

Teaching and Learning with Purpose!

The Spencer-East Brookfield Regional School District's

Three Year Strategic and Financial Plan July 1, 2020 – June 30, 2023

SPENCER-EAST BROOKFIELD REGIONAL SCHOOL DISTRICT
Three Year Strategic and Financial Plan
July 1, 2020 – June 30, 2023

EXECUTIVE SUMMARY

The Spencer-East Brookfield Regional School District is moving forward to meet the needs of all students. From the district implementing a new improvement plan that includes a reading program and writing program, to 1:1 devices for all students and staff, to our district's reopening plan becoming a reality this fall, there is a sense of "teaching and learning with purpose" that has created a vibrancy and positive change on display across the District.

However, public education across the country and the Commonwealth is at a crossroads. Traditional federal funding has been reduced forcing more pressure on state and local budgets that have not been able to keep pace with the ever changing requirements of curriculum, technology, English Language Learners, and Special Education. Schools and Districts are educating an increasing number of students with more complex social, emotional, and behavioral issues that require more resources. Parents and students have more choices than ever causing uncertainty in how to plan for declining enrollment in traditional school districts. These factors and many more were highlighted in the recent report from the State Auditor titled "Updating the Structure and Finance of the Massachusetts Regional School Districts." The District is facing several important issues that have to be addressed over the next three years to insure the sustainability and long-term viability of SEBRSD; stabilizing enrollment, continuing to update curriculum and technology, and improving infrastructure. All of these issues and their solutions have one fact in common; they all require systematic funding increases to reach the goal of long-term viability of our District. This in turn forces the member towns and their residents to assess what level of educational opportunities they want for their students and to reach consensus on how to support SEBRSD with the same fervor that is now reserved for other competing options.

STABILIZING ENROLLMENT

Stabilizing enrollment must be a key strategy as funding follows the student and our funding has been following students away from SEBRSD in accelerated fashion over the past decade. The District must promote the attributes of each school, especially the High School, in a variety of platforms to market itself to taxpayers who have traditionally supported the home district. The competition for students has allowed all other districts and schools to market to our students on an uneven playing field that favors them and puts us at an unfair disadvantage to be the choice of our own residents. We know that we need to do a better job of reaching out to students and parents; to offer programs that inform both students and their parents; and to let all families know of the great opportunities that exist in every school within our regional school district. It is no longer acceptable to point the blame in other directions for we can influence the decisions parents and students make by focusing on what we have to offer that differentiates us from other educational options.

TECHNOLOGY

The District has begun the work of updating current technology, no longer defined as desktop computing or workstations and traditional computer labs. Technology is changing rapidly as evidenced by the many high school students in the Commonwealth bringing their own devices to school and integrating all aspects of curriculum, teaching and learning into their technologies.

All students at David Prouty High School now have their own Chrome Books that are with them from freshman year through graduation. As you know in 2018, the Department of Elementary and Secondary Education began requiring that all MCAS Next Generation testing be computer-based, requiring broadband capacity and enough devices for all students to connect within the test windows dictated by DESE. Earlier in 2017, SEBRSD completed the wireless project that provides wireless coverage and capacity in every school. Furthermore, as there were over 17,000 jobs in technology-related fields that were unfilled in MA as of July 1, 2017, DESE is looking at making computer science a part of the foundational curriculum as a high school graduation requirement, thereby putting emphasis on additional resources needed to make that goal a reality.

The Director of Academic Affairs presented a timeline for implementation of the District's technology needs in June 2018. It included continuing the Chrome Book initiative, and updating servers and backup solutions to keep our data secure. These initiatives are not simply nice to have, but are necessary for the District to communicate, store data, improve learning, and integrate curriculum into technology platforms to prepare our students for today's school and career paths. The cost to fund these initiatives averages approximately \$140,000 in each year of this plan. These solutions are best practices and allow us to keep pace with the demands of a twenty-first century education.

All aspects of technology supporting teaching and learning from printers and copiers to our website to Google Apps make education more dynamic with a deeper texture to support our students. Who had the crystal ball that could have predicted that chalkboards would be replaced by whiteboards, which were replaced by Smartboards that are now being replaced by flat screen computing? What could be next? Balancing future needs with recent expenditures is a cost benefit analysis of the highest magnitude. The unlimited storage of the Cloud has freed up budgeting for expensive traditional storage; but, what about security and privacy concerns. The cottage industry that is educational technology produces more questions than answers about when to spend how much with whom on what.

CURRICULUM

Curriculum is being re-defined constantly, from a Nation at Risk, to No Child Left Behind, to Race to the Top, to the current Every Student Succeeds Act (ESSA) that governs public education across the country. Certainly what we teach, when we teach it, and how we teach it has changed almost as rapidly. The skills needed today for college and career success emphasize how to break down and synthesize information, the ability to read complex text, sharing work in a team, how to search for data and prove that it is valid, and how to present material in a clear and concise manner using multiple technologies.

Keeping curriculum current to match these skills has been much of the ongoing work done over the past few years under the umbrella of Race to the Top and the Common Core Initiative. It is still evolving as mentioned above regarding the discussion of including computer science as a curriculum requirement. Due to the budget constraints of 2009-2015 when the general fund budget only moved up minimally, the District is trying to catch up with technology needs as well as updating the curriculum in order to match the requirements of teaching and learning in 2018-2019 and beyond.

The District did make some headway during 2014-2017 and realized several important improvements. The curriculum has been mapped to current frameworks in scope and sequence; and learning expectations have been set, but training is still needed for the next step, which is assessment of evidence. Resources need to be set aside for teachers to develop assessments that will allow students to provide evidence of meeting learning outcomes that match content mastery to give all students opportunities to meet the demands of an ever-changing workplace. The position of Director of Academic Affairs, or whatever one chooses to call it, is essential. This position is integral to continuing our curriculum and technology alignment to keep us moving forward with the best opportunities for our students. It is a must-have position and must be maintained in the years ahead; or we will continue to be mired in mediocrity and not have the opportunity to achieve excellence.

