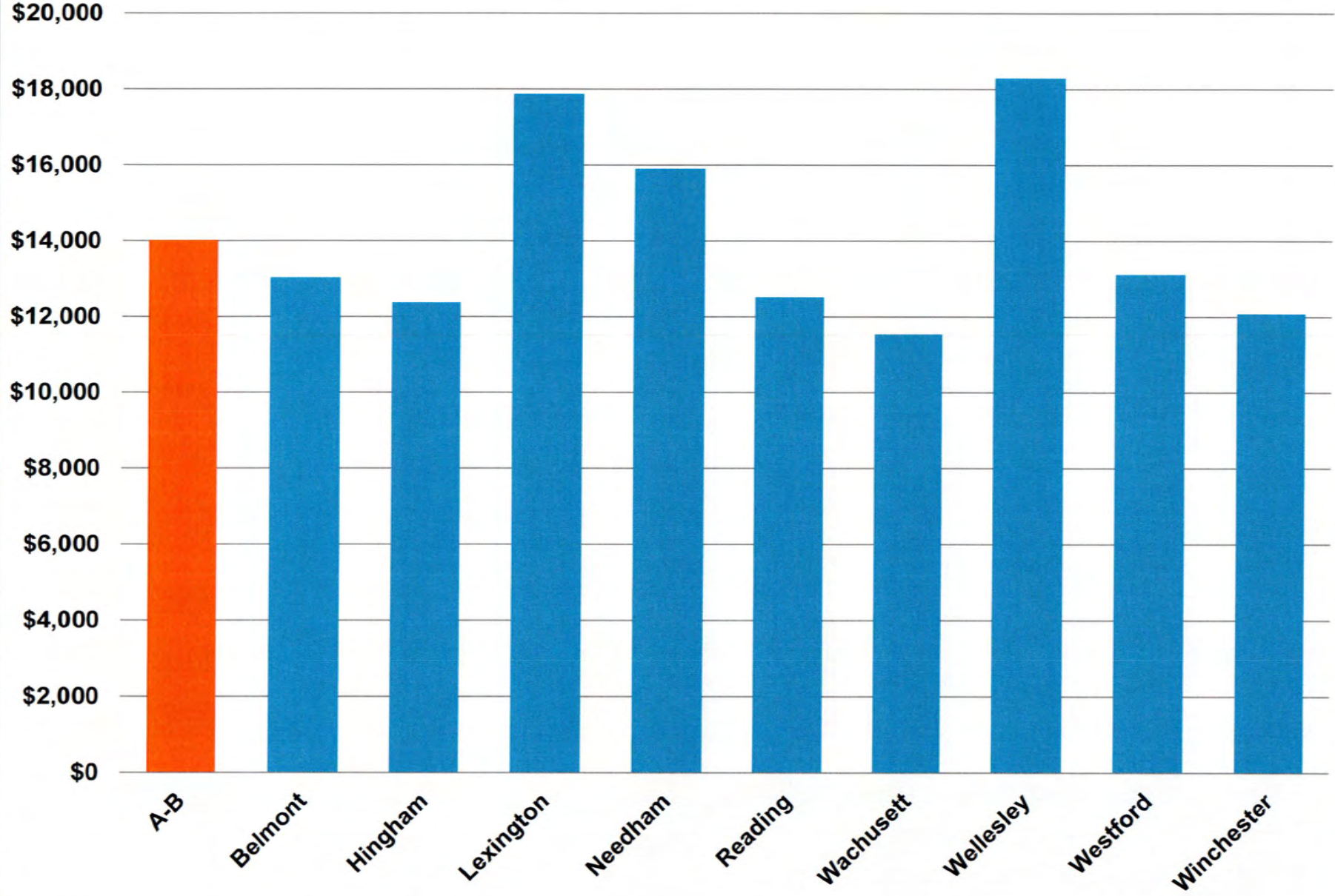
Below is a comparison of the amounts appropriated versus those covered by revolving funds for both COA 3510 and 3520 for FY15:

