

READING PUBLIC SCHOOLS

Fiscal Year 2017

Superintendent's Recommended Budget

July 1, 2016 – June 30, 2017

School Committee Members

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January 11, 2016

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Introductory Section

Superintendent's Message

I respectfully present to the School Committee and the Greater Reading Community the FY2017 Superintendent's Recommended Budget of \$40,847,667 representing an increase of \$1,374,314 or 3.5%. This recommended budget includes the base budget that follows the Reading Finance Committee's recommended amount of \$40,697,667 (an increase of 3.25%), *plus* an additional \$150,000 to fund the first year of a three year K-12 science curriculum implementation. The Finance Committee's recommended guidance is based on an analysis of current and future town revenue and expense projections of the Community, which are restricted by an annual structural revenue deficit, combined with an inadequate Chapter 70 funding formula and minimal state aid funding increases. Unfortunately, due to financial constraints, this budget is not a level service budget, which would have required a 4.89% increase. As a result, the Superintendent's Recommended FY17 budget is a reduction of \$658,193 from a level service budget. In order to reach the 3.25% budget, \$658,193 in budget reductions to both personnel and non-personnel areas, combined with offset increases were made. This is the third consecutive year that the level services budget has had to have been reduced. In the FY16 budget (current year), \$825,000 was reduced from the level service budget, resulting in a small number of personnel reductions and several non-personnel reductions. Unfortunately, the FY17 recommended budget will result in further personnel reductions.

The base budget attempts to achieve the multi-year goals and priorities of our school system, while staying within the fiscal constraints of our available community resources. As part of this base budget, partial funding was restored from an FY16 budget reduction to add regular education paraeducator hours at each elementary school. In addition, per pupil funding was restored at the FY15 levels for the building based budgets which allow schools to have adequate supplies and materials for the classrooms. Both of these areas were significantly reduced in last year's budget. Finally, one new position, a social worker has been proposed for the district wide student support program at Killam to support the growing needs of those students.

The Superintendent's Recommended FY17 budget includes funding to primarily address the following budget drivers:

- All salary and benefit obligations to employees per the collective bargaining agreement
- Non-union salary and benefit increases in line with COLA adjustments for collective bargaining units
- Anticipated increases in regular day mandatory transportation (For students in Grades K-6 who live over 2 miles from their school) and special education transportation. We are currently in the final year of both bus transportation contracts.
- Anticipated increases in known out of district special education tuition increases.

Not included in this budget are funds for unanticipated enrollment increases or unanticipated special education costs related to out of district placement tuition, transportation, or other services as required by a student's individualized education plan. In addition, as agreed upon by Town Meeting in November, 2015, the Town and School facilities budgets have now been transferred to a new budget

line item called Town Core Facilities, which will be jointly voted on by the Reading School Committee and the Reading Board of Selectmen. This will be discussed more in the School Building Maintenance section of this budget book.

In addition to the above budget drivers, funding remains within the Superintendent’s Recommended budget and other sources to continue several critical strategic initiatives that have been and are continuing to be implemented in our schools including:

- Implementing the Literacy, Mathematics, and Science Massachusetts Curriculum Frameworks, which includes research based practices in curriculum, instruction, and assessment.
- Continuing to build the capacity of our professional staff through research based job embedded professional development and professional learning communities.
- Addressing the academic, social, and emotional needs of all students through the implementation of the Multi- Tiered System of Support.

In addition, our base budget also allows us to continue maintaining recommended class sizes (18-22) in Kindergarten through Grade 2, the middle school interdisciplinary model, our behavioral health initiatives, our technology infrastructure and the adequate cleaning of our school facilities. Unfortunately, because of budget reductions, this recommended budget does not fully support all of the regular day programs from the previous school year and, as a result, a few programs will be eliminated or reduced.

Budget Reductions/Offset Increases

Unfortunately, in order to reach the Finance Committee budget guidance, several reductions in personnel will need to be made. These reductions will have an impact at all three levels in a variety of ways, including higher class sizes, reduction or elimination of a few programs, and reduced services to students. Although we do not support any reductions in personnel, we identified reductions that have less of an impact on student learning than other reductions. To reach a balanced budget that is below level service, the following program reductions, offset increases, and/or personnel reductions were included in the Superintendent’s FY17 Recommended Budget:

Figure A: FY17 Budget Reductions/Offset Increases

Cost Center	Area	Amount
Regular Day	2.0 Elementary Teachers	\$110,000 Reduction
Regular Day	3.4 High School Teachers	\$199,000 Reduction
Regular Day	High School Stipends	\$9,693 Reduction
Regular Day	.5 Middle School Teacher	\$42,000 Reduction
Regular Day	1.0 High School Regular Education Paraeducator	\$23,000 Reduction
Special Education	.4 Speech and Language Pathologist	\$20,000 Reduction
Special Education	1 Out of District Placement with Transportation	\$55,800 Reduction
Various Cost Centers	Miscellaneous Reductions	\$32,000 Reduction
Revolving Account	Extended Day	\$90,000 Increase in Offset
Revolving Account	Full Day Kindergarten	\$30,000 Increase in Offset

Revolving Account	Special Education Tuition	\$15,000 Increase in Offset
Revolving Account	Athletics	\$16,700 Increase in Offset
Revolving Account	Extracurricular	\$5,000 Increase in Offset

The reduction of 2.0 FTE Elementary teachers will result in some class sizes in grades 3-5 to reach 25 students per classroom. The 3.4 FTE High School Teachers will result in the elimination of the Freshmen Advisory Program, as well as reductions in the High School Latin Program. The reduction in High School stipends will result in the elimination of a High School Department Head, the consolidation of two departments, and the elimination of another leadership position. The elimination of a Department Head will result in a savings of a .4 FTE teacher (included in the 3.4 FTE High School Reduction) because of the reduced teaching load that a Department Head has. The .5 Middle School Teacher will result in a reduction of available reading services at the middle school level. The 1.0 FTE Regular Education Paraeducator will eliminate the Library Paraeducator at the High School, resulting in reduced staffing in the High School Library and possible times where the library will not be accessible to students. The .4 Speech and Language Pathologist reduction will result in reduced speech and language services at the elementary level. The reduction in one Special Education Out of District Placement with transportation is for an anticipated special education out of district placement. If funding is necessary for an additional out of district placement during the 2016-17 school year, we may need to request additional funding for this line item either with the Reading Finance Committee or at Town Meeting.

In addition, there are several recommended increases to some revolving account offsets which are based upon an analysis over the last year in revolving fund accounts. The increase in the Extended Day offset is to support one hour of custodial cleaning each school day for the Extended Day and After School programs. The increase in the Full Day Kindergarten offset is consistent with the increase of students who are participating in the tuition-based Full Day Kindergarten. The increase in the Special Education Tuition Revolving account is based on last year's analysis and an anticipated increase in an additional student being enrolled to one of our special education programs from another school district. The increase in the Athletics and Extra-curricular offsets is due to the increase in user fees from last year which has not resulted in a decrease in participation.

Effective and Efficient Use of Funds

Our school district is one of the most efficient districts in the Commonwealth when it comes to spending. In July, 2014, the Center for American Progress updated a report that they first released in 2011 on a district by district analysis of educational productivity. This project develops a set of relatively simple productivity metrics in order to measure the achievement that a school district produces relative to its spending, while controlling for factors outside a district's control, such the cost of living and students living in poverty. In that report, the Reading Public Schools has the fourth highest educational productivity rating in our Commonwealth. This strong measure is due to prioritizing our resources on the classroom and practicing strong fiscal management practices. One such example of making efficient use of our resources is the number of positions and programs that were restructured last year. In FY16, over \$350,000 of existing positions and programs were restructured to fund new positions to support teaching and learning and behavioral health initiatives.

However, while our academic achievement ranks above the state average, our per pupil spending ranks 305th out of 327 operating districts in the Commonwealth, based on state data from the 2013-14 school year. In fact, over the last several years, this gap between the state average per pupil and Reading's per pupil has been growing, as Figure 1 and 2 below shows. Our current per pupil places us among the lowest 10% of all districts in the state. This steady decline in per pupil ranking is attributed to two major

drivers: the revenue available to the town and school budgets each year and the inadequacy of the Chapter 70 funding formula. It is well documented that our community has a structural revenue problem as we become more and more reliant on cash reserves each year to fund our budgets. This year alone, \$2,000,000 in cash reserves is being recommended to help fund Town and School budgets and this number has increased each year. However, there is another piece to the funding puzzle that is now getting more attention. That piece is the Chapter 70 funding formula which has had only a few adjustments since 1993. The Chapter 70 foundation formula is based on an outdated model that did not take into account educational changes that have been made over the last 22 years in technology needs, increased learning time and different staffing needs. In addition, special education costs are grossly underfunded in the foundation formula. Health insurance costs are double the amount that are allocated, salary allowances in the foundation budget are well below actual salaries of staff, and increased resources to address the needs of high poverty, English Language Learners, and homeless students are not captured in the formula.

In October, 2015, the legislature appointed Chapter 70 Foundation Budget Review Commission released their final report. In that report, the Commission recommended changes to the Chapter 70 funding formula that reflect the growing costs of special education and employee health insurance since 1993, when the formula was first introduced. The Foundation Budget Review Commission has made recommendations to increase the amounts allocated as minimum required appropriations per pupil. Health Insurance and Special Education allowances were the major elements in the foundation budget identified for increase. In July, the Massachusetts Association of School Superintendents released a simulation of how much funding each community would receive if all of the recommendations of the Commission were funded in one year. Using FY14 numbers, Reading would have received an additional \$3,200,000 if the formula was changed in FY14.

At this point, there has been little indication from the legislature or the Governor on beginning to make these corrections. The state FY17 budget cycle ahead provides the platform for that discussion. Although these changes may not affect the FY17 budget, there is promise that some positive change could be made in future budget cycles if both the formula is adjusted and additional Chapter 70 funding is added to the state formula. Without both occurring simultaneously, Reading may see a decrease in Chapter 70 funding in future years.

Figure 1: Historical Per Pupil Expenditures - Reading compared to the State Average Per Pupil

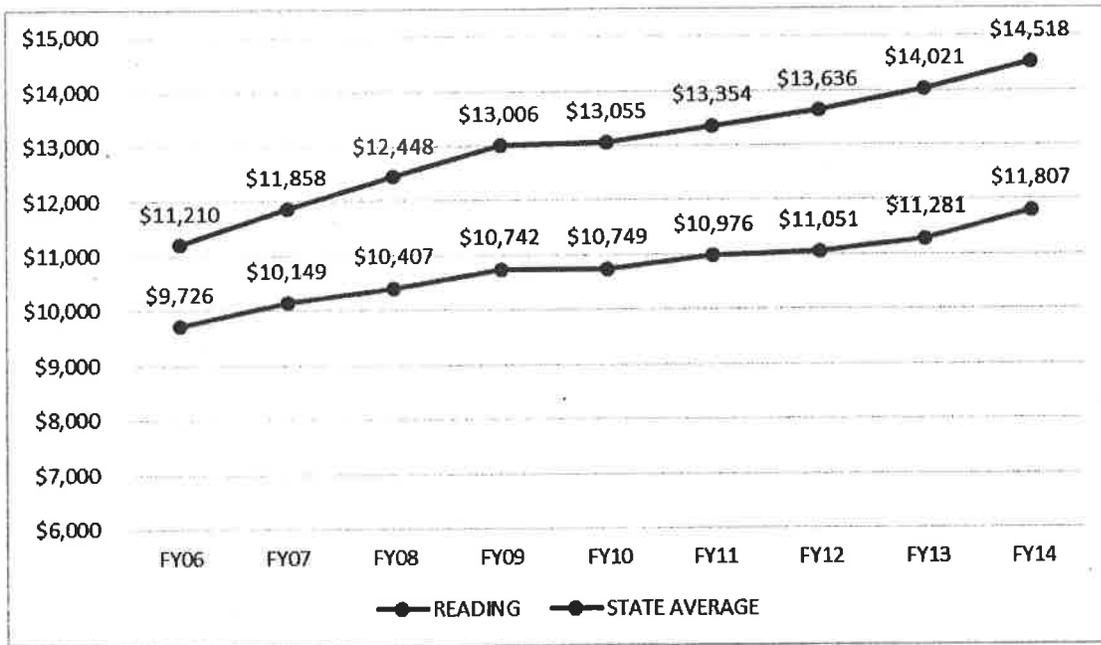
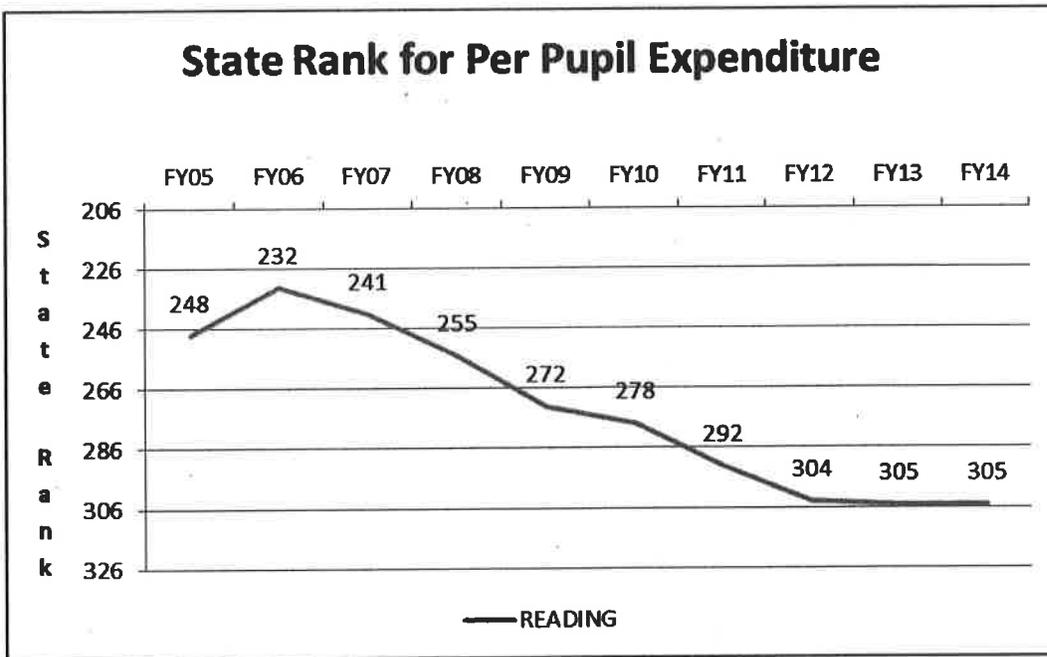
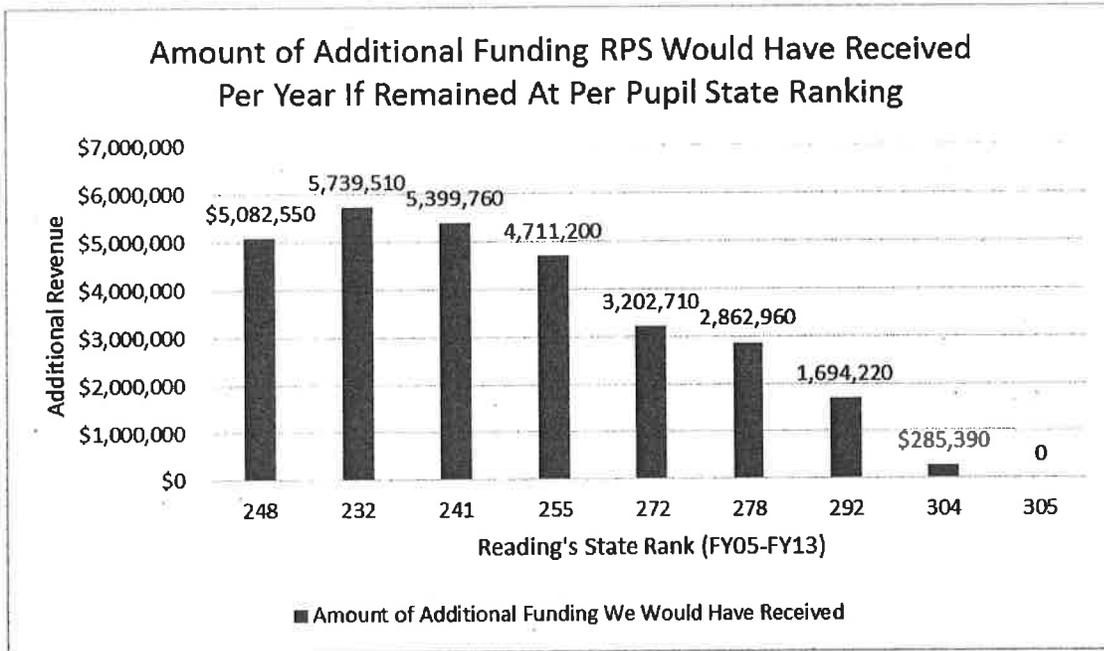


Figure 2-Reading's Per Pupil Expenditure Ranking (2005-2014)



The figure below gives an approximate analysis of how much additional funding Reading would have received if our ranking remained consistent or at the levels of previous years. For example, if Reading remained ranked at 232 in FY13 as it was in FY06, there would have been an additional \$5,739,510 in the FY13 budget.

Figure 3-Amount of Additional Funding Reading Public Schools Would Have Received Based on Previous Per Pupil Rankings and FY15 Enrollment



Additional Resources Needed

In May and June, 2015, the Superintendent of Schools held a series of community and school interactive forums to identify answers to the following four questions:

- What areas are strengths of the Reading Public Schools and you would like to see continued?
- What areas in our school district need to be strengthened?
- What new programs or initiatives would you like to see started?
- What current program or initiatives would you like to see changed or stopped?

Over 300 staff and community members attended the forums. During those forums there were substantive discussions on the strengths of the Reading Public Schools, the areas to strengthen, the new programs or initiatives that we need to begin, as well as, the current programs or initiatives that need to be changed or stopped. Through those discussions hundreds of comments were collected we analyzed the data looking for themes and patterns. In addition, we reviewed additional data from a variety of credible sources including state assessment results, the Walker Institute Report, which is a review of our special education services that was completed last year, staff exit data, the Youth Risk Behavior Survey and student and staff survey data. Based on the feedback gathered at the forums and using other key data, the Superintendent presented a series of recommendations to the Reading School Committee and the Reading Community in a series of presentations during the Fall of 2015. It is evident from the information gathered that in order for Reading to maintain and improve its quality of excellence, additional resources will be needed to improve programs and practices, retain and attract staff, and remain competitive with other area school districts.

Although these additional resources cannot be funded in FY17, additional revenue is going to be needed in future budgets to not only fund an adequate level of services, but to continue to improve our school district.

In addition to the areas that were reduced in this year’s Superintendent’s Recommended budget, a list of additional needs are identified below. Each need, which is linked to one or more of our five district improvement plan goals, would normally be funded in an operating budget and does not include critical capital or facility improvement items that also need to be addressed in the future such as additional classroom space and improved school safety and security. In addition, the amount below does not include the implementation of full day kindergarten for all students, which would have an annual cost of approximately \$1,000,000.

Figure 4: Resources Identified to Improve School District But Are Not Funded in FY17 Budget

Identified Need	Budgetary Impact	District Goal Addressed
1.0 FTE Instructional Coach to support science curriculum implementation in Grades K-8	\$80,000	1-Student Learning
Complete Science Curriculum Implementation	\$300,000	1-Student Learning
Upgrade and improve student information management system that will include additional modules to improve communication with parents and improved data analysis.	\$25,000	1-Student Learning, 4-Resources and Space, and 5-Communication
5.0 FTE RMHS Teachers to change program offerings, restructure schedule, and change graduation requirements.	\$250,000	1-Student Learning
5.0 FTE Elementary Teachers to provide additional art, music, wellness, and other elective classes	\$250,000	1-Student Learning
1.0 FTE Elementary Health Educator to provide Health Education Classes in Grades 4 and 5.	\$55,000	3-Student Support, Wellness and Safety
2.0 FTE Middle School Health Educators to provide Health Education Classes in Grades 6-8.	\$110,000	3-Student Support, Wellness and Safety
2.0 FTE School adjustment counselors at the elementary and middle levels to provide more counseling to struggling students who need targeted social, emotional, and behavioral supports to succeed	\$130,000	3-Student Support, Wellness and Safety
8.0 FTE Tier 2 academic, social and emotional supports at all levels (e.g. general education tutors, staff trained in applied behavior analysis)	\$160,000	3-Student Support, Wellness and Safety
3.0 FTE Additional special education staff to address the growing teaching and administrative demands on teachers, the increasing complexity of the needs with which students are presenting, the pervasive and growing proficiency gap between special education and general education students, and the need to provide for more inclusive settings throughout the district. Some of this staffing could be obtained as a result of restructuring of existing resources.	\$195,000	1-Student Learning and 3-Student Support, Wellness and Safety

3.0 FTE Additional clerical staff to support special education staff so that they can spend more instructional time with students.	\$115,000	1-Student Learning and 4-Resources and Space
1.0 FTE Instructional technology specialist at the elementary level (currently five schools share one full-time specialist)	\$65,000	1-Student Learning
1.0 Districtwide technology leadership position to lead and manage the day to day operations of our technology and data rich 21 st century learning and teaching environment	\$100,000	1-Student Learning
Increased funding for technology maintenance and replenishment	\$150,000	1-Student Learning and 4-Resources and Space
TOTAL BUDGETARY IMPACT	\$1,985,000	

If all of the above had been added to the reductions made in the FY17 Superintendent's Recommended Budget, the increase would have been an additional \$2.64 million.

Final Thoughts and Challenges

The Community Forums that were held last spring and fall provided an opportunity to gather feedback on what was working in our school district and what needs to be improved. The data shows that, overall, the community and staff gave positive remarks about the Reading Public Schools. In the focus group sessions, the consistent strengths that emerged include the quality and dedication of our teaching staff and administrators, our students who come to school every day ready to learn, and the commitment that our parents make to our schools. Our data also showed that we have strong special education programs, significant opportunities for our students to participate in extra-curricular activities, athletic programs, and extended field trips, and the access that students have to technology in our district.

In addition, we are also beginning to see some positive downward trends in some of our key Youth Risk Behavior Data, which is based upon a survey that is administered to all Grade 6-12 students every two years. Since 2005, we have seen significant decreases in the use of cigarettes, alcohol, and marijuana. This is a testament to the collaboration and partnership with the Town of Reading, Reading Public Schools, the RCASA, and the Reading Police Department, both from a policy perspective and an implementation and enforcement perspective. In 2005, the use of alcohol by our high school students was at a much higher rate than today. Due to the work of the Board of Selectmen who passed a revised Town Liquor Policy in 2009, the Reading School Committee who passed a revised chemical health policy for students who participate in extra-curricular activities and athletics in 2011, and our Police Department, who began implementing compliance checks and a zero tolerance policy for our youth, we have seen a significant decrease in the use of alcohol by our high school students. This is a concrete example how a collaborative effort of policy changes and implementation can result in a positive benefit for our youth. Although we would like these percentages to be at 0%, the results are showing that our efforts are having an impact.

Although the data and the forums show we have a lot to be proud of in our schools, the information gathered also shows that there are areas we need to address so that we can maintain the level of excellence that we have taken pride in over the last several years. Addressing these areas will be critical to the long term success of our school district.

Our continuing challenge has been to address the achievement gap that exists with our High Needs group consisting of students with disabilities, economically disadvantaged students, and English Language Learner students. Although our recent MCAS and PARCC state assessment scores showed significant progress, Reading is still a level 3 district as designated by the Department of Elementary and Secondary Education. This designation is based upon state assessment scores and has been due to the fact that we have not been able to meet the needs of this group of students as compared with the general population. We are encouraged that the school improvement process that we have been embarking upon for the last two years will provide us with an opportunity to review every aspect of what we are doing at our schools and in our district to effectively address the needs of all our students. Several of the unfunded areas mentioned in Figure 3 above, particularly the ones directly related to our district goal 1 of addressing student learning needs, will help close this achievement gap.

Another area of concern is the overall behavioral and emotional health of our students. As mentioned above, although we have seen some very positive results in the latest administration of the Youth Risk Behavior Survey, we are seeing some troubling trends as well. We have seen slight increases since 2005 in the use of some of the more dangerous drugs, such as prescription medication, heroin, hallucinogens, and inhalants. Synthetic marijuana is emerging as a potent and risky alternative for students. In addition, 24% of our community's 14-18 year olds stated that they have used electronic cigarettes with nicotine products, also called vaping, which is a dangerous upward trend.

In addition, over the last 10 years, we have seen increases in the percent of teens who have felt sad or hopeless for more than 2 weeks in a row, are involved in non-suicidal self-injury, or have engaged in suicidality. During the 2014-15 school year, 55 RMHS students were hospitalized for anxiety, suicidal tendencies, and/or depression. We have seen increases in this area at our elementary and middle schools as well. Our high school students have indicated on the 2015 YRBS that the major stressors in their life are increased workload, expectations about school and lack of sleep. Although these increases are not isolated just to Reading, we are concerned that the numbers of incidents in Reading is higher than the state average. As a community, we have taken significant steps to address these increased concerns through our partnerships with the Reading Coalition Against Substance Abuse and the Community's support in previous budgets with programs and staffing that supports behavioral health. In addition, as reported last year, the Town and the School Department received three Federal grants, totaling 1.95 million dollars, to continue to help address the overall behavioral health of our youth. The first grant continues the great work that RCASA has done over the last several years. The second grant will allow the Reading Public Schools to train a minimum of 584 school educators, school support staff, first responders, youth workers, and faith leaders in Youth Mental Health First Aid to identify, understand, and respond to signs of mental illnesses and substance use disorders in our youth. So far, over 300 people have been trained in this area. The third grant will implement a highly sustainable, multi-tiered system of supports to improve school climate and behavioral outcomes for all students. We have made tremendous progress in this area in just one year. These three grants ensure that we will be able to move forward in creating structures, systems, and processes throughout our community to reach and engage all of our youth, particularly those youth who may be vulnerable to risky behaviors such as substance abuse or creating harm to themselves or others. These initiatives, combined with the work that we have done over the last several years in school safety with the Reading Police and Fire Departments, places our community as a leader in proactively addressing the overall safety of our children. As we all know, if students do not feel physically and psychologically safe in school, they will not learn, no matter what curriculum, technology, or teacher you put in front of them. I would like to thank the Reading Police and Fire Departments and the Reading Coalition Against Substance Abuse,

under the leadership of Chief James Cormier, Chief Greg Burns, and RCASA Executive Director Erica McNamara, for the partnership that they have forged with the Reading Public Schools over the last several years and their leadership and efforts in creating safe and supportive environments for our children.

The final area of concern and challenge for our school district is related to school funding. We are very appreciative and value the financial support that our community has given to public education over the last several years. Unfortunately, as mentioned above, our latest state financial data shows that Reading ranks 305th out of 326 Massachusetts communities in per pupil spending, 118th out of the 125 communities in the Boston Metro Area and this ranking has been in steady decline since 2006. It is well documented that our community has a revenue challenge as we become more and more reliant on cash reserves each year to fund our budgets. It is to our town's credit that through mutual respect and collaboration, town boards have stretched our dollars to provide the quality education and services, of which Reading is so proud.

While of course a particular "per pupil expenditure" is not the point, nor a guarantee of educational excellence (for instance, there are many school districts where higher spending does not necessarily translate to greater student achievement), it's important to make clear that the objective is not the specific dollar amount—but rather a sustainability from year to year that is comparable to other communities in the state. For many years, Reading's per pupil expenditure was in the average to low average range for the state, and we were proud that we were still able to attain above average results. The significance in the state "per pupil" ranking is not any specific dollar amount but rather the yearly comparison to all the other communities in the state. As the drastic decline in the state ranking indicates however—dropping in the last decade from 232 to 305 (out of 326 communities), Reading has unfortunately not kept pace in sustainability with other communities in the commonwealth. In order to continue providing our students with the most effective programs and also to continue attracting/retaining excellent educators, this is clearly an issue that needs further attention as we move forward.

Our continuing decline in per pupil expenditure is beginning to have an impact on our school system, especially during the times of transition that our schools are currently facing. Over the last five years, the average budget increase has been 2.64%, however, expenses in health care costs, utilities, supplies, special education costs and compensation have come in at much higher increases. This leads to overall decreased funding for school services and programs. We are in the midst of tremendous educational change in our state and in our country with more rigorous curriculum frameworks, a next generation assessment system, and the expectation to make sure all students are college and career ready. We also need to address the areas mentioned earlier in behavioral health. During these times of transition, it is more important than ever to sustain our previous levels of support and to add resources to address additional needs. In the upcoming school years we will need to begin to update our science and engineering curriculum, provide time and resources for teachers to implement these new curricula, continue to improve our special education services and programs, add more tutorial and social emotional support for struggling students, offer dedicated health education classes at our elementary and middle schools, increase our Advanced Placement course offerings at the high school and elective offerings at all levels, and update the High School Graduation requirements to help prepare our students for college and future opportunities. The resources necessary to move forward in these areas are listed in Figure 3 above and are not in the FY17 Recommended budget.

Equally important, we need to continue to attract and retain the best educators. This past school year alone five educators left our district and took employment in another school district in the Metro Boston area for higher compensation, better benefits and improved working conditions related to caseload and paperwork. In addition, four candidates who were offered positions in our school district declined to accept our offer and accepted a position in another school district for higher compensation and benefits.

While the FY17 Superintendent's Recommended budget allows us to address many of the priorities which reflect the community's desire to continue a long-standing tradition of excellence in our schools, financial constraints limit our ability to pursue many of the innovative programs, structures, and systems that we believe will make our students even more successful. The Reading Public Schools is at a crossroads when it comes to the amount of funding available and what we are able to do to continue to improve education in our district. While each district's per pupil spending might be impacted by varying needs, what is evident has been our inability to sustain what had been effective levels of services from year to year. What we are finding is that, in the last several years, we are losing ground, and finding it harder to compete with comparable communities. In FY15, the School Department needed to reduce a level service budget by \$285,000. Last year, the FY16 Superintendent's Recommended base budget was reduced by \$849,620 from a level service budget, and this year, the FY17 Recommended budget has been reduced from the level service budget by \$658,193. Although we do not support making any reductions, the Superintendent's Recommended FY17 base budget is designed so that the reductions proposed minimize the overall impact on student learning, while helping us move forward in key areas to begin implementation of the science curriculum frameworks, continue to provide support for our teachers in math and literacy, and provide funding in our special education program for some of our most fragile students.

In addition, what this budget is not able to provide is funding for long term improvements that are needed in our school district at every level. Several of these areas (see figure 3), are important initiatives that we need to provide for our students, and include funding full day kindergarten for all students, restructuring our elementary schools to eliminate the early release Wednesday and to provide more opportunities in computer science, science, the arts and engineering, restructuring our high school schedule and programming, improving our special education programs and services, and increasing health education across the district. However, these initiatives are not sustainable with the current revenue available. Without additional revenue, our ability to improve and provide the best educational opportunities for our students will decline. As we have seen in this budget, there are fewer and fewer non-personnel reductions that can be made to offset the budget constraints. Moreover, this budget continues to be very dependent on increases on offsets which are not sustainable long term. If the FY18 budget has similar limitations in available revenue, we will need to make even more reductions in staffing, which will result in eliminations of programs, courses and services and further increases in class size.

In conclusion, our district will continue to stay focused on the academic, social, emotional, and behavioral well-being of our students. While we are proud of the fact that we are a district that is on the forefront in many areas, we have many challenges that lie ahead, including educational space needs, funding for full day kindergarten, making the transition to a more rigorous curriculum and improving the social and emotional well-being of our students. The increasing accountability demands on public education and the needs of our students have increased significantly over the last five years and we need to identify additional resources and restructure some existing resources so that our teachers and administrators can continue to do the hard work necessary to improve student learning. We need

resources to create more opportunities for teachers to collaboratively work together to share their work, and improve their practices, and to provide instructional coaching support so that teachers can see firsthand what it looks like in the classroom. The Superintendent's Recommended FY17 budget reflects those priorities.

Although this is an uncertain budgetary time in our schools, we have an opportunity to make positive substantive changes. It is difficult work, but we are up to the challenge of providing the best learning experiences for our students. We are proud of the work that our teachers and administrators do every day to improve teaching and learning in our district. In addition, we have enthusiastic and respectful students who arrive to school every day eager to learn. This is a testament to our parents and our community who value the importance of education and the role that it needs to play in a community. There is no question that a major indicator of the quality of life for everyone in a community can be measured by the quality of its schools and by a community's commitment to its children. In this way, the quality of a school district affects every single person in a community, and the Town of Reading is no exception.

