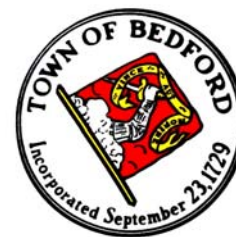


Proposed Fiscal Year 2005 School Department Budget



March 2004

Dear Resident:

On behalf of the Bedford School Committee, I am pleased to present the Proposed FY05 School Department Budget. The budget requests an appropriation of **\$24,305,865**, an increase of **\$964,750 (4.13%)** over FY04. This proposed budget has been developed over many months beginning in early October 2003 and reflects a reduction of over \$1.2 million from original budget submissions. The School Committee originally voted approval of the budget on January 27, 2004 with a 4.43% increase. Following that vote, the administration and School Committee continued to work collaboratively with Finance Committee representatives to address their concerns with the increase in the school department budget. In our work with the Finance Committee we focused our efforts on defining a budget that would support existing programs while respecting the fiscal constraints of the Town. To that end, the School Committee reduced the budget by an additional \$70,000 on February 10, 2004 to \$24,305,865. On February 12, the Finance Committee voted its approval.

This budget has been the focus of many public discussions including a well attended Public Budget Forum on January 20, 2004 and an extensive presentation to and discussion with the Finance Committee on January 29, 2004. The reduction of this budget from the original 7.35% increase to the 4.13% increase presented here was very much influenced by the Finance Committee's request that we attempt to limit the budget increase to 2%. Careful analysis of the proposed budget demonstrated that we could not maintain current programming and achieve that goal.

As you review the budget, you will note that some budgetary needs represent "fixed costs" and, as such, serve as significant budget drivers. Examples of these include the rising cost of Special Education, the budget needs associated with increasing enrollment, and contractual obligations for professional and para-professional staff. These and other budget drivers are presented below:

TABLE 1: BUDGET DRIVERS DETAIL

	2005 Proposed	2004 Budget	\$ Change	% Change
Professional Salaries	14,709,170	14,131,871	577,299	4.09%
Para-Professional Salaries	2,950,126	2,824,758	125,368	4.44%
Administration	232,979	241,565	(8,586)	-3.55%
ERI/SLBB	145,305	130,000	15,305	11.77%
School Committee Reserve	95,000	106,251	(11,251)	-10.59%
Instruction	816,503	846,433	(29,930)	-3.54%
Special Education				
Administrative	9,150	9,170	(20)	-0.22%
Collaborative	1,439,515	1,236,017	203,498	16.46%
In-District Transportation	60,200	60,120	80	0.13%
Out-of-District Transportation	503,480	452,650	50,830	11.23%
Psychological Services	122,050	116,300	5,750	4.94%
Out-of-District Tuition	1,709,910	1,644,770	65,140	3.96%
Instruction & Tutors	15,685	16,126	(441)	-2.73%
Maintenance	246,046	251,130	(5,084)	-2.02%
Utilities	723,322	746,530	(23,208)	-3.11%
Transportation	527,424	527,424	-	0.00%
Grand Total:	24,305,865	23,341,115	964,750	4.13%

On the following pages the budget is presented in seven major categories. After a summary table, each category is broken down into more detail with specific explanations of budget changes. I hope you find it informative. If you have any questions on the budget or on any matter concerning your schools, please call me at 781-275-7588. The School Committee, administrators and faculty are grateful to the residents for their continuing support of our schools.

Sincerely,
Maureen LaCroix, Ed.D.
Superintendent of Schools

TABLE 2: BUDGET DRIVERS: FY05 VS. FY04

	2005 Proposed	2004 Budget	\$ Change	% Change
Salaries	17,659,296	16,956,629	702,667	4.14%
Administration	473,284	477,816	(4,532)	-0.95%
Instruction	816,503	846,433	(29,930)	-3.54%
Maintenance & Facilities	246,046	251,130	(5,084)	-2.02%
Special Education	3,859,990	3,535,153	324,837	9.19%
Transportation	527,424	527,424		
Utilities	723,322	746,530	(23,208)	-3.11%
Grand Total:	24,305,865	23,341,115	964,750	4.13%

Special Education costs, as a percent of its categorical total (see Table 2), continue to represent the most significant driving force behind our budgetary increases. The 9.19% increase over FY04 is driven by out-of-district tuition, in-district and out-of-district transportation, and Collaborative costs. Combined, these four items comprise over 96% of our non-salary Special Education line items (see Table 1), items the Town is legally obligated to pay due to Special Education mandates.