We completed implementation of our K-12 literacy program with leveled reading book rooms in each school and we are using common assessments to assess student reading levels. We continue to have several important areas to address including: evaluating social studies curriculum, supporting social and emotional learning for many of our students, including Digital Citizenship as a part of K-12 curriculum, project-based learning, addressing increased numbers of English language learners, and continued integration of technology supporting teaching and learning. These areas must be studied, resources allocated, and solutions implemented.

It cannot be stated often enough or with enough emphasis, the District needs to fully fund a position of curriculum leadership to continue the ongoing work of ensuring that SEBRSD has an up-to-date, comprehensive, and effective curriculum for all students, in all grades, in all classrooms. If this cannot happen soon, then we will repeat the mistakes of the past (2011-2015) which put us at a distinct disadvantage in offering our students relevant and quality educational opportunities to meet the demands of an ever-changing world.

IMPROVING INFRASTRUCTURE

All of our schools are in need of infrastructure improvements, with David Prouty High School facing the most immediate and pressing issues. Wire Village School and East Brookfield Elementary School have areas to be addressed and Knox Trail Middle School has the fewest immediate concerns; but all schools must be included in the long-term operation and maintenance planning for the District.

The District learned that David Prouty High School would move forward from Module 2 to Module 3 of its Core Project in October 2020.

The installation of new boilers at David Prouty High School in the fall of 2018 addressed a serious need. The capital improvement projects for the district throughout the 2018-2019 school year made significant investments and improvements in the boilers, lights, controls and various aspects of the HVAC system.

All of our schools get praise from vendors and visitors alike as to how well maintained they are and how good they look for their age. This is a tribute to our custodial staff who go above and beyond every day to make sure that students and staff learn and work in a safe environment as well as protecting the investment of the taxpayers of our towns by their diligence in all they do to keep the buildings looking and functioning so well. The maintenance of these facilities is essential and will require the monies to support the custodians in their work.

Spencer East Brookfield RSD

BASELINE ANALYSIS

NOVEMBER 2020

Introduction

- There is a growing need to help school districts deal with changes resulting from both declining enrollments and reduced State fiscal support. Spencer East Brookfield has seen an enrollment decline. The district's enrollment has declined by 25% over the last seven years (head count) and 826 students or 35% (foundation enrollment) since the inception of Ed Reform in 1993.
- The Superintendent asked the Fiscal Overseer to assist in developing a baseline of enrollment, staffing and finances and a "do nothing" scenario to project where SEB will be in five years if the District does not change its business model.

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Introduction

This presentation includes information on:

- Enrollment and Staffing Data
- Financial Data
- Baseline
- Projections

Data has been compiled substantially from the district, DESE and DOR websites.

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Enrollment and Staffing Data

The following slides present enrollment and staffing information for Spencer East Brookfield.

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The district's enrollment has declined by 25% over the last seven years.

Total Head Count Enrollment (October)

| FY2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Chg |
|--------|-------|-------|-------|-------|-------|-------|------|
| 1,844 | 1,699 | 1,581 | 1,394 | 1,366 | 1,379 | 1,380 | -464 |

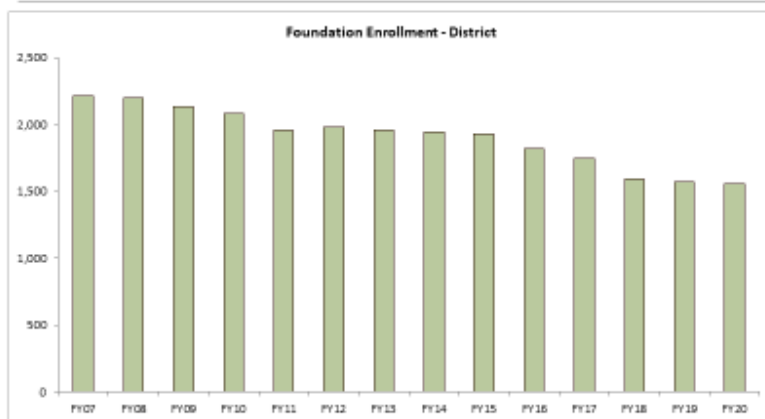
Enrollment by school, FY20

| School Name | PK | K | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | SP | Total |
|----------------------------|----|----|----|----|-----|----|----|-----|-----|-----|----|----|----|----|----|-------|
| David Prouty High | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75 | 63 | 64 | 59 | 0 | 261 |
| East Brookfield Elementary | 80 | 26 | 19 | 23 | 23 | 24 | 17 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 240 |
| Knox Trail Middle School | 0 | 0 | 0 | 0 | 0 | 0 | 89 | 114 | 112 | 123 | 0 | 0 | 0 | 0 | 0 | 438 |
| Wire Village School | 0 | 90 | 75 | 97 | 109 | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 441 |

DESE October enrollment statewide report, School and District Profiles

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SEB's foundation enrollment is declining



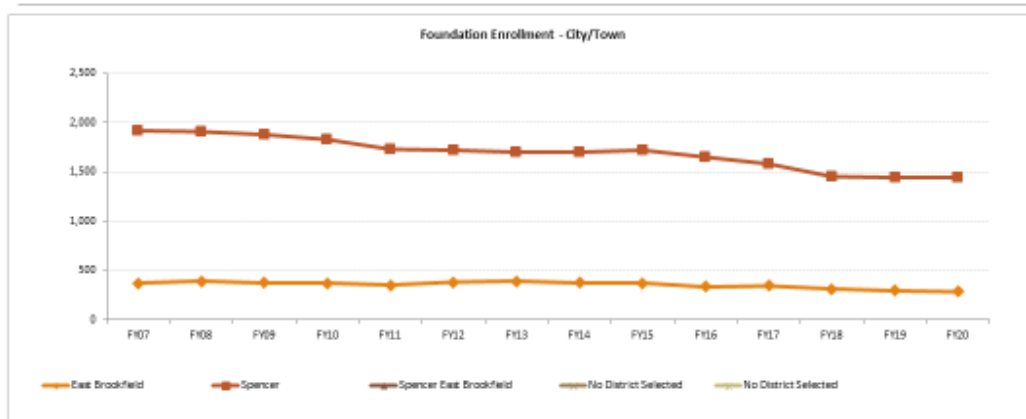
Foundation enrollment are resident students who live in Spencer or East Brookfield and attend a public school.