We appreciate the support that we have received from the community in the past and we look forward to working with town officials during this budget process and in providing sustainable funding solutions for FY18 and beyond.

Budget Drivers

The FY2017 Superintendent's Recommended Budget is \$40,847,666, an increase of \$1,374,313 or 3.5%. The discussion below provides details on the major budget drivers based on expenditure category. The major drivers of the increase to the FY'17 budget include:

- An increase in salary expenditures to fund step and cost of living increases for collective bargaining association members and non-union employees
- An increase in special education costs, including anticipated increases in special education transportation as the contract is up for bid for FY17 and known out of district special education tuition increases
- An increase in regular day mandatory transportation as the contract is up for bid for FY17
- An increase in the use of revolving fund offsets to achieve the Finance Committee budget guidance of 3.25%.

Salary and Other Compensation

FY'17 Superintendent's Recommended Budget: \$36,051,087

FY'16 Adopted Budget: \$ 35,296,420

\$ Increase: \$754,666

The budget assumes step increases, column changes (where applicable), and cost of living adjustments for all five collective bargaining units and cost of living adjustments for all non-union employees. The FY'17 contracted increase was 2.5% for all other bargaining units. A 2.5% average cost of living increase for non-union employees was also factored into the budget. It is important to note that our non-union employees do not have salary schedules or classification systems and, therefore, do not receive step increases or any compensation adjustments beyond the cost of living increase. 77.6% of the increase is to fund increases for collective bargaining unit members.

There is reduction of 5.9 FTE Teacher positions, 1.0 FTE Regular Education Paraeducator and .4 FTE Speech and Language Pathologist. This is offset by an additional 1.0 FTE in the FY'17 budget for a Social Worker to support the SSP program at the Killam Elementary School. The FY'17 budget also reinstates some office support at the elementary school level. It is important to note that significant reductions to Substitute Teacher funding from FY16 was not reinstated in FY17.

These reductions in FTE's were necessary to achieve the Finance Committee budget guidance of 3.25%.

Contract Services

FY'17 Superintendent's Recommended Budget: \$1,150,406

FY'16 Adopted Budget: \$1,144,861

\$ Increase: \$5,546

In this category of expenditures, there are several decreases in particular line items for FY'17. The most significant decreases include: special education curriculum services at the high school level which will be provided by district staff and professional development which is a category change (other expenses). These reductions are offset by budgeted increases for regular day transportation, labor counsel and contracted cleaning services for the Coolidge Middle School and the High School.

Materials, Supplies, and Equipment

FY'17 Superintendent's Recommended Budget: \$1,028,057

FY'16 Adopted Budget: \$779,900

\$ Increase: \$248,067

The increase in this category is due to primarily the restoration of the prior year reduction in the per pupil amounts allocated to each building Principal for the purchase of materials, supplies and other classroom equipment or needs and the \$150,000 to fund the first year of a three year K-12 science curriculum implementation.

Other Expenses

FY'17 Superintendent's Recommended Budget: \$797,469

FY'16 Adopted Budget: \$790,798

\$ Increase: \$6,671

The minor increase in this category stem from an increase in professional development (from contracted services) and an increase to network hardware. The increases were offset by reductions to software licensing and parent transportation reimbursement.

Special Education Tuition & Transportation

FY'17 Superintendent's Recommended Budget: \$4,127,314

FY'16 Adopted Budget: \$3,961,769

\$ Increase: \$165,545

Special education tuition and transportation are one of two expenditure categories that are treated as "accommodated cost" in our municipal budget due to the unpredictable but unavoidable nature of these expenses. We are anticipating a reduction in tuition expenses for private residential tuitions but an increase in expenses for public collaborative and private day tuitions. The net increase in tuition due to these known or anticipated placement changes is \$208,813. Our anticipated transportation expense is budgeted to increase by 5% as the current contract is up for bid. In addition, the offset from the state's special education reimbursement grant, known as circuit breaker, will be higher FY'17 than in FY'16. The FY'17 amount used in the budget is the amount granted to us in FY'16. That amount will be carried forward into FY'17. The amount is higher because the district's FY'15 claim amount was higher due to more students qualifying for the threshold. The net result is \$90,740 more in offset than the current year.

Grant and Revenue Offsets

FY'17 Superintendent's Recommended Budget: \$2,306,666

FY'16 Adopted Budget: \$2,500,485

\$ Decrease: \$193,819

The district utilizes revenue from a variety of sources to offset its expenses. These revenue sources include the METCO grant, kindergarten tuition, preschool tuition, tuition for special education students

from other school districts attending our schools, athletic and extracurricular user fees, building rental income, and extended day program revenue. (Circuit breaker is another offset to the budget but is discussed in the special education tuition and transportation section as it is included as part of that accommodated cost).

Revenue offsets from kindergarten tuition was increased by \$30,000 due to the increased costs associated with the full day program. Revenue offsets from athletic and extra-curricular user fees were increased by \$16,666 and \$5,000 respectively to offset the increased cost of living adjustments in coaches and advisor stipends. The revenue offset for in-district special education tuition was decreased by \$335,485. The offset is now \$215,000 annually and is used to support the students from other districts that will be attending our programs next year. The revenue offset for building rental income will now be split between the Town and School for facility operations. The offset remains \$200,000 in total but will be split \$150,000/\$50,000 School and Town. The rental revenue offset for extended day programs implemented in FY16 for \$50,000 will be allocated to the Town for utilities. The FY'17 budget has an additional offset from the extended day program of \$90,000 for custodial services. The METCO grant offset remains \$100,000.

Reading Public Schools District Strategy for Improvement of Student Outcomes

The chart below lists the mission, vision, theory of action, key questions, goals, and strategic initiatives for the Reading Public Schools. When the FY17 budget is developed, the information below is used as a guide to drive the current and future school improvement efforts.

Figure 5-Reading Public Schools District Strategy for Improvement of Student Outcomes

<i>Our Mission</i>
<i>Instilling a joy of learning and inspiring the innovative leaders of tomorrow</i>
<i>Our Vision</i>
It is the vision of the Reading Public Schools to instill a joy of learning by inspiring, engaging and supporting our youth to become the innovative leaders of tomorrow. We will accomplish our vision by focusing on a few key strategic initiatives that lead to a meaningful and relevant curriculum, innovative instructional practices, strong analysis and thoughtful dialogue about evidence, a collaborative and team approach to learning and teaching, and a safe and nurturing learning environment. The overall physical and behavioral well-being of our children will be our top priority as students will not learn if they are not physically and psychologically safe. Education will truly be the shared responsibility of both the schools and the community, with families playing active roles in the schools and being full partners in ensuring the success of their children. In the interest of the entire Reading community, the school district and town government shall work cooperatively and collaboratively. As educators and members of our community, we believe that implementing this vision is our ethical responsibility to the children of the Town of Reading.
<i>Our Theory of Action</i>
If the Reading Public School District strategically allocates its human and financial resources to support high quality teaching, prioritizes a commitment to the academic, social, and emotional needs of our students, emphasizes the hiring and support of effective staff who have the capacity to collaboratively learn, thoughtfully analyzes measurements of school performance and provides differentiated support, then students will make effective progress and be appropriately challenged, graduating from high school ready for college, career, and life as contributing citizens in a global society.
<i>Our Questions</i>
<ol style="list-style-type: none"> 1. What is it we want our students to learn? What knowledge, skills, and dispositions do we expect them to acquire as a result of this course, this grade level, and this unit of instruction? 2. How will we know if each student is learning each of the skills, concepts, and dispositions we have deemed most essential? 3. How will we respond when some of our students do not learn? What process will we put in place to ensure students receive additional time and support for learning in a way that is timely, precise, diagnostic, directive, and systematic? 4. How will we enrich and extend the learning for students who are already proficient?

District Goals and Initiatives 2014-16 with Updates

Goal 1-Student Learning <i>Improve curriculum and instruction, student support, and assessment</i> Status: Some Progress	Goal 2-Professional Practice <i>Increase the professional learning of all staff and teacher leadership</i> Status: Some Progress	Goal 3-Student Support, Wellness, and Safety <i>Strengthen social/emotional and behavioral health</i> Status: Some Progress	Goal 4-Resources and Space <i>Address time, space, and program needs for continuous district improvement</i> Status: Some Progress	Goal 5-Communication <i>Improve communication across the district, with families and the Reading community</i> Status: Some Progress
Implement MA Curriculum Frameworks in Mathematics and Literacy in all classrooms- <i>Significant Progress</i> Implement MA Curriculum Frameworks in Science in all classrooms- <i>Planning Stage</i> Support Level 3 improvements at Joshua Eaton and across district- <i>Some Progress</i> Develop long-term plan for technology integration and assessment- <i>Some Progress</i> Improve Special Education programs and services- <i>Some Progress</i>	Develop Professional Learning Communities – <i>Significant Progress</i> Provide facilitative leadership training for teachers and administrators- <i>Significant Progress</i> Create Joint Labor Management Professional Development Committee to plan and assess PD-Met Create district action plan; monitor and report on progress- <i>Some Progress</i> Implement Common measures in evaluation- <i>Significant Progress</i>	Implement Multi-Tiered System of Support (MTSS) to address academic, social, and emotional needs of all students- <i>Significant Progress</i> Implement Health Curriculum grades 3-8- <i>Some Progress</i> Review and update Bullying Prevention Plan, Wellness policies, Chemical Health policy- <i>Some Progress</i> Improve safety and security procedures at all schools- <i>Significant Progress</i>	Create working group, analyze district space needs, and propose recommendations- <i>Some Progress</i> Create task force, identify time and learning needs from preschool to grade 12, and propose recommendations- <i>Some Progress</i> In collaboration with the Town of Reading, continue to grow and improve a full day Kindergarten program for all students- <i>Significant Progress</i>	Develop and implement a communications plan for the district- <i>Some Progress</i> Superintendent and School Committee engage in MASC District Governance Program to improve governance- <i>Significant Progress</i> Provide ongoing proactive communication to School Committee, parents, and community- <i>Significant Progress</i>

Budget Process and Timeline

The process used to develop the FY2017 Superintendent’s Recommended Budget is designed to maximize participation by key stakeholders. This year’s budget process included collecting input from district administrators, staff, and community members on budget priorities. This process began with our community forums in May and continues throughout the budget process including budget presentations to the School Committee and deliberations by the Committee during the month of January.

The budget process begins with the analysis of enrollment and performance data; the development and refinement of district, school, and educator goals based on the needs of students and performance gaps; and the identification of resources needed to achieve effective progress towards those goals and objectives. This process begins at the start of the school year and is completed by the end of October.

In early October, as part of the budget process, the town convenes its annual Financial Forum, a joint meeting of the elected and appointed Boards and Committees. At this time, the town establishes its revenue projection as well as its estimate of its “accommodated costs,” which are the fixed costs to which available revenues are first allocated. These costs include employee and retiree health insurance, debt service, energy and utility expense, and special education tuition and transportation expenses. These expenses are subtracted from available revenues and the remaining revenues are allocated to municipal and school budgets based on a historical ratio. Last year, sixty-five percent of the net revenue

was allocated for the school department budget. At the October 28, 2014 Financial Forum, the proposed increase in general fund revenue allocated to the school department for non-accommodated costs was 2.5% or an increase of \$1,032,070.

During the next step of the budget process which occurs in early to mid-November, the Director of Finance and Operations distributes budget development guidelines, instructions, and forms to district and school administrators. Department and school budget requests are then submitted to the Finance Office by the end of November. Throughout November and December, the Superintendent reviews the budget requests as well as the programmatic and financial implications of these requests taken as a whole. By late December, the Superintendent determines the size and scope of the budget.

In early January, the Superintendent’s Recommended Budget is submitted to the School Committee for consideration. During the month of January, the Superintendent and Director of Finance and Operation present the program budgets to the School Committee for review and deliberation. The School Committee either requests changes to the budget or adopts the budget as proposed. Once adopted by the School Committee, the budget is then delivered to the Town Manager who, in accordance with Town Charter, must submit a balanced budget to the Finance Committee in February.

During the month of March, the Finance Committee reviews the budgets of each municipal department, including the School Department. The School Committee, Superintendent, and Director of Finance and Operations present and defend their budget request to the Finance Committee in late March. The Finance Committee takes a vote on each departmental budget. It is the responsibility of the Finance Committee to make recommendations to Town Meeting on each departmental request.

At Reading’s Annual Town Meeting, which commences in late April, the Town Manager’s Budget is presented to Town Meeting for its review and approval. Once approved, the School Department’s FY’16 General Fund Appropriation is set and is implemented for the fiscal year beginning on July 1, 2015.

Figure 6: FY’17 Budget Calendar

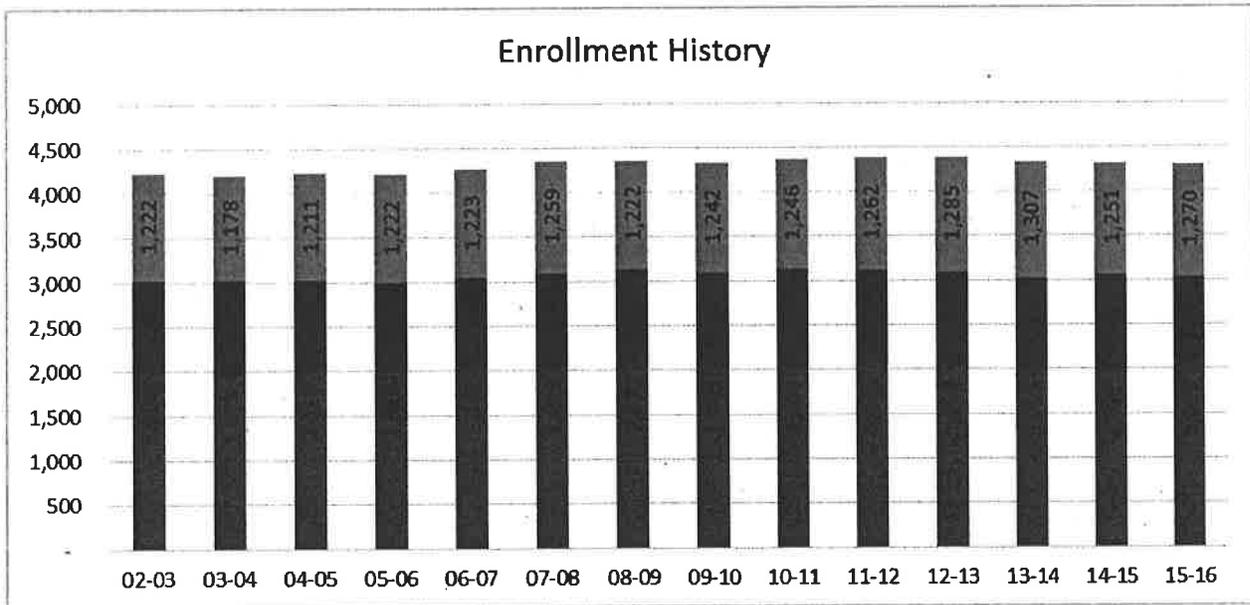
FY16 – 26 Capital Plan to Finance Committee	September 8
Town Meeting Warrant Closes	September 15
Budget Preparation information sent to all administrators and MUNIS budget training	Mid-October
Budget Input meetings with staff	On Going
Budget Parents Identified	October
Financial Forum I	October 28
Principals present goals and budgetary needs	October 26 – November 3
Building/department budget requests submitted to Central Office	November 6
Town Meeting	November 9, 12, 16, 19
Superintendent Reviews building/department requests and performance goals	November 9– November 15
Superintendent holds community forums to discuss budget priorities	On Going
Budget Parent meetings	Late November through January
Finalize FY17 Salary Projections	December 1
Budget development deliberations undertaken by Administration	December
Superintendent’s Budget Finalized	December 30
Budget document distributed	December 31
School Committee questions submitted three days prior to Cost Center presentation. All questions will be answered prior to deliberations/vote.	
Budget overview presented to School Committee	January 7
Budget (cost center) presentations and deliberations by School Committee	January 11, 14
Financial Forum II	January 20
Open Public Hearing on Budget	January 21
School Committee vote on Superintendent’s Budget	January 25
School Committee Budget forwarded to Finance Committee and Town Manager	February 1
School Committee meets with Finance Committee	March 16
Financial Forum III	March 23
School Budget voted at Annual Town Meeting	April 28, May 2, or May 5

Information Overview

District Enrollment and Student Demographics

School districts in Massachusetts are required to report student enrollment and demographic data to the Massachusetts Department of Elementary and Secondary Education (MA DESE) three times per year: October 1, March 1, and Year End. The October 1 figures are used to evaluate staffing needs and patterns for the School Committee Budget each year.

Figure 7: Historical Enrollment by Grade Level



It has been more than five years since the District convened an enrollment study. K-12 Enrollment has been fairly consistent the past fourteen years, peaking in FY12-13 at 4,477. Current K-12 enrollment is 4,394. While enrollment at the elementary school increased this year by 18 students the middle school enrollment decreased by 54 students and the high school gained an additional 18 students. Historically, anywhere from 4% to 13% of eighth grade students do not move on to Reading Memorial High School.

The Reading Public Schools provides special education services to eligible students ages three to twenty-two years deemed eligible through the special education team evaluation process. Eligibility is based on a determination that the child has a qualified disability that will limit the child's ability to achieve effective progress in the regular education program without special accommodations. Instructional or other accommodations are outlined in the child's Individual Education Program (IEP). Figure 6 shows historical data regarding the number of students with IEPs based on October 1 enrollment data. As this table indicates, the number of students receiving special education services has decreased by 2.2% between last school year and this school year. The number of students on IEP's has contributed to the additional demands on our special education staff.

Figure 8: Special Education Enrollment Trends

Academic Year	Total Enrollment	# of Students on IEP	% of Students	% of Students Statewide	# of Students Out of District
2005-06	4282	694	16.2%	16.4	73
2006-07	4332	707	16.3%	16.7	67
2007-08	4416	753	17.1%	16.9	73
2008-09	4428	771	17.4%	17.1	63
2009-10	4392	758	17.3%	17.0	59
2010-11	4459	734	16.5%	17.0	51
2011-12	4447	768	17.3%	17.0	64
2012-13	4483	737	16.4%	17.0	64
2013-14	4432	767	17.3%	17.0	50
2014-15	4407	809	18.4%	17.1	61
2015-16	4394	791	18.0%		64

Figure 7 shows the enrollment for our high needs population, as defined by the Massachusetts DESE. What is apparent from the table below is that our ELL and low income populations have been steadily rising over the last several years. In FY15 we saw an increase of 42% or 101 students that meet the federal income guidelines for Free Lunch and in FY16 we saw an increase in our Limited English Proficient population. Out of the 46 students, 32.6% or 15 of the students are enrolled in kindergarten.

Figure 9: Enrollment History for Other High Needs Populations

Academic Year	First Language Not English		Limited English Proficient		Low-Income		Free Lunch		Reduced Lunch	
	#	%	#	%	#	%	#	%	#	%
2006-07	72	1.7	11	0.3	129	3.0	82	1.9	47	1.1
2007-08	85	1.9	17	0.4	158	3.6	114	2.6	44	1.0
2008-09	78	1.8	14	0.3	172	3.9	125	2.8	47	1.1
2009-10	83	1.9	16	0.4	204	4.6	152	3.5	52	1.2
2010-11	75	1.7	14	0.3	231	5.2	176	3.9	55	1.2
2011-12	72	1.6	15	0.3	254	5.7	204	4.6	50	1.1
2012-13	81	1.8	20	0.5	261	5.8	213	4.8	48	1.1
2013-14	79	1.8	26	0.6	294	6.6	239	5.4	55	1.2
2014-15	75	1.7	26	0.6	398	9.2	340	7.9	58	1.3
2015-16	89	2.0	46	1.0	390	8.9	342	7.8	48	1.1

Class Size

The Reading School Committee and Reading Public Schools do not have a policy that mandates class size. However, at the elementary level, the district conforms to a recommended class size of 18 to 22 in grades K-2, and up to 26 students in grades 3-5. As Figure 8 shows, the vast majority of the elementary schools are within these ranges. In FY17, one of the proposed reductions is for 2.0 Elementary Teachers in grades 3-5. This reduction will result in some classes in those grades to reach up to 25 students per classroom.

Figure 10: Average Class Size by Grade and School (2015-16 School Year)

School	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12
Barrows	20.5	21.0	19.3	18.0	22.0	21.0							
Birch Meadow	18.8	21.7	22.0	19.0	24.3	22.7							
Joshua Eaton	20.0	20.5	20.3	19.8	22.8	22.3							
Killam	19.2	22.0	18.8	19.8	18.8	22.0							
Wood End	21.5	20.3	22.5	19.5	23.3	19.3							
Coolidge							25.5	27.3	25.7				
Parker							21.6	24.1	22.9				
High School										21.4	20.7	21.6	21.4
Average	20.0	21.1	20.6	19.2	22.2	21.5	23.6	25.7	24.3	21.4	20.7	21.6	21.4

Middle school class size ideally should be between 20 and 26 students. As Figure 8 shows, middle school class sizes are all essentially within the ideal range at Parker Middle School, but slightly higher at Coolidge Middle School.

At the High School level, “average” class size is more difficult to determine and assess given the various types of programs and levels of each program offered (college prep, strong college prep, honors, and advanced placement) and the number of courses taught, both required and elective. The average class sizes shown in Figure 8 above are for required classes at each grade level. The 3.4 FTE High School Teachers will result in the elimination of the Freshmen Advisory Program, as well as reductions in the High School Latin Program.

With respect to class sizes at the different levels, the High School aims to keep its college prep courses below 20 students given that these classes are usually more homogeneously grouped, co-taught classes with a higher percentage of special education students. As Figure 9 below shows, the investment of additional teacher resources at the High School in the FY’14 budget resulted in a significant decrease in the class size for the college prep course level. In the current school year, the average class sizes for most college prep courses is below 20 students.

Figure 11: SY’2015-16 High School Class Size

Grade	College Prep				Strong College Prep				Honors				AP
	9	10	11	12	9	10	11	12	9	10	11	12	
Subject													
English	11.5	13.5	16.5	21.0	24.3	22.9	22.3	23.6	21.0	20.3	21.8	20.5	12.0
Math	17.0	21.7	18.0	22.6	21.1	21.3	22.5	23.0	24.0	23.8	19.7	26.0	25.4
Science	14.5	16.0	15.4	15.4	19.8	19.3	20.6	15.6	23.8	23.0	20.7	18.0	19.3
Social Studies	13.0	15.5	14.5		26.4	19.3	21.2		23.9	23.7	27.6		14.3
Average	18.7	16.7	16.1	19.7	22.9	20.7	21.7	20.7	23.2	22.7	22.5	21.5	17.8

Personnel Resources

Education is, by its very nature, a very staff dependent operation. The total number of staff as well as the allocation of staff resources is determined annually based on enrollment projections and shifts as well as student needs and services required to meet those needs. As a result, 80% of our district operating budget is used for employee compensation which is not atypical of school districts in the state or across the country. Staffing is measured in Full Time Equivalents, or FTE's, which is arrived at by dividing the number of hours that an individual works by the base number of hours for the particular position. For example, paraprofessionals and teachers base hours are 35 per week, while custodians work 40 hours per week. In SY'2015-16, we have 570.3 FTE employees working for Reading Public Schools. This figure is permanent employees only and does not include substitutes or other temporary employees or stipend positions. Of this amount, 553.7 are funded from the general fund budget while 16.6 are funded from grants.

The FY'17 Superintendents Recommended Budget includes funding for an additional 1.5 FTE's from current FY'16 staffing levels for a .5 Grade 1 Teacher for the expanded Grade 1 population at Barrows and a 1.0 Social Worker for the SSP Program located at the Killam Elementary School. The reduction of 2.0 FTE Elementary teachers will result in some class sizes in grades 3-5 to reach up to 25 students per classroom. The 3.4 FTE High School Teachers will result in the elimination of the Freshmen Advisory Program, as well as reductions in the High School Latin Program. The reduction in High School stipends will result in the elimination of a High School Department Head, the consolidation of two departments, and the elimination of another leadership position. The elimination of a Department Head will result in a savings of a .4 FTE teacher (included in the 3.4 FTE High School Reduction) because of the reduced teaching load that a Department Head has. The .5 Middle School Teacher will result in a reduction in the amount of reading services available at the middle school level. The 1.0 FTE Regular Education Paraeducator will eliminate the Library Paraeducator at the High School, resulting in reduced staffing in the High School Library and possible times where the library will not be accessible to students, particularly after school. The .4 Speech and Language Pathologist reduction will result in reduced speech and language services at the elementary level.

The 1.85 FTE reduction in grant funded positions are the Title I tutors and a data analyst. The School Climate Transformation Grant was revised in FY16 to include a 1.0 FTE data analyst. The .25 FTE from the grant will be absorbed back into the operating budget in FY17. A determination on tutor positions will be made based on FY17 Title I grant award and district needs.

Figure 12-FTE Changes in FY17 Budget

Regular Education		
Elementary Teachers		
Kindergarten section	0.50	Addition
Classroom Teachers Gr 3 - 5	(2.00)	Reduction
High School Department Chair	(0.40)	Reduction
High School Teachers	(3.00)	Reduction
Paraeducator	(1.00)	Reduction
Reading Specialist	(0.50)	Reduction
Special Education		
Speech/Language Pathologist	(0.40)	Reduction
Social Worker/Elementary SSP Program	1.00	Addition
Districtwide		
Computer Technician	0.25	Restore
Grant Funded		
Data Analyst	(0.25)	Return to Operating Budget
Tutor	(1.60)	Needs to be determined
Net Adjustments	(7.40)	

Student Achievement

Reading Public Schools has a strong record of performance, not just in academics, but in athletics and extracurricular activities as well. There are a number of indicators or benchmarks that are traditionally used to measure the performance of district. These include performance on the Massachusetts Comprehensive Assessment System (MCAS), the Scholastic Aptitude Tests (SAT), American College Testing (ACT), and Advanced Placement exams.

One way to measure student success is to compare the MCAS performance over a time of a given cohort of students. The figures below show MCAS performance by the current graduating class (Class of 2016) in English Language Arts, Mathematics, and Science & Technology in Grades 4, 6, 7, 8, and 10.

Figure 13: English Language Arts MCAS Performance History, Class of 2016

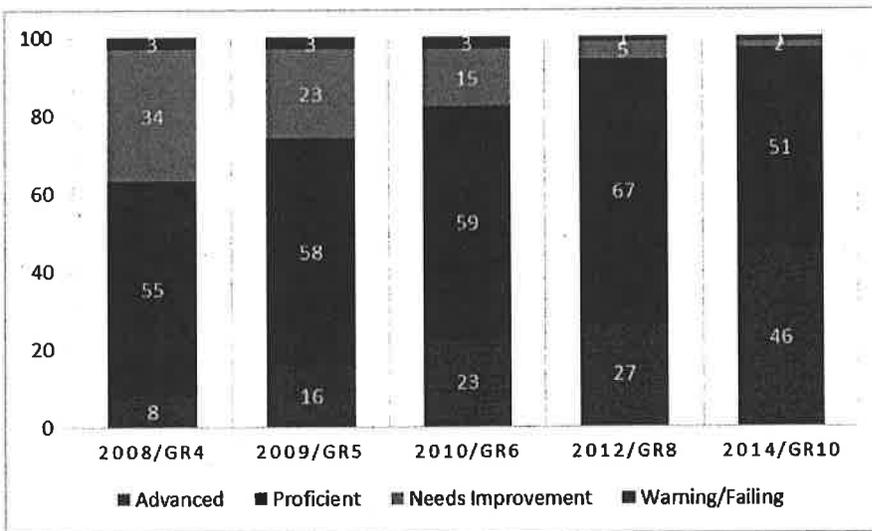


Figure 14: Mathematics MCAS Performance History, Class of 2016

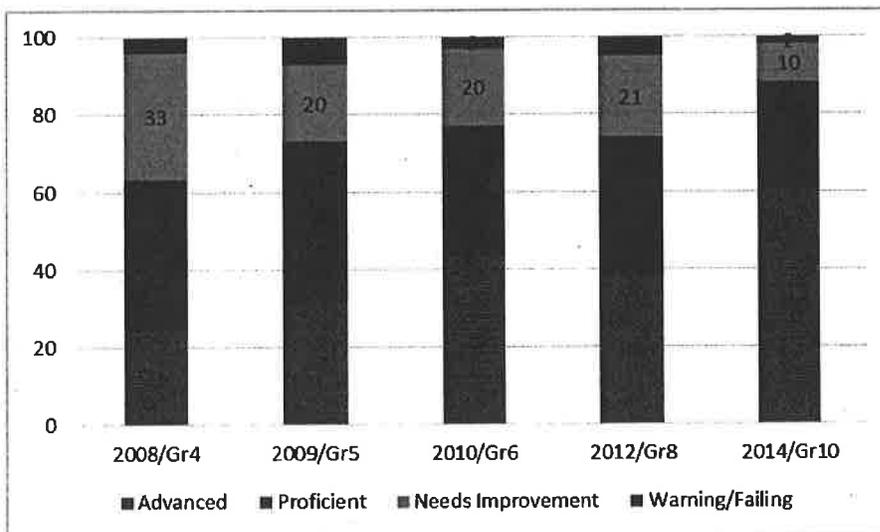
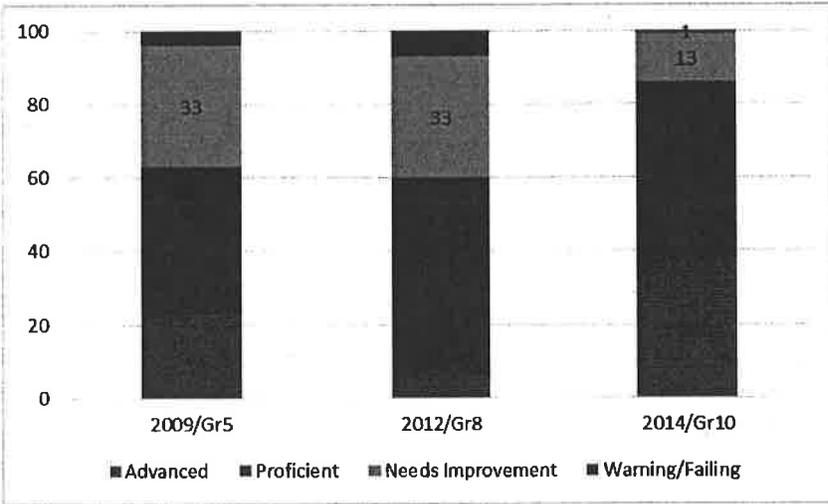


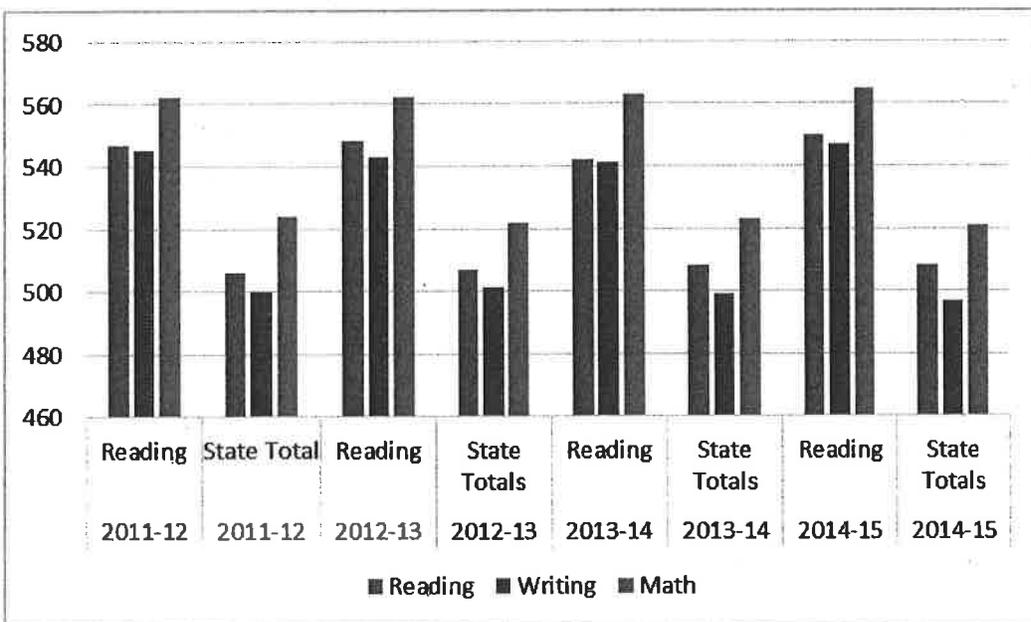
Figure 15: Science & Technology MCAS Performance History, Class of 2015



As you can see from the figures above, student performance improves quite dramatically between Grade 4 and Grade 10 for these current students. The percent of students scoring advanced or proficient increased from 63% to 97% in ELA and from 63% to 88% in Mathematics. Performance in Science & Technology, which was only administered three times to this class, increased from 63% to 86%.