TABLE 3: SUMMARY OF SEVEN MAJOR CATEGORIES

As the following table illustrates, the budget is separated into seven major categories. Below you will find explanations of the budget drivers, as well as more detailed information for selected line items.

	2005 Proposed	2004 Budget	\$ Change	% Change
School Committee	346,605	317,551	29,054	9.15%
Superintendent's Office	778,929	771,316	7,613	0.99%
Principals' Office	1,104,399	1,098,578	5,821	0.53%
Special Education	6,300,060	5,788,648	511,412	8.83%
Instruction	12,502,211	12,132,505	369,706	3.05%
Other Student Services	1,217,881	1,188,746	29,135	2.45%
Maintenance & Facilities	2,055,780	2,043,771	12,009	0.59%
Grand Total:	24,305,865	23,341,115	964,750	4.13%

SCHOOL COMMITTEE

School Committee expenses total \$346,605, an increase of \$29,054 over FY04. Budget drivers include:

- \$145,305 is budgeted for the **Early Retirement Incentive/Sick Leave Buy-Back** program. Employees who retire with more than fifteen years of service to the Bedford Public Schools are eligible for this benefit. This amount is reflective of known retirements.
- \$65,000 is budgeted for **Legal Fees** to reflect annual costs for the school's legal counsel.
- The School Committee Reserve includes the budget for the second year of a recent contract settlement with the Bedford Secretaries Association as well as salary increases for all non-contract personnel.

SUPERINTENDENT'S OFFICE

Superintendent's Office expenses total \$778,929, an increase of \$7,613 or 0.99% over FY04.

PRINCIPALS' OFFICE

Principals' Office expenses for all four schools total \$1,104,399, an increase of \$5,821 or 0.53% from FY04.

INSTRUCTION

Instruction expenses total \$12,502,211 an increase of \$369,706, or 3.05% over FY04. The budget for instructional services includes classroom salaries, supplies and materials, textbooks, equipment purchases and other contracted services. In order to meet our contractual obligations and budget target, several line items experienced significant reductions.

Reductions include:

- Supplies and materials and textbooks - (\$62,887) (-15.2%)
- Contracted services (\$11,713) (-10.1%)

Increases include:

- Professional and Para-Professional staff salary expenses \$399,616 (3.5%)
- Equipment and equipment replacement purchases--\$50,244; Operating Capital financed Computer Replacement program--\$70,000

TABLE 4: NET NON-SALARY INSTRUCTION BUDGET CHANGES

	High School	Middle School	Lane School	Davis School	System Wide	Total
Contract Services	(4,291)	(90)	1,300	60	(8,692)	(11,713)
Supplies, Materials, & Textbooks	(6,652)	(14,883)	(26,138)	(15,466)	252	(62,887)
Other Expenses (Testing & Prof. Dues)	2,968	-	(904)	-	(6,000)	(3,936)
Travel	(631)	(1,800)	1,075	(282)	-	(1,638)
Equipment (New & Replacement)	19,341	(2,636)	19,500	13,779	260	50,244
Grand Total:	10,735	(19,409)	(5,167)	(1,909)	(14,180)	(29,930)

OTHER STUDENT SERVICES

Other Student Services expenses total \$1,217,881, an increase of \$29,135 or 2.45% over FY04. Budget drivers include:

- **Transportation** expenses are level funded at \$527,424. FY05 is the second year of a new three-year, fixed-price contract.
- **Interscholastic Athletic** expenses are \$525,761 for FY05, an increase of \$24,150 or 4.8% over FY04. It also factors in the use of \$22,000 in Athletic Revolving Account Funds to support school athletic activities.
- **Student Activity** expenses for FY05 total \$144,961 for an increase of \$1,485, or 1% over FY04. This budget is primarily the stipend costs for faculty advisors for extra-curricular activities.