SEB is financially responsible for these students.

Choice and charter out students are part of the foundation enrollment and not part of their head count.

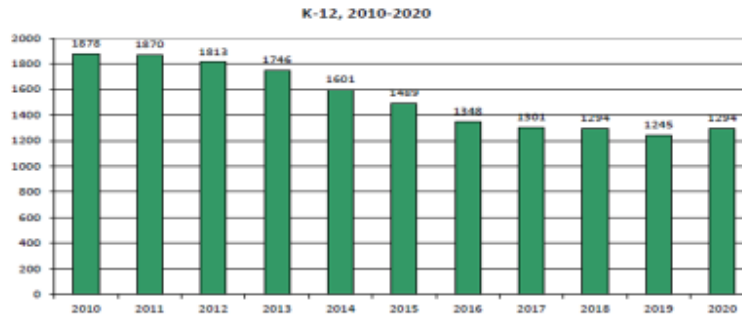
Choice in students are part of SEB's head count but not included in foundation enrollment.

Foundation enrollments are declining in each town



NESDEC Historical Enrollment

NESDEC Spencer-East Brookfield, MA Historical Enrollment



NESDEC's 10 year historical analysis of resident head count shows the decline has leveled off in 2019 and has increased in 2020.

Need to confirm that NESDEC enrollment is resident head count. No choice and charter out and no choice in students.

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Selected Populations

Enrollment by Selected Populations, FY20 (October 2019)

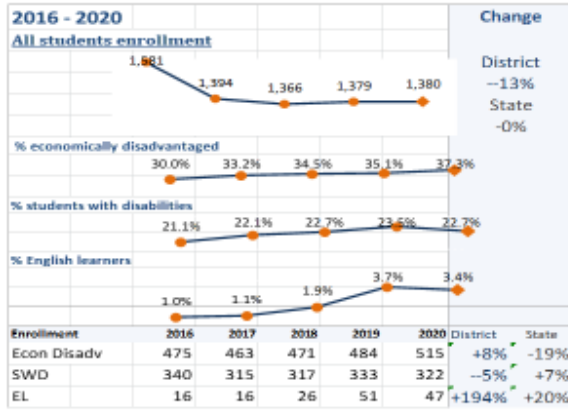
| FY20 | Economically Disadvantaged | English Language Learners | Students with Disabilities |
|-------------------------|----------------------------|---------------------------|----------------------------|
| Spencer East Brookfield | 515 students 37.3% | 11 students .6% | 322 students 22.7% |

Compared to other K-12 regions in its geographic area, in 2019, Spencer East Brookfield had a higher than average proportion of the above selected student populations.

DESE October enrollment statewide report, School and District Profiles

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Enrollment Trends Last Five Years



SEB's enrollment has declined leveling off the past two years.

SEB has seen an increase in economically disadvantaged, students with disabilities, and English learner students.

Source: DESE RADAR Report

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SEB sending significantly more students out via school choice than it receives

| Spencer E. Brookfield | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|-------|--------|--------|--------|--------|--------|--------|
| Receiving | 64.3 | 54.5 | 44.2 | 40.6 | 52.6 | 61.8 | 66.2 |
| Sending | 146.1 | 188.7 | 210.2 | 210.0 | 209.6 | 194.1 | 178.9 |
| Net School Choice | | | | | | | |
| Receiving | -81.8 | -134.2 | -166.0 | -169.4 | -156.9 | -132.4 | -112.7 |

Over the above period, a consistently high number of students from this district attend other districts via school choice.

Edited 11/2/2020, reflects reporting from June

DESE October enrollment statewide report, School and District Profiles

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In this district, the relatively high number of paraprofessionals and administrative clerks/secretaries, is notable.

Total Staff Reported in EPIMS (2019)

| Oct 2019 EPIMS Data (drawn from DART) | Staff FTEs | Students to staff | State Data |
|---------------------------------------|------------|-------------------|------------|
| Admin/instructional leaders* | 11.8 | 117:1 | 113:1 |
| Instructional coaches | 0.3 | -- | 752:1 |
| Teachers | 112.9 | 12.2:1 | 12.9:1 |
| Paraprofessionals | 50.2 | 27:1 | 38:1 |
| Instructional support | 7.5 | 183:1 | 197:1 |
| SPED related staff | 11.8 | 117:1 | 177:1 |
| Medical/health | 3.8 | 363:1 | 464:1 |
| Clerks/secretaries | 15.0 | 92:1 | 114:1 |
| Technology support | 3.5 | 394:1 | 687:1 |