Reading students have had a strong record of performance on college entrance exams. The chart below compares the scores of Reading students to the state average for the four most recent years that data is available through the MA DESE.

Figure 16: Scholastic Aptitude Test Results, Reading versus State



An overwhelming majority of Reading High School graduates continue their formal education at two or four-year colleges. Historically, between 87% and 96% of all graduates continue on to higher education. The figure below shows the historical data on placement choices for graduating seniors.

Figure 17: High School Graduate College Attendance Rates

Academic Year	Number of Graduates	4 - Year Graduation Rate	Percent to 4-Year Colleges	Percent to 2-Year Colleges	Total Percent Continuing
2006	312	95.5	79	11	90
2007	289	89.6	85	7	92
2008	326	94.2	80	9	89
2009	317	93.7	83	8	91
2010	352	86.1	83	7	90
2011	295	95.9	82	5	87
2012	294	96.6	85	7	92
2013	328	96.0	86	7	93
2014	305	96.0	88	6	94
2015	289		88	6	96

Financial Overview

FY2017 Revenue Sources

There are two main categories of funding available to the District, the general fund and special revenue funds. The general fund consists primarily of Chapter 70 State Aid and the Town's local contribution to education. Special revenue funds consist of grants (including entitlement, competitive, and private grants) and revolving funds where revenues such as kindergarten tuition, preschool tuition, or building rental fees are deposited. As the figure below shows, the Town's local contribution (including funding necessary to cover school department accommodated costs) is projected to increase 2.8% in FY'17.

Figure 18: Municipal Revenue Sources

	FY15	Projected FY16	% Change	Projected FY17	% Change
Revenue Sources					
Property Taxes	58,337,728	61,930,265	6.2%	63,984,267	3.3%
Other Local Revenues	6,119,266	6,362,500	4.0%	6,580,000	3.4%
Intergovernmental Revenues	13,282,318	13,612,031	2.5%	13,845,150	1.7%
<i>Chapter 70</i>	10,126,574	10,232,699	1.0%	10,342,549	1.1%
Transfers & Available	3,755,816	3,779,131	0.6%	3,910,371	3.5%
Free Cash	1,700,000	2,199,765	29.4%	2,000,000	-9.1%
Total Revenues	83,195,128	87,883,692	5.6%	90,319,788	2.8%
School Revenue Sources					
General Fund Revenues	40,435,449	39,369,453	-2.6%	40,697,665	3.4%
Grants	1,866,730	1,909,368	2.3%	1,947,555	2.0%
Revenue Offsets	2,129,105	2,356,600	10.7%	2,291,666	-2.8%
Total School Revenues	44,431,284	43,635,421	-1.8%	44,936,886	3.0%

The largest share of revenue comes from local property taxes which, by statute, cannot increase by more than 2.5% per year. The anticipated increase of 3.3% is due to new growth in the community. The second largest source of revenue comes from the State Aid receipts, most notably Chapter 70. Chapter 70 funding is determined by first calculating a Foundation Budget amount for each community based on its enrollment and then comparing that Foundation amount to the community's ability to pay as determined by its per capita income and property values. For FY'17, the Town is predicting a modest 2.5% increase in State Aid. It is also important to note that the Town is utilizing \$2,000,000 of its free cash reserves and the Superintendent's Recommended Budget includes a continued reliance on Grant and Revenue Offsets to help support the Operating Budgets.

FY2017 Expenses by Category

The Superintendent's Recommended Budget is organized into five Cost Centers, representing the high level program categories that comprise the District Budget. These include Administration, Regular Day, Special Education, School Facilities, and Other District Programs which includes Health Services, Athletics, Extracurricular Activities, and District-wide Technology. These cost centers were established as such by a vote of the School Committee. In accordance with that vote, the Administration is authorized to transfer funds within any cost center. The Administration must, however, obtain approval of the Committee to transfer funds between Cost Centers.

As shown in Figure 19 below, the FY2017 Superintendent's Recommended Budget reflects an increase of 3.5%. The largest dollar increase to the budget is in the Special Education Cost Center (\$870,972) followed by Regular Education (\$463,301). These increases account for 97.1% of the total increase of \$1,374,314. The reasons for these increases are highlighted in Budget Drivers section of this Executive Summary and described in more detail in the Financial Section of this budget document.

Figure 19: Expenditures by Cost Center

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Administration	915,855	932,578	891,123	925,790	963,694	4.1%
Regular Day	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%
Special Education	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%
School Facilities	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%
Districtwide Programs	1,310,955	1,374,192	1,614,893	1,582,254	1,608,042	1.6%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

As Figure 20 shows, the vast majority of the school department budget funds instructional services comprising 80.1% of the total. This is followed by operations and maintenance (including technology infrastructure and maintenance) at 4.2%, payments to other districts (essentially out-of-district special education tuitions) at 7.7%, other school services (including therapeutic and health services, transportation, athletics, and extracurricular activities) at 5.5%, and district administration at 2.4%.

Figure 20: Allocation of FY'17 School Committee Budget by Major Function



FY2017 Revenue and Expense Budget Projection

The Town of Reading’s budgeting methodology begins with a projection of available revenues from all sources in the subsequent year. That revenue projection is typically based on historical trends in the various revenue sources. Once the revenue budget is established, which generally happens in late October, the next step is to determine the “accommodated” or shared costs. These are costs that town officials believe must be funded ahead of any other expense of any municipal department. These accommodated costs include items such as health insurance costs, debt service expense, energy and utility costs, and special education tuition and transportation for out of district placements. The accommodated costs are then subtracted from the available revenues, and the remaining revenues are divided between municipal government and school department based on historical ratios. Available revenue to the school department is, then, the combination of the funds allocated for the school department’s accommodated costs and the historical share of net available revenues after accounting for accommodated costs.

Figure 21: Revenue and Expense Projections and Allocation

	FY'14	FY15	Projected FY16	% Change	Projected FY17	% Change
Revenue Sources						
Property Taxes	55,774,186	58,337,728	61,930,265	6.2%	63,984,267	3.3%
Other Local Revenues	5,652,474	6,119,266	6,362,500	4.0%	6,580,000	3.4%
Intergovernmental Revenues	13,096,149	13,282,318	13,612,031	2.5%	13,845,150	1.7%
<i>Chapter 70</i>	<i>10,019,849</i>	<i>10,126,574</i>	<i>10,232,699</i>	<i>1.0%</i>	<i>10,342,549</i>	<i>1.1%</i>
Transfers & Available	4,834,942	3,755,816	3,779,131	0.6%	3,910,371	3.5%
Free Cash	1,050,000	1,700,000	2,199,765	29.4%	2,000,000	-9.1%
Total Revenues	80,407,751	83,195,128	87,883,692	5.6%	90,319,788	2.8%
Accommodated Costs						
Benefits	13,515,050	14,116,590	14,965,743	6.0%	15,988,500	6.8%
Capital	2,355,500	2,308,000	2,889,250	25.2%	2,070,000	-28.4%
Debt	3,970,500	3,222,730	4,511,541	40.0%	4,900,000	8.6%
Energy	1,938,945	1,898,465	1,860,044	-2.0%	1,948,725	4.8%
Financial	750,000	775,000	960,000	23.9%	831,000	-13.4%
Special Education	3,598,098	3,858,194	4,004,269	3.8%	4,127,314	3.1%
Vocational Education	371,250	467,000	490,350	5.0%	518,350	5.7%
Miscellaneous	2,957,750	2,933,913	2,951,184	0.6%	2,944,000	-0.2%
Total Accommodated Costs	29,457,093	29,579,892	32,632,381	10.3%	33,327,889	2.1%
Revenue to Operating Budgets						
Municipal Government (35.84%)	15,423,120	16,240,552	19,654,979	21.0%	20,398,990	3.8%
School Department (64.16%)	33,947,993	35,421,173	35,365,184	-0.2%	36,570,351	3.4%
Town Facilities	410,962	425,346				
School Expenses (Non-Accommodated)						
Salary and Other Compensation	32,498,901	33,981,500	35,006,135	3.0%	36,018,723	2.9%
Contract Services	1,292,768	1,298,485	1,144,861	-11.8%	1,155,406	0.9%
Materials, Supplies & Equipment	886,126	904,497	779,990	-13.8%	1,028,057	31.8%
Other Expenses	1,344,079	1,365,796	790,798	-42.1%	809,831	2.4%
Revenue Offsets	(2,073,881)	(2,129,105)	(2,356,600)	10.7%	(2,291,666)	-2.8%
School Expenses (Non-Accommodated)	33,947,993	35,421,173	35,365,184	-0.2%	36,720,351	3.8%
School Expenses (Accommodated)						
Special Education	4,780,978	5,044,442	4,957,106	-1.7%	5,170,891	4.3%
Circuit Breaker	(1,196,628)	(1,186,247)	(952,837)	-19.7%	(1,043,577)	9.5%
Energy & Utilities	1,166,344	1,156,081				
School Expenses (Accommodated)	4,750,694	5,014,276	4,004,269	-20.1%	4,127,314	3.1%
School Committee's Budget	38,701,365	40,317,973	39,473,353	-2.1%	40,847,666	3.5%
School Revenue Sources						
General Fund Revenues	38,698,687	40,435,449	39,369,453	-2.6%	40,697,665	3.4%
Total Expense	38,698,687	40,435,449	39,369,453	-2.6%	40,847,665	3.8%
<i>Excess of Revenue Over (Under) Expense</i>	-	-	-		(150,000)	

As Figure 21 shows, the FY'17 Superintendent's Recommended Budget exceeds the guidance provided by the Finance Committee by \$150,000. This \$150,000 is needed to fund the first year of a three year K-12 science curriculum implementation.

Next Steps and Contact Information

The FY'17 Superintendent's Recommended Budget will be presented on the following dates:

- Monday, January 11 (Overview, Administration, and Regular Day Cost Centers)
- Thursday, January 14 (Special Education and District Wide Services Cost Centers)
- Thursday, January 21 (Public Hearing, Town and School Facilities, Questions)
- Monday, January 25 (School Committee Vote)

When the School Committee votes in late January on the budget, it will become the School Committee budget, which is then presented to the Town Manager. The Town Manager then presents a full Town budget to the Finance Committee which is within the available revenues for the Town. The School Committee budget will be presented in March to the Finance Committee of the Town who votes whether to refer the budget as is to Town Meeting or refer with changes. Town Meeting then has final approval authority. By statute, Town Meeting can only vote the "bottom line" of the School Committee budget. It may vote to increase or reduce the total dollar value, but it cannot specify the line item to which the increase or decrease is to be made.

Once the School Committee votes on the budget, the timeline for the next steps in the budget development process is summarized below.

Financial Forum	January 20, 2016
FY'17 School Committee Budget Presentation to Finance Committee	March 16, 2016
Annual Town Meeting	April 28, May 2, May 5, 2016

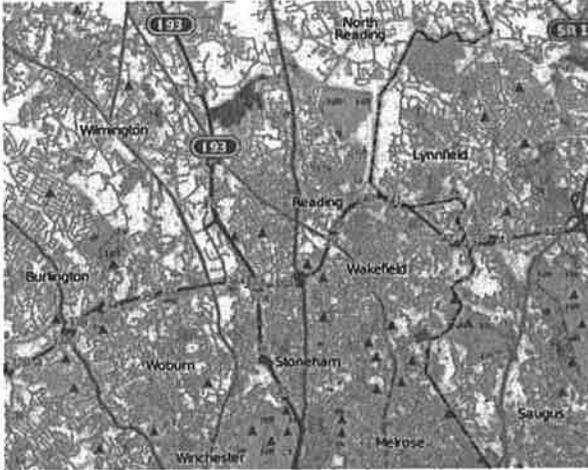
Copies of the budget document are available at the Office of the Superintendent, the Reading Town Library, the main office of each school, and on the Reading Public School's website at www.reading.k12.ma.us. For additional information or clarification, please feel free to contact the Central Office Administration for assistance.

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Organizational Section

Town of Reading



The Town of Reading is in Middlesex County, Massachusetts, United States, some 10 miles (16 km) north of central Boston. Reading was incorporated on June 10, 1644 taking its name from the town of Reading in England. Reading encompasses 9.9 square miles and is located approximately 12 miles North of Boston with easy access to major routes including 125/I-95, I-93 and routes 28 and 129. In addition, commuter rail and bus service is available in Reading. The Town of Reading has a Representative Town Meeting form of government. Town Meeting is comprised of 24 members from each of Reading's eight precincts for a total of 192 members. Reading also has a 5

member Board of Selectmen and a Town Manager.

There are eight schools in the Reading Public Schools: Reading Memorial High School (grades 9-12), A.W. Coolidge Middle School (grades 6-8), W.S. Parker Middle School (grades 6-8), and five elementary schools (grades K-5): Alice Barrows, Birch Meadow, Joshua Eaton, J.W. Killam and Wood End. Reading also has the RISE Preschool program, an integrated preschool, with classrooms located at Reading Memorial High School as well as the Wood End Elementary School.

As of October 1, 2015, the enrollment at our schools is:

RISE Pre-School (grades Pre-K)	94
Alice Barrows Elementary School (grades K - 5)	385
Birch Meadow Elementary School (grades K - 5)	387
Joshua Eaton Elementary School (grades K - 5)	462
J. Warren Killam Elementary School (grades K - 5)	460
Wood End Elementary School (grades K - 5)	316
A.W. Coolidge Middle School (grades 6 - 8)	471
Walter S. Parker Middle School (grades 6 - 8)	549
Reading Memorial High School (grades 9 - 12)	1,270
Total Enrollment	4,394

Reading participates in the Metropolitan Council for Educational Opportunity (METCO), a voluntary desegregation program which brings approximately 75 students, grades K-12, from Boston to Reading. Reading is also one of ten member districts of the SEEM Collaborative and one of eighteen member districts of the North Shore Education Consortium. Through these collaboratives, Reading Public Schools is able to partner with other districts in the area to provide special education as well as professional

development and other services to our students and staff at a lower cost than a single district alone could secure the same services. Reading Public Schools is also a member of The Education Collaborative (TEC). To reduce costs, Reading Public Schools utilizes the TEC collaborative bid process for school and custodial supplies. Through this collaborative purchasing arrangement, Reading Public Schools is able to purchase items at a reduced cost.

Organization Structure

School Committee

The Reading School Committee consists of six members elected by the voters of Reading for three-year terms. Each year, two members' term of office expires and become open for re-election. The current membership and terms of the Reading School Committee are as follows:

Charles Robinson, Chairperson, Term Expires 2016
Jeanne Borawski, Vice Chairperson, Term Expires 2017
Julie Joyce, Term Expires 2016
Linda Snow Dockser, Term Expires 2017
Gary Nihan, Term Expires 2018
Elaine Webb, Term Expires 2018

Under Massachusetts General Laws, Chapter 70, the School Committee has the power to select and to terminate the Superintendent, review and approve the budget, and establish the educational goals and policies for the schools in the district consistent with the requirements of law and statewide goals and standards established by the Board of Education.

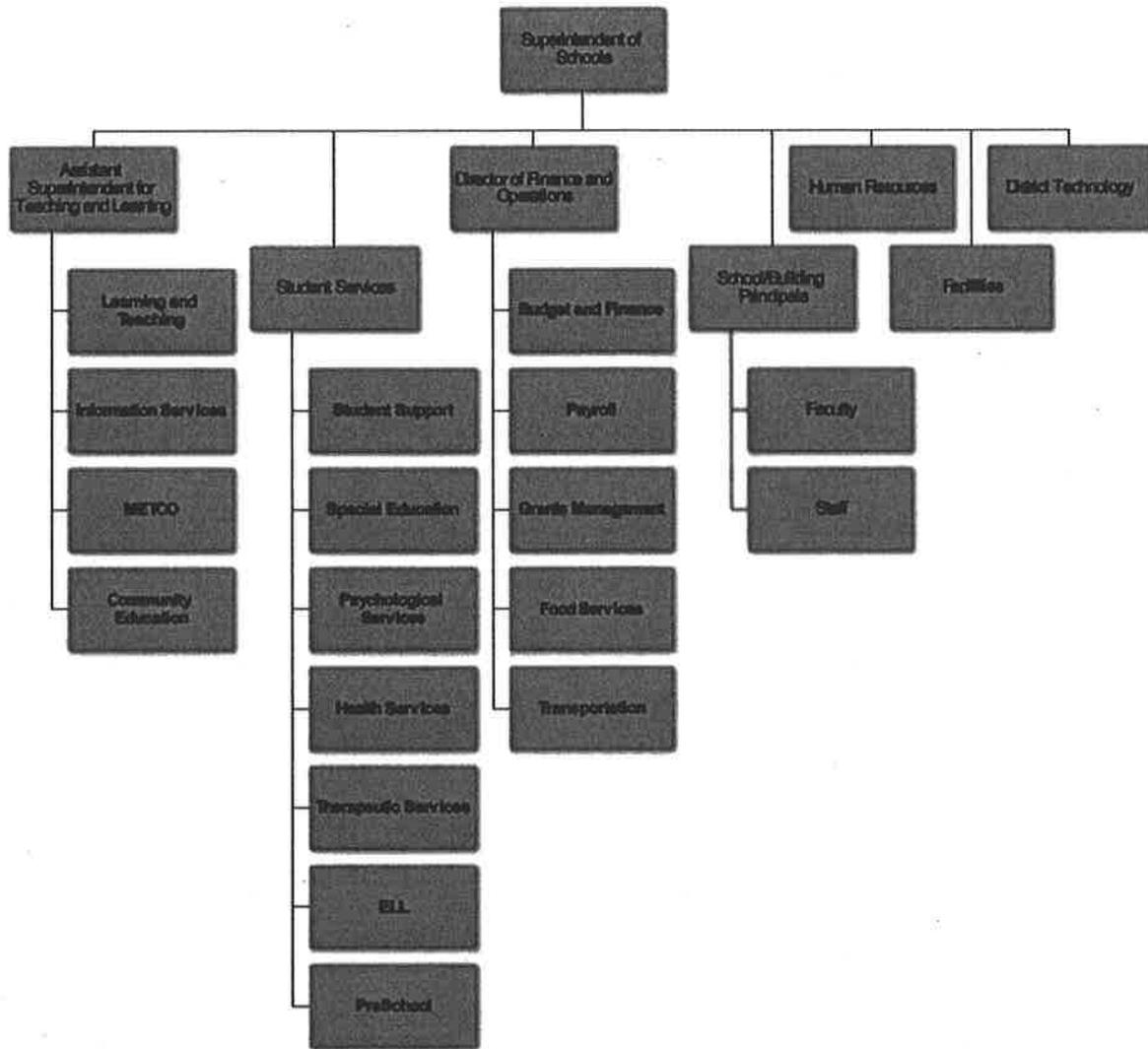
District Administration

The District is led by the Superintendent of Schools, the Central Office Leadership Team, District Leadership Team, and Administrative Council. The Central Office Leadership Team includes the Superintendent of Schools, Assistant Superintendent for Learning and Teaching, Director of Finance and Operations and the Director of Student Services. The District Leadership Team includes the Central Office Leadership Team as well as the eight building principals. The Administrative Council includes the District Leadership Team as well as all Assistant Principals, Special Education Team Chairs, RISE Preschool Director, Human Resources Administrator, District Administrator of Support Services and Department Directors (Facilities, Food Services, and Health Services).

The Superintendent is the supervisor and evaluator of all District Level Administrators and Building Principals. Each District Level Administrator is responsible for a number of different departments and functional areas of district operations. Principals, under the 1993 Education Reform Act, are the supervisors and evaluators of all building based staff including professional and support staff (paraprofessionals, clerical, custodial, food services). The district also employs one Network Manager who supervises and evaluates technology support staff that is district, not building-based.

Figure 22 provides an overview of the organizational structure of the district.

Figure 22: District Organizational Chart



District Partnerships

Reading Public Schools are part of a larger community that believes in collaboration for the purpose of benefiting the children of Reading Public Schools. We are fortunate to have many important partners who enrich the lives of our students through their contributions of resources – both financial and volunteer time.

Town of Reading

The municipal government of the Town of Reading is the district’s most important partner. Of course we share in the tax revenues that represent the voters’ commitment to a quality of life that values education, public service, and community engagement. We also share

many resources and collaborate to efficiently manage the operations of the community.

Reading Education Foundation

The Reading Education Foundation is a volunteer organization of Reading residents working in partnership with the Superintendent of Schools and Reading Public Schools. Its mission is to support innovation and excellence within the Reading Public Schools by raising and providing private money to fund initiatives that are beyond the reach of public funds.

Parent-Teacher Organizations

Each of our schools is fortunate to have a PTO comprised of parent volunteers who support teachers in each building. This support includes parent education, teacher appreciation events, mobilization of classroom and school level volunteers, and funding for technology, enrichment, and other special programs.

Parent Booster Organizations

Reading Public Schools are supported by a significant number of parent booster organizations comprised of parent volunteers who raise, contribute, and dispense funds for the benefit of specific extracurricular activities including athletic teams, academic teams, and fine and performing arts.

District Strategy for Improvement of Student Outcomes

Reading Public Schools Strategy for Improvement of Student Outcomes was developed based on information gathered by the Superintendent from extensive staff, parent, school community, and general community input, as well as input from the Administrative Council and the School Committee. The Strategic Initiatives are all aligned to the District's Strategic Objectives and are evaluated and refined each year based on progress, input, and reflection. Below are the District Improvement Plan Goals for SY'2014-16.

District Improvement Plan Goal 1: Over the next two years, the Reading Public Schools will support Central Office administrators and building principals so that they are able to work with teachers to improve curriculum alignment, instructional strategies, student support and assessment methods in Literacy, Mathematics, Science and College and Career Readiness Skills. The overall outcome will be that all students will demonstrate an increased growth and level of performance in their understanding of math and literacy Massachusetts Curriculum Framework standards, as measured by locally determined measures and state assessment scores.

Strategic Objectives Addressed: *Learning and Teaching, Performance Management, Investment and Development*

District Improvement Plan Goal 2:

During the 2014-16 school years, the Superintendent will lead the District Leadership Team in increasing the learning capacity of all staff, the quality and diversity of professional development offerings and the effectiveness of the use of non-student time with staff and Professional Learning Communities as measured by staff survey feedback, an increase in the opportunities for teachers to act as leaders, and the quality of artifacts and minutes of PLC meetings. In addition, we will increase the learning capacity of our District Leadership Team by the effective feedback received by the DLT and the quality of the artifacts generated from each DLT meeting/retreat.

Strategic Objectives Addressed: *Learning and Teaching and Investment and Development*

District Improvement Plan Goal 3:

During the 2014-16 school years, the District Leadership Team will successfully implement the Multi-Tiered System of Support Structure at each school as measured by a decrease in the following data points: tardiness, office discipline referrals, number of students who have 10 or more absences in a school year, and the achievement gap between the high needs subgroup and the aggregate subgroup on standardized assessments and District Determined Measures. In addition, if successfully implemented, there will be an increase in our accuracy in identifying students with special needs, as measured by the referral data from SST and the utilization of regular education initiatives to support students prior to a need for special education testing (MTSS interventions, SST, intervention support, etc.). Moreover, we will see an improvement in the behavioral health of all students as measured by the Youth Risk Behavior Survey, Early Warning Indicator System, and other locally determined measures. Finally, we will measure the effectiveness of our implementation by using the Tiered Fidelity Instrument (TFI).

Strategic Objective Addressed: *Learning and Teaching and Performance Management*

District Improvement Plan Goal 4:

During the next two years, the district will develop plans to address the resource needs facing our district, including additional time for staff, additional programmatic space needs at the elementary schools, RISE preschool, and Reading Memorial High School; the implementation of full day kindergarten for all students, and additional instructional and administrative support needed to continue to move the district forward. This will be measured by developing timelines for the implementation of Full Day Kindergarten, the identification of additional permanent educational space, the renovation of Killam Elementary School, additional professional time added to the existing school year, and a restructuring plan for instruction and administrative support.

District Strategic Objectives Addressed: *Learning and Teaching and Resource Allocation*

District Improvement Plan Goal 5:

During the 2014-15 and 2015-16 School Years, the Reading Public Schools will develop and implement a comprehensive communication plan for the school district. The effectiveness of this plan will be measured by stakeholder surveys, the quality of the communication plan, and noticeable improvements in district and school communication.

District Strategic Objective Addressed: *Performance Management*

Figure 23-Administrator District Determined Measures

The following is a list of district determined measures that administrators will be using to gauge progress and improvement in the above goals. The District Leadership will continue to review this list to revise, when necessary.

	Principals/AP	District Leader of Social Emotional Learning	Team Chairs	Central Office
1. District MCAS/PARCC SGP Data for Math and Literacy	X			X
2. % Students who are Advanced and Proficient on the state assessment	X			X
3. DESE Accountability Rating	X		X	X
4. Tardiness	X	X		
5. Office Discipline Referrals	X	X		
6. Number of Students with 10 or more absences in a school year.	X	X		
7. Achievement gap between high needs subgroup and the aggregate subgroup on standardized assessments and Common Measures.	X		X	X
8. Number of students in high needs subgroup and METCO students who are in honors level, advanced, or AP level classes (Baseline?)	X		X	X
9. Gender breakdown of students in honors level, advanced, or AP level classes	X			
10. Accuracy of Student Support Team referrals for Special Education	X		X	
11. Tiered Fidelity Instrument to gauge progress in MTSS implementation	X	X		
12. Number of Teachers in the building who have the District MTSS related goal in educator plan and have accomplished that goal	X	X		
13. District Capacity Assessment to gauge District level implementation of MTSS	X	X		X

Information Section

The Information Section of the budget is designed to provide the reader with information necessary to set the context for the funds requested in the FY'17 Superintendent's Recommended Budget. This section includes key metrics and performance indicators for the district as a whole, for individual schools within the district, as well as benchmark comparisons with peer districts in Massachusetts. The information provided will assist the reader in understanding the financial realities confronting our district, areas where the district or schools are performing well, and, more importantly, areas where there may be need for improvement. It is also intended to give readers a better understanding of the investments necessary for the district to achieve its strategic performance goals and objectives.

Education Funding

State Education Aid

In 1993, Massachusetts passed the Education Reform Act. One of the major themes of this legislation included greater and more equitable funding for schools across Massachusetts. The means for providing this increased funding was through the establishment of a "Foundation Budget." The foundation budget is defined as the minimal level of funding necessary to provide an adequate education to the children in Massachusetts districts. Each district's foundation budget is updated each year to reflect inflation and changes in enrollment. Enrollment plays an important role not just because of the total number of pupils, but also because of the differences in the costs associated with various educational programs, grade levels, and student needs. Districts differ greatly in the percentages of their student population that fall into these enrollment categories. Most school districts spend in excess of their net school spending requirement.

The Foundation Budget establishes required net school spending for a community which is the minimum funding that, by law, a community must allocate to education. A community's actual "local contribution" is based on its "ability to pay" which is calculated using a formula that takes into consideration a community's per capita income and equalized property value. Once required net school spending and local contribution are calculated, Chapter 70 funding (also known as state educational aid) is determined as the difference between required net school spending and local contribution. It is instructive to note that many districts' actual net school spending, particularly high performing districts, actually exceed required spending levels. The total statewide foundation budget increased from \$9.866 billion in FY15 to \$10.090 billion in FY16, a 2.3 percent rise.

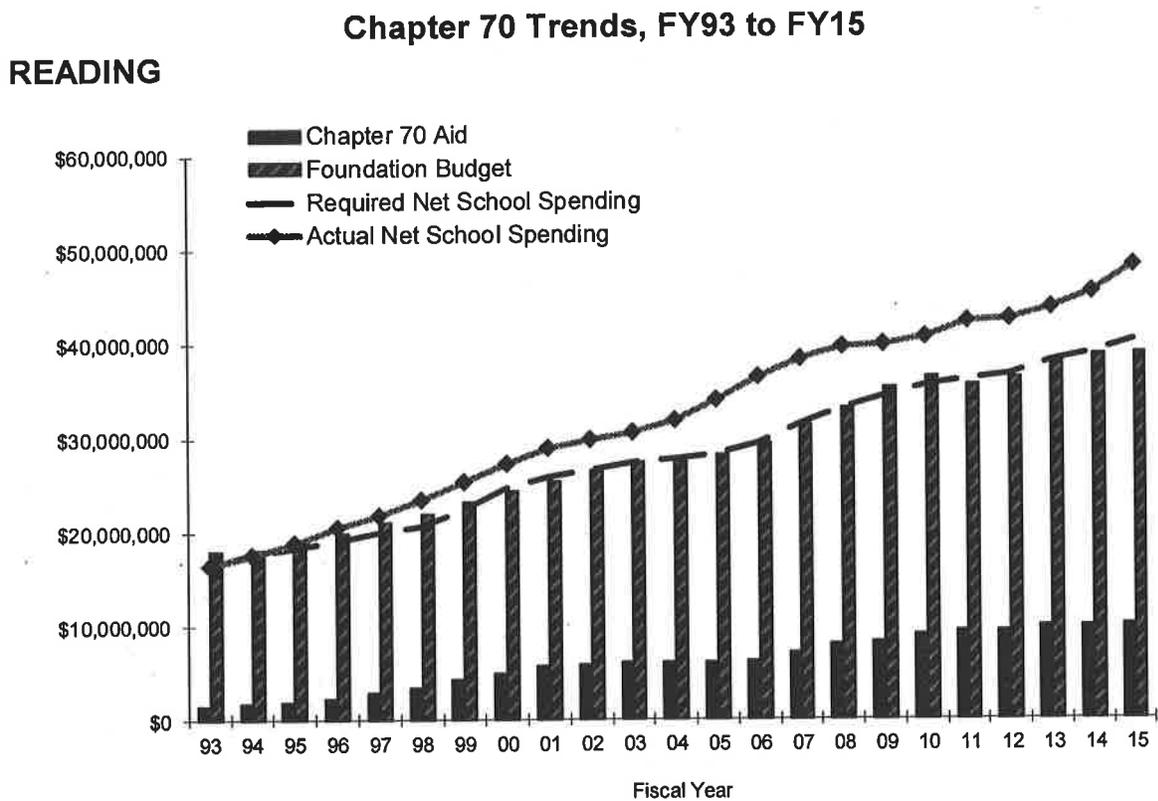
Figure 24 shows Reading's history of required net school spending versus actual net school spending. As you can see, Reading is one of those districts that historically have exceeded its required net school spending amount. However, it is important to remember that the required net school spending is based on the foundation budget which is the minimum amount necessary to fund an adequate education. A recent study by the Massachusetts Budget and Policy Center entitled, "Cutting Class: Underfunding the Foundation Budget's Core Education Program,"¹ examined the adequacy of the Foundation Budget and identified "major gaps" between what the foundation budget says districts need for certain cost

¹ http://www.massbudget.org/report_window.php?loc=Cutting_Class.html

categories and what districts actually require. Some of the more significant conclusions of the study included:

- Foundation understates core SPED costs by about \$1.0 billion
- Foundation understates health insurance costs by \$1.1 billion
- Most districts hire fewer regular education teachers than the foundation budget sets as an adequate baseline
- Inflation adjustments have not been fully implemented, causing foundation to lag behind true cost growth

Figure 24: Reading Net School Spending, Required versus Actual



On average, districts in Massachusetts spend 19% above Foundation (based on FY'12 data). However, there is great variation across the state with the least wealthy districts spending at Foundation and the wealthiest 20% of districts spending 39% above Foundation. The areas of greatest excess spending include health insurance and other benefit costs, special education teachers, and special education out-of-district. In essence, these three categories of the Foundation Budget appear significantly underfunded.