	<u>Athletics (3510)</u>		<u>Other Student Activities (3520)</u>	
	Appropriated	Revolving	Appropriated	Revolving
A-B	658,349	414,283	131,088	1,492,074
Belmont	276,511	471,976	97,561	71,749
Hingham	584,659	306,202	123,391	57,666
Reading	458,587	374,878	128,268	257,129
Wachusett	540,471	225,175	61,022	360,394
Westford	498,265	498,398	170,544	467,005
Winchester	293,654	747,127	103,498	39,322
Needham	478,274	674,576	234,935	0
Wellesley	771,929	531,166	66,081	728,125
Lexington	790,663	456,579	223,802	0

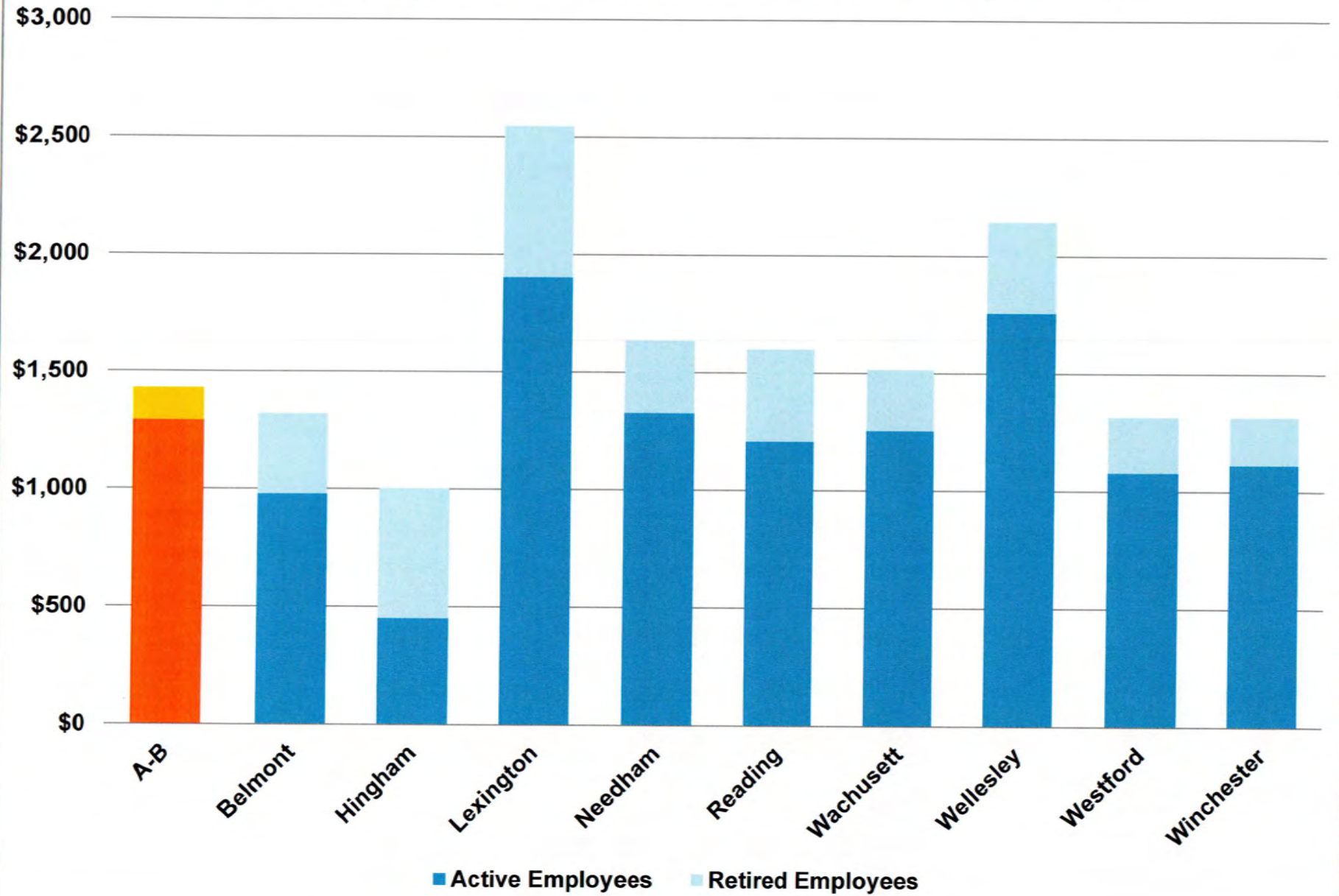
	FY15 Total Per Pupil Expenditure	FY15 Employee Health Insurance Per Pupil Expenditure - Active	FY15 Employee Health Insurance Per Pupil Expenditure - Retired	FY15 Selected Staffing Per Pupil Expenditure - Certified Specialists	FY15 Selected Staffing Per Pupil Expenditure - Paras/Assistants
A-B	14,016.00	1,290.66	138.35	245.45	830.39
Belmont	13,029.00	976.85	342.83	1,129.20	513.57
Hingham	12,368.00	449.90	552.62	209.38	672.17
Lexington	17,867.00	1,901.98	644.27	419.43	730.05
Needham	15,900.00	1,326.12	310.17	1,305.57	730.05
Reading	12,520.00	1,206.53	393.93	1,013.33	580.53
Wachusett	11,537.00	1,253.58	261.52	0.00	790.47
Wellesley	18,289.00	1,756.28	389.71	66.21	1,070.79
Westford	13,118.00	1,078.25	237.49	889.81	585.53
Wincheste	12,081.00	1,113.28	202.63	497.30	474.00