*includes district leaders, other instructional leaders and school leaders

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Total Staff Reported in EPIMS (2019)

| JobName | District | Central Office | East Brookfield | Wire Village School | Knox Trail MS | Prouty High |
|-----------------------------------|----------|----------------|-----------------|---------------------|---------------|-------------|
| Superintendent | 1.0 | 1.0 | | | | |
| Business Official | 1.0 | 1.0 | | | | |
| Other District Administrator | 1.0 | 1.0 | | | | |
| Director Pupil Personnel | 0.3 | 0.3 | | | | |
| SPED Administrator | 0.3 | 0.3 | | | | |
| Director Assessment | 0.2 | 0.2 | | | | |
| Director Curriculum | 0.2 | 0.2 | | | | |
| Director English Language Learner | 0.3 | 0.3 | | | | |
| Director Technology | 0.2 | 0.2 | | | | |
| Director Professional Development | 0.2 | 0.2 | | | | |
| Principal | 4.0 | | 1.0 | 1.0 | 1.0 | 1.0 |
| Asst Principal | 3.0 | | | 1.0 | 1.0 | 1.0 |
| Teacher | 100.2 | | 16.6 | 25.6 | 30.7 | 27.4 |
| Co-teacher | 3.5 | | | 0.9 | 0.7 | 2.0 |
| Teacher - Support Content | 8.3 | | 2.6 | 5.3 | 0.3 | 0.3 |
| Instructional Coach | 0.2 | 0.2 | | | | |
| Guidance Counselor | 5.0 | | | 1.0 | 2.0 | 2.0 |
| Librarian/Media Director | 0.0 | | | | | 0.0 |

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Total Staff Reported in EPIMS (2019)

| JobName | District | Central Office | East Brookfield | Wire Village School | Knox Trail MS | Prouty High |
|---|-----------------|-----------------------|------------------------|----------------------------|----------------------|--------------------|
| <i>School Adjustment Counselor/Non-SPED</i> | 3.0 | | 1.0 | 1.0 | | 1.0 |
| <i>School Psychologist/Non-SPED</i> | 2.0 | | 0.5 | 0.8 | 0.3 | 0.3 |
| <i>Occupational Therapist</i> | 1.8 | | 0.5 | 0.5 | 0.5 | 0.3 |
| <i>Physical Therapist</i> | 1.0 | | 0.3 | 0.3 | 0.3 | 0.3 |
| <i>Speech Pathologist</i> | 4.0 | | 1.0 | 2.3 | 0.3 | 0.3 |
| <i>Other Related SPED Staff</i> | 6.1 | | 1.8 | 2.5 | 0.9 | 0.8 |
| <i>Paraprofessional</i> | 57.0 | | 16.8 | 23.0 | 11.2 | 6.0 |
| <i>School Nurse/Non-SPED</i> | 4.1 | | 1.0 | 2.1 | | 1.0 |
| <i>Administrative Clerk</i> | 13.6 | 4.0 | 2.6 | 2.0 | 3.0 | 2.0 |
| <i>SPED Administrative Clerk</i> | 2.0 | 2.0 | | | | |
| <i>Information Services/Tech Support</i> | 3.8 | 3.8 | | | | |
| <i>Other Administrative Support</i> | 1.2 | 1.2 | | | | |
| | 228.7 | 16.0 | 45.7 | 69.2 | 52.1 | 45.6 |

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Key Takeaways

Spencer E. Brookfield's enrollment is in decline.

Many resident students leave the district via school choice to attend other districts.

In certain categories like paras and clerks/secretaries, the district staffs at a relatively high level for its size.

This district has a high proportion of selected populations, Students With Disabilities in particular, compared to the surrounding regions.

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Financial Baseline

- ❑ The objective is to establish a baseline of district revenues and expenditures to support the financial analysis and to provide historical data.
- ❑ Based on DESE financial data (DART, RADAR, Profile, Key Factors)
 - ❑ DART reports provide a historical baseline of finance and staffing data. There are 14 DART reports, a number of which are included in this presentation.
 - ❑ RADAR reports (Resource Allocation and District Action Reports) provide state comparative data about how districts use their money, staff and resources. There are seven RADAR reports of which a number are included in this presentation.
 - ❑ Spencer East Brookfield's budget data provides a baseline of revenues, including town assessments and expenditures.
 - ❑ Chapter 70 provide trends, aid components, foundation enrollment and other data.
 - ❑ NESDEC and school choice provide other enrollment trends.

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Per Pupil Spending

| SELECT COMPARISON DISTRICTS | | | | | 2020 Students | | | |
|---|---------------|---------------------------|--------------------------------|--|----------------|-------------|------|-----|
| Select up to ten comparison districts in the blue cells (use drop-down or type district name) Delete and re-select comparison names if you select a new target district above | Grades Served | 2019 \$/in-district Pupil | 2020 Relative District Wealth* | | Total Enrolled | Econ Disadv | SWD | EL |
| | | | | | # | % | % | % |
| Berkshire Hills | PK-12 | \$22,501 | 129% | | 1,185 | 30.7 | 18.9 | 3.8 |
| Mohawk Trail | PK-12 | \$21,094 | 61% | | 845 | 34.2 | 22.8 | 0.8 |
| Dover-Sherborn | 6-12 | \$20,962 | 208% | | 1,204 | 3.3 | 17.2 | 0.5 |
| Manchester Essex | PK-12 | \$18,266 | 171% | | 1,370 | 8.4 | 17.1 | 0.7 |
| Spencer-E Brookfield | PK-12 | \$15,799 | 49% | | 1,380 | 37.3 | 22.7 | 3.4 |
| Quabog | PK-12 | \$14,386 | 38% | | 1,228 | 37.9 | 18.7 | 1.3 |

Comparative districts selected based on similar student demographics and wealth factors.

SEB's per pupil spending is on the low side when compared to districts with similar student demographics or wealth.

SEB's relative wealth is on the low side of the comparative districts.

SEB has proportionally higher percentages of economically disadvantaged, students with disabilities and English learners than the other districts.