As Figure 24 above indicates, Reading spends above Foundation and Required Net School Spending. In FY'15, Reading's actual net school spending exceeded required net school spending by 17.3%. Figure 25 below shows that the trend over the last three fiscal years has been an increase in the percentage above Required Net School Spending while the Foundation Budget has been declining. This figure also shows

historically the amount of Chapter 70 aid that the town has received to support education. In FY'14, Chapter 70 aid represented 21.9% of actual net school spending in Reading².

Figure 25: Historical Chapter 70 Funding Formula Elements

Fiscal Year	Foundation Enrollment	Pct Chg	Foundation Budget	Pct Chg	Required		Pct Chg	Required		Pct Chg	Actual		Pct Chg	Dollars Over/Under Requirement	Pct Over/Under
					Local Contribution	Chapter 70 Aid		Net School Spending (NSS)	Net School Spending						
FY93	3,426		18,009,296		14,934,763	1,474,055		16,408,818			16,408,818			0	0.0
FY94	3,470	1.3	18,168,519	0.9	15,860,901	1,780,426	20.8	17,641,327	7.5		17,600,700	-7.3		-40,627	-0.2
FY95	3,537	1.9	18,912,841	4.1	16,323,493	1,944,641	9.2	18,268,134	3.6		18,835,792	7.0		567,658	3.1
FY96	3,650	3.2	19,962,502	5.5	16,815,560	2,269,855	16.7	19,085,415	4.5		20,449,740	8.6		1,364,325	7.1
FY97	3,764	3.1	21,055,390	5.5	17,089,518	2,855,026	25.8	19,944,544	4.5		21,796,634	6.6		1,852,090	9.3
FY98	3,838	2.0	22,007,347	4.5	17,208,754	3,439,540	20.5	20,648,294	3.5		23,370,995	7.2		2,722,701	13.2
FY99	3,939	2.6	23,267,882	5.7	18,145,204	4,299,206	25.0	22,444,410	8.7		25,357,087	8.5		2,912,677	13.0
FY00	4,101	4.1	24,344,556	4.6	19,682,473	4,992,952	16.1	24,675,425	9.9		27,285,571	7.6		2,610,146	10.6
FY01	4,142	1.0	25,408,207	4.4	20,114,966	5,717,802	14.5	25,832,768	4.7		28,906,685	5.9		3,073,917	11.9
FY02	4,124	-0.4	26,509,514	4.3	20,734,746	5,916,022	3.5	26,650,768	3.2		29,849,529	3.3		3,198,761	12.0
FY03	4,179	1.3	27,435,858	3.5	21,314,786	6,121,072	3.5	27,435,858	2.9		30,624,431	2.6		3,188,573	11.6
FY04	4,166	-0.3	27,738,874	1.1	21,656,767	6,082,107	-0.6	27,738,874	1.1		31,925,715	4.2		4,186,841	15.1
FY05	4,136	-0.7	28,212,906	1.7	22,211,375	6,082,107	0.0	28,293,482	2.0		33,976,446	6.4		5,682,964	20.1
FY06	4,161	0.6	29,463,124	4.4	23,184,689	6,290,157	3.4	29,474,846	4.2		36,527,898	7.5		7,053,052	23.9
FY07	4,175	0.3	31,463,026	6.8	24,343,136	7,119,890	13.2	31,463,026	6.7		38,423,801	5.2		6,960,775	22.1
FY08	4,208	0.8	33,194,639	5.5	25,152,672	8,041,967	13.0	33,194,639	5.5		39,703,186	3.3		6,508,547	19.6
FY09	4,272	1.5	35,385,849	6.6	26,121,634	8,289,951	3.1	34,411,585	3.7		39,979,867	0.7		5,568,282	16.2
FY10	4,279	0.2	36,474,849	3.1	26,451,786	9,078,931	9.5	35,530,717	3.3		40,637,674	1.6		5,106,957	14.4
FY11	4,265	-0.3	35,612,661	-2.4	26,779,324	9,437,516	3.9	36,216,840	1.9		42,284,871	4.1		6,068,031	16.8
FY12	4,284	0.4	36,437,713	2.3	27,264,731	9,488,181	0.5	36,752,912	1.5		43,047,360	1.8		6,294,448	17.1
FY13	4,312	0.7	38,136,802	4.7	28,233,100	9,903,702	4.4	38,136,802	3.8		43,722,350	2.7		5,585,548	14.6
FY14	4,309	-0.1	38,817,531	1.8	29,008,253	10,011,427	1.1	39,019,680	2.3		45,754,079	4.6		6,734,399	17.3
FY15	4,269	-0.9	38,963,365	0.4	30,125,539	10,126,574	1.2	40,252,113	3.2		48,287,659	6.3		8,035,546	20.6

Local Funding for Education

Reading relies heavily on local revenue sources to fund public education, most notably, local property taxes. In 1980, a ballot initiative in Massachusetts to limit the growth of local property taxes passed. This law, referred to Proposition 2 ½, went into effect in 1982. Essentially, the personal property tax may not increase more than 2.5% of the prior year's levy limit, plus new growth and any overrides or exclusions. A community may vote to allow for a Proposition 2 ½ override vote to permanently increase the tax burden. The last successful Proposition 2 ½ override in Reading was in April 2003 to fund the 2004 Operating Budget. Below is a table showing the historical property valuations and tax rates.

Figure 26: Historical property valuations and tax rates

	FY '11 Year End	FY '12 Year End	FY '13 Year End	FY '14 Year End	FY '15 Year End
Population	24,528	25,011	25,624	25,799	25,644
Number of Voters	16,858	17,611	17,821	17,765	17,233
Valuation of Real Estate	\$3,702,250,747	\$3,719,855,326	\$3,640,514,408	\$3,785,230,715	\$3,962,502,523
Valuation of Personal Property	\$45,295,130	\$44,158,280	\$46,123,120	\$44,082,060	\$37,135,230
Total Assessment Value	\$3,747,545,877	\$3,764,013,606	\$3,686,637,528	\$3,829,312,775	\$3,999,637,753
Tax Rate per \$1,000 Valuation	\$13.80	\$14.15	\$14.94	\$14.74	\$14.70

² In Reading, Chapter 70 aid is treated as a general fund receipt rather than a school grant or revenue receipt as is the case in other districts.

The school department budget is the largest budget of any municipal department in the town of Reading. The figure below shows the breakdown of how the average tax bill in Reading is spent. As you can see, the funding for the education of children in our district represents 49% of the average tax bill.

Figure 27: What the Average Tax Bill in Reading Funds

	FY'15 Dollars	FY'15 Percent
Schools	\$3,344	49%
Public Safety	\$790	12%
Public Works	\$538	8%
General Government	\$354	5%
Library & Recreation	\$203	3%
Finance	\$343	5%
Insurance and Other Unclassified	\$1,113	16%
Health & Human Services	\$52	1%
Intergovernmental	\$88	1%
Total Median Property Tax Bill	\$6,824	100%

Prior to 1991, Massachusetts had a separate tax rate for education at the municipal level. The current tax rate of the Town supports educational and municipal expenditures and is set by the Town Assessor's Office, with approval by the Massachusetts Department of Revenue, on an annual basis. In the figure below, we compare the average tax bill in Reading to 12 other communities that are often used as peers for benchmarking and comparison purposes. As you can see from Figure 24 below, over the past five years, the size of Reading's tax bill has maintained a rank of 7 out of 13. With regard to the statewide ranking, that figure too has remained relatively consistent ranging from 50 to 54 over the past five years, placing Reading's average tax bill among the highest 15% in the Commonwealth.

Figure 28: Comparison of Average Tax Bills Reading versus Comparable Communities

Comparable Community	FY '11			FY '12			FY '13			FY '14			FY '15		
	Average Tax Bill	Statewide Rank	Table Rank	Average Tax Bill	Statewide Rank	Table Rank	Average Tax Bill	Statewide Rank	Table Rank	Average Tax Bill	Statewide Rank	Table Rank	Average Tax Bill	Statewide Rank	Table Rank
Belmont	\$9,676	12	1	\$9,964	13	1	\$10,359	13	1	\$10,566	13	1	\$10,938	13	1
Chelmsford	\$5,427	70	10	\$5,653	70	9	\$5,799	70	10	\$6,119	67	9	\$6,329	69	9
Dedham	\$5,483	66	8	\$5,770	65	8	\$5,937	66	8	\$6,217	64	8	\$6,375	67	8
Easton	\$5,448	68	9	\$5,642	71	10	\$5,848	67	9	\$6,040	69	10	\$6,256	71	10
Hingham	\$7,224	37	3	\$7,650	37	3	\$7,973	31	3	\$8,228	33	3	\$8,679	31	3
Mansfield	\$5,176	83	11	\$5,164	89	11	\$5,370	89	11	\$5,628	85	11	\$5,816	85	11
Marshfield	\$4,332	128	12	\$4,480	131	12	\$4,608	127	12	\$5,002	116	12	\$5,139	118	12
Milton	\$7,134	38	4	\$7,321	39	4	\$7,471	40	4	\$7,740	39	4	\$7,880	40	4
North Andover	\$6,161	49	6	\$6,350	50	6	\$6,559	51	6	\$6,738	50	6	\$6,851	52	6
Reading	\$6,109	50	7	\$6,290	52	7	\$6,458	54	7	\$6,576	54	7	\$6,824	54	7
Shrewsbury	\$3,955	157	13	\$4,139	156	13	\$4,322	151	13	\$4,483	152	13	\$5,030	123	13
Westford	\$6,719	42	5	\$6,901	45	5	\$7,097	45	5	\$7,312	45	5	\$7,543	44	5
Winchester	\$9,167	15	2	\$9,557	14	2	\$9,839	14	2	\$10,195	14	2	\$10,588	14	2
Statewide Average¹		\$4,537			\$4,711			\$4,818			\$5,044				\$5,795

The School Committee and Administration are appreciative of the support that the taxpayers of Reading provide to the schools and are mindful of the budgetary implications on the taxpayers when developing our budget proposal. We feel a strong obligation to be transparent and accountable as to how we use the resources we are provided. The sections that follow are intended to provide readers with a better sense of how resources are utilized in the district to improve student outcomes as well as to report on those outcomes and other measures of performance.

Allocation of District Resources

Resource allocation is one of our four district strategic objectives. The objective is to improve the alignment of human and financial resources to achieve all of our strategic objectives and initiatives to support teaching and learning and, ultimately, ensure students are college and career ready. The intent of this section is to provide the reader with an understanding of how district resources are spent, both at the district level as well as at the school level.

Per Pupil Spending

As we know, educating children is a labor intensive enterprise. Our school district spends 82.6% of the funding it receives on the staff salaries. The remainder is spent on such items as instructional supplies, materials, and equipment; technology; out-of-district tuition and transportation; energy and utilities; and building repair and maintenance.

All districts in Massachusetts file an End of Year Pupil and Financial Report with the MA DESE. This report allows a district to examine per pupil spending across a number of broad spending categories. Using a per pupil amount allows for better comparability both within the district and between school districts as it normalizes for enrollment. Examining per pupil spending by category helps us better understand where investments are made and where they may be lacking. Comparison between schools helps us determine if our resources are allocated equitably and if resources can be reallocated to target higher need schools or populations. Comparison between districts allows us to target districts with comparable financial means that may be achieving better results in areas that we are looking to improve, seek out the best practices and/or strategic investments being made in those districts, and potentially transfer those best practices or investment decisions to our district to improve our outcomes.

Per Pupil Spending by Category

The MA DESE reporting system categorizes expenditures into eleven general functional areas that are listed in Figure 25 below. The expectation would be, of course, that the highest level of per pupil spending would be in the "Classroom and Specialist Teacher" category. As one can see, however, the "Payments to Out-of-District Schools" category is actually the highest per pupil amount.

This category captures the expense for any student who is attending school outside the district. This includes not only special education out of district placements, but charter school or school choice placements as well. Since we have very few children in charter schools or school choice programs, our reported figure is essentially made up entirely of special education placements which are much higher in cost than the average charter school placement (\$10,000 - \$30,000) or the average school choice placement (\$5,000). As this is also a per pupil calculation, the amount reflected is the total out-of-district tuition divided by the number of students attending out of district schools. For us, for FY'14, the basis was 61 students. This is the reason that our figure is so much higher than the state average. In calculating the overall state average, however, it is important to note that this category does not receive a lot of weight in our per pupil calculation due to the number of students in this category.

Figure 29: FY'14 Per Pupil Spending By Category

2013-14 Per Pupil Expenditures	General Fund Appropriations	Grants, Revolving and Other Funds	total expenditures all funds	function as percentage of total	expenditure per pupil	state average per pupil	difference b/w District & State
Administration	\$1,433,482	\$87,005	\$1,520,487	2.9%	\$346	\$500	(\$154)
Instructional Leadership	2,846,247	140,319	2,986,566	5.7%	680	935	(\$255)
Classroom and Specialist Teachers	18,670,470	1,946,380	20,616,850	39.2%	4,696	5,441	(\$746)
Other Teaching Services	4,181,256	37,834	4,219,090	8.0%	961	1,137	(\$176)
Professional Development	978,371	142,957	1,121,328	2.1%	255	217	\$38
Instructional Materials, Equipment and Technology	1,649,719	228,584	1,878,303	3.6%	428	432	(\$4)
Guidance, Counseling and Testing	1,444,338	45,313	1,489,651	2.8%	339	421	(\$82)
Pupil Services	1,546,583	1,869,470	3,416,053	6.5%	778	1,376	(\$598)
Operations and Maintenance	3,889,406	266,129	4,155,535	7.9%	946	1,103	(\$157)
Insurance, Retirement Programs and Other	7,530,314	78,049	7,608,363	14.5%	1,733	2,434	(\$701)
Expenditures Within The District	\$44,170,186	\$4,842,040	\$49,012,226	93.1%	\$11,163	\$13,997	(\$2,834)
Expenditures Outside the District	\$2,354,289	\$1,275,210	\$3,629,499	6.9%	\$53,532	\$21,839	\$31,693
TOTAL EXPENDITURES	\$46,524,475	\$6,117,250	\$52,641,725	100.0%	\$11,807	\$14,518	(\$2,710)

The Classroom and Specialist Teachers category is the next highest per pupil amount. A comparison to the state average shows that this is the category with the second largest difference between district and state per pupil spending. Average teacher salaries in Reading are lower than the state average teacher salary with Reading at \$65,291 compared to the state average of \$73,847, a difference of \$8,556. This is due in part to our salary schedule being lower than other comparable districts but also due to the fact that we have a more junior staff than many of our comparable districts. In Reading, forty-one percent of our staff has fewer than ten years of experience teaching; on average in Massachusetts, that figure is around thirty percent.

Another category in which we are significantly below the state average per pupil is in insurance, retirement and other benefits. This is likely due to the GIC-type tiered health insurance plan that we have for our employees which is very cost competitive. Furthermore, the employer-employee cost share in Reading is 71% employer paid and 29% employee. The average in the state is closer to 80% employer and 20% employee.

Pupil Services is another category that appears underfunded when compared to the state average per pupil. This category includes transportation and other student activities such as athletics or extracurricular. The reason why Reading is significantly below the state average is due to the fact that we have such little bussing in the district. Because we have neighborhood schools, we require only two buses for each school day for transporting children. This is significantly below most other districts in the area as well as the state.

The one area where we have historically spent more per pupil than the state average is the professional development category. FY'11 is the first year in many years that the district's per pupil amount was lower, although not significantly lower. Between FY'10 and FY'12 we reduced our professional development as well as our curriculum expenses significantly in order to minimize personnel cuts during these lean budget years. In FY'12 this trend reversed as a result of the increase to the professional development budget due to common core and educator evaluation implementation as well as other

training needs. The FY16 Budget restructured the use of some professional development funds to support the addition of instructional coaches for math and literacy.

The overall message to be gleaned from this comparison of categorical per pupil expenditures is that all of our expenditure categories appear underfunded when compared to the state average and that re-allocation of resources from one category to another would merely cause a particular category to be even further underfunded. The one area that we have looked to as a source of funds is out-of-district tuition. With the average out-of-district special education placement costing the district over \$62,000, the ability to offer in-district programs for these students is not just best for students but also financially beneficial as well.

Per Pupil Spending by School

Figure 30 shows the instructional per pupil comparison by building and by program for all funding sources (general fund, grants, and revolving funds). As this figure shows, there is a rather significant variation for special education with a high of \$16,981 for Barrows Elementary School to a low of \$3,696 for Reading Memorial High School. This data indicates that we are under-funding special education at the High School. While this was addressed through the addition of 1.5 FTE in the FY'14 Budget, the per pupil expenditure at the High School based on special education enrollment still lags significantly behind other schools and programs. The addition of one special education paraeducator and one social worker for the TSP Program will have a modest impact on the special education per pupil for the High School.

Figure 30: Instructional Per Pupil Spending by Program, all funding sources

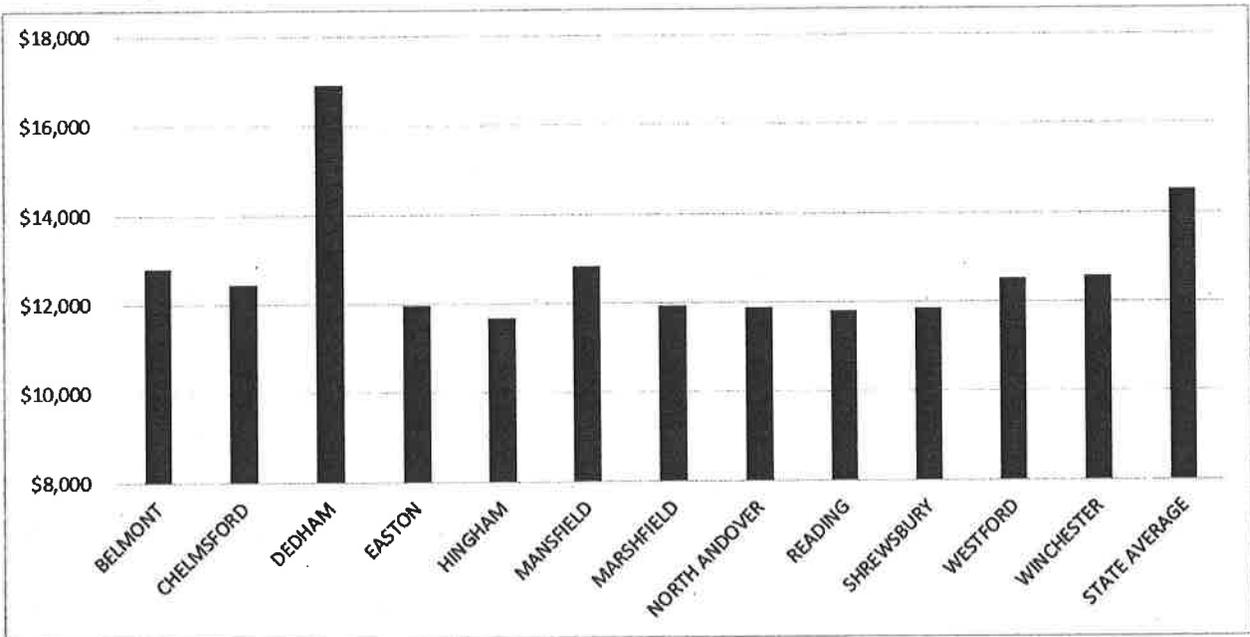
	FY16 Enrollment	FY16 Reg'l Ed Budget	FY16 Budgeted PPE - Reg'l	FY16 SPED Enrollment	FY16 Special Ed Budget	FY16 PPE Special Education (using SPED Enrollment)
Alice Barrows Elementary	385	\$1,847,244	\$4,798	33	\$480,946	\$14,574
Birch Meadow Elementary	387	\$1,866,374	\$4,823	60	\$1,001,828	\$16,697
Joshua Eaton Elementary	462	\$2,201,411	\$4,765	49	\$397,583	\$8,114
J. Warren Killam Elementary	460	\$1,915,914	\$4,165	58	\$546,138	\$9,416
Wood End Elementary School	316	\$1,664,406	\$5,267	50	\$684,162	\$13,683
A.W. Coolidge Middle School	471	\$2,841,937	\$6,034	95	\$814,254	\$8,571
Walter S. Parker Middle School	549	\$3,495,473	\$6,367	96	\$911,766	\$9,498
Reading Memorial High School	1270	\$7,604,161	\$5,988	261	\$1,159,387	\$4,442
Mean			\$5,276			\$10,624
Median			\$5,045			\$9,457

Comparable District Spending

As mentioned in the introduction to this section, comparing our district's per pupil spending with comparable peers helps us to determine how we might consider allocating resources differently to be able to achieve key performance goals, be they student or other goals. The first step in this process is to determine a reasonable set of comparable peers. For our comparisons, the peers that have been selected are those that have similar enrollment and similar financial profiles. An analysis was performed using nine different demographic and financial metrics including population, per capita income,

equalized property value, average single family tax bill and size of municipal budget. The chart below shows that Reading ranks 9th out of 13 in per pupil spending for in-district students at \$11,163. The average per pupil spending for these thirteen comparable districts is \$11,804 or \$641 above our district per pupil. If our district were funded at the average per pupil for these comparable districts, it would translate to an additional \$2,816,554 in funding to the district's budget.

Figure 31: FY'14 In-District Per Pupil Spending



In comparing per pupil spending for the various functional categories that DESE tracks (see Figure 28), one can see that Reading ranks among the lowest of the comparable districts in all categories with the exception of professional development and supplies, materials & equipment. Included in our professional development spending is tuition reimbursement for staff. This is a benefit that many districts have eliminated over the past several years. The table below also shows that we are most significantly behind both the state average and our comparable average in the Classroom and Specialist Teachers category which represents salaries paid to these staff.

Figure 32: FY'14 Per Pupil Expenditures by Category for Comparable Districts

District Name	Total, In-District		Admin-stration		Classroom & Specialist Teachers		Instructn'l Materials, Equip & Tech		Profes-sional Dev-elopment	
	District	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	
BELMONT	\$11,627	6	\$355	7	\$4,863	10	\$351	3	\$129	8
CHELMSFORD	\$11,467	7	\$478	3	\$4,934	8	\$525	1	\$127	9
DEDHAM	\$15,569	1	\$989	1	\$6,154	1	\$300	7	\$194	4
EASTON	\$11,262	8	\$381	6	\$4,915	9	\$197	11	\$70	10
HINGHAM	\$10,928	11	\$327	10	\$4,982	6	\$148	13	\$62	11
MANSFIELD	\$12,376	3	\$292	13	\$5,296	4	\$231	10	\$262	1
MARSHFIELD	\$11,084	10	\$434	5	\$5,125	5	\$262	9	\$28	13
MILTON	\$12,600	2	\$462	4	\$5,366	2	\$281	8	\$138	7
NORTH ANDOVER	\$10,912	12	\$336	9	\$4,532	12	\$158	12	\$30	12
READING	\$11,163	9	\$346	8	\$4,696	11	\$428	2	\$255	2
SHREWSBURY	\$10,763	13	\$310	11	\$4,315	13	\$307	6	\$163	5
WESTFORD	\$11,867	4	\$308	12	\$4,950	7	\$313	5	\$201	3
WINCHESTER	\$11,836	5	\$575	2	\$5,311	3	\$314	4	\$142	6
AVERAGE	\$11,804		\$430		\$5,034		\$293		\$139	
READING VS. AVERAGE	(\$641)		(\$84)		(\$338)		\$134		\$117	
STATE AVERAGE	\$13,997		\$500		\$5,441		\$432		\$217	
READING VS. STATE AVERAGE	(\$2,834)		(\$154)		(\$748)		(\$4)		\$38	

Special Education Spending

Special education expenses present a unique challenge to school districts due to their variability and lack of predictability. Our goal is always to provide the highest quality services to students and to provide those within the district. Over the last ten years, our district has increased its in-district special education programs from one program to nine different programs across the district. The figure below shows the number of students in each of the programs in the current school year. Descriptions of each program can be found in the Special Education Cost Center discussion in the Financial Section of this document. The total number of children in special education programs is 191 with the greatest number of students currently in the Language and Learning Disabilities program.

Figure 33: SY'15 In-District Special Education Program Enrollment

	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	Gr 9	Gr 10	Gr 11	Gr 12	Post Grad	Total
Compass								4							4
Dev. Learning Ctr I	2	4	3	4	6	4	5	4	7	2	2	1			44
Dev. Learning Ctr II	3	1	2	2	2	1									11
Integrated Learning Prog. I	3	3	2	2	3	1	2	4	6						26
Integrated Learning Prog. II										1		2			3
Language Learning Disabilities			3	3	3	4	6	3	9	7	10				48
POST Program														5	5
Student Support Program	1	1	1	2	3	1	3	3	3	5	3	7	13		46
Therapeutic Support Program											1	1	2		4
Total	9	9	11	13	17	11	16	18	25	15	16	11	15	5	191

When we are unable to provide the necessary services for a child to be able to make effective progress, then it becomes necessary to place the child in an out of district program. In that case, the district is responsible for the tuition and transportation expense for that child. Depending upon the placement, out-of-district tuitions can range from a low of \$40,000 to a high of over \$300,000 for a private residential placement. Figure 30 shows the historical special education expenditure trends for Reading

Public School. This data shows the extreme variability in special education expenditures, particularly out-of-district tuition expense. Between SY'2004 and SY'2005, for example, out of district tuition increased 25.4%. In SY'2010, this expense decreased 13.1% from the prior school year. The data also show the significant in-district increases that occurred in the years between 2003 and 2009 as our in-district programs were growing with staffing added to support those programs.

Figure 34: Historical Special Education Spending

Fiscal Year	In-District Instruction	Yr/Yr % Change	Out-of-District Tuitions	Yr/Yr % Change	% of School Operating Budget	State Average Percentage
2003	3,498,538		2,726,148		20.3	17.7
2004	4,002,687	14.4%	2,929,036	7.4%	21.3	18.6
2005	4,468,696	11.6%	3,671,734	25.4%	23.2	18.9
2006	4,250,615	-4.9%	4,018,504	9.4%	21.8	19.1
2007	4,603,329	8.3%	4,241,134	5.5%	22.2	19.4
2008	5,011,644	8.9%	4,387,747	3.5%	22.8	19.8
2009	5,407,638	7.9%	4,503,089	2.6%	23.6	20.1
2010	5,316,345	-1.7%	3,913,861	-13.1%	22.2	19.8
2011	5,391,569	1.4%	3,552,879	-9.2%	20.9	19.9
2012	5,575,866	3.4%	3,702,507	4.2%	21.5	20.5
2013	6,674,941	19.7%	3,085,288	-16.7%	21.7	20.9
2014	7,046,289	5.6%	3,054,986	-1.0%	21.6	20.9

The data shows that our in-district expenses have significantly increased from FY'12 to FY'13 this is due to a 12.7% or \$650,279 increase to teaching and a 95.6% increase to other instructional expenditures which includes supervisory, textbooks, materials and instructional equipment. During this same time period we benefited from a 16.7% reduction in out-of-district tuitions due in part to our in district programs and students aging out of the school system. The FY'14 data indicates an increase in In-District Instruction of 5.6% and a 1.0% reduction in Out-of-District Tuitions. Reading's % of Schools Operating Budget has averaged 21.6% for the past three years and the gap between the percentage of budget for special education costs between our district and the statewide average has been consistent over the same three years.

Figure 31 shows that we are spending less on special education as a percent of the total budget than our comparable peers. From FY'08 to FY'10, we ranked fourth in the percent of the total budget that special education expense comprises. As of FY'14, we are ranked 10th when compared to these other twelve districts. In essence, this indicates that our district has been working hard to stabilize special education expenses and has been successful relative to other comparable districts.

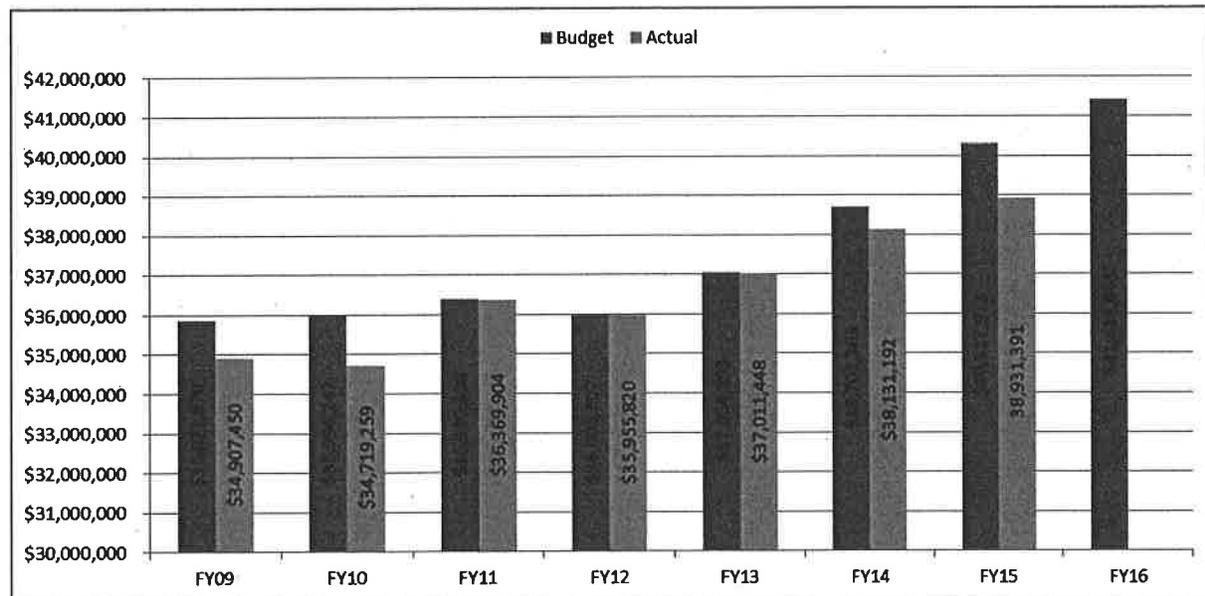
Figure 35: Special Education Spending as a Percent of Total Budget for Reading and Comparable Districts

District	FY'10		FY'11		FY'12		FY'13		FY'14	
	% of Total Budget	Table Rank								
BELMONT	19.8	9	20.2	8	21.8	9	21.9	9	22.2	8
CHELMSFORD	22.0	5	21.3	6	23.3	4	23.3	4	23.9	5
DEDHAM	26.2	1	25.6	1	26.2	1	27.4	1	26.1	1
EASTON	18.5	11	18.3	11	18.7	12	21.7	11	22.1	9
HINGHAM	21.4	6	19.6	9	23.1	5	23.3	5	22.7	7
MANSFIELD	20.6	8	21.3	5	22.1	7	22.5	8	24.5	3
MARSHFIELD	21.1	7	22.4	4	23.6	3	24.0	3	19.6	12
MILTON	19.0	10	18.2	12	21.9	8	21.9	10	21.1	11
NORTH ANDOVER	23.3	3	22.9	3	22.1	6	23.3	6	24.8	2
READING	22.2	4	20.9	7	21.5	10	21.7	12	21.6	10
SHREWSBURY	23.7	2	24.6	2	24.3	2	25.2	2	24.1	4
WESTFORD	14.1	13	14.1	13	15.3	13	16.9	13	17.6	13
WINCHESTER	18.3	12	19.6	10	20.6	11	22.6	7	22.8	6
State Total, All Districts	19.8		19.9		20.5		20.9		20.9	

Historical Budget versus Actual Spending

As a school district, we pride ourselves on responsible fiscal management, spending our resources as requested and returning funds that are not utilized during the course of a fiscal year. As part of our efforts to ensure accountability, we report on our budget to actual for prior fiscal years in Figure 32 below. As indicated, the school department has returned funds each of the prior five fiscal years and has not required or requested additional funds for school department operations.

Figure 36: Historical Budget versus Actual Spending



Allocation of Personnel Resources

Staffing is driven primarily by enrollment changes and program needs. The tables below show staffing resources for the prior year, current year, and requested for SY'15-16 by location, by position type, and by cost center.

As Figure 33 below shows, staffing at the elementary schools is fairly consistent and is reflective of overall enrollment at each school. There were some unbudgeted staffing changes that occurred in FY'16, specifically the addition of a 1.0 ELL Teachers. This was necessary due to the increase in the District ELL population and the new requirements by the state.

Parker is the larger of the two middle schools with 78 more students than Coolidge. While Parker does have more students, Coolidge's staffing is higher than enrollment might suggest because Coolidge is home to five special education programs while Parker has just one program. The High School has the largest number of staff for its 1,255 students.