FY15 Selected Staffing Per Pupil Expenditure - Curriculum Support	FY15 Selected Staffing Per Pupil Expenditure - Building Leadership	FY15 Transportation Per Pupil Expenditure - In-District	FY15 Transportation Per Pupil Expenditure - Out-of-District	FY15 Athletics Per Pupil Expenditure	FY15 Student Body Activities Per Pupil Expenditure
343.12	548.26	552.33	6,714.64	190.06	287.61
241.36	457.17	176.38	8,928.16	177.18	40.08
189.05	489.12	379.17	7,142.85	208.87	42.45
623.99	776.01	494.24	5,955.94	184.03	33.02
552.10	609.73	285.01	11,288.27	206.30	42.45
237.80	406.63	124.02	8,143.75	190.48	87.82
137.14	528.43	648.98	5,022.44	104.47	57.50
614.71	522.98	350.50	7,720.40	259.58	158.15
178.70	516.48	492.56	4,024.89	195.42	125.00
318.68	480.38	775.39	1,241.91	231.89	31.82

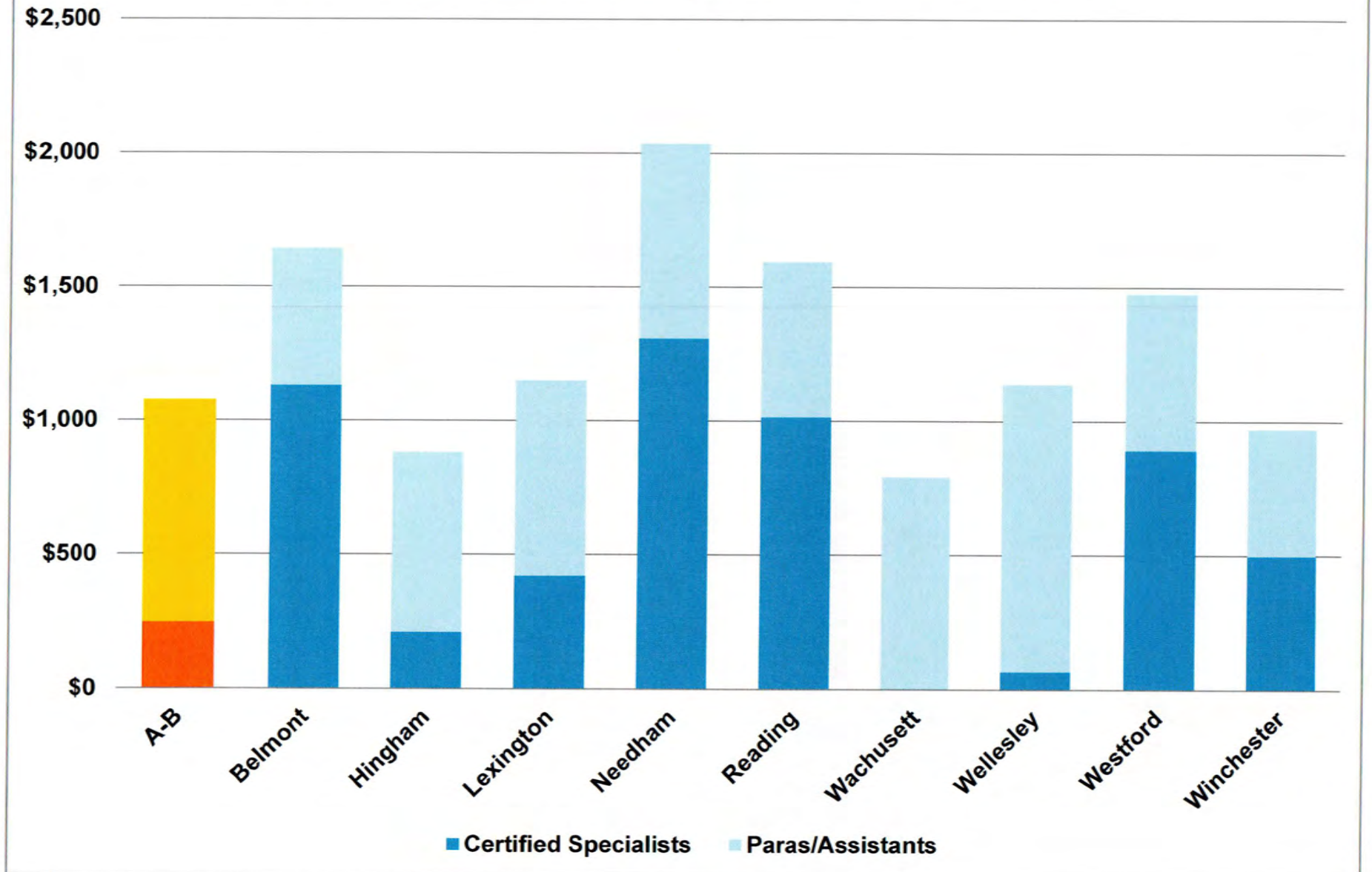
FY15 Total Per-Pupil Expenditure



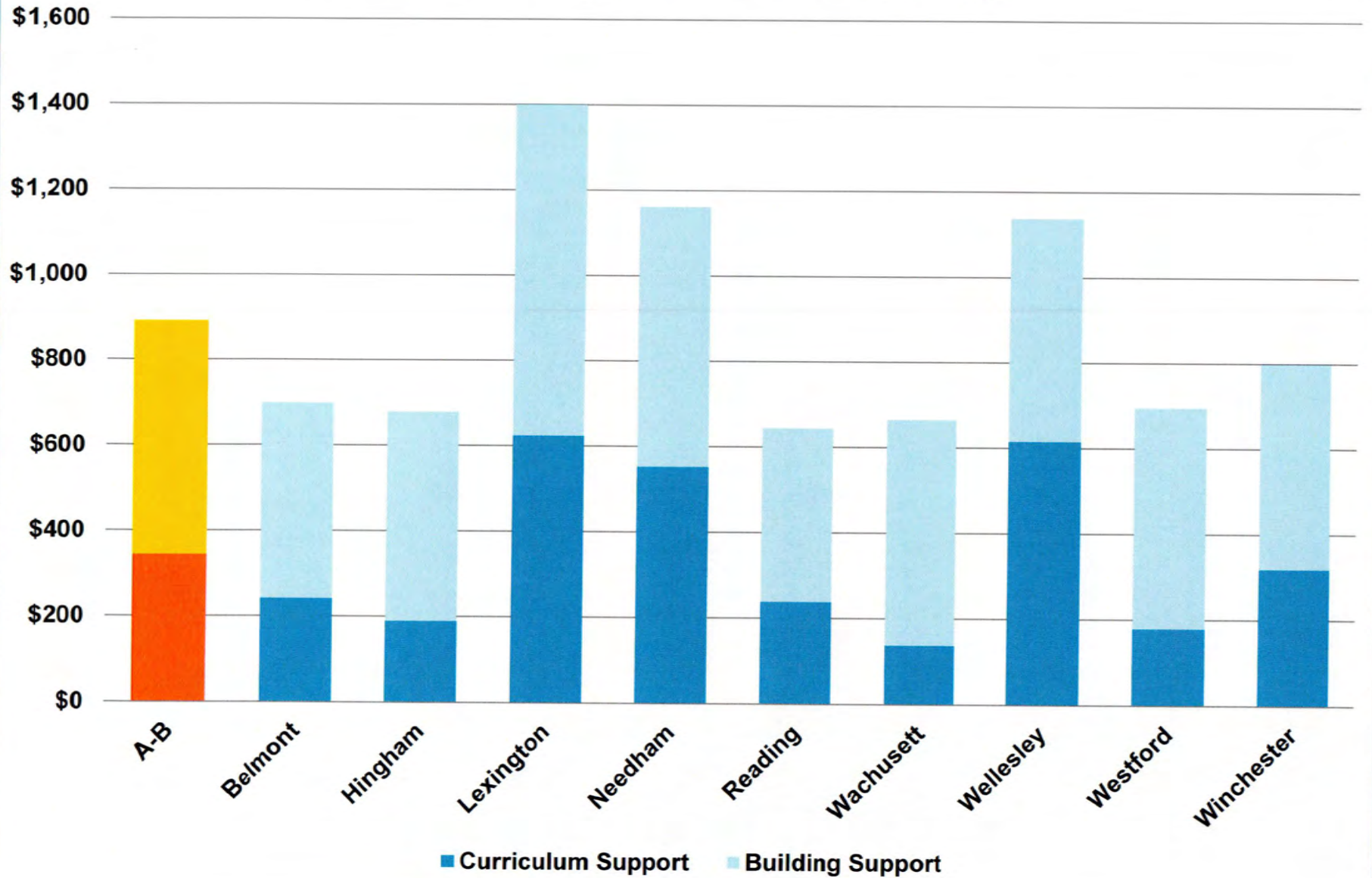
FY15 Employee Health Insurance Per-Pupil Expenditure



FY15 Selected Staffing Per-Pupil Expenditure: Certified Staff and Paraprofessionals/Assistants