Source: DESE RADAR Report

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SEB FY21 Budget Summary

FY21 EXPENSE BUDGET

| Cost Center | Revised 27-Aug |
|--------------------------------|-------------------|
| District Wide | 9,644,586 |
| Wire Village Elementary | 2,485,157 |
| Knox Trail Middle School | 2,324,542 |
| East Brookfield Elementary | 1,018,005 |
| David Prouty High School | 2,727,447 |
| Student Services/Spec Ed: | |
| Pre-School | 340,437 |
| Student Services | 4,471,136 |
| WVS Special Education | 668,368 |
| KT Special Education | 705,322 |
| EBE Special Education | 357,326 |
| DPHS Special Education | 288,949 |
| Total Student Services/Spec Ed | 6,831,538 |
| Buildings and Grounds | 1,485,733 |
| Total | 26,517,008 |

FY21 REVENUE BUDGET

| General Fund Revenues: | FY 2021 |
|---|-------------------|
| State Revenue: | |
| Chapter 70 | 13,695,254 |
| Chapter 71 Transportation | 570,095 |
| McKinney Vento | |
| Charter School Reimbursement | 207,160 |
| Total State Revenue | 14,472,509 |
| District Revenue: | |
| Medicaid Reimbursement | 225,000 |
| Investment Income | 30,000 |
| E-Rate Reimbursement | 51,000 |
| Excess & Deficiency | 177,500 |
| Excess & Deficiency-Siemens Lease | 286,983 |
| Total District Revenue | 770,483 |
| Assessment Revenue: | |
| Total East Brookfield Assessment | 2,172,624 |
| Total Spencer Assessment | 9,101,392 |
| Total Assessment Revenue | 11,274,016 |
| Total General Fund Revenues | 26,517,008 |

Source: SEB FY21 Budget

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SEB FY21 Expense Budget

| Cost Center | Revised 27-Aug | % |
|--------------------------------|-------------------|-------------|
| District Wide | 9,644,586 | 36.4% |
| Wire Village Elementary | 2,485,157 | 9.4% |
| Knox Trail Middle School | 2,324,542 | 8.8% |
| East Brookfield Elementary | 1,018,005 | 3.8% |
| David Prouty High School | 2,727,447 | 10.3% |
| Student Services/Spec Ed: | | |
| Pre-School | 340,437 | |
| Student Services | 4,471,136 | |
| WVS Special Education | 668,368 | |
| KT Special Education | 705,322 | |
| EBE Special Education | 357,326 | |
| DPHS Special Education | 288,949 | |
| Total Student Services/Spec Ed | 6,831,538 | 25.8% |
| Buildings and Grounds | 1,485,733 | 5.6% |
| Total | 26,517,008 | 100% |

- District-wide account constitutes 36.4% of the budget followed by Student Services/SPED, David Prouty High School, Wire Village, Buildings and Grounds, Knox Trail and E Brookfield.

Source: SEB FY21 Budget

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SEB General Fund Revenues

| General Fund Revenues: | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2021 | % |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| State Revenue: | | | | | | |
| Chapter 70 | 13,448,544 | 13,492,619 | 13,585,674 | 13,632,154 | 13,695,254 | |
| Chapter 71 Transportation | 497,786 | 514,912 | 610,246 | 424,546 | 570,095 | |
| McKinney Vento | 0 | 0 | 0 | 0 | | |
| Charter School Reimbursement | 10,501 | 7,955 | 7,955 | 50,048 | 207,160 | |
| Total State Revenue | 13,956,831 | 14,015,486 | 14,203,875 | 14,106,748 | 14,472,509 | 54.6% |
| District Revenue: | | | | | | |
| Medicaid Reimbursement | 69,100 | 151,940 | 225,000 | 225,000 | 225,000 | |
| Investment Income | 5,200 | 5,200 | 10,000 | 18,000 | 30,000 | |
| E-Rate Reimbursement | | | | | 51,000 | |
| Excess & Deficiency | | 209,462 | 367,688 | 180,000 | 177,500 | |
| Excess & Deficiency-Siemens Lease | 0 | 0 | 0 | 0 | 286,983 | |
| Total District Revenue | 74,300 | 366,602 | 602,688 | 423,000 | 770,483 | 2.9% |
| Assessment Revenue: | | | | | | |
| Total East Brookfield Assessment | 1,957,969 | 2,027,412 | 2,142,006 | 2,239,439 | 2,172,624 | |
| Total Sponsor Assessment | 7,842,958 | 8,077,789 | 8,430,487 | 8,677,403 | 9,101,392 | |
| Total Assessment Revenue | 9,800,927 | 10,105,201 | 10,572,493 | 10,916,842 | 11,274,016 | 42.5% |
| Total General Fund Revenues | 23,832,058 | 24,487,289 | 25,379,056 | 25,446,590 | 26,517,008 | 100.0% |
| Dollar Annual Increase | | 655,231 | 891,767 | 67,534 | 1,070,418 | |
| Percent Annual Increase | | 2.7% | 3.6% | 0.3% | 4.2% | |

- The district has a \$26.5m budget.
- The district's budget has increased \$2.7 million or 11.3% over the past four years.
- State aid funds about 55% of the District's budget.
- District revenue Funds about 3% of the budget.
- Town assessments funded between about 42% of the District's annual budget.

Source: SEB Budget

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SEB General Fund Revenues

| Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2021 |
|--------------------|---------|---------|---------|---------|---------|
| State Revenue | 58.6% | 57.2% | 56.0% | 55.4% | 54.6% |
| District Revenue | 0.3% | 1.5% | 2.4% | 1.7% | 2.9% |
| Assessment Revenue | 41.1% | 41.3% | 41.7% | 42.9% | 42.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

- There is a slight shift in funding.
- State revenues have declined by 4%.
- District revenues and local town assessments have slightly increased over the past five years.