Teachers comprise the largest percentage of our district staff at 55.3%. This includes both regular education and special education classroom and program teachers. This does not include specialists (reading, technology integration, and library/media) which make up another 3.4%. When combined, teachers and specialists account for 58.7% of all staff. Paraprofessionals (regular education, special education, and tutors) comprise 19.2% of our staff. Thus, 77.8% of district staff is providing instructional services to students. Another 8% of our staff provides counseling, medical, and therapeutic support to students. District and building administrators, instructional leaders, and secretaries make up 10.1% of our staff. Custodial staff comprises 3.3% of our staff. Finally, the area where we are most understaffed – technology - comprises .9% of our total staff in the district.

Figure 37: Staffing by Position

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Administrative Assistant	4.8	4.8	4.8	4.8	248,155	4.8	248,155	4.8	254,992
Assistant Principal	5.0	5.0	5.0	5.0	531,918	5.0	518,949	5.0	532,748
Behavior Analyst (BCBA)				1.0	60,000	1.0	65,000	1.0	70,000
Computer Technician	5.0	4.5	4.5	5.3	283,038	5.3	276,835	5.5	299,390
Custodian	18.5	18.6	18.6	18.6	802,469	18.6	800,902	18.6	837,963
Data Analyst				0.3	15,193	1.3	85,193	1.0	70,000
District Administrator	7.2	7.2	7.2	7.2	791,361	7.2	797,016	7.2	824,907
District Administrator of Support Services	1.0	1.0	1.0	1.0	85,000	1.0	86,500	1.0	88,489
District Evaluator	1.0	1.0	1.0	1.0	78,442	1.0	85,959	1.0	88,108
District SSP/TSP Program Director				1.0	75,000				
Elementary Teacher	131.5	131.6	133.5	134.5	9,398,990	134.1	9,165,280	132.6	9,558,395
ELL Teacher	1.0	1.0	1.5	1.5	91,634	2.5	147,389	2.5	179,918
Guidance Counselor	4.6	5.0	5.6	5.6	379,906	5.6	379,906	5.6	399,735
High School Dept Chair	4.2	4.8	4.8	3.8	366,518	3.8	355,169	3.4	328,090
High School Teacher	87.2	91.8	90.6	92.8	6,736,113	91.0	6,493,666	88.0	6,582,105
Info Systems Specialist	0.2	0.2	0.2	0.2	15,688	0.2	15,688	0.2	16,081
Instructional Coach				2.0	150,000	2.0	156,000	2.0	159,900
Library/Media Specialist	7.0	7.0	7.0	7.0	486,075	7.0	483,499	7.0	508,539
Middle School Teacher	83.9	83.4	82.9	82.9	5,880,857	83.7	5,716,283	83.7	5,989,518
Occupational Therapist	3.1	2.9	2.9	2.9	278,515	2.9	217,916	2.9	225,608
Occupational Therapy Assistant	0.6	0.5	0.6	0.6	27,930	0.6	28,768	0.6	28,768
Paraprofessional	85.0	93.1	102.2	97.5	2,319,986	98.0	2,301,336	97.0	2,437,394
Physical Therapist	1.5	1.5	1.5	1.5	119,134	1.5	119,134	1.5	124,823
Pre-School Teacher	6.1	6.0	6.5	6.5	437,049	6.6	440,052	6.6	465,645
Principal	8.0	8.0	8.0	8.0	915,804	8.0	900,387	8.0	967,707
Reading Specialist	7.0	7.0	7.5	7.5	607,365	7.5	601,434	7.0	577,498
School Adjustment Counselor	2.0	2.0	2.0	2.0	119,664	2.0	119,664	2.0	127,391
School Nurse	9.8	8.8	8.8	8.8	566,101	8.8	534,839	8.8	567,556
School Psychologist	9.5	10.5	10.5	9.5	641,674	9.5	621,110	9.5	675,625
Secretary	14.2	14.3	14.7	14.7	580,029	14.7	579,850	14.7	599,152
Social Worker	1.5	2.0	3.0	3.0	207,638	2.6	184,890	3.6	260,041
Speech/Language Pathologist	10.2	10.7	10.8	10.8	801,878	10.4	769,634	10.0	814,856
Supervisor of Students	1.0	1.0	1.0	1.0	33,000	1.0	33,000	1.0	33,000
Team Chair	5.2	5.4	5.6	5.6	448,780	8.0	645,850	8.0	661,997
Technology Specialist	2.0	2.0	2.0	2.0	163,977	2.0	154,351	2.0	169,415
Tutor	11.5	10.7	11.3	10.3	231,199	11.3	305,460	9.7	231,549
Grand Total	540.3	553.2	566.9	567.5	34,976,078	570.3	34,435,062	562.8	35,756,900

Figure 38: Staffing By Cost Center and Position

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Administration	9.1	9.1	9.1	9.1	767,539	9.1	771,119	9.1	791,030
Administrative Assistant	4.8	4.8	4.8	4.8	248,155	4.8	248,155	4.8	254,992
District Administrator	4.3	4.3	4.3	4.3	519,384	4.3	522,964	4.3	536,038
Regular Education	347.3	356.1	358.1	356.5	24,253,066	356.8	23,680,447	350.4	24,458,420
Assistant Principal	4.3	4.3	4.3	4.3	449,396	4.3	437,954	4.3	449,278
Elementary Teacher	109.4	110.1	110.0	111.0	7,753,946	110.1	7,574,966	108.6	7,868,703
ELL Teacher	1.0	1.0	1.5	1.5	91,634	2.5	147,389	2.5	179,918
Guidance Counselor	4.6	5.0	5.6	5.6	379,906	5.6	379,906	5.6	399,735
High School Dept Chair	3.8	3.8	3.8	3.8	366,518	3.8	355,169	3.4	328,090
High School Teacher	75.6	79.6	78.4	79.6	5,895,751	78.4	5,674,994	75.4	5,723,274
Instructional Coach				2.0	150,000	2.0	156,000	2.0	159,900
Library/Media Specialist	7.0	7.0	7.0	7.0	486,075	7.0	483,499	7.0	508,539
Middle School Teacher	72.9	72.4	71.9	71.9	5,149,663	71.7	4,973,514	71.7	5,202,663
Paraprofessional	19.4	21.8	24.4	19.6	453,903	21.8	475,600	20.8	475,098
Principal	8.0	8.0	8.0	8.0	915,804	8.0	900,387	8.0	967,707
Reading Specialist	7.0	7.0	7.5	7.5	607,365	7.5	601,434	7.0	577,498
School Adjustment Counselor	1.0	1.0	1.0	1.0	54,181	1.0	54,181	1.0	57,679
School Psychologist	9.5	10.5	10.5	9.5	641,674	9.5	621,110	9.5	675,625
Secretary	11.0	11.0	11.0	11.0	429,077	11.0	435,326	11.0	450,751
Supervisor of Students	1.0	1.0	1.0	1.0	33,000	1.0	33,000	1.0	33,000
Technology Specialist	2.0	2.0	2.0	2.0	163,977	2.0	154,351	2.0	169,415
Tutor	9.9	10.7	10.3	10.3	231,199	9.7	221,670	9.7	231,549
Special Education	131.5	138.0	148.9	150.6	6,932,042	150.7	6,878,131	151.3	7,347,022
Behavior Analyst (BCBA)				1.0	60,000	1.0	65,000	1.0	70,000
District Administrator	1.0	1.0	1.0	1.0	122,055	1.0	122,055	1.0	125,106
District Administrator of Support Services	1.0	1.0	1.0	0.6	40,000	0.6	41,500	0.6	43,489
District Evaluator	1.0	1.0	1.0	1.0	78,442	1.0	85,959	1.0	88,108
District SSP/TSP Program Director				1.0	75,000				
Elementary Teacher	18.7	17.7	19.7	19.7	1,370,950	20.2	1,334,898	20.2	1,417,521
High School Dept Chair	0.4	1.0	1.0						
High School Teacher	6.6	8.2	8.2	9.2	555,081	9.6	606,404	9.6	635,980
Middle School Teacher	8.5	8.5	8.5	8.5	535,090	9.5	546,664	9.5	585,848
Occupational Therapist	3.1	2.9	2.9	2.9	278,515	2.9	217,916	2.9	225,608
Occupational Therapy Assistant	0.6	0.5	0.6	0.6	27,930	0.6	28,768	0.6	28,768
Paraprofessional	65.6	71.4	77.8	77.9	1,866,083	76.2	1,825,735	76.2	1,962,296
Physical Therapist	1.5	1.5	1.5	1.5	119,134	1.5	119,134	1.5	124,823
Pre-School Teacher	4.6	4.2	4.9	4.9	330,567	4.6	305,645	4.6	322,421
School Adjustment Counselor	1.0	1.0	1.0	1.0	65,483	1.0	65,483	1.0	69,712
School Nurse	1.0	-	-	-	-	-	-	-	-
Secretary	2.0	2.0	2.0	2.0	81,708	2.0	75,278	2.0	77,199
Social Worker	1.5	2.0	3.0	3.0	207,638	2.6	184,890	3.6	260,041
Speech/Language Pathologist	10.2	10.7	10.8	10.8	801,878	10.4	769,634	10.0	814,856
Team Chair	3.2	3.4	4.0	4.0	316,490	6.0	483,168	6.0	495,247
Athletics	1.5	1.5	1.5	1.5	100,038	1.5	99,020	1.5	102,777
Assistant Principal	0.5	0.5	0.5	0.5	55,015	0.5	53,997	0.5	56,097
Secretary	1.0	1.0	1.0	1.0	45,023	1.0	45,023	1.0	46,680
Extracurricular	0.3	0.3	0.3	0.3	27,508	0.3	26,999	0.3	27,374
Assistant Principal	0.3	0.3	0.3	0.3	27,508	0.3	26,999	0.3	27,374
Health Services	9.2	9.3	9.3	9.3	594,754	9.3	563,492	9.3	596,209
District Administrator	0.2	0.2	0.2	0.2	16,377	0.2	16,377	0.2	16,377
School Nurse	8.8	8.8	8.8	8.8	566,101	8.8	534,839	8.8	567,556
Secretary	0.2	0.3	0.3	0.3	12,276	0.3	12,276	0.3	12,276
District Technology	5.9	5.4	5.4	6.1	365,321	6.1	363,143	6.4	387,856
Computer Technician	5.0	4.5	4.5	5.3	283,038	5.3	276,835	5.5	299,390
District Administrator	0.7	0.7	0.7	0.7	66,595	0.7	70,620	0.7	72,386
Info Systems Specialist	0.2	0.2	0.2	0.2	15,688	0.2	15,688	0.2	16,081
Facilities	19.5	19.6	20.0	20.0	881,366	20.0	877,850	20.0	925,209
Custodian	18.5	18.6	18.6	18.6	802,469	18.6	800,902	18.6	837,963
District Administrator	1.0	1.0	1.0	1.0	66,950	1.0	65,000	1.0	75,000
Secretary			0.4	0.4	11,946	0.4	11,948	0.4	12,246
Grant Funded	16.1	14.1	14.5	14.2	1,054,446	16.6	1,174,861	14.8	1,121,004
Data Analyst				0.3	15,193	1.3	85,193	1.0	70,000
District Administrator of Support Services				0.5	45,000	0.5	45,000	0.5	45,000
Elementary Teacher	3.4	3.8	3.8	3.8	274,094	3.8	255,416	3.8	272,172
High School Teacher	5.0	4.0	4.0	4.0	285,282	3.0	212,268	3.0	222,851
Middle School Teacher	2.5	2.5	2.5	2.5	196,105	2.5	196,105	2.5	201,008
Paraprofessional	-	-	-	-	-	-	-	-	-
Pre-School Teacher	1.5	1.8	1.6	1.6	106,482	2.0	134,407	2.0	143,224
Team Chair	2.0	2.0	1.6	1.6	132,291	2.0	162,682	2.0	166,749
Tutor	1.7	-	1.0	-	-	1.6	83,790	-	-
Grand Total	540.3	553.2	566.9	567.5	34,976,078	570.3	34,435,062	562.8	35,756,900

Average Teacher Salaries

With teachers and specialists comprising 62.2% of our district staff, teacher salaries are a major driver of the district budget. Average teacher salaries in our district, historically, have been below the statewide average salary. Obviously, a large determinant of average teacher salary is the experience level of district staff. In general, Reading Public Schools, over the last five years, has had a smaller percentage of more veteran teachers and a larger percentage of less veteran teachers. While this makes the base salary level lower than other districts, it translates into larger year over year increases as teachers move up the steps of the salary schedule. In Reading, the average step increase for a teacher is 4.7%. A less veteran staff can also translate to higher professional development expenses since Massachusetts requires a master's degree for teachers to advance from initial to professional licensure. Teachers who are enrolled in a master's degree program in Reading are eligible for tuition reimbursement.

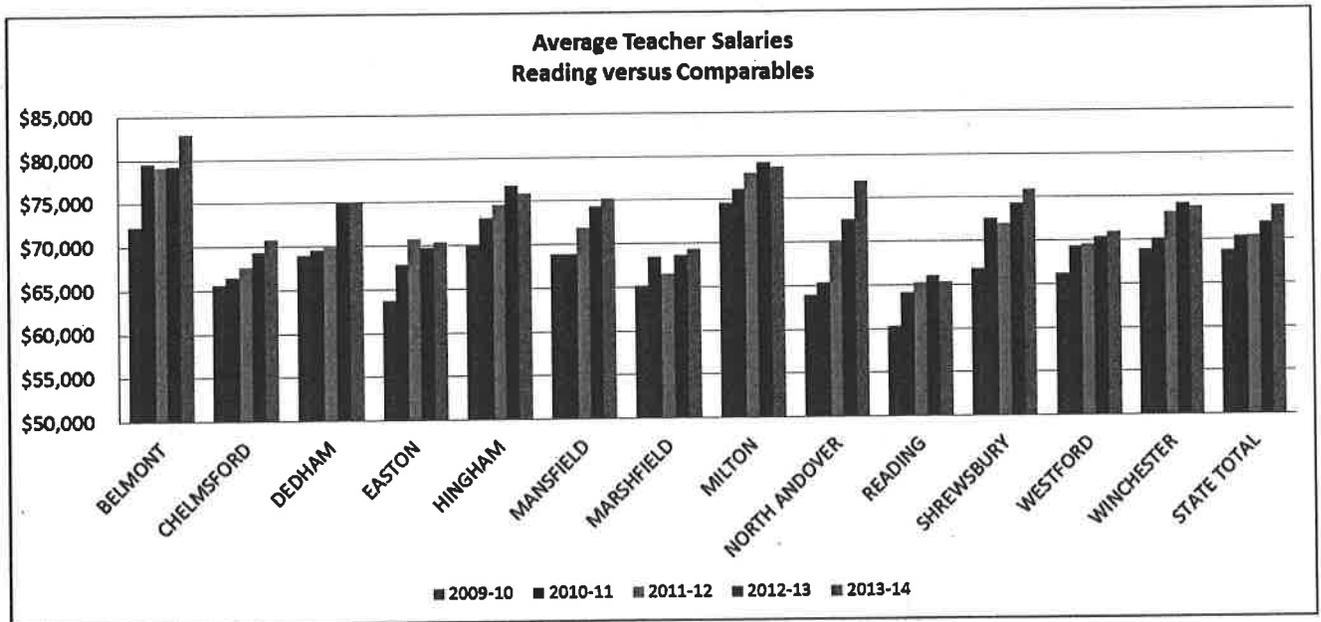
Figure 39 compares average teacher salaries in Reading to statewide average teacher salaries over the last several years. As the data below indicates, average teacher salaries in Reading have averaged just over \$5,000 below the statewide average over the past seven years. The gap is now the largest it has been since FY'10.

Figure 39: Average Teacher Salaries

Fiscal Year	Reading	State	Difference
FY2006	\$55,678	\$56,366	(\$688)
FY2007	\$55,008	\$58,258	(\$3,250)
FY2008	\$61,212	\$64,164	(\$2,952)
FY2009	\$59,661	\$67,572	(\$7,911)
FY2010	\$60,300	\$68,733	(\$8,433)
FY2011	\$64,129	\$70,340	(\$6,211)
FY2012	\$65,194	\$70,474	(\$5,280)
FY2013	\$66,048	\$71,620	(\$5,572)
FY2014	\$65,291	\$73,847	(\$8,556)

Figure 40 below shows Reading as compared to our financially comparable peers. As the chart indicates, when compared to these peer districts, Reading's current average salary is the lowest as of the 2012-13 school year.

Figure 40: Average Teacher Salaries, Comparison to Peer Districts



Student Demographics and Performance Measures

This section provides student demographic information such as enrollment by school, by grade, and by population; class size information; and measures of student performance and student success, such as MCAS results, graduation rates, and other key indicators. This information is intended to provide readers with a picture of who our students are and how they are performing and to identify areas of need.

Student Enrollment

Enrollment in our district has remained relatively stable and while we have declined slightly (1.99%) since our highest enrollment level in SY12-13. Over the last ten years we have increased our enrollment by 112 students. The three largest increases in enrollment came during SY'2007-08, SY'2010-11, and SY'2006-07. The District has not convened an enrollment study in over five years.

Figure 41: Historical Enrollment by School

	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Alice Barrows	394	405	409	375	387	406	407	390	399	389	388	369	359	385
Birch Meadow	539	527	532	350	363	418	422	412	419	412	393	384	387	387
Joshua Eaton	519	490	525	496	482	465	450	442	425	446	453	455	471	462
J. Warren Killam	534	554	544	447	453	427	451	455	447	451	446	463	440	460
Wood End				351	364	343	348	346	350	367	358	338	335	316
A.W. Coolidge	496	509	473	442	426	436	466	476	490	466	462	449	476	471
Walter S. Parker	531	534	532	527	566	597	586	562	593	584	593	564	593	549
Reading Memorial	1,222	1,178	1,211	1,222	1,223	1,259	1,222	1,242	1,246	1,262	1,285	1,307	1,251	1,270
RISE	58	65	67	72	68	65	76	67	90	100	105	103	95	94
District	4,293	4,262	4,293	4,282	4,332	4,416	4,428	4,392	4,459	4,477	4,483	4,432	4,407	4,394
% Change	0.2%	-0.7%	0.7%	-0.3%	1.2%	1.9%	0.3%	-0.8%	1.5%	0.4%	0.1%	-1.1%	-0.6%	-0.3%

Figure 42: Historical Enrollment by Grade Level

	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2002-03	58	321	336	354	310	308	357	344	363	320	303	325	292	302	4,293
2003-04	65	300	361	344	350	312	309	348	335	360	277	298	328	275	4,262
2004-05	67	337	331	341	345	349	307	315	350	340	327	272	308	304	4,293
2005-06	72	282	369	328	343	346	351	312	313	344	315	327	281	299	4,282
2006-07	68	324	316	375	328	353	353	355	320	317	315	314	331	263	4,332
2007-08	65	324	345	318	388	335	349	348	364	321	305	319	323	312	4,416
2008-09	76	324	343	358	318	393	342	343	347	362	292	304	319	307	4,428
2009-10	67	280	345	349	363	318	390	353	341	344	334	298	298	312	4,392
2010-11	90	348	308	351	349	369	315	387	353	343	324	327	301	294	4,459
2011-12	100	319	362	315	356	347	366	311	390	349	312	327	326	297	4,477
2012-13	105	302	342	361	324	356	353	362	309	384	323	314	321	327	4,483
2013-14	103	287	319	351	370	327	355	347	362	304	353	323	308	323	4,432
2014-15	95	322	298	314	362	366	330	356	346	367	270	357	319	305	4,407
2015-16	94	319	337	305	308	375	366	326	357	337	328	273	346	323	4,394

Much of the financial support that the district receives from state and federal grants and reimbursement programs (e.g. Title I, school nutrition reimbursements, or circuit breaker) is driven by enrollments of certain populations of students. These groups often need additional services beyond the general education classroom. These populations include students receiving special education services, students whose first language is not English or who have limited proficiency in English, or low income students. The figures below show enrollment for these subgroups in our district.

Figure 43: Special Education Enrollment

Academic Year	Total Enrollment	# of Students on IEP	% of Students	% of Students Statewide	# of Students Out of District
2005-06	4282	694	16.2%	16.4	73
2006-07	4332	707	16.3%	16.7	67
2007-08	4416	753	17.1%	16.9	73
2008-09	4428	771	17.4%	17.1	63
2009-10	4392	758	17.3%	17.0	59
2010-11	4459	734	16.5%	17.0	51
2011-12	4447	768	17.3%	17.0	64
2012-13	4483	737	16.4%	17.0	64
2013-14	4432	767	17.3%	17.0	50
2014-15	4407	809	18.4%	17.1	61
2015-16	4394	791	18.0%		64

What is apparent from the table below is that our ELL and low income populations have been steadily rising over the last several years. In FY'15 we saw an increase of 42% or 101 students that meet the federal income guidelines for Free Lunch and in FY'16 we saw an increase in our Limited English Proficient population. 32.6% or 15 of the 46 students are enrolled in kindergarten.

Figure 44: Enrollment by Other Subgroup

Academic Year	First Language Not English		Limited English Proficient		Low-Income		Free Lunch		Reduced Lunch	
	#	%	#	%	#	%	#	%	#	%
2006-07	72	1.7	11	0.3	129	3.0	82	1.9	47	1.1
2007-08	85	1.9	17	0.4	158	3.6	114	2.6	44	1.0
2008-09	78	1.8	14	0.3	172	3.9	125	2.8	47	1.1
2009-10	83	1.9	16	0.4	204	4.6	152	3.5	52	1.2
2010-11	75	1.7	14	0.3	231	5.2	176	3.9	55	1.2
2011-12	72	1.6	15	0.3	254	5.7	204	4.6	50	1.1
2012-13	81	1.8	20	0.5	261	5.8	213	4.8	48	1.1
2013-14	79	1.8	26	0.6	294	6.6	239	5.4	55	1.2
2014-15	75	1.7	26	0.6	398	9.2	340	7.9	58	1.3
2015-16	89	2.0	46	1.0	390	8.9	342	7.8	48	1.1

Class Size

The Reading School Committee and Reading Public Schools do not have a policy that mandates class size. However, at the elementary level, the district conforms to a recommended class size of 18 to 22 in grades K-2, and 20 to 25 in grades 3-5. As Figure 41 shows, most elementary schools are within these ranges however this will change for FY'17 as a result of budgeted staffing reductions. The 2.0 FTE Elementary teacher reduction will result in some class sizes in grades 3-5 to reach 25 students per classroom.

Middle school class size ideally should be between 20 and 26 students. As Figure 44 shows, middle school class sizes are all essentially within the ideal range at Parker Middle School, but slightly higher at Coolidge Middle School.

Figure 45: Average Class Size, Grades K-12

School	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12
Barrows	20.5	21.0	19.3	18.0	22.0	21.0							
Birch Meadow	18.8	21.7	22.0	19.0	24.3	22.7							
Joshua Eaton	20.0	20.5	20.3	19.8	22.8	22.3							
Killam	19.2	22.0	18.8	19.8	18.8	22.0							
Wood End	21.5	20.3	22.5	19.5	23.3	19.3							
Coolidge							25.5	27.3	25.7				
Parker							21.6	24.1	22.9				
High School										21.4	20.7	21.6	21.4
Average	20.0	21.1	20.6	19.2	22.2	21.5	23.6	25.7	24.3	21.4	20.7	21.6	21.4

At the High School level, “average” class size is more difficult to determine and assess given the various types of programs offered (college prep, strong college prep, honors, and advanced placement) and the number of courses taught, both required and elective. The average class sizes shown in Figure 8 above are for required classes at each grade level. The 3.4 FTE High School Teachers will result in the elimination of the Freshmen Advisory Program, as well as reductions in the High School Latin Program.

With respect to class sizes at the different levels, the High School aims to keep its college prep courses below 20 students given that these classes are usually more homogeneously grouped, co-taught classes with a higher percentage of special education students. As Figure 46 below shows, the investment of additional teacher resources at the High School in the FY’14 budget resulted in a significant decrease in the class size for the college prep course level. In the current school year, the average class sizes for most college prep courses is below 20 students.

As Figure 46 shows, the average class sizes for all of the college preparatory level are below the desired cap of 20 students. These optimal class sizes were able to be achieved due to the increase in staffing included in the FY’14 budget which has led to an improved learning environment for students in these sections.

Figure 46: High School Class Sizes by Grade and Academic Program

Grade	College Prep				Strong College Prep				Honors				AP
	9	10	11	12	9	10	11	12	9	10	11	12	
Subject													
English	11.5	13.5	16.5	21.0	24.3	22.9	22.3	23.6	21.0	20.3	21.8	20.5	12.0
Math	17.0	21.7	18.0	22.6	21.1	21.3	22.5	23.0	24.0	23.8	19.7	26.0	25.4
Science	14.5	16.0	15.4	15.4	19.8	19.3	20.6	15.6	23.8	23.0	20.7	18.0	19.3
Social Studies	13.0	15.5	14.5		26.4	19.3	21.2		23.9	23.7	27.6		14.3
Average	18.7	16.7	16.1	19.7	22.9	20.7	21.7	20.7	23.2	22.7	22.5	21.5	17.8

State Accountability System

Beginning with the 2012-13 school year, accountability reports changed significantly as a result of Massachusetts' waiver of certain No Child Left Behind (NCLB) requirements: the NCLB goal of 100 percent proficiency was replaced with a new goal of reducing proficiency gaps by half by 2017; the NCLB accountability status labels of improvement, corrective action, and restructuring were eliminated; only state accountability and assistance levels are used for districts and schools, including charter schools; Adequate Yearly Progress (AYP) has been replaced with a new performance measure (the Progress and Performance Index, or PPI) that incorporates student growth and other indicators, including science and dropout rates; and reports show a new "high needs" subgroup, an unduplicated count of all students in a school or district belonging to at least one of the following individual subgroups: students with disabilities, English language learners (ELL) and former ELL students, or low income students.

The Massachusetts' Framework for District Accountability and Assistance classifies schools and districts on a five-level scale, with the highest performing in Level 1 and lowest performing in Level 5. The system is also a measure of each school and district's progress toward reducing the proficiency gap in half between 2010/11 and 2016/17. Schools making sufficient progress toward narrowing proficiency gaps are classified into Level 1, while the state's lowest performing schools are classified into Levels 4 and 5. In general, districts are classified into a level based on the level of their lowest performing school.

For individual schools, all schools with sufficient data are classified into Levels 1-5. Eighty percent of schools are classified into Level 1 or 2 based on the cumulative Progress and Performance Index (PPI) for the aggregate and high needs group. Schools are classified into Level 3 if they are among the lowest 20 percent relative to other schools in their grade span statewide, if they serve the lowest performing subgroups statewide, or if they have persistently low graduation rates. The lowest achieving, least improving Level 3 schools are candidates for classification into Levels 4 and 5, the most serious designations in Massachusetts' accountability system.

Schools with one or more subgroups that are among the lowest performing subgroups statewide are classified into Level 3, and the names of those groups are displayed. These schools are referred to as Level 3 Focus schools. For a subgroup to be low performing, it must meet two criteria: (1) the subgroup must place in the lowest performing 20 percent of like subgroups within the school type category statewide, and (2) the subgroup must place in the lowest performing 20 percent of all subgroups statewide within the same school type.

The U.S. Department of Education also requires Massachusetts to determine which districts have specific needs for technical assistance or intervention in the area of special education. A district's determination is based on six categories: Meets Requirements-Provisional (MRP); Meets Requirements (MR); Meets Requirements-At Risk (MRAR); Needs Technical Assistance (NTA); Needs Intervention (NI); and Needs Substantial Intervention (NSI). In most cases these categories correspond to the district's accountability and assistance level, except when the district has specific compliance needs. This designation helps signal whether outcomes for all students in the district indicate progress, including that of students with disabilities, or whether technical assistance and/or intervention is needed to improve outcomes for all children, especially students with disabilities.

Information above is excerpted or adapted from the Massachusetts Department of Secondary and Elementary Education website. Additional information about the state's accountability system can be found at:
<http://www.doe.mass.edu/apa/accountability/2014/GlossaryTerms.pdf>

Reading Public Schools Accountability

In 2014, the Reading Public Schools district was classified Level 3, as the Joshua Eaton Elementary School was given a Level 3 classification by the DESE, indicating it to be among the lowest performing 20% of subgroups— with a focus on High Needs. Currently, the district has been working with the state and the Joshua Eaton team to address these issues. In addition, a Joshua Eaton task force (consisting of both educators and community members) has also been established. The charge of the task force is to develop and oversee a comprehensive plan to elevate Joshua Eaton from the DESE’s Level 3 accountability rating and to continually move the school forward in a positive direction. This includes looking at all aspects of the school community, reviewing input from the DSAC survey, providing additional avenues for community input, recommending specific and sustainable action steps to the School Advisory Council and/or Reading Public Schools administration, and establishing an effective means of communication among all school stakeholders. The FY16 recommended budget also includes some key restructuring of funds to address this issue and to better assist the district in moving forward. Figure # -- below indicates each school’s current accountability level.

Figure 47: SY’15-16 DESE Accountability Rating by School

School	Title I Status	Accountability and Assistance Level
Alice M Barrows Elementary	Non-Title I School (NT)	Level 2
Birch Meadow Elementary	Non-Title I School (NT)	Level 2
Joshua Eaton Elementary	Title I School (TA)	Level 3
J Warren Killam Elementary	Title I School (TA)	Level 2
Wood End Elementary	Non-Title I School (NT)	Level 2
Arthur W Coolidge Middle	Non-Title I School (NT)	Level 2
Walter S Parker Middle	Non-Title I School (NT)	Level 2
High Memorial High	Non-Title I School (NT)	Level 2

Massachusetts Student Assessment

The Massachusetts Comprehensive Assessment System (MCAS) was originally designed to meet the requirements of the Education Reform Law of 1993. This law specifies that the testing program must:

- test all public school students in Massachusetts, including students with disabilities and English Language Learner students;
- measure performance based on the Massachusetts Curriculum Framework learning standards; and,
- report on the performance of individual students, schools, and districts.

During the last year, Massachusetts was transitioning to a next generation assessment and began testing the PARCC to be a new state test that could replace MCAS for English/language arts and math for grades 3-8. (PARCC stands for the Partnership for Assessment of Readiness for College and Careers.) The shift in assessments is part of an overall transition to the state’s new curriculum standards that began a few years ago.

In order to make sure students are learning what they need to know and be able to do at each grade level, the Department of Elementary and Secondary Education and local educators periodically upgrade Massachusetts' curriculum standards. Also, although Massachusetts 4th and 8th graders had been ranked #1 in the U.S. for reading and math, more than 1 in 3 Massachusetts high school graduates (who passed MCAS) had also been determined to require remedial courses when they enrolled in public higher education. As the MCAS was over a decade old and not designed to be a predictor of college readiness, the state began an effort to upgrade state standards and to explore a next generation assessment.

The state and educators were already working on this upgrade when development of the Common Core State Standards (CCSS) began in 2009, and the two efforts merged. DESE staff and the Curriculum Framework Review Panels for Math and ELA compared the Common Core Standards with the state's 2000/2001 frameworks, and determined that they were not only consistent with the state's own emerging revisions, but were stronger in several regards. In July 2010, the Massachusetts Board of Elementary and Secondary Education voted to adopt the Common Core Standards. In September 2010, the department staff, in collaboration with the members of the original Framework Revision Committees, then made unique state additions to the CCSS. Specifically, Massachusetts added more than 20 math standards, as well as pre-kindergarten and ELA standards. The final versions of the new frameworks for math and ELA standards were adopted by the board in December 2010 and published in March 2011.

Since the publication of the new standards, the Reading Public Schools (along with all Massachusetts school districts) have been updating their ELA and math curricula and have been conducting professional development to align with new standards. Teachers have also been shifting instructional strategies to align with the upgraded standards. For instance, the new math standards focus on fewer topics each year so students have time to learn concepts deeply, and the new English language arts standards require students to speak and write in a variety of formats and support their ideas with evidence from authoritative sources. Reading Public Schools' educators, along with the majority of Massachusetts districts, chose to participate in PARCC in order to give students and teachers a head start on experiencing a next generation assessment system which is aligned to our new learning standards.

In November, the Board of Elementary and Secondary Education voted to transition to a next-generation MCAS test that will be given for the first time in spring 2017 and use both PARCC and MCAS items, as well as items developed specifically for the Massachusetts test.