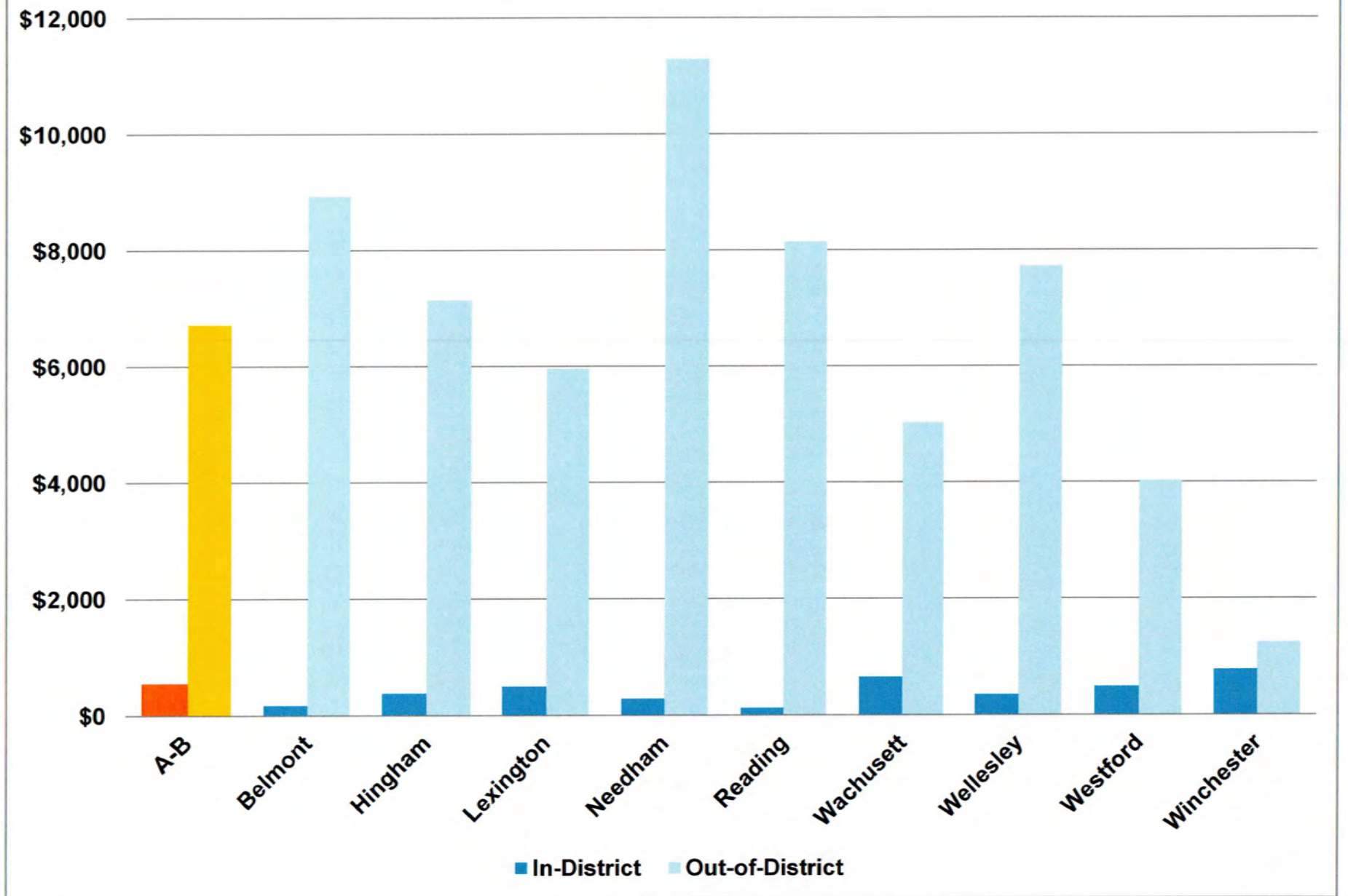


FY15 Selected Staffing Per-Pupil Expenditure: Curriculum Support and Building Support