OPERATIONS AND MAINTENANCE (FACILITIES DEPARTMENT)

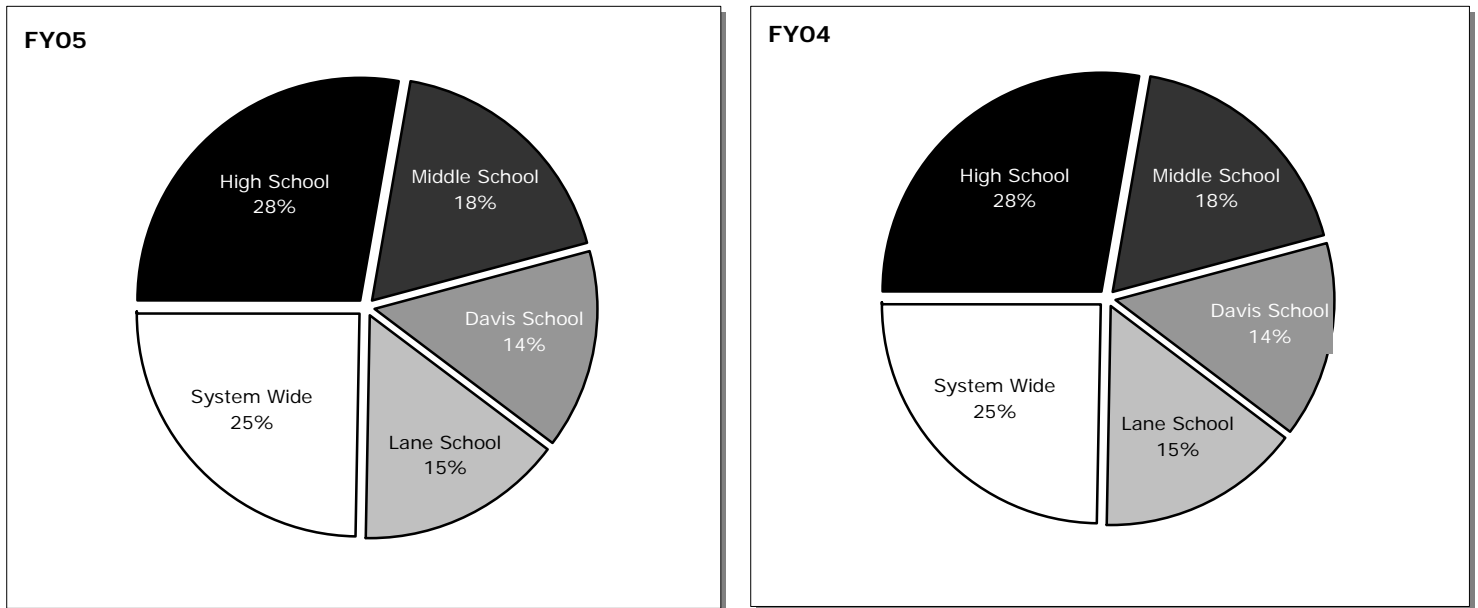
Facilities Department expenses total \$2,055,780, an increase of \$12,009 or 0.59% over FY04. This also factors in the use of approximately \$31,300 in offsets from the Custodial Building Revolving Account and the Food Services Account. Major changes include the following:

- Reduction of (\$17,501) in the Summer Student Custodial payroll (-43%)
- Reduction in (\$36,504) in Electricity budget line items
- Increase of \$17,394 in Heating budget due to increase in contracted fuel prices
- Increase of \$41,075 in contractual salary increases for maintenance and custodial staff

TABLE 5: LOCATION BREAKDOWN: SALARY & NON-SALARY

	2005 Proposed		2004 Budget		Percent Change	
	Salary	Non-Salary	Salary	Non-Salary	Salary	Non-Salary
High School	5,920,657	849,331	5,668,214	828,260	4.45%	2.54%
Middle School	3,930,969	464,888	3,678,553	514,188	6.86%	-9.59%
Lane School	3,158,022	466,206	3,050,995	482,576	3.51%	-3.39%
Davis School	2,984,496	499,376	2,860,954	510,737	4.32%	-2.22%
System-Wide	1,665,152	4,366,768	1,697,913	4,048,725	-1.93%	7.86%
Grand Total:	17,659,296	6,646,569	16,956,629	6,384,486	4.14%	4.10%