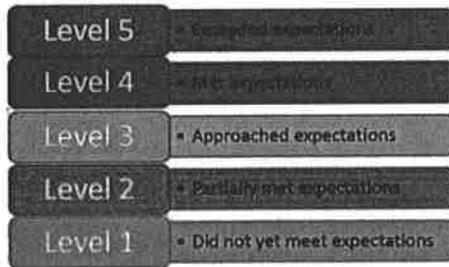
In spring 2016, districts that used PARCC in 2015 (including the Reading Public Schools) will do so again. Also as a result of the vote, the DESE is reporting that the state will:

- commit to computer-based state assessments with the goal of implementing this statewide by spring 2019;
- remain a member of the PARCC consortium; and
- convene groups of K-12 teachers, higher education faculty and assessment experts to advise ESE on the content, length and scheduling of statewide tests; testing policies for students with disabilities and for English language learners; the requirements for the high school competency determination (currently the 10th grade MCAS); and the timeline for reinstating a history and social science test.

The DESE is reporting as well that districts administering PARCC in grades 3-8 in spring 2016 will be held harmless for any negative changes in their school and district accountability levels. The Department will also continue to publish percentile rankings for all schools on the "View Detailed Data" option on the Accountability tab of each school and district listing on [Profiles](#). The Board also voted that schools and districts administering the new test in grades 3-8 in spring 2017 will be held harmless for any negative changes in their school and district accountability level based solely on test scores.

All high schools will continue to administer the grade 10 MCAS in English language arts and mathematics, as well as the high school science and technology/engineering tests, in 2016 and 2017. The "hold harmless" provisions do not apply to high schools.

Like MCAS, PARCC was not meant to tell the whole story about what students know and can do. Rather, the state assessment is like an annual "check-up" that can provide valuable information. Unlike MCAS, there is no PARCC achievement level called "proficient," but *Level 4* represents the point at which students have "met expectations." *Level 5* indicates that students have "exceeded expectations." PARCC is scored on five achievement levels:



Last spring's PARCC included two parts in English/language arts and two parts in math, and the assessment was designed to provide an important indication of a student's knowledge, skills, and ability to think critically.

Information above is excerpted and/or adapted from the Massachusetts Department of Secondary and Elementary Education website and updates from the Commissioner of Education.

Commissioner updates: <http://www.doe.mass.edu/commissioner/updates.html>

MA DESE website: <http://www.doe.mass.edu/>

Additional information about PARCC can be found at: <http://www.doe.mass.edu/parcc/>

The below figures show Reading Public Schools' MCAS and PARCC performance data for last year. Figure #: SY'2015 High School MCAS Performance in Math and English Language Arts, Reading versus State

Figure 48: Achievement in MCAS 2014-2015 vs State

High School 2015 English Language Arts and Mathematics MCAS (Percentage of Students at each achievement score level)				
	Advanced	Proficient	Needs Improvement	Warning
RMHS Math	74	18	7	2
RMHS ELA	69	29	1	1
State HS Math	53	25	13	8
State HS ELA	49	42	6	3

Figure 49: Grade 10 Mathematics Achievement in MCAS 2012-2015

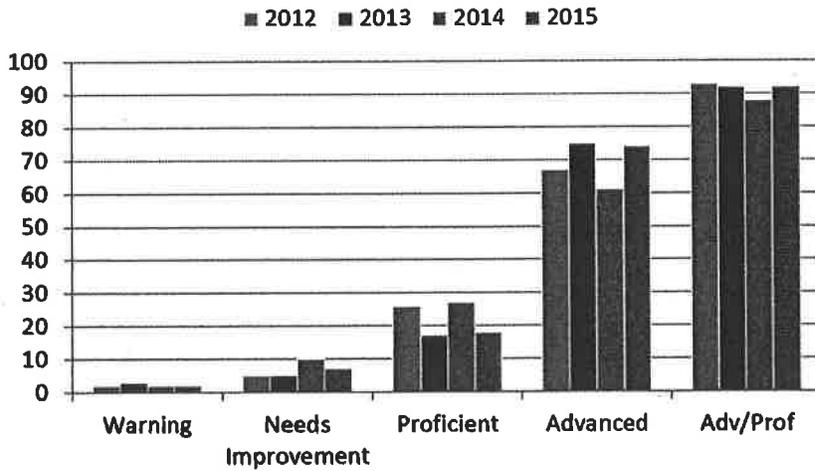


Figure 50: Grade 10 English Language Arts Achievement in MCAS 2012-2015

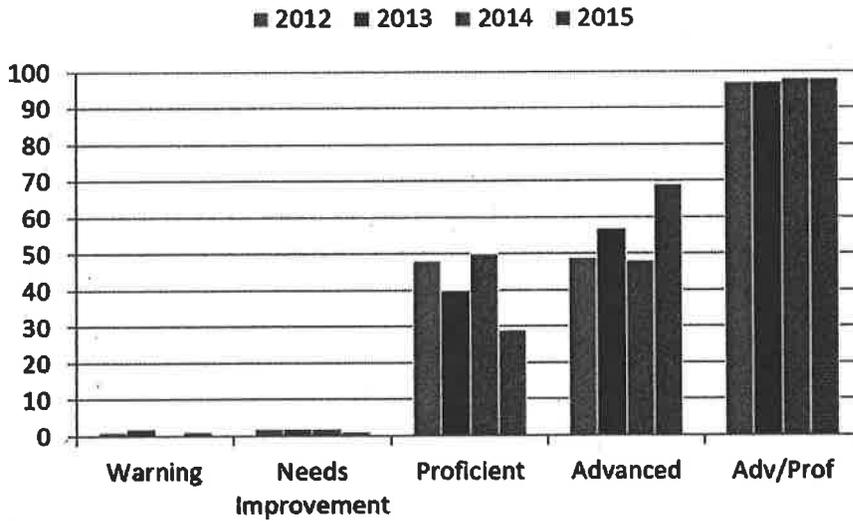


Figure 51: 2015 Science and Technology/Engineering Achievement in MCAS by school (compared to 2014 and state)

District	2015 Science and Technology/Engineering MCAS (Percentage of Students, by school, at each achievement score level)				2014			
	Advanced	Proficient	Needs Improvement	Warning	Adv.	Prof	NI	W
Barrows	15	46	32	7	28	41	22	9
Birch Meadow	15	45	36	4	25	33	35	6
Eaton	20	58	20	3	12	41	41	7
Killam	8	53	32	6	15	40	41	5
Wood End	20	52	25	3	19	44	32	5
Coolidge	1	37	51	12	5	52	39	4
Parker	2	56	35	7	7	52	37	4
RMHS	37	49	13	1	39	49	13	0
State Gr 5 Sci	16	35	37	13	20	33	34	13
State Gr 8 Sci	3	39	40	18	4	38	41	18
State HS Sci	27	44	23	5	29	42	24	5

Figure 52: Grade 5 Science and Technology/Engineering Achievement in MCAS 2012-2015

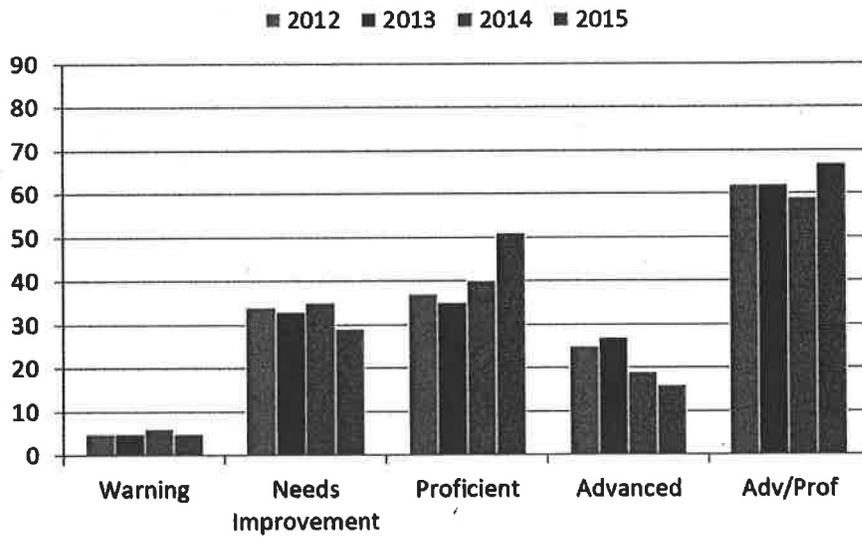


Figure 53: Grade 8 Science and Technology/Engineering Achievement in MCAS 2012-2015

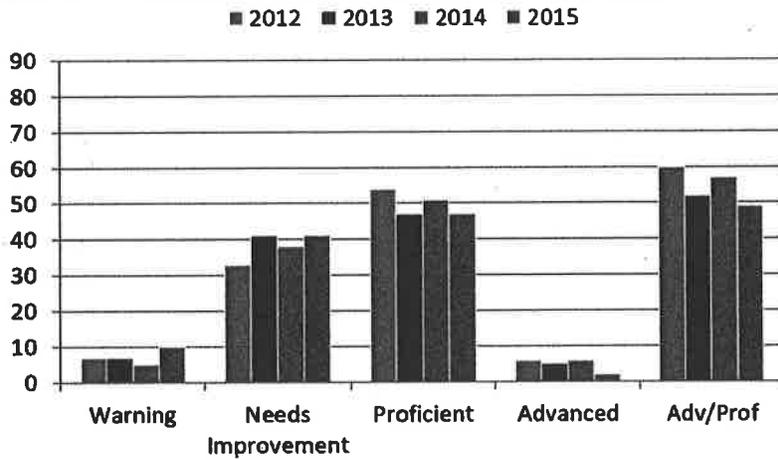


Figure 54: High School Science Achievement in MCAS 2012-2015

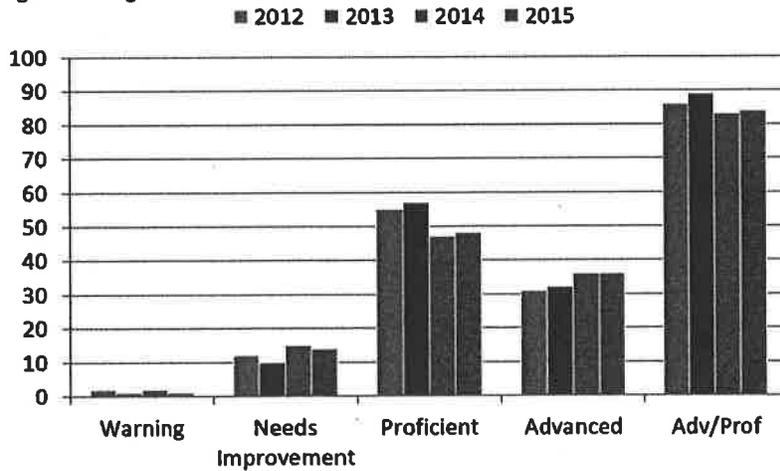


Figure 55: 2015 English Language Arts: Achievement in PARCC (compared to state averages), by school and grade level

English Language Arts / PARCC 2015							
<i>(Percentage of students, by school and grade level, at each achievement score level)</i>							
State Averages							
		Level 1 <i>Did not yet meet expectations</i>	Level 2 <i>Partially met expectations</i>	Level 3 <i>Approached expectations</i>	Level 4 <i>Met expectations</i>	Level 5 <i>Exceeded expectations</i>	Levels 4 & 5 <i>Met or Exceeded Expectations</i>
<i>State Average</i>	<i>Grade 3</i>	10	14	22	47	7	54
<i>State Average</i>	<i>Grade 4</i>	5	12	25	42	15	57
<i>State Average</i>	<i>Grade 5</i>	4	10	23	55	8	63
<i>State Average</i>	<i>Grade 6</i>	4	11	25	48	12	60
<i>State Average</i>	<i>Grade 7</i>	6	11	22	40	21	61
<i>State Average</i>	<i>Grade 8</i>	5	10	20	48	16	64
<i>State Average</i>	<i>Grades 3-8</i>	6	12	23	47	13	60
Reading Public Schools							
Barrows	Grade 3	2	11	18	62	7	69
	Grade 4	5	3	24	54	14	68
	Grade 5	2	3	18	72	5	77
Birch Meadow	Grade 3	1	12	33	43	10	53
	Grade 4	3	2	23	45	28	73
	Grade 5	0	6	21	69	4	73
Eaton	Grade 3	7	13	36	38	6	44
	Grade 4	2	7	17	57	18	75
	Grade 5	3	4	14	59	20	79
Killam	Grade 3	3	16	23	52	5	57
	Grade 4	2	13	19	48	17	65
	Grade 5	6	3	13	68	10	78
Wood End	Grade 3	2	13	20	56	9	65
	Grade 4	2	3	24	54	17	71
	Grade 5	3	11	14	63	9	72
Coolidge	Grade 6	2	4	22	55	17	72
	Grade 7	5	6	6	43	40	83
	Grade 8	3	7	17	52	21	73
Parker	Grade 6	1	4	17	64	16	80
	Grade 7	1	6	13	44	36	80
	Grade 8	2	5	18	55	20	75
District (RPS)	Grade 3-8	3	7	19	54	18	72

Figure 56: Grade 5 English Language Arts: % of students Proficient or Advanced (MCAS) and Level 4 or 5 (PARCC) 2012-2015, compared to state

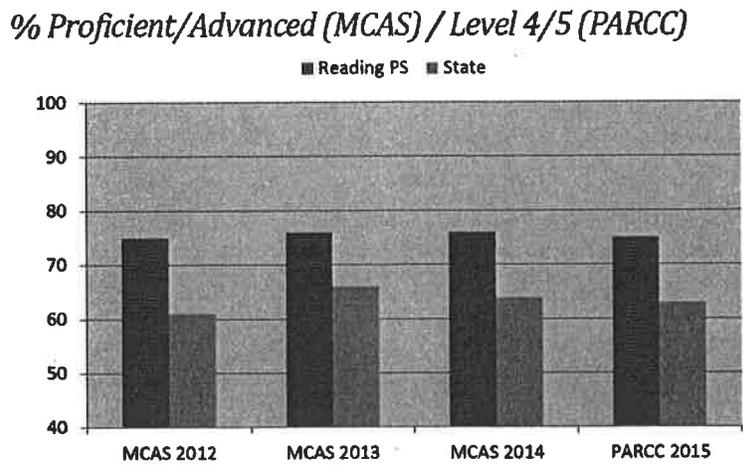


Figure 57: Grade 8 English Language Arts: % of students Proficient or Advanced (MCAS) and Level 4 or 5 (PARCC) 2012-2015, compared to state

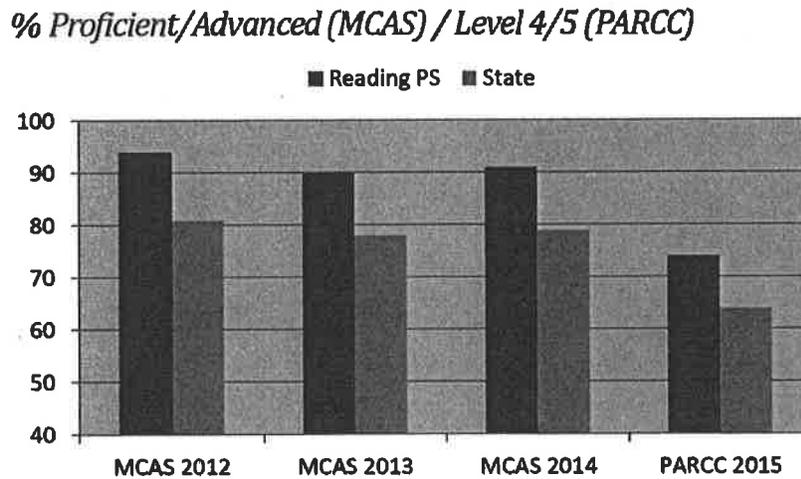


Figure 58: 2015 Mathematics: Achievement in PARCC (compared to state averages), by school and grade level

Mathematics / PARCC 2015							
<i>(Percentage of students, by school and grade level, at each achievement score level)</i>							
State Averages							
		Level 1 <i>Did not yet meet expectations</i>	Level 2 <i>Partially met expectations</i>	Level 3 <i>Approached expectations</i>	Level 4 <i>Met expectations</i>	Level 5 <i>Exceeded expectations</i>	Levels 4 & 5 <i>Met or Exceeded Expectations</i>
State Average	Grade 3	6	14	25	43	12	55
State Average	Grade 4	6	18	29	41	6	47
State Average	Grade 5	5	15	26	44	11	55
State Average	Grade 6	5	14	28	44	10	54
State Average	Grade 7	5	18	32	37	8	45
State Average	Grade 8	10	15	22	43	10	53
State Average	Gr 8 Algebra I	1	4	15	66	14	80
State Average	Grades 3-8	6	16	27	42	10	52
Reading Public Schools							
Barrows	Grade 3	0	11	16	52	20	72
	Grade 4	5	6	22	62	5	67
	Grade 5	2	8	38	47	5	52
Birch Meadow	Grade 3	3	6	31	47	13	60
	Grade 4	2	9	18	63	8	71
	Grade 5	3	9	30	48	10	58
Eaton	Grade 3	3	17	26	38	16	54
	Grade 4	2	7	31	56	4	60
	Grade 5	1	5	20	64	9	73
Killam	Grade 3	3	12	34	45	5	50
	Grade 4	2	10	35	48	5	53
	Grade 5	2	5	32	52	10	62
Wood End	Grade 3	2	8	22	53	16	69
	Grade 4	2	2	32	63	2	65
	Grade 5	0	5	11	58	27	85
Coolidge	Grade 6	4	8	23	51	14	65
	Grade 7	3	7	25	46	19	65
	Grade 8	5	8	21	61	5	66
	Gr 8 Algebra I	0	0	0	40	60	100
Parker	Grade 6	1	3	19	61	16	77
	Grade 7	2	8	26	57	8	65
	Grade 8	8	12	22	58	1	59
	Gr 8 Algebra I	0	0	0	64	36	100
District (RPS)	Grade 3-8	3	8	24	54	11	65

Figure 59: Grade 5 Mathematics: % of students Proficient or Advanced (MCAS) and Level 4 or 5 (PARCC) 2012-2015, compared to state

% Proficient/Advanced (MCAS) / Level 4/5 (PARCC)

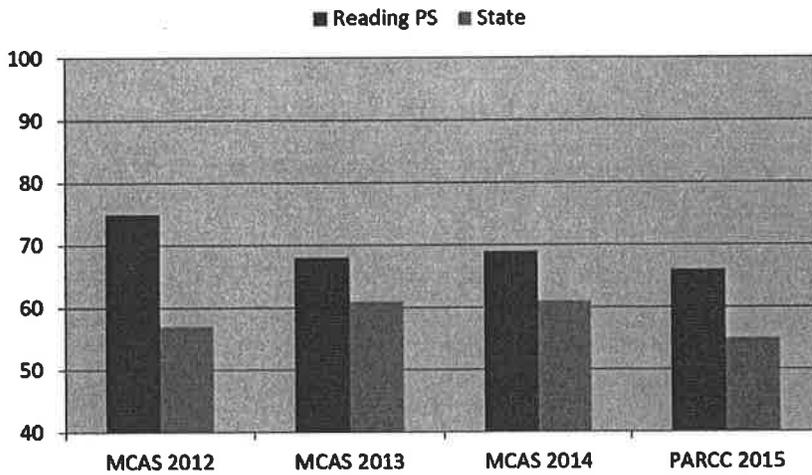
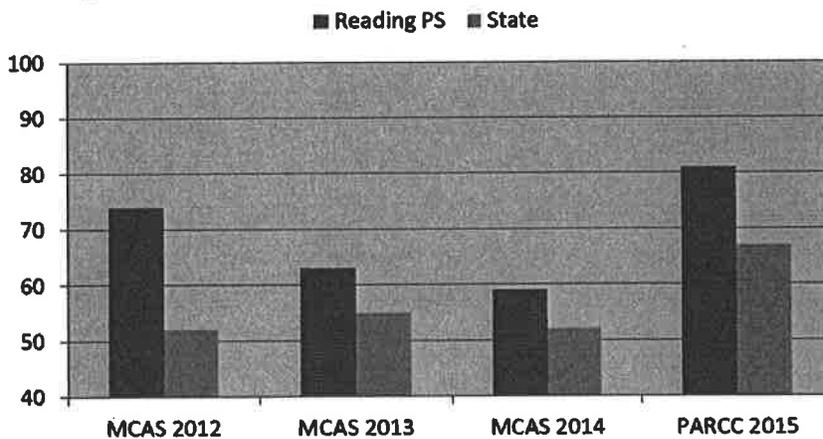


Figure 60: Grade 8 Mathematics: % of students Proficient or Advanced (MCAS) and Level 4 or 5 (PARCC) 2012-2015, compared to state

% Proficient/Advanced (MCAS) / Level 4/5 (PARCC)



Student Growth Percentile (SGP)

Measuring student performance relative to standards specific to each grade level is useful in determining whether a student has met the standards for that grade. There are, however, several obstacles to using this approach to measure students' academic *growth*. This is why DESE developed "student growth percentiles," a measure of student progress that compares changes in a student's assessment scores to changes in assessment scores of other students with similar scores in prior years. A *student growth percentile* measures student progress by comparing one student's progress to the progress of other students with similar performance histories. We refer to students with similar score histories as "academic peers."

Figure 61: Reading Public Schools median SGPs in English Language Arts and Math by grade level, 2012-2015\

Grade	Subject	SGP 2012	SGP 2013	SGP 2014	SGP 2015
4	ELA	59	56	45	55
4	Math	56.5	52	48	66
5	ELA	51	50.5	42	60
5	Math	56.5	55	48	75
6	ELA	61	58.5	56	63
6	Math	56	50	58	66
7	ELA	52	56	40	70
7	Math	53	42.5	44	60
8	ELA	56	58	50	53
8	Math	58	29.5	41	61
10	ELA	40	34	47.5	46
10	Math	37	45	31.0	54

Percentiles are commonly understood values that express the percentage of cases that fall below a certain score. For example:

- A student with a growth percentile of 90 in 5th grade mathematics grew as much or more than 90 percent of her academic peers (students with similar score histories) from the 4th grade math MCAS to the 5th grade math MCAS. Only 10% of her academic peers grew more in math than she did.
- A student with a growth percentile of 23 in 8th grade English language arts grew as well or better than 23 percent of her academic peers (students with similar score histories) from the 7th grade ELA MCAS to the 8th grade ELA MCAS. This student grew less in ELA than 77% of her academic peers.

Because growth is measuring change in performance rather than absolute performance, it doesn't matter how a student performed on the state assessment last year. In any given testing year, each student has an equal opportunity to grow at the 99th percentile. In other words, even though a student may not *achieve* a score of 278 out of 280 this year, it is possible for a student to have *grown* at the 99th percentile from last year to this year. Although a student may perform well below the proficiency mark, that student could potentially have a high growth percentile. Such an occurrence could indicate that a program, a new approach, or something else is working for this student. It's important to note that the state identifies the moderate or "typical growth" range for a student as between 40 and 60, and indicates that differences in SGP of fewer than 10 points are likely not very educationally meaningful.

It is helpful to think of *growth* as a statistic that puts assessment achievement into greater context. Achievement scores answer one thing: how did a student fare relative to grade level standards in a given year. Student growth percentiles add another layer of understanding, providing a measure of how a student changed from one year to the next relative to other students with similar test score histories.

The most appropriate measure for reporting growth for a group is the median student growth percentile (the middle score if one ranks the individual student growth percentiles from highest to lowest). The average or mean is not an appropriate measure when comparing percentiles.

Figure 62: Percentage of RMHS Students in High/Moderate/Low Growth Percentile, 2015 (compared to 2014)

High School 2015 Student Growth Percentiles (SGP)						2014				
	% High Growth	% Moderate Growth	% Low Growth	% Moderate to High Growth	Median SGP	% High Growth	% Moderate Growth	% Low Growth	% Moderate to High Growth	Median SGP
RMHS Math	45	19	36	64	54.5	20	19	60	39	31
RMHS ELA	40	18	42	58	46	40	17	43	57	47.5

Equal in importance to analyzing overall performance on state standardized assessments is the analysis of performance by *subgroup*. State assessment results are tracked by a number of subgroups in addition to all students and those subgroups include low income students, high needs students, students of different race/ethnic backgrounds, and students with disabilities. Below are historical figures on achievement and growth for high needs students vs. the overall student group.

Figure 63: Achievement in Mathematics: Percentage of Students scoring Proficient/Advanced or Level 4/5 (“High Needs” vs. “All Students”) 2013-2015

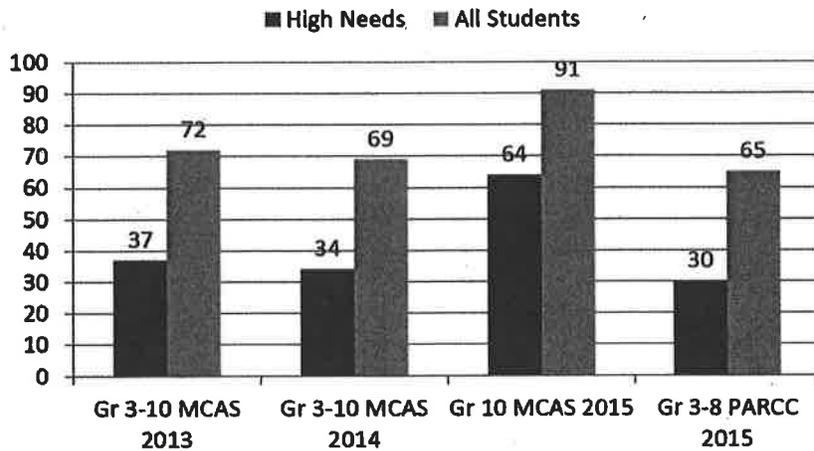


Figure 64: Growth in Mathematics: Median SGPs ("High Needs" vs. "All Students") 2013-2015

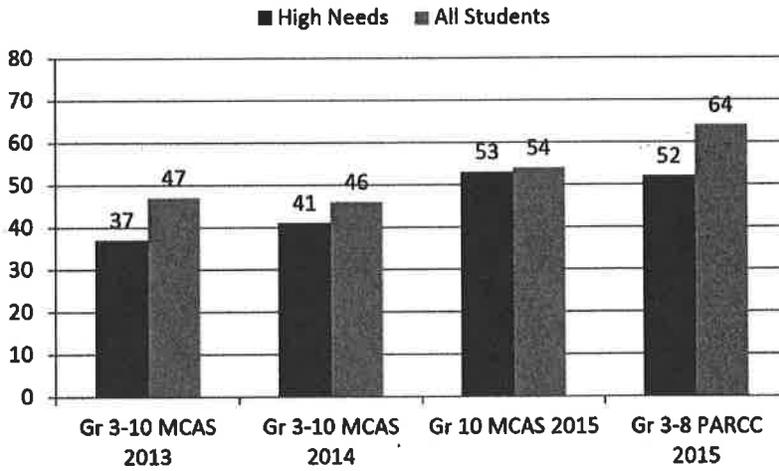


Figure 65: Achievement in English Language Arts: Percentage of Students scoring Proficient/Advanced or Level 4/5 ("High Needs" vs. "All Students") 2013-2015

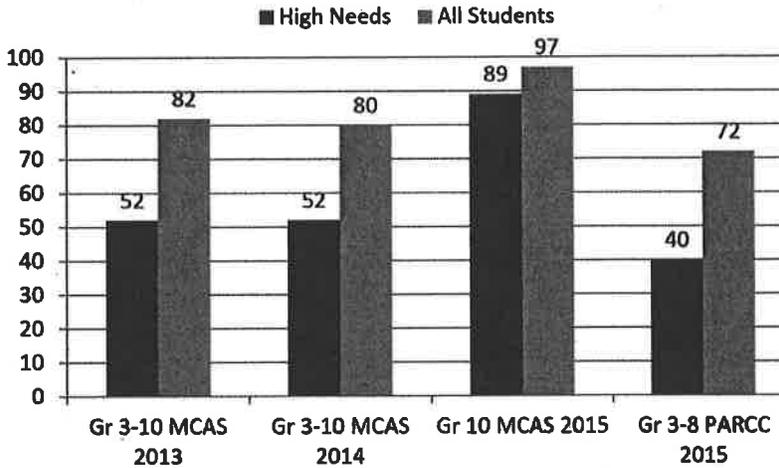
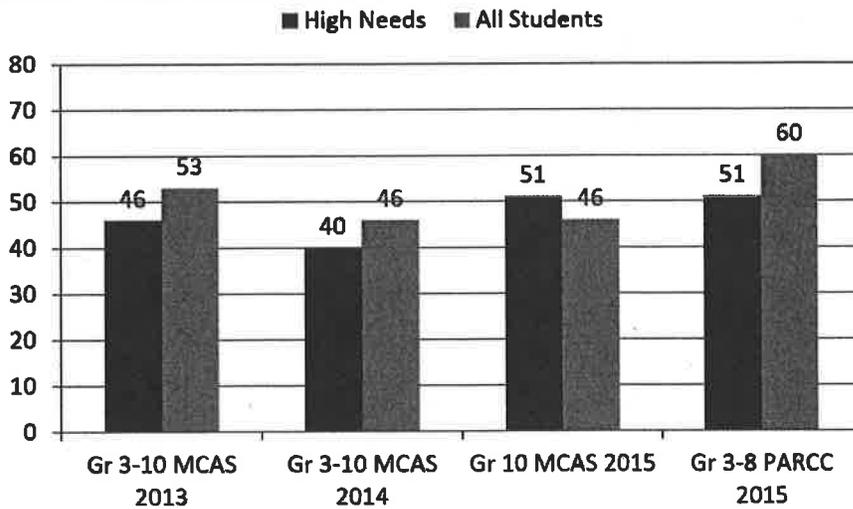


Figure 66: Growth in Mathematics: Median SGPs ("High Needs" vs. "All Students") 2013-2015



The data above illustrate that there is an achievement gap between our higher needs populations and the general student population. These gaps are being addressed through a number of initiatives outlined in our district improvement plan goals, including the behavioral health of our students through the implementation of programs such as the Massachusetts Tiered System of Supports.

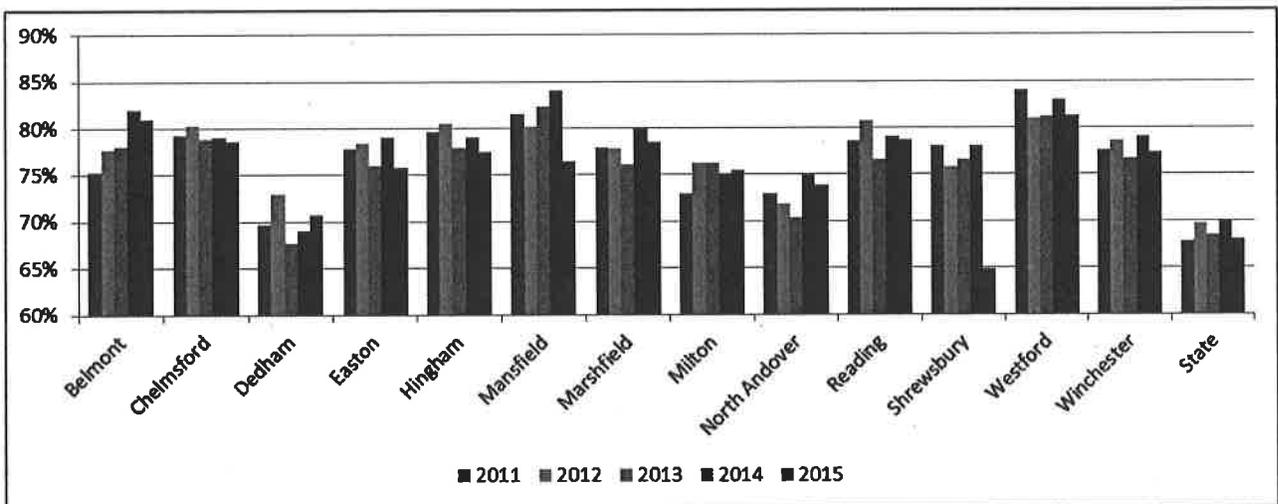
Some of the above information is excerpted and/or adapted from the Massachusetts DESE website. Additional information on student growth can be found at: <http://www.doe.mass.edu/mcas/growth/>

Other Measures of Performance

Student Attendance

Student attendance is one measure of how supported students feel which affects their willingness to come to school. The attendance rates in our district have exceeded the state average over the years. Figure 67 below shows Reading's attendance rates (percent of students absent fewer than 10 days) compared to our peers.