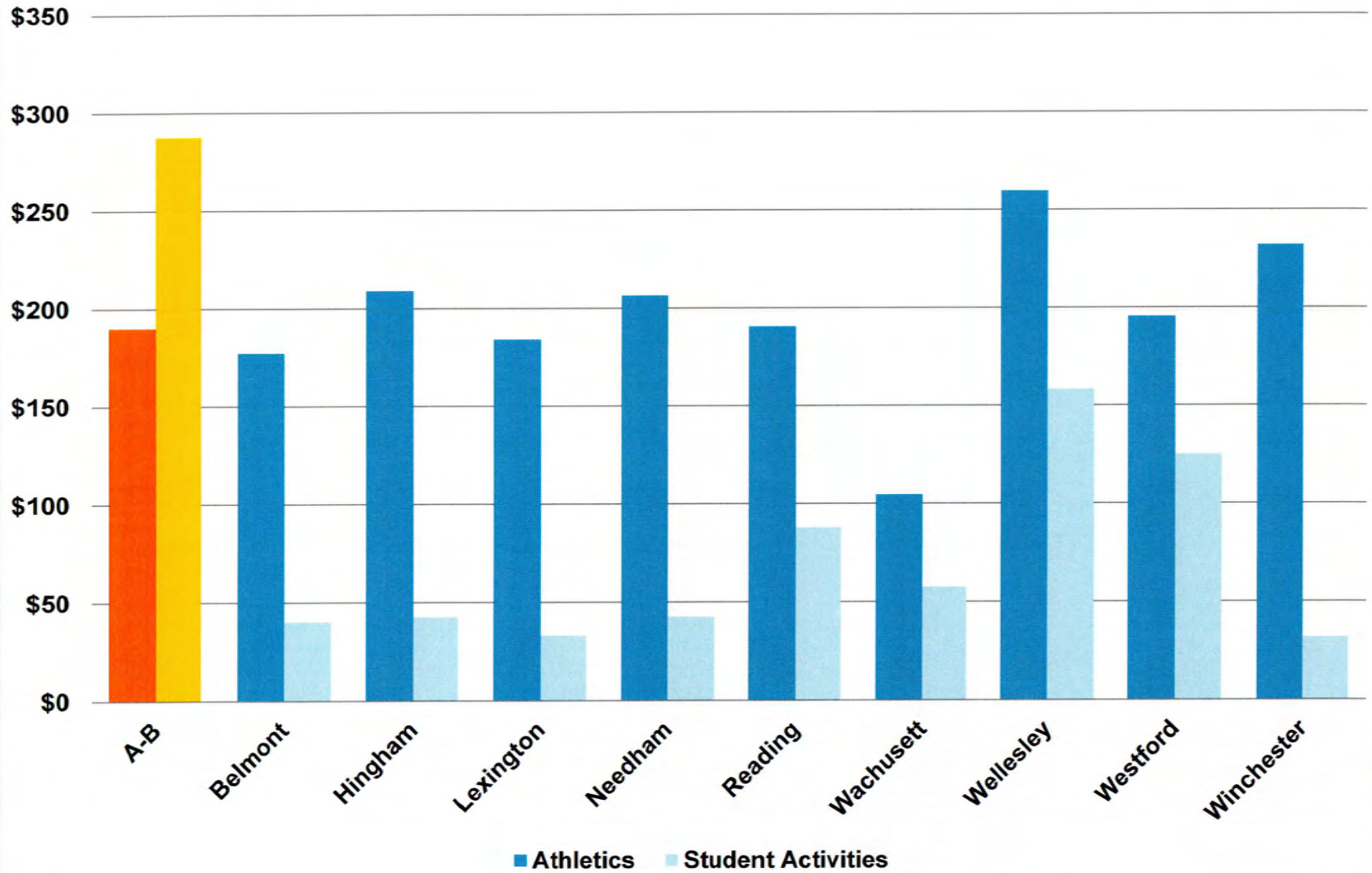


16

FY15 Transportation Per-Pupil Expenditure



FY15 Athletics and Student Activities Per-Pupil Expenditure



Additional Sources Consulted

Health Care

The Biggest Drivers of Public Employees' Rising Health Costs

<http://www.governing.com/topics/health-human-services/gov-local-government-health-coverage-costs-survey.html>

Employers Shift More Health Costs to Workers, Survey Finds

<http://www.governing.com/topics/mgmt/khn-health-care-costs-employee-survey.html>

Local Government Strategies to Address Rising Health Care Costs. Report of the Center for State and Local Government Excellence

<http://slge.org/wp-content/uploads/2014/12/LG-Strategies-to-Address-Rising-Health-Care-Costs1.pdf>

The impact of municipal health care reform on school district health insurance spending Sept. 2015

www.doe.mass.edu/research/reports/2015/09MHCR

Transportation

Most school districts can't put breaks on bus fees. Boston Globe August 20, 2015

<https://www.bostonglobe.com/metro/regionals/south/2015/08/20/school-bus-fees-persist-despite-better-times/QW8GimGRvV6bYiOYkjlRwM/story.html>

School bus fees west of Boston. Boston Globe August 21, 2015

<https://www.bostonglobe.com/metro/regionals/west/2015/08/21/what-school-districts-west-boston-charge-bus-students/G1YLeKkQ0wLkL67yvlNQxI/story.html>

Special Education Transportation Task Force Report

<http://moecnet.org/wp-content/uploads/2009/11/MOEC-SpedTranspRept0809.pdf>

Previous Acton-Boxborough Regional School Committee Meeting Materials

Report on Transportation Fees Memo from J. Landman to the School Committees, 11/24/03

Comparative Communities User Fees List, Acton-Boxborough Regional School Committee Meeting 11/19/15

Comparative Communities Subcommittee Meeting Minutes, 4/26/16

Athletics/Other Student Activities

Massachusetts Public Schools Survey of Fees (as of 7/10/16, but see individual entries for dates), D. & S. Hawkins, SuperEdNet