Source: SEB Budget

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Town Assessments over the Last Five Years

| Assessment Revenue: | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | 5 Yr Inc | 5 Yr % | Town % |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------|--------------|
| East Brookfield | | | | | | | | | |
| Operating-Minimum Required | 1,329,724 | 1,399,160 | 1,486,899 | 1,550,106 | 1,588,873 | 1,679,723 | 349,999 | 23.8% | |
| Operating-Over Minimum | 104,436 | 105,848 | 121,991 | 111,023 | 76,643 | 4,465 | -99,971 | -6.8% | |
| Total Operating | 1,434,160 | 1,505,008 | 1,608,890 | 1,661,129 | 1,665,516 | 1,684,188 | 250,028 | 17.0% | |
| Transportation | 259,019 | 257,064 | 272,411 | 317,685 | 287,377 | 297,171 | 38,152 | 2.6% | |
| Debt | 264,790 | 265,340 | 260,705 | 260,625 | 31,158 | 35,110 | -229,680 | -15.6% | |
| Capital | | | | | | 156,155 | 156,155 | 10.6% | |
| Total East Brookfield Assessment | 1,957,969 | 2,027,412 | 2,142,006 | 2,239,439 | 1,984,051 | 2,172,624 | 214,655 | 14.6% | 11.0% |
| Spencer | | | | | | | | | |
| Operating-Minimum Required | 5,907,839 | 6,141,236 | 6,330,697 | 6,474,695 | 6,899,385 | 7,197,432 | 1,289,593 | 87.5% | |
| Operating-Over Minimum | 485,530 | 495,354 | 578,109 | 512,069 | 366,127 | 18,107 | -467,423 | -31.7% | |
| Total Operating | 6,393,369 | 6,636,590 | 6,908,806 | 6,986,764 | 7,265,512 | 7,215,539 | 822,170 | 55.8% | |
| Transportation | 1,204,195 | 1,203,024 | 1,290,943 | 1,466,957 | 1,372,785 | 1,203,209 | 1,014 | 0.1% | |
| Debt | 245,394 | 238,175 | 230,738 | 223,082 | 364,048 | 349,721 | 104,327 | 7.1% | |
| Capital | | | | | | 330,923 | 330,923 | 22.5% | |
| Total Spencer Assessment | 7,842,958 | 8,077,789 | 8,430,487 | 8,677,403 | 9,002,345 | 9,101,392 | 1,258,434 | 85.4% | 16.0% |
| Total Assessment Revenue | 9,800,927 | 10,105,201 | 10,572,493 | 10,916,842 | 10,986,396 | 11,274,016 | 1,473,089 | 100.0% | 15.0% |
| East Brookfield | 20.0% | 20.1% | 20.3% | 20.5% | 18.1% | 19.3% | | | |
| Spencer | 80.0% | 79.9% | 79.7% | 79.5% | 81.9% | 80.7% | | | |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | | |

Assessments have increased \$1,473,089 or 15% over the last five years with East Brookfield increasing \$214,655 (11%) and Spencer increasing \$1.2 million or 16%.

Spencer finances about 80 – 81% of the assessments with East Brookfield finances 19 – 20% of the assessments.

Source: SEB FY21 Budget

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Chapter 70 Key Terms

- A foundation budget** is calculated for each school district, representing the minimum spending level needed to provide an adequate education. The foundation budget is adjusted each year to reflect changes in the district's enrollment; changes in student demographics (grade levels; low income status; English language proficiency); inflation; and geographical differences in wage levels. The foundation budget is substantially based on **foundation enrollment** which are resident students that live in the district and attend a public school.
- A local contribution** represents the amount of local appropriations required to meet net school spending. This is a town-wide calculation, one each for the two member towns.
- A local district contribution** is the amount of the town-wide calculation, allocated to each of the regional districts to which each town belongs.
- Chapter 70 Aid** represents the amount of state aid to finance the state share of the foundation budget. Chapter 70 aid is generally composed of Foundation Aid and or Minimum Aid.
- Net School Spending** is the sum of the Chapter 70 aid distribution amount and the local required district contribution and must be equal to or greater than the foundation budget. Preliminary NSS numbers are issued by DESE in January. Final NSS numbers are issued after the state budget is approved.
- Student Opportunities Act (SOA)** the bill implements the major recommendations of the Foundation Budget Review Commission (FBRC), incorporates other enhancements to the Commonwealth's school funding framework, and codifies the formula changes that have previously been implemented through annual provisions in the state budget.

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0767 Spencer East Brookfield