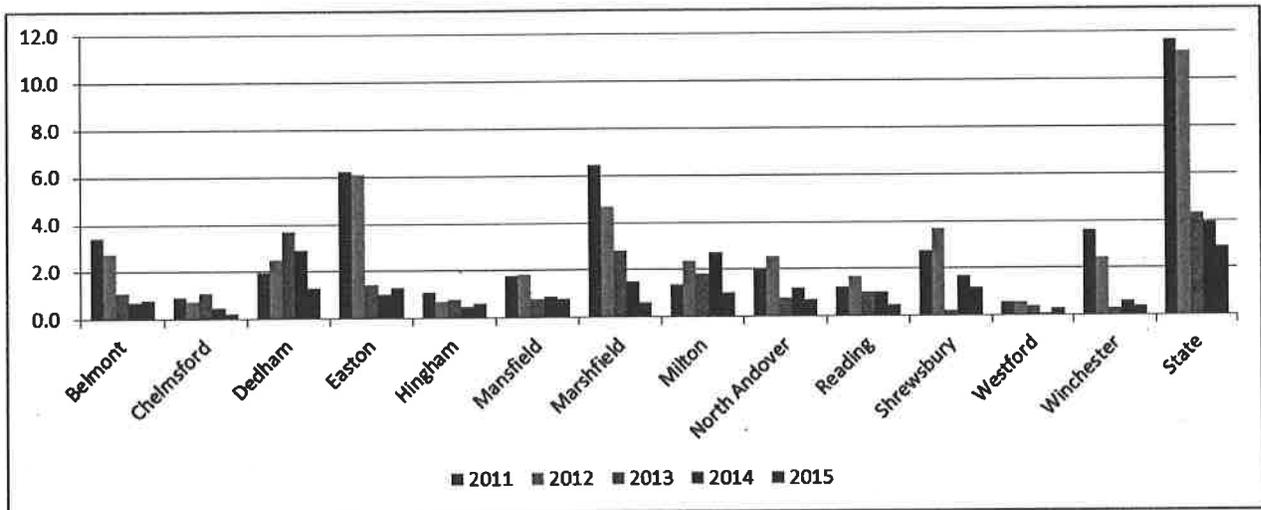
Figure 67: Percent of Students absent fewer than 10 Days



Student Discipline

Districts report to the MA DESE different metrics of student discipline. These include the percent of students suspended out of school at least once, the number of incidents per 100 students resulting in out-of-school suspension, and the number of criminal, drug- or tobacco-related, and violent incidents resulting in out-of-school suspensions. Our district has a relatively low rate of student discipline incidents, particularly as compared to the state. However, even among our comparable peers, we have, on average one of the lowest incident rates per 100 students that result in out-of-school suspension. Figure 58 below shows the comparison with the state and our comparable peers where we have the fourth lowest incident rate.

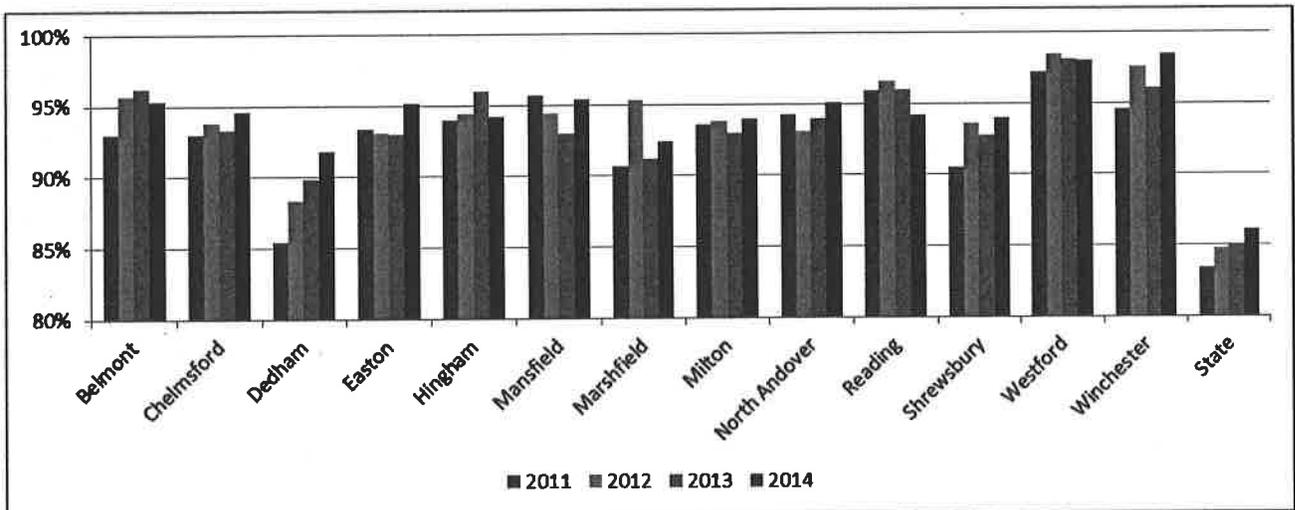
Figure 68: Number of Incidents per 100 Students Resulting in Out-of-School Suspension



Graduation Rates

The Massachusetts Department of Elementary and Secondary Education (ESE) calculates and reports graduation rates as required under Title I of the federal No Child Left Behind Act. The four-year cohort graduation rate is calculated as the number of students in a cohort who graduate in 4 years or less divided by the number of students entering grade 9 four years prior, less transfers out and adding transfers in.

Figure 69: 4-Year Cohort Graduation Rates



Reading has very high graduation rates averaging in the mid 90 percent range for the last several years. Reading's graduation rate has averaged 8 to 13 points higher than the state average over the last four years. We also rank favorably among our peers with our graduation rate.

SAT Scores

Reading students tend to do very well on the Scholastic Aptitude Test which is one of the primary college entrance examinations. As the chart below shows, Reading students score higher than the statewide average, but they also perform well as compared to our in comparable communities. As Figures 60-62 indicate, SAT scores of Reading students are typically in the top half of our peers.

Figure 70: Reading SAT Scores for Comparable Communities

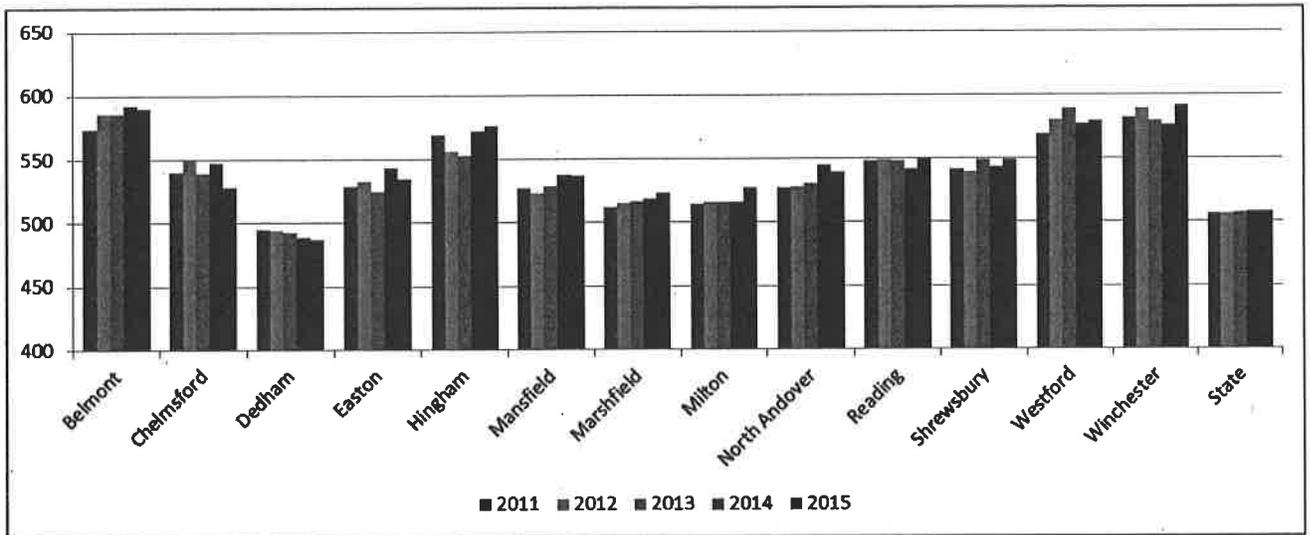


Figure 71: Writing SAT Scores for Comparable Communities

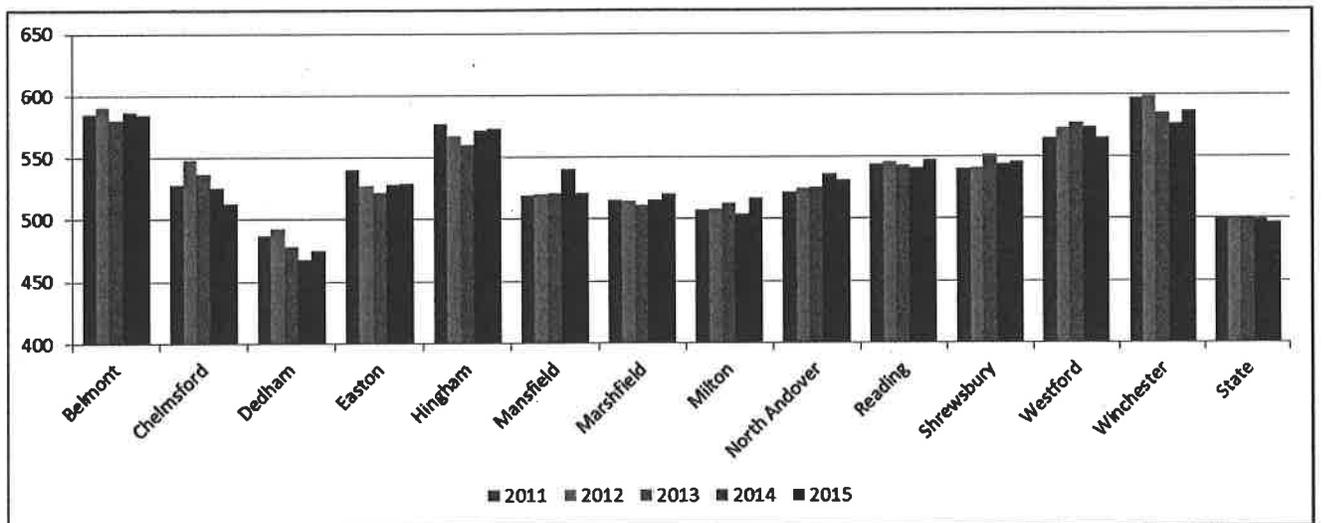
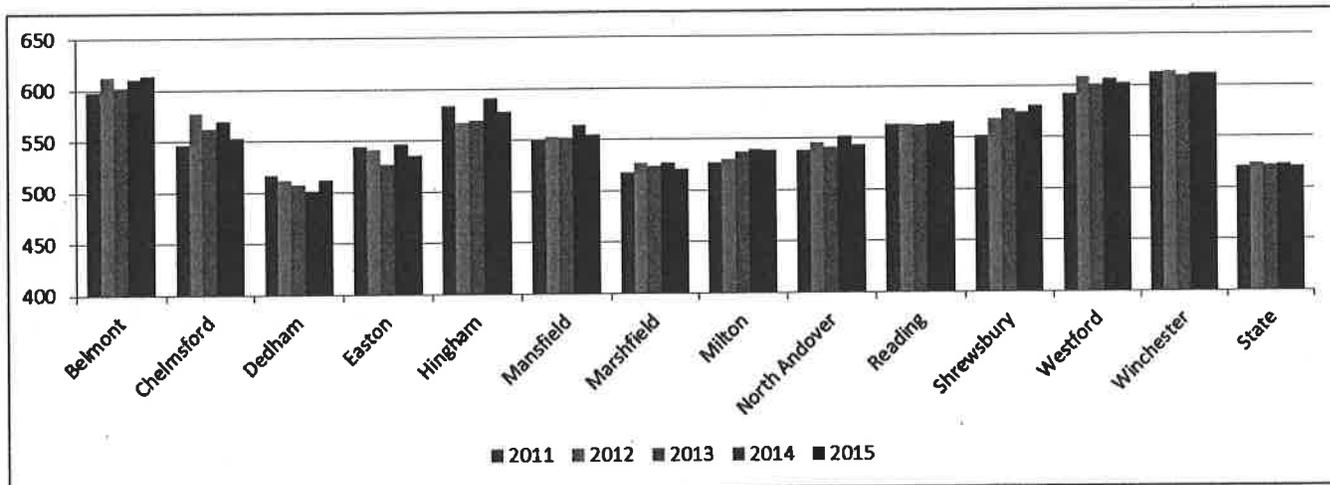


Figure 72: Math SAT Scores for Comparable Communities



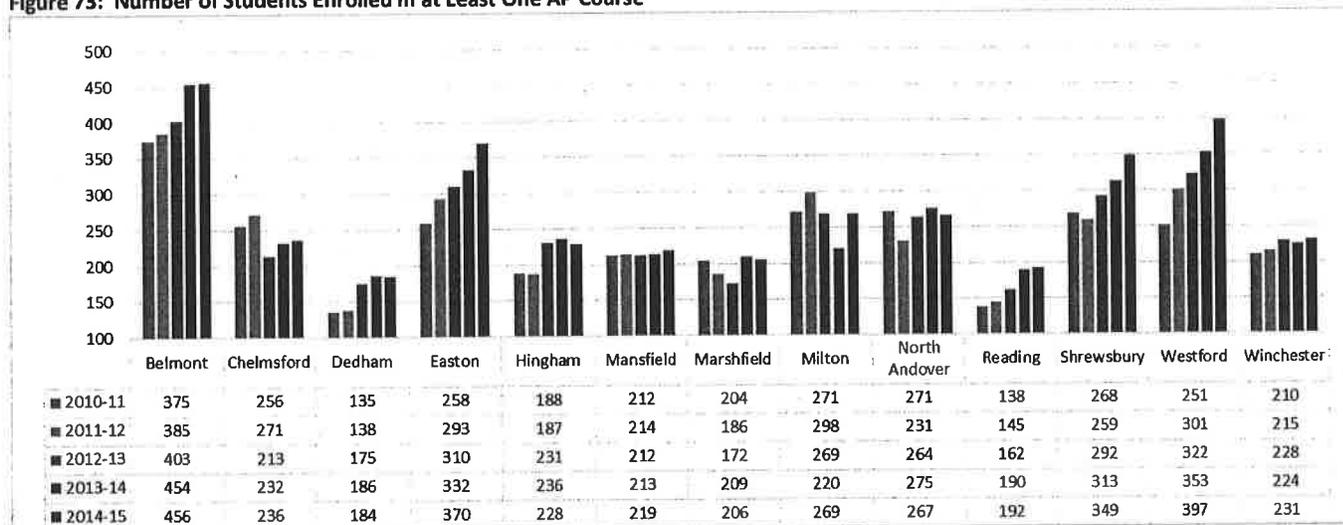
Advanced Placement Enrollment and Performance

The College Board’s Advanced Placement Program enables students to pursue college-level studies while still in high school. Advanced placement courses provide willing and academically prepared students with the opportunity to earn college credit, advanced placement, or both. Taking AP courses also demonstrates to college admission officers that students have sought the most rigorous curriculum available to them.

Each AP course is modeled upon a comparable college course. College and university faculty members play a vital role in ensuring that AP courses align with college-level standards by defining the curricular expectations of each course and reviewing all AP teachers’ syllabi.

Each AP course culminates with a college-level assessment developed and scored by college and university faculty members, as well as experienced AP teachers. AP Exams are an essential part of the AP experience, enabling students to demonstrate their mastery of college-level course work. An AP Exam score of 5 is equivalent to grades of A+ and A in the corresponding college course; a score of 4 is equivalent to grades of A-, B+, and B; and a score of 3 is equivalent to grades of B-, C+, and C. Most four-year colleges and universities in the United States grant students credit, advanced placement, or both on the basis of successful AP Exam scores. Universities in more than 60 countries recognize AP Exam scores in the admission process and/or award credit and placement for qualifying scores.

Figure 73: Number of Students Enrolled in at Least One AP Course



The participation of Reading students in Advanced Placement programs has been increasing over the past few years. However, while the participation of Reading students is on par with the state average, Reading lags comparable peers with the second lowest participation of the group at 192 students in 2014-15.

Students Attending Higher Education Institutions

Reading Public School graduates have always had a high rate of matriculation into institutions of higher education, among the highest in the state. Over the past five years, an average of 91% of our students has gone onto public or private two-year or four-year colleges or universities as compared to the state average of 73%.

Figure 64 below shows the percentage of High School graduates who are enrolled in postsecondary education within 16 months of high school graduation. While Reading's numbers are strong, we do rank in the lower quartile when compared to our peer districts.

Another metric of the strength of high school programming is the percentage of students who, once matriculated at the postsecondary level, require additional developmental or remedial classes. Figure 65 shows the data on this metric for Reading and our comparable peers. This data indicates that Reading students have the second lowest rate of remediation when compared to our peer districts for students enrolled in our state colleges and universities.

Figure 74: Percentage of graduates enrolled in postsecondary education within 16 months of high school graduation

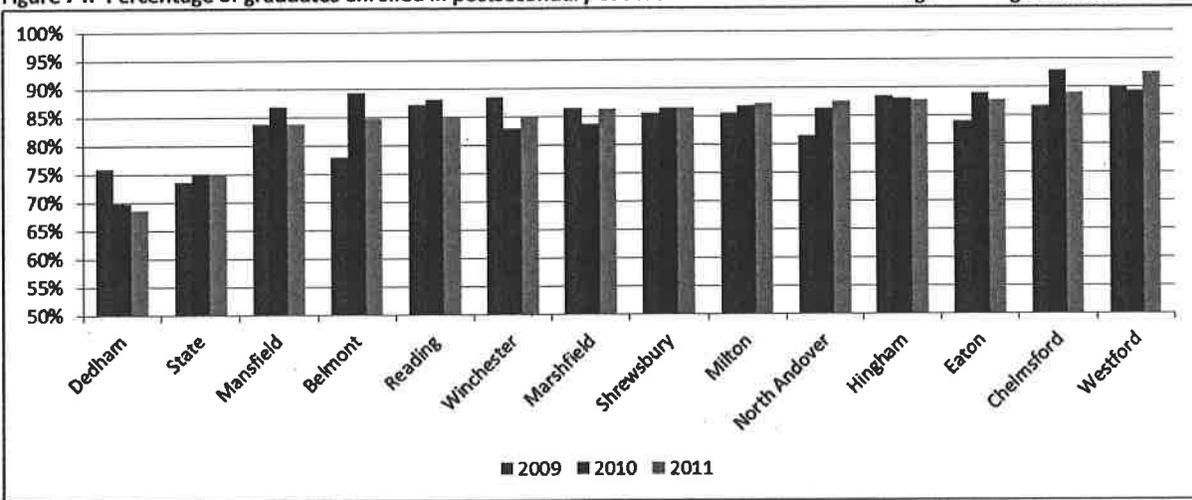
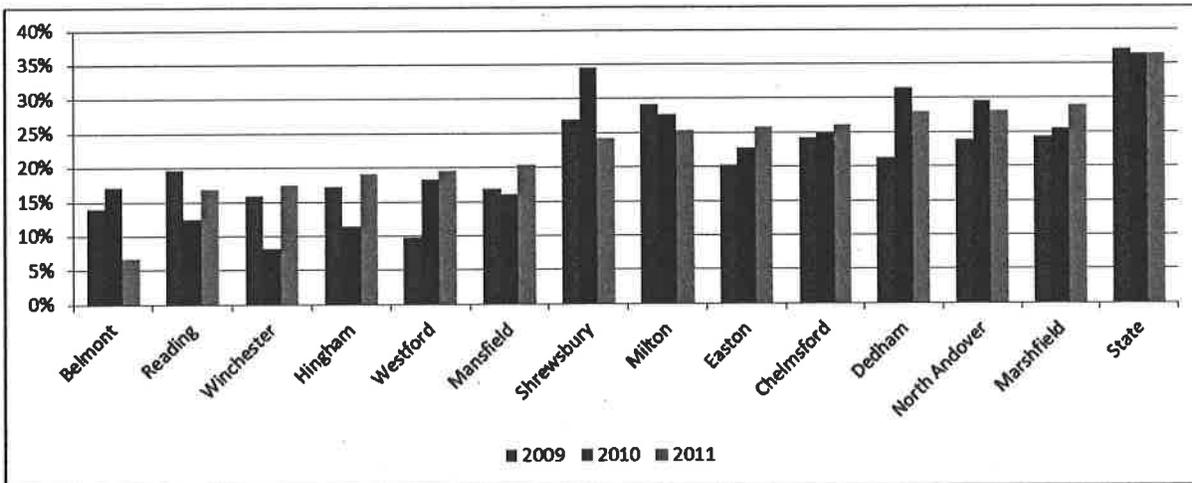


Figure 75: Percentage of students at Massachusetts public colleges enrolled in one or more remedial courses



Financial Section

The Financial Section of the budget is designed to provide the reader summary and detailed financial information regarding Reading Public Schools. Information is provided using a pyramid approach moving from summary information to more detailed information in each subsection. The subsections included in this section include General Budget Summaries, Cost Center Budgets, and Building Information.

General Budget Summaries

The Reading school budget is divided into five cost centers. These cost centers align to the MA DESE Program Categories and include Administration, Regular Day, Special Education, Other District Programs (which includes Health Services, Athletics, Extracurricular Activities, and District-wide Technology), and School Facilities and Maintenance. As Figure 72 below shows, the overall increase to the FY'17 Superintendent's Recommended Budget is 3.5% or an increase of \$1,374,313.

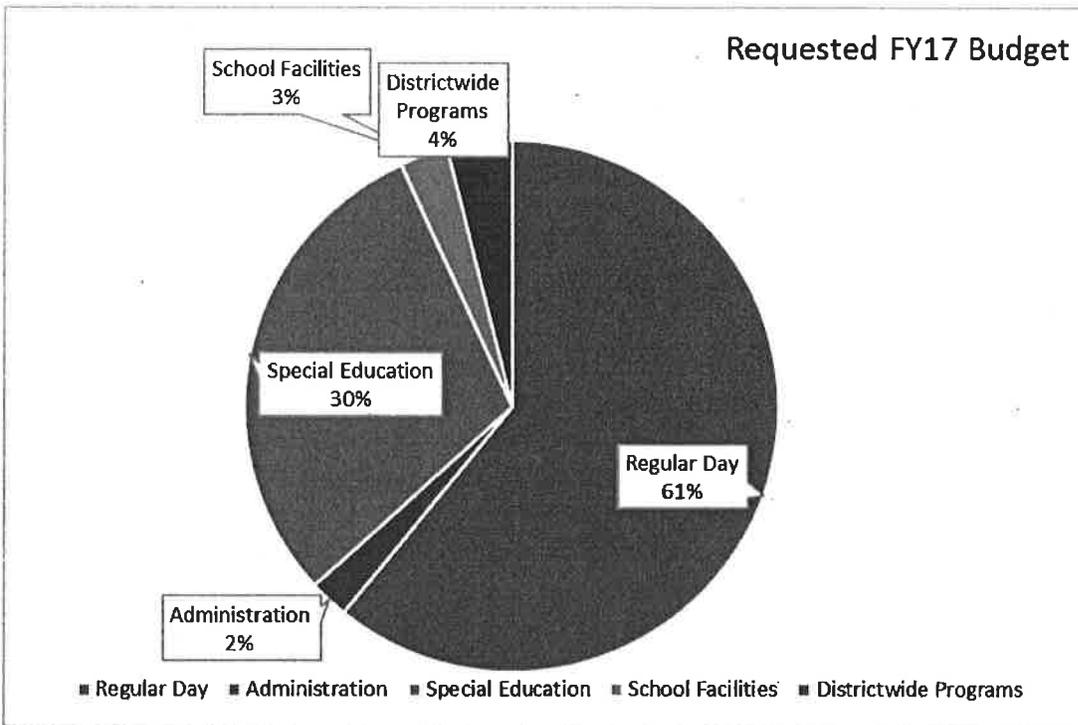
The largest dollar increase is in the area of Special Education followed by Special Education budget. Combined these two cost centers account for 97.1% or \$1,334,273 of the overall \$1,374,313 increase.

Figure 76: General Fund Expenditures by Cost Center

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Administration	915,855	932,578	891,123	925,790	963,694	4.1%
Regular Day	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%
Special Education	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%
School Facilities	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%
Districtwide Programs	1,310,955	1,374,192	1,614,893	1,582,254	1,608,042	1.6%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

As Figure 73 below shows largest cost center for the district budget is regular day at 61% of total expenditures. The next largest is special education which comprises 30% of the budget. School facilities make up 3% of the budget down from 7.7% in FY'16. This is the result of the recent creation of a Town Core Facilities Department. District programs comprising 4%. The smallest cost center is district administration which makes up 2% of the total FY'17 Superintendent's Recommended Budget.

Figure 77: Cost Centers as Percentage of Total FY'17 Budget



As Figure 78 below indicates, there have been relatively modest shifts between costs centers from the current budget year to next year. Regular day, school facilities, and districtwide programs have declined, while special education and administration have increased.

Figure 79 shows the increase in each cost center budget year over year for FY'12 through FY'16. The average annual increase to the school department budget between FY'12 and the approved FY'16 budget is 2.64%.

Figure 78: Cost Center Budget Proportions

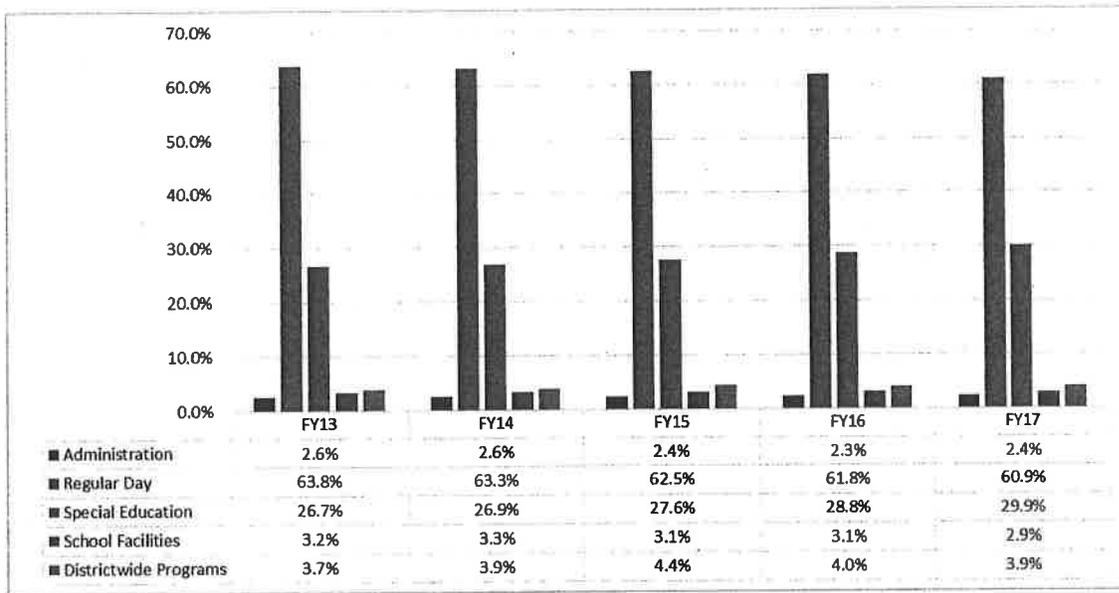


Figure 79: Change in Cost Center Budgets Year over Year

	FY12	FY13	FY14	FY15	FY16	Average Annual
Administration	2.0%	6.3%	1.9%	1.6%	-1.3%	2.1%
Regular Day	0.3%	2.8%	2.7%	3.6%	3.4%	2.5%
Special Education	-0.6%	3.0%	10.2%	6.5%	2.3%	4.3%
Districtwide Programs	-1.7%	10.5%	5.5%	9.7%	1.7%	5.1%
School Facilities	-10.5%	-0.1%	-0.2%	-0.6%	1.4%	-2.0%
Total	-1.06%	2.91%	4.45%	4.18%	2.75%	2.64%

Another view of the budget shows the breakdown by major category of expense: professional salaries, clerical salaries, other salaries, contract services, supplies and materials, and other expenses. Professional salaries are generally salaries of licensed administrators (e.g., central office administrators, building principals), department directors (e.g., facilities, school health), teachers and specialists. Clerical salaries include central office administrative assistants, as well as building and department secretaries. Other salaries are those of our support staff such as paraprofessionals, custodians, and substitutes. Contract services are payments for services rendered by personnel who are not on the payroll and are not regular employees, including all related expenses covered by the contract. Examples include services of legal counsel, transportation services provided under an annual bus contract, or maintenance contracts.

Figure 80 below shows the General Fund expenses and budget by category.

Figure 80: General Fund Expenses and Budget by Category

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	25,377,982	25,844,126	26,419,278	27,869,691	28,714,818	3.0%
Clerical Salaries	740,371	761,347	804,344	801,384	828,867	3.4%
Other Salaries	3,138,101	3,587,745	3,859,979	4,124,860	4,200,735	1.8%
Contract Services	1,852,026	2,139,308	2,217,864	2,094,302	2,147,319	2.5%
Supplies & Materials	1,091,675	815,535	801,756	779,990	1,028,057	31.8%
Other Expenses	2,841,438	2,402,965	3,005,177	3,803,126	3,927,870	3.3%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

The largest dollar increase to the budget is in professional salaries. This is not surprising since, as stated earlier, education is a staffing intensive enterprise. Professional salaries make up 70.3% of our district budget while salaries as a whole comprise 82.6% of our district budget. The increase in salaries reflects step and cost of living increases and column changes for represented staff and an assumed 2.5% average increase for non-represented staff.

The Clerical Salaries increase is a combination of contractual increases for step and cost of living adjustments, as well as, some turnover in some departments.

The increase in Contract Services stems predominantly from a budgeted 5% increase for both our regular education and special education transportation contracts as well as an increase in our contracted cleaning services.

The increase in the supplies and materials category is due to primarily the restoration of the prior year reduction in the per pupil amounts allocated to each building Principal for the purchase of materials, supplies and other classroom equipment or needs and the \$150,000 to fund the first year of a three year K-12 science curriculum implementation.

Figure 81 below shows the General Fund expenses and budget by cost center and category. Changes in cost centers budgets are discussed in greater detail in the Cost Center Budget section of this document.