CHART 1A & 1B: FY05 VS. FY04 LOCATION PERCENTAGE CONTRIBUTION TO TOTAL PROPOSED BUDGET



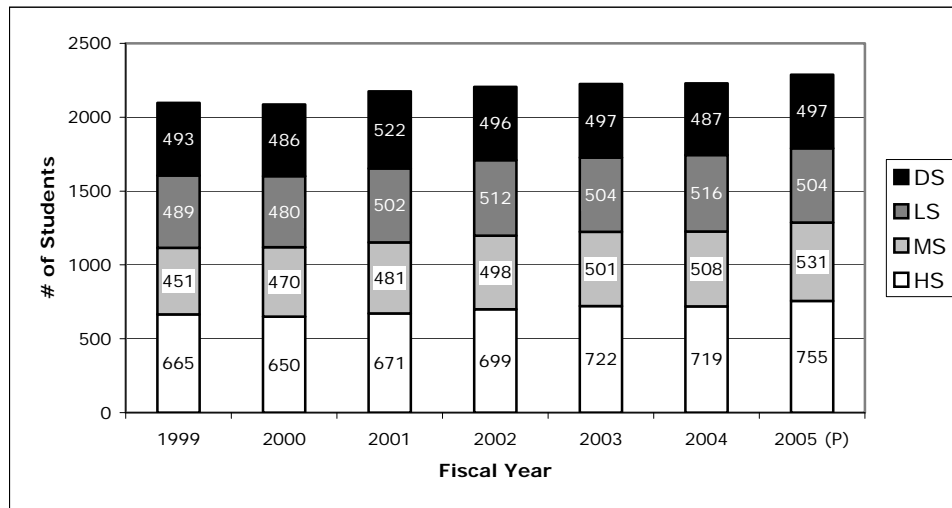
Non-salary items were the subject of another round of cuts in FY05 (see Table 5). Reductions in Supplies & Materials, Textbooks, Contractual Services and some Equipment line items were necessary to absorb Special Education costs and contractual salary increases.

**TABLE 6: BEDFORD PUBLIC SCHOOLS CERTIFIED STAFF
(in Full Time Equivalents)**

Since FY99, we have added 7.22 positions for increasing enrollment, 3.0 to meet MCAS/NCLB requirements, 2.0 for the Gifted and Talented Program, 2.0 for elementary Foreign Language, 8.2 for student support services (special education, counseling, reading, library, instructional technology), and 1.5 in Administration (Assistant Principals at Davis, JGMS, and BHS).

Location	FY99	FY00	FY01	FY02	FY03	FY04	Projected FY05
Administration	9.60	10.60	11.00	11.50	11.50	12.10	11.10
High School	68.50	69.30	72.30	75.40	77.60	77.50	77.60
Middle School	43.30	44.75	46.24	48.15	51.35	51.95	53.75
Elementary	69.33	72.13	74.90	77.70	77.70	76.50	75.70
System-Wide	3.00	3.20	3.20	3.20	3.00	2.00	2.00
TOTAL	193.73	199.98	207.64	215.95	221.15	220.05	220.15

**CHART 2: BEDFORD PUBLIC SCHOOLS HISTORICAL & PROJECTED
STUDENT ENROLLMENT**



Since FY99, an average of 32 new students matriculated each year into our school system, representing an average annual increase of 1.4%. The FY05 enrollment projection is based on the 2002 Merrimack Education Center (MEC) Enrollment Study, the 2003 Town of Bedford Census, and current enrollment figures. Kindergarten registrations, students from Hanscom Air Force Base, and the students who elect to attend Shawsheen Technical High School are also factored into the enrollment projections. In reviewing the enrollment trends, it is important to note that they do not include projections for the increase that may result from the Town's plans for new housing developments, such as the Village at Concord Road and Avalon Bay.

**Bedford Public Schools
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