0767 Spencer East Brookfield

Source: DESE Ch 70 District Profiles

SEB's Ch 70 Aid Components

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| | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Enrollment | 2,212 | 2,201 | 2,133 | 2,062 | 1,960 | 1,930 | 1,961 | 1,940 | 1,931 | 1,809 | 1,749 | 1,592 | 1,568 | 1,554 |
| % Change | 0.00% | -0.50% | -3.09% | -3.39% | -5.36% | 1.52% | -0.99% | -1.07% | -0.49% | -6.90% | -3.85% | -9.98% | -1.51% | -0.89% |
| Foundation Budget | 17,597,929 | 18,350,163 | 19,528,044 | 19,758,469 | 18,373,742 | 18,885,609 | 19,420,951 | 19,751,991 | 19,886,690 | 19,202,300 | 18,292,027 | 17,851,020 | 17,809,207 | 18,497,944 |
| % Change | 0.00% | 4.27% | 6.42% | 1.18% | -7.01% | 2.78% | 3.89% | 0.67% | 0.68% | -3.44% | -5.74% | -2.41% | -0.23% | 3.87% |
| District Contribution | 6,757,111 | 5,058,864 | 5,209,510 | 5,908,466 | 6,026,475 | 6,269,918 | 6,527,063 | 6,479,987 | 6,981,057 | 7,237,563 | 7,540,336 | 7,818,739 | 8,048,938 | 8,486,669 |
| % of Foundation | 27.03% | 27.46% | 26.93% | 29.92% | 32.80% | 33.23% | 33.27% | 33.82% | 35.10% | 37.69% | 41.22% | 43.80% | 45.20% | 45.94% |
| Target Aid Share | 55.80% | 55.30% | 56.12% | 56.56% | 54.97% | 55.05% | 55.23% | 56.51% | 57.07% | 54.30% | 54.49% | 56.36% | 52.86% | 53.79% |
| Foundation Aid Increase | 262,448 | 205,083 | 746,333 | | | | | | | | | | | |
| Direct Payment Aid | | | | | | | | | | | | | | |
| Growth Aid | | | | | | | | | | | | | | |
| Target Aid Phase-In | | | | | | | | | | | | | | |
| Minimum Aid | | | | | | | | | | | | | | |
| Non-Op Reduction in Aid | | | | | | | | | | | | | | |
| Chapter 70 Aid Reduction | | | | | | | | | | | | | | |
| Low Income/Aid Waivers | | | | | | | | | | | | | | |
| Chapter 70 Aid | 13,106,216 | 13,522,201 | 12,767,994 | 13,883,363 | 13,346,267 | 13,236,949 | 13,315,389 | 13,363,889 | 13,412,384 | 13,457,689 | 13,553,834 | 13,601,594 | 13,648,634 | 13,696,254 |
| SPSF Grant | | | | | | | | | | | | | | |
| Education Jobs Grant | | | | | | | | | | | | | | |
| Total Aid and SPSP & Jobs | 13,106,216 | 13,522,201 | 12,767,994 | 13,883,363 | 13,346,267 | 13,236,949 | 13,315,389 | 13,363,889 | 13,412,384 | 13,457,689 | 13,553,834 | 13,601,594 | 13,648,634 | 13,696,254 |
| Aid/SPSP-Jobs, % of Foundation | 74.80% | 73.88% | 73.07% | 70.77% | 76.37% | 70.29% | 67.86% | 67.80% | 67.44% | 70.08% | 74.12% | 76.10% | 76.66% | 74.04% |
| CTD Required Net School Spending | 17,848,827 | 18,961,065 | 19,528,044 | 19,892,629 | 19,192,942 | 19,506,867 | 19,842,452 | 20,043,876 | 20,391,321 | 20,695,202 | 21,094,280 | 21,420,333 | 21,687,672 | 22,191,728 |
| % of Foundation | 101.51% | 103.15% | 100.00% | 100.68% | 104.46% | 103.29% | 101.13% | 101.47% | 102.59% | 107.77% | 115.32% | 120.00% | 121.83% | 123.90% |
| Actual/Budgeted Net Sch Spending | 18,795,589 | 19,875,509 | 19,976,048 | 21,348,203 | 20,492,118 | 20,319,936 | 21,971,830 | 20,999,764 | 19,879,755 | 20,915,978 | 21,448,938 | 22,081,999 | 22,408,202 | |

Updated 8/26/2019

• This chart presents Ch 70 aid and local contribution trends since FY07.

• SEB has received minimum aid since FY13, on average \$30 per foundation enrollment.

Source: DESE Chapter 70 Trends in Aid and Local Contribution

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SEB's FY21P Chapter 70

767 Spencer East Brookfield

Aid Calculation FY21

| | |
|---|------------|
| Prior Year Aid | |
| 1 Chapter 70 FY20 | 13,695,254 |
| Foundation Aid | |
| 2 Foundation budget FY21 | 18,621,362 |
| 3 Required district contribution FY21 Administrative Update | 8,877,065 |
| 4 Foundation aid (2 - 3) | 9,744,297 |
| 5 Increase over FY20 (4 - 1) | 0 |
| Minimum Aid (Not Funded) | |
| 6 Minimum \$30 per pupil increase | 0 |
| 7 Minimum aid amount | 0 |
| (If line 6 - line 5 > 0, then line 6 - line 5, otherwise 0) | |
| Non-Operating District Reduction to Foundation | |
| 8 Reduction to foundation | 0 |
| FY21 Administrative Update: Chapter 70 Aid | |
| Sum of 1,5,7 minus 8 | 13,695,254 |

Source: DESE FY21 Administrative Update Chapter 70 Aid and Net School Spending Requirements

- SEB received about \$13.7 m in Ch 70 base (prior year) aid.
- The State must fund each district its foundation aid, the difference between its foundation budget and required contributions from its member towns (required district contributions). This is the grandfathering effect: that every district will receive at least its prior year base aid. The District receives \$9.7 million in foundation aid.
- Its base (prior year aid) exceeds its foundation aid by about \$3.9 million.
- Thus the District would receive minimum aid at \$30 per foundation enrollment. Note that the Tentative Aid Resolution reduced SEB's FY21 Ch 70 aid distribution by the \$30 minimum aid level.

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SEB's FY21P Net School Spending

Comparison to FY20

| | FY20 | FY21 | Change | Pct Chg |
|------------------------------------|------------|------------|---------|---------|
| Enrollment | 1,554 | 1,552 | -2 | -0.13% |
| Foundation budget | 18,497,944 | 18,621,362 | 123,417 | 0.67% |
| Required district contribution | 8,498,469 | 8,877,065 | 378,596 | 4.45% |
| Chapter 70 aid | 13,695,254 | 13,695,254 | 0 | 0.00% |
| Required net school spending (NSS) | 22,193,723 | 22,572,319 | 378,596 | 1.71% |
| Target aid share | 50.79% | 50.09% | | |
| C70 % of foundation | 74.04% | 73.55% | | |

• Net School Spending is the sum of the local district contribution and Ch 70.

• For FY21, SB's foundation budget, required local district contribution and required net school spending increased from FY20.

• Chapter 70 was flat based on the tentative local aid resolution.

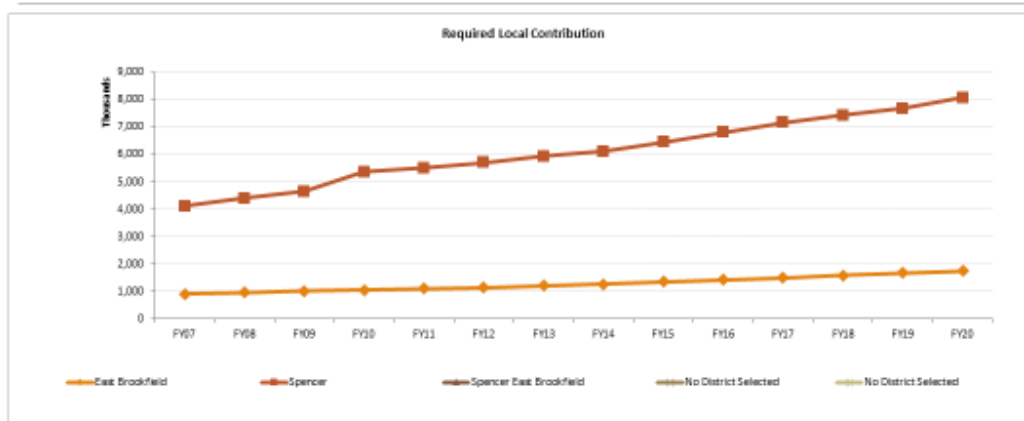
• SEB's target aid share is 50.09% meaning that Ch 70 pays 50.09% of foundation. The state is paying 73.55% of foundation due to the excess of base aid over foundation aid.

Required NSS % of foundation 119.98% 121.22%

Source: DESE FY21 Administrative Update Chapter 70 Aid and Net School Spending Requirements

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Town Required Contributions Are Growing in Recent Years



Source: DESE Ch 70 Chapter 70 Trends in Aid and Local Contribution

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Baseline Summary

- ❑ The Commonwealth requires a minimum amount of spending for elementary and secondary education. Across the Commonwealth, the state-wide average of actual net school spending is 15% above the requirement. SEB spends 7% above the requirement
- ❑ The District relies on town member assessment to fund about 42% of the budget.
- ❑ State aid funds about 54% of the budget with Chapter 70 funding about 50% of the budget.
- ❑ The District receives about \$3.9 million in excess base aid over foundation aid and thus has received about \$20,000 of minimum aid increases over the last several years.
- ❑ The District's budget has increased about 10% over the past several years with town assessments increasing about 14% over the same time frame.
- ❑ While enrollment has been steadily decreasing and is projected to continually decrease.
- ❑ Economically disadvantaged students, students with disabilities, and English learners students are increasing adding challenges to the District.

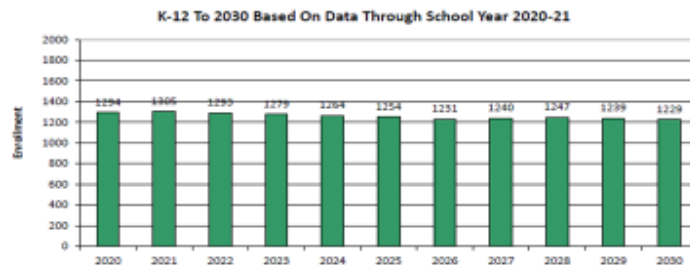
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Projections

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NESDEC Projected Enrollment

NESDEC Spencer-East Brookfield, MA Projected Enrollment



NESDEC's 10 year projected analysis of head count shows the steep decline has leveled off.

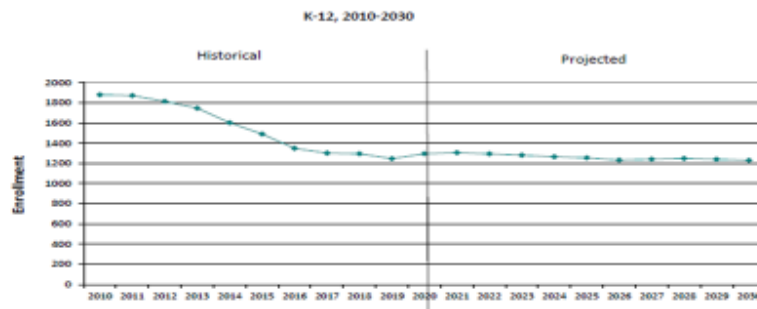
NESDEC is projecting an enrollment decline from 1294 to 1229 from 2020 to 2030

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NESDEC Historical and Projected Enrollment

NESDEC Spencer-East Brookfield, MA Historical & Projected Enrollment



The steep enrollment decline has leveled off according to NESDEC

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CONCLUSIONS

The Spencer-East Brookfield Regional School District has demonstrated remarkable resiliency to survive a decade of challenges; from unpredictable budgets, to turnover in staff, to five leadership changes, to a lack of support from certain stakeholders in both towns. There is much to be proud of in our District. My message to the entire staff moving forward is simple:

Be proud of where you work, be proud of what you do, be proud of who you are.

The choice is clear, do we continue to repeat the mistakes of the past ten years or do we learn from them and find the will to move forward as one educational community, supported by two towns willing to take on the planning and advocacy to create the sustainability and long-term viability that is a universal goal? As I enter my third year of public service as the Superintendent of Schools, I have witnessed first-hand the work of an incredibly dedicated, professional, and talented group of educators and staff who do their very best every day to provide the most outstanding education possible to every student with limited resources. With more support from just a few more residents, taxpayers, and town officials, this District would be able to furnish every student with the very best educational opportunities because we would have the additional resources and planned growth to accomplish just that end. My hope is that all who read this *“Three Year Strategic and Financial Plan”* come to the same conclusion.

Respectfully submitted,

Paul S. Haughey, Ed.D.

Superintendent of Schools
Spencer-East Brookfield Regional School District

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School Finance: Statistical Comparisons
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4. Spencer-East Brookfield Regional School District, Budget Reports for FY2009-FY2018