Figure 81: General Fund Expenses and Budget by Cost Center and Object

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Administration						
Professional Salaries	509,608	538,561	507,333	519,384	536,038	3.2%
Clerical Salaries	207,871	208,069	199,572	213,155	219,990	3.2%
Contract Services	104,080	83,201	70,356	81,413	96,088	18.0%
Supplies & Materials	8,292	5,939	5,693	8,688	8,596	-1.1%
Other Expenses	86,004	96,806	108,168	103,150	102,983	-0.2%
Administration Total	915,855	932,578	891,123	925,790	963,694	4.1%
Regular Day						
Professional Salaries	19,396,119	19,939,312	20,588,071	21,807,900	21,952,803	0.7%
Clerical Salaries	400,922	404,170	449,385	437,277	460,151	5.2%
Other Salaries	824,819	901,653	1,029,127	1,046,167	1,076,225	2.9%
Contract Services	75,097	83,980	78,754	62,800	66,600	6.1%
Supplies & Materials	925,351	650,762	597,407	579,287	832,026	43.6%
Other Expenses	733,728	529,899	442,643	464,217	473,142	1.9%
Regular Day Total	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%
Special Education						
Professional Salaries	4,706,356	4,569,777	4,484,815	4,731,305	5,411,149	14.4%
Clerical Salaries	71,218	79,729	71,991	81,708	77,199	-5.5%
Other Salaries	1,447,232	1,699,604	1,838,792	1,966,500	2,064,919	5.0%
Contract Services	1,174,931	1,459,708	1,554,759	1,388,261	1,385,988	-0.2%
Supplies & Materials	21,619	55,776	77,401	50,750	46,675	-8.0%
Other Expenses	1,917,584	1,682,663	2,226,423	3,133,978	3,237,543	3.3%
Special Education Total	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%
Health Services						
Professional Salaries	488,090	500,238	547,857	582,478	583,933	0.2%
Clerical Salaries	10,510	11,673	11,965	12,276	12,276	0.0%
Other Salaries	8,625	15,754	27,701	15,625	15,625	0.0%
Contract Services	5,895	8,180	8,935	9,000	9,000	0.0%
Supplies & Materials	7,687	6,072	8,589	8,900	8,900	0.0%
Other Expenses	2,214	1,780	1,780	1,825	1,825	0.0%
Health Services Total	523,020	543,697	606,827	630,104	631,559	0.2%
Athletics						
Professional Salaries	49,500	52,350	53,645	55,015	56,097	2.0%
Clerical Salaries	31,266	38,163	41,267	45,023	46,680	3.7%
Other Salaries	61,670	45,235	38,295	21,651	7,000	-67.7%
Contract Services	238,395	231,828	236,667	262,027	272,720	4.1%
Supplies & Materials	19,625	22,599	31,476	34,975	29,870	-14.6%
Other Expenses	26,889	26,563	27,448	42,420	35,542	-16.2%
Athletics Total	427,345	416,737	428,798	461,110	447,909	-2.9%
Extra Curricular						
Professional Salaries	26,578	33,436	38,155	24,377	11,333	-53.5%
Contract Services	9,096	10,249	10,235	12,650	11,500	-9.1%
Supplies & Materials	3,070	387	923	800	2,000	150.0%
Other Expenses	6,774	8,873	6,022	10,550	10,500	-0.5%
Extra Curricular Total	45,518	52,944	55,335	48,377	35,333	-27.0%
Technology						
Professional Salaries	90,756	96,606	86,135	82,283	88,466	7.5%
Other Salaries	157,831	194,375	224,485	283,038	299,390	5.8%
Contract Services	12,993	30,941	27,025	42,312	50,610	19.6%
Supplies & Materials	211	313	20	1,000	2,400	140.0%
Other Expenses	53,280	38,579	186,268	34,031	52,375	53.9%
Technology Total	315,071	360,814	523,933	442,663	493,241	11.4%
School Facilities						
Professional Salaries	110,974	113,846	113,267	66,950	75,000	12.0%
Clerical Salaries	18,584	19,543	30,163	11,946	12,571	5.2%
Other Salaries	637,924	731,124	701,580	791,880	737,576	-6.9%
Contract Services	231,540	231,222	231,134	235,840	254,813	8.0%
Supplies & Materials	105,821	73,687	80,246	95,590	97,590	2.1%
Other Expenses	14,966	17,802	6,425	12,955	13,960	7.8%
School Facilities Total	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

Figure 82: General Fund Expenses and Budget by Location

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
District	8,392,560	8,017,943	8,741,316	10,093,469	10,595,469	5.0%
Alice Barrows	2,546,795	2,228,468	2,246,361	2,328,190	2,285,969	-1.8%
Birch Meadow	2,017,375	2,367,175	2,604,827	2,808,438	2,965,148	5.6%
Joshua Eaton	2,291,691	2,414,113	2,523,906	2,536,859	2,787,757	9.9%
J.W. Killam	2,187,993	2,262,072	2,377,138	2,462,051	2,626,462	6.7%
Wood End	2,087,790	2,107,376	2,153,118	2,203,301	2,332,628	5.9%
A.W. Coolidge	3,467,280	3,555,655	3,402,541	3,499,308	3,697,823	5.7%
W.S. Parker	3,937,334	4,064,106	4,167,307	4,368,018	4,378,960	0.3%
Reading Memorial	7,381,859	7,932,238	8,289,151	8,551,280	8,593,635	0.5%
RISE	730,916	601,880	602,735	622,440	583,814	-6.2%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

Figure 82 shows General Fund expenses by location while Figure 83 shows the General Fund expenses and budget by location and cost center. These tables show the amount of total funding required to operate each of our eight buildings (instructional as well as operational expense) as well as the RISE Preschool and the relative size of each of the building budgets. The size of each building budget is, of course, largely driven by the number and seniority of staff in each building. The school with the highest budget is obviously the High School given the amount of staffing necessary for a building with an enrollment of 1,270 students.

The Districtwide location includes any expense that is not directly attributed to a building. This would include, for example, district administration, special education district administration, special education tuition and transportation, facilities administration and staff, and health services. This location shows the largest increase of the ten locations identified at a total increase of \$502,000. The largest share of this increase (54.6%) is in the regular education area. This is a function of the \$150,000 budgeted for the first year of a phased in update to the science curriculum. The next largest increase is in the area of special education which is also the largest of the districtwide location accounts due to out of district tuition and transportation which, net of the circuit breaker offset, totals 52.8% of the districtwide location amount.

The next largest increase in the districtwide location is in technology which grows by \$50,578 (comprising 10.1% of the increase in the districtwide location). This increase is driven by the absorption of the .25 technician previously on the School Climate Transformation Grant as well additional funds necessary for networking and infrastructure equipment and software. Following close by is a \$37,904 increase in administration which is the result of increased legal fees as we enter into negotiations for all five of our collective bargaining units. The remaining decreases in Athletics and Extracurricular are the result of increases to our revolving fund offsets.

Figure 83: General Fund Expenses and Budget by Location and Cost Center

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
District	8,392,560	8,017,943	8,741,316	10,093,469	10,595,469	5.0%
Administration	915,855	932,578	891,123	925,790	963,694	4.1%
Athletics	427,345	416,737	428,798	461,110	447,909	-2.9%
Extracurricular	45,518	52,944	55,335	48,377	35,333	-27.0%
Health Services	523,020	543,697	606,827	630,104	631,559	0.2%
Regular Education	1,184,261	719,381	657,586	960,727	1,234,859	28.5%
School Facilities	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%
Special Education	3,861,681	3,804,569	4,414,900	5,409,537	5,597,364	3.5%
Technology	315,071	360,814	523,933	442,663	493,241	11.4%
Alice Barrows	2,546,795	2,228,468	2,246,361	2,328,190	2,285,969	-1.8%
Regular Education	1,620,338	1,616,349	1,745,611	1,847,244	1,883,906	2.0%
Special Education	926,457	612,119	500,750	480,946	402,063	-16.4%
Birch Meadow	2,017,375	2,367,175	2,604,827	2,808,438	2,965,148	5.6%
Regular Education	1,745,412	1,750,547	1,769,043	1,866,374	1,862,431	-0.2%
Special Education	271,964	616,628	835,783	942,064	1,102,717	17.1%
Joshua Eaton	2,291,691	2,414,113	2,523,906	2,536,859	2,787,757	9.9%
Regular Education	1,919,093	2,015,444	2,148,036	2,201,411	2,365,916	7.5%
Special Education	372,597	398,669	375,869	335,448	421,841	25.8%
J.W. Killam	2,187,993	2,262,072	2,377,138	2,462,051	2,626,462	6.7%
Regular Education	1,699,936	1,753,365	1,793,305	1,915,914	1,977,024	3.2%
Special Education	488,057	508,707	583,833	546,138	649,438	18.9%
Wood End	2,087,790	2,107,376	2,153,118	2,203,301	2,332,628	5.9%
Regular Education	1,612,821	1,589,059	1,623,913	1,664,406	1,713,967	3.0%
Special Education	474,970	518,317	529,204	538,895	618,661	14.8%
A.W. Coolidge	3,467,280	3,555,655	3,402,541	3,499,308	3,697,823	5.7%
Regular Education	2,750,964	2,810,797	2,733,840	2,841,937	2,846,375	0.2%
Special Education	716,316	744,858	668,700	657,370	851,448	29.5%
W.S. Parker	3,937,334	4,064,106	4,167,307	4,368,018	4,378,960	0.3%
Regular Education	3,193,107	3,254,516	3,383,933	3,495,473	3,534,789	1.1%
Special Education	744,227	809,590	783,374	872,545	844,171	-3.3%
Reading Memorial	7,381,859	7,932,238	8,289,151	8,551,280	8,593,635	0.5%
Regular Education	6,630,103	7,000,317	7,330,119	7,604,161	7,441,680	-2.1%
Special Education	751,756	931,920	959,032	947,119	1,151,956	21.6%
RISE	730,916	601,880	602,735	622,440	583,814	-6.2%
Special Education	730,916	601,880	602,735	622,440	583,814	-6.2%
Grand Total	35,041,593	35,551,026	37,108,399	39,473,353	40,847,666	3.5%

For the remaining eight locations and the RISE Preschool program, most of the variability in the dollar and percent increases is attributable to changes in staffing patterns, levels, or seniority. An overview of the changes in each location is provided below.

Barrows Elementary School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: Decrease is driven primarily by the migration of the DLC program to the Birch Meadow School. The budget includes step and cost of living increases and column changes for certified and non-certified staff.

Birch Meadow Elementary School

Regular Day: Overall there is a small decrease. There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: Increase is driven primarily by step and cost of living increases and column changes for certified and non-certified staff and the shifting of staff from Barrows to Birch Meadow as we continue the migration of the DLC program.

Joshua Eaton Elementary School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: In FY'16 and FY'17, this location receives revenue support from a special education student from another district that is paying tuition to our district. The amount of support was reduced by \$100,000 in the FY'17 budget.

Killam Elementary School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: In FY'16 and FY'17, this location receives revenue support from a special education student from another district that is paying tuition to our district. The amount of support was reduced by \$50,000 in the FY'17 budget. There is also an additional 1.0 FTE budgeted to support the SSP program.

Wood End Elementary School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: The increase is driven primarily by step and cost of living increases and column changes for certified and non-certified staff. There is also a reallocation of existing therapist staff to support the special education program housed at Wood End.

Coolidge Middle School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: In FY'16 and FY'17, this location receives revenue support from special education students from another district that is paying tuition to our district. The amount of support was reduced in the FY'17 budget by \$141,500. All step and cost of living increases and column changes for certified and non-certified staff were budgeted for.

Parker Middle School

Regular Day: There is a salary increase assumed for all certified and non-certified employees. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: The decrease is driven primarily staff turnover. All step and cost of living increases and column changes for certified and non-certified staff have been budgeted for.

Reading Memorial High School

Regular Day: The decrease is driven primarily by reduction to FTE at the high school as all step and cost of living increases and column changes for certified and non-certified staff. The per pupil funding was also restored in the FY'17 budget cycle.

Special Education: In FY'16 this location budgeted for revenue support from special education tuition from students from another district that is paying tuition to our district. The amount of support was reduced in the FY'17 budget by \$85,000 as there is no outside student slated to attend RMHS next year. All step and cost of living increases and column changes for certified and non-certified staff were budgeted for.

RISE Preschool

Special Education: The decrease is driven primarily by turnover savings as well as the reallocation therapist that are serving other schools. All step and cost of living increases and column changes for certified and non-certified staff were budgeted for.

Cost Center Budgets

Administration

The Administration cost center includes the salaries and expenses for Central Office administration which includes the following primary functions: School Committee, Superintendent, Assistant Superintendent, Business and Finance, Human Resources, and District-wide Data and Information Management.

The Administration cost center currently accounts for 2.4% of the total district budget. The total increase for district administration is \$37,904 or 4.1%.

The largest expenditure in this cost center is for the salaries of the four district administrators (Superintendent, Assistant Superintendent for Learning & Teaching, Director of Finance & Operations, Human Resources Administrator), and a portion (1/3rd) of the Network Administrator's salary representing his contribution to district data and information management, and the 4.8 FTE administrative assistants that support the district administration.

Figure 84: Administration Cost Center by Object Category

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Administration						
Professional Salaries	509,608	538,561	507,333	519,384	536,038	3.2%
Clerical Salaries	207,871	208,069	199,572	213,155	219,990	3.2%
Contract Services	104,080	83,201	70,356	81,413	96,088	18.0%
Supplies & Materials	8,292	5,939	5,693	8,688	8,596	-1.1%
Other Expenses	86,004	96,806	108,168	103,150	102,983	-0.2%
Grand Total	915,855	932,578	891,123	925,790	963,694	4.1%

District Administration by Object

As Figure 84 shows, the Administration Cost Center budget is projected to increase 4.1% in the FY'17 Superintendent's Recommended Budget. The increase in professional and clerical salaries is a result of staffing turnover. The FY'17 budget includes a 2.5% cost of living increase for the non-represented employees. The increase in contract services is due to a budgeted increase for legal services as we will enter into contract negotiations with all five collective bargaining units. There are nominal decreases to supplies and materials and other expenses.

District Administration by Function

The District Administration cost center includes funds necessary to address the core functional areas of a school's central office. The specific MA DESE Function Codes and Descriptions are shown in Figure 85 below with each function and its budgeted amount described in more detail below. For more information on the MA DESE Accounting Structure, please see Appendix B.

Figure 85: District Administration Budget by Function

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
111 School Committee	8,691	8,487	8,915	10,384	9,869	-5.0%
121 Superintendent	232,279	243,536	253,759	255,231	261,455	2.4%
122 Assistant Superintendent	132,503	145,127	150,858	153,889	157,646	2.4%
123 Other Administrative	-	-	2,817	-	-	0.0%
141 Finance & Business	242,894	254,185	192,382	211,901	218,084	2.9%
142 Human Resources	130,908	145,277	154,909	150,983	153,711	1.8%
143 Legal Services	49,477	27,025	15,159	22,720	36,400	60.2%
145 Information Management	63,649	50,223	55,894	57,352	62,456	8.9%
360 School Security	-	791	-	-	-	0.0%
413 Utility Services	46,603	48,176	44,380	50,205	50,948	1.5%
510 Employee Benefits	8,850	9,750	12,050	13,125	13,125	0.0%
Grand Total	915,855	932,578	891,123	925,790	963,694	4.1%

Figure 86: District Administration Staffing

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Administration	9.1	9.1	9.1	9.1	767,539	9.1	771,119	9.1	791,030
Administrative Assistant	4.8	4.8	4.8	4.8	248,155	4.8	248,155	4.8	254,992
District Administrator	4.3	4.3	4.3	4.3	519,384	4.3	522,964	4.3	536,038

School Committee

The role of the School Committee is to recruit, hire, evaluate, and make employment decisions on the superintendent; review and approve budgets for public education in the district; and establish educational goals and policies for the schools in the district consistent with the requirements of law and statewide goals and standards established by the Board of Education. This budget line includes any expenses incurred by the School Committee, most notably, the district’s membership to the Massachusetts Association of School Committees. Also funded here are incidental expenses related to printing and copying of school committee packets, postage and awards. The increases to this budget line fund an anticipated increase in dues and memberships, conference expenses for new Committee members, and a portion of the increased expense for new copier leases.

Superintendent

The Superintendent of Schools serves as the chief educational leader for the school district. He works with the School Committee as well as with building administrators and central office administrators to develop the district’s improvement plan strategic goals and objectives, to recommend a budget necessary to fund the district’s and schools’ strategic initiatives, and to ensure that funding is used to ensure the success of all students. The Superintendent supervises and evaluates all Central Office Administrators, Building Principals, and the Network Manager. In addition, the Superintendent co-supervises the Director of Facilities with the Town Manager. During FY’17, the Superintendent will lead the district and schools in achieving the five district goals and initiatives as outlined in the Reading Public Schools Strategy for Improvement of Student Outcomes discussed above in the Organizational Section of this document, particularly in the area of common core implementation, development of common assessments and district determined measures of success, the implementation of the Multi-tiered

system of supports (MTSS), the implementation of the PARCC assessment, the development of short term and long term space and programmatic needs for the district, as well as the continued implementation of the educator evaluation system.

This budget line includes the salaries of the Superintendent and the Executive Assistant to the Superintendent. In addition, it includes expenses related to the operations of the Superintendent's office including the district's membership to the Massachusetts Association of School Superintendents, printing, copying and copier leases, postage, and professional development expenses including tuition reimbursement. The majority of the increase funds compensation increases.

Assistant Superintendent

The role of the Assistant Superintendent for Learning and Teaching is to provide leadership to district administrators, teacher leaders, teachers, and support staff in the area of curriculum, instruction and assessment. The Assistant Superintendent for Learning and Teaching also supervises the Director of Community Education and the METCO Director. He is also responsible for coordinating the district's professional development and curriculum planning activities, including the annual professional development institute held in Reading each spring. During FY'17, the primary focus of this position will be the continued implementation of the state's curriculum standards, overseeing the district's professional learning communities, as well as the development of common assessments and district determined measures to inform instructional practices and curriculum alignment.

The budget associated with this function funds the salaries of the Assistant Superintendent for Learning and Teaching as well as a 0.5 FTE Administrative Assistant. Also funded here are the incidental expenses such as printing, copying and copier leases, postage, and office supplies, as well as a membership to the Massachusetts Association of School Superintendents. The majority of the increase funds compensation increases.

Business and Finance

The role of the Director of Finance and Operations is to lead the school finance operations, including budget, financial reporting, payroll, accounts payable, accounts receivable, transportation, and purchasing. In addition, the Director of Finance and Operations supervises and evaluates the School Nutrition Director. In FY'17, some of the key areas of focus for this position will be continued development and implementation of a long range plan to transition to full day kindergarten for all students and expand preschool programming, and address classroom and program space constraints. Another area of focus will be to continue to analyze resource allocation to ensure that funds are invested and expended to maximize student success. As always, we continue to work to enhance transparency around how funds are allocated and expended and to develop a system that helps us to measure our performance and connects expenditures to those performance measures.

The budget associated with this function funds the salaries of the Director of Finance and Operations as well as 2.5 FTE administrative support staff who are responsible for the day to day tasks associated with payroll, accounts payable, accounts receivable, cash management, collections, reporting, and procurement. Also funded here are the expenses for this area including membership to the Massachusetts Association of School Business Officials, professional development, printing, copying and copier leases, postage, advertising, and office supplies. The majority of the decrease for this functional area are the result of savings from staff turnover.

Human Resources

The Human Resources function is responsible for overseeing the recruitment and hiring of staff; monitoring compliance with personnel laws, regulations, policies, and procedures; ensuring compliance with collective bargaining terms and conditions; and complying with federal and state reporting requirements. In FY'17, some of the key areas of focus for this position will be to review and revise our personnel policies and procedures, strengthen our processes to better support staff, and assist with the continued implementation of the educator evaluation system.

The budget associated with this function funds the salaries of the Human Resources Administrator as well as a 0.5 FTE administrative support staff. Also funded are expenses including membership to the Massachusetts Association for School Personnel Administrators, recruiting and advertising expenses (including the district license for our applicant tracking and on-line application system, School Spring), employee physical examinations, as well as printing, copying and copier leases, postage, and office supplies. The majority of the increase here funds compensation increases as well as an increase in employee recruiting expenses (advertising, employee physicals, and job search related activities).

Legal Services

This function is for labor counsel employed by the School Committee to offer counsel and guidance in the area of labor law compliance and collective bargaining. The Reading School Committee employs for legal services with the firm of Stoneman, Chandler and Miller. The increase in this line is based on current trending with regard to use of outside counsel for ongoing personnel matters and the upcoming contractual negotiations for the five collective bargaining units. Next year, all five bargaining units will be in the third year of a three year agreement.

Information Management and Technology

The primary responsibility for this function is to comply with the data management and reporting requirements of the MA DESE which includes SIMS and EPIMS reporting which is done three times per year. Additional tasks include maintaining the district's student information management system as well as other district databases and systems including Blackboard Connect communication system.

This budget line includes a 0.25 FTE district data support staff person as well as 0.34 FTE district level technology and network management staff. The increase to this functional area funds salary increases.

Utility Services

This function is where expenses for all telecommunication services are charged, including telephone charges and wireless services for the district (not including equipment repairs which are charged to the district-wide technology budget). The decrease here in FY'17 is an adjustment based on prior three years of actual history.

Retirement Contributions

This budget line includes funding for the district's contractual obligation to match \$175 of contributions for teachers' tax sheltered annuity plans for those teachers hired after the 1998-99 school year. Each year for the past several years, six additional staff have qualified and taken advantage of this benefit. The FY'17 budget is based on this historical trend and an increase in the current collective bargaining agreement from \$150 to \$175.

Figure 87 below shows the District Administration Budget by detailed expense category. This information provides the reader with a line by line analysis of the changes in the district administration budget.

Figure 87: District Administration Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	509,608	538,561	507,333	519,384	536,038	3.2%
Administrator	409,776	426,346	396,055	410,570	420,834	2.5%
Director	69,530	75,837	79,310	76,014	77,914	2.5%
Employee Benefits	-	9,500	-	-	-	0.0%
Manager	30,301	26,878	31,968	32,800	37,290	13.7%
Clerical Salaries	207,871	208,069	199,572	213,155	219,990	3.2%
Administrative Assistant	227,871	235,569	234,572	248,155	254,990	2.8%
Revolving Fund Support	(20,000)	(27,500)	(35,000)	(35,000)	(35,000)	0.0%
Contract Services	104,080	83,201	70,356	81,413	96,088	18.0%
Consulting Services	8,000	8,000	10,817	8,487	8,740	3.0%
Labor Counsel	49,477	27,025	15,159	22,720	36,400	60.2%
Telecommunications	46,603	48,176	44,380	50,205	50,948	1.5%
Supplies & Materials	8,292	5,939	5,693	8,688	8,596	-1.1%
Equipment	-	791	-	-	-	0.0%
Office	8,292	5,148	5,693	8,688	8,596	-1.1%
Other Expenses	86,004	96,806	108,168	103,150	102,983	-0.2%
Advertising	4,367	6,944	4,065	3,840	3,550	-7.6%
Awards	909	1,178	292	1,075	600	-44.2%
Dues & Memberships	10,791	12,831	14,600	12,769	12,589	-1.4%
Employee Benefits	8,850	9,750	12,050	13,125	13,125	0.0%
Equipment	11,892	9,123	13,025	12,750	12,750	0.0%
Hiring and Recruiting	18,998	23,442	25,880	27,925	25,700	-8.0%
Postage	6,587	6,177	10,289	7,016	6,603	-5.9%
Professional Development	10,041	13,587	11,478	9,758	11,900	22.0%
Software Licensing & Support	13,413	13,689	14,313	14,892	16,166	8.5%
Technology	-	-	1,936	-	-	0.0%
Travel	157	85	241	-	-	0.0%
Grand Total	915,855	932,578	891,123	925,790	963,694	4.1%

Regular Day

The regular day budget funds all of the salaries and expenses related to delivering core instructional programs to our general education students. This includes the salaries for building principals, professional staff, and support staff supporting the regular education program. Expenses included in the regular day budget include transportation for general education students; curriculum materials; professional development; instructional materials, supplies, and equipment; instructional technology; library materials and technology; and other instructional services. The Regular Day Cost Center budget accounts for 60.9% of the total budget in FY'17, up slightly from 58.8% in FY'16.

As Figure 88 indicates, the FY'17 Superintendent's Recommended Budget includes a 1.9% increase for the Regular Day Cost Center. The majority of the increase, \$252,739 or 54.6%, in the regular day cost center is in the supplies and materials category. The FY'17 budget restores the per pupil funding back to the FY15 levels for the building based budgets which allow schools to have adequate supplies and materials for the classrooms. There was also \$150,000 added to the budget for the implementation of a new science curriculum. The overall increase 1.9%, or \$493,301, comprises 33.7% of the overall increase to the FY'17 budget.

Figure 88: Regular Day Budget by Object

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Regular Day						
Professional Salaries	19,396,119	19,939,312	20,588,071	21,807,900	21,952,803	0.7%
Clerical Salaries	400,922	404,170	449,385	437,277	460,151	5.2%
Other Salaries	824,819	901,653	1,029,127	1,046,167	1,076,225	2.9%
Contract Services	75,097	83,980	78,754	62,800	66,600	6.1%
Supplies & Materials	925,351	650,762	597,407	579,287	832,026	43.6%
Other Expenses	733,728	529,899	442,643	464,217	473,142	1.9%
Grand Total	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%

Regular Day by Object

Professional salaries in the regular day budget increase by .07% or \$144,903, in the FY'17 Superintendent's Recommended Budget. This equates to 31.3% of the total increase in the regular education cost center. The FY'17 budget funds all salary and benefit obligations to employees per the collective bargaining agreements and non-union COLA adjustments. The majority of this increase is offset by the reduction positions; 2.0 FTE Elementary Teacher, 3.4 FTE High School positions and a .5 Middle School teacher.

Salaries in the regular day budget are also offset by revenues from full day kindergarten and the state's METCO grant. The full day kindergarten revenue offset increased by \$30,000 from FY'17 to \$900,000 which will result in a further decrease in the fund balance of that revolving fund. The METCO grant offset will remain level with FY'16 at \$100,000.

The increase in clerical and other salaries are a result of salary and benefit obligations to employees per the collective bargaining agreements and non-union COLA adjustments and a restoration of office paraeducators at the elementary school level.

The 6.1% increase in contract services is the result for budgeted increases for transportation

Figure 89: Regular Day Staffing

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Regular Education	347.3	356.1	358.1	356.5	24,253,066	356.8	23,680,447	350.4	24,458,420
Assistant Principal	4.3	4.3	4.3	4.3	449,396	4.3	437,954	4.3	449,278
Elementary Teacher	109.4	110.1	110.0	111.0	7,753,946	110.1	7,574,966	108.6	7,868,703
ELL Teacher	1.0	1.0	1.5	1.5	91,634	2.5	147,389	2.5	179,918
Guidance Counselor	4.6	5.0	5.6	5.6	379,906	5.6	379,906	5.6	399,735
High School Dept Chair	3.8	3.8	3.8	3.8	366,518	3.8	355,169	3.4	328,090
High School Teacher	75.6	79.6	78.4	79.6	5,895,751	78.4	5,674,994	75.4	5,723,274
Instructional Coach				2.0	150,000	2.0	156,000	2.0	159,900
Library/Media Specialist	7.0	7.0	7.0	7.0	486,075	7.0	483,499	7.0	508,539
Middle School Teacher	72.9	72.4	71.9	71.9	5,149,663	71.7	4,973,514	71.7	5,202,663
Paraprofessional	19.4	21.8	24.4	19.6	453,903	21.8	475,600	20.8	475,098
Principal	8.0	8.0	8.0	8.0	915,804	8.0	900,387	8.0	967,707
Reading Specialist	7.0	7.0	7.5	7.5	607,365	7.5	601,434	7.0	577,498
School Adjustment Counselor	1.0	1.0	1.0	1.0	54,181	1.0	54,181	1.0	57,679
School Psychologist	9.5	10.5	10.5	9.5	641,674	9.5	621,110	9.5	675,625
Secretary	11.0	11.0	11.0	11.0	429,077	11.0	435,326	11.0	450,751
Supervisor of Students	1.0	1.0	1.0	1.0	33,000	1.0	33,000	1.0	33,000
Technology Specialist	2.0	2.0	2.0	2.0	163,977	2.0	154,351	2.0	169,415
Tutor	9.9	10.7	10.3	10.3	231,199	9.7	221,670	9.7	231,549

Regular Day by Function

Figure 90 below shows the breakdown of the FY'17 Superintendent's Recommended Budget by DESE Functions. The majority of regular day expenses are categorized as "2000" expenditures, or instructional services (for more information on the DESE Chart of Account structure, please see Appendix B). These expenditures include instructional activities involving the teaching of students, supervising of staff, developing and utilizing curriculum materials and related services. Instructional services directly attributable to schools must be reported on a school basis, while district-wide services, such as supervisory may be reported on a district-wide basis.

Seventy six percent of the expenditures in the regular day budget are for direct instructional services – the salaries of teachers and specialists providing direct services to students in the classroom or in small group settings; when you add to that the paraprofessionals who are supporting students or teachers in the classroom, as well as substitute teachers, the percentage increases to 80%. The next largest percentage is for school leadership (including school secretaries) and department heads who, together, account for another 9% of the regular day budget. School psychologists and guidance counselors comprise another 5% of the regular day budget. Thus, the professional and support staff providing leadership, direct instruction, instructional support, or counseling services to students makes up 96% of the regular day budget.

Approximately 4% of the regular day budget funds the materials, supplies, and equipment necessary for providing instruction to students. This includes everything from curriculum programs, such as the new elementary health curriculum discussed above, to textbooks, software, computers, school supplies, art supplies, photocopy leases, and library materials.

One percent of the regular day budget funds professional development stipends, providers, or expenses. The remainder of the regular day budget funds student transportation and stipends for school-based extracurricular activities. The 240 Function, Professional Development, has been significantly reduced to fund the necessary instructional coach positions. What remains in that function are curriculum leader stipends, teacher mentor stipends, contractually required tuition reimbursement, and less than \$50,000 for districtwide professional development.

Figure 90: Regular Day Budget by Function

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Regular Day						
123 Other Administrative	6,500	6,032	6,715	8,000	8,200	2.5%
221 School Leadership	1,706,310	1,703,710	1,785,887	1,808,089	1,881,785	4.1%
222 Department Heads	296,286	311,058	310,963	321,180	314,251	-2.2%
225 Building Technology	233,022	201,913	203,882	217,423	223,743	2.9%
230 Instruction - Teaching Services	15,282,479	15,761,847	16,230,987	17,239,692	17,255,827	0.1%
231 Specialist Teachers	729,590	743,293	782,454	805,722	783,385	-2.8%
233 Paraprofessionals	596,557	682,468	733,294	713,465	743,523	4.2%
234 Library Media Teachers	535,037	522,116	535,421	560,553	584,867	4.3%
235 Instructional Coordinators	-	-	-	150,000	159,900	6.6%
236 Substitutes	228,262	219,186	295,833	332,702	332,702	0.0%
240 Professional Development	321,401	341,847	336,025	249,183	270,679	8.6%
241 Text & Materials	410,963	239,329	180,278	230,966	401,340	73.8%
242 Instructional Equipment	116,710	118,982	110,473	116,898	133,716	14.4%
243 General Supplies	191,550	208,937	182,551	159,391	211,047	32.4%
244 Other Instructional Services	4,603	2,164	2,456	11,048	2,425	-78.1%
246 Library Materials	15,447	23,360	22,165	20,638	18,788	-9.0%
247 Instructional Technology	431,530	152,847	129,869	160,600	170,219	6.0%
248 Library Technology	5,167	3,363	8,314	10,584	9,465	-10.6%
249 Instructional Software	49,259	24,466	33,808	38,765	42,145	8.7%
271 Guidance	334,826	339,122	407,775	421,130	444,830	5.6%
272 Testing & Assessment	30,726	20,112	9,114	5,770	4,183	-27.5%
280 Psychological Services	704,381	738,019	735,440	698,655	735,429	5.3%
330 Pupil Transportation	72,917	83,230	77,629	55,200	66,600	20.7%
352 Other Student Activities	52,510	62,377	64,054	61,995	61,901	-0.2%
Grand Total	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%

Figure 91 below shows the FY'17 Superintendent's Recommended Budget by detailed expenditure category. This information is intended to provide more specific information on regular day expenditures.

Figure 91: Regular Day Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	19,396,119	19,939,312	20,588,071	21,807,900	21,952,803	0.7%
Assistant Principal	417,695	431,180	437,180	449,396	449,278	0.0%
Department Head Stipend	296,286	311,058	310,963	321,180	314,251	-2.2%
Employee Benefits	78,631	101,985	147,192	135,598	110,106	-18.8%
Guidance	282,167	298,686	361,037	379,906	399,735	5.2%
Instructional Specialist	-	-	-	150,000	159,900	6.6%
Library	535,037	522,116	535,421	560,553	584,867	4.3%
Principal	891,702	876,783	899,715	918,304	967,707	5.4%
Psychologist	701,231	734,582	733,280	695,855	733,305	5.4%
Reading	561,786	567,148	594,842	606,839	577,498	-4.8%
Revolving Fund Support	(506,000)	(665,000)	(820,000)	(870,000)	(900,000)	3.4%
State Grant Support	(100,000)	(124,173)	(93,490)	(100,000)	(100,000)	0.0%
Stipends	141,818	160,092	193,042	178,854	188,943	5.6%
Teacher	15,808,045	16,431,534	16,977,910	18,052,760	18,125,035	0.4%
Technology Integration	287,720	293,322	310,979	328,655	342,180	4.1%
Clerical Salaries	400,922	404,170	449,385	437,277	460,151	5.2%
Employee Benefits	1,100	4,808	1,200	1,200	1,200	0.0%
Secretary	399,822	399,363	448,185	436,077	458,951	5.2%
Other Salaries	824,819	901,653	1,029,127	1,046,167	1,076,225	2.9%
Employee Benefits	1,500	1,500	2,347	1,125	750	-33.3%
Paraprofessional	595,057	680,968	730,948	712,340	742,773	4.3%
Substitutes	228,262	219,186	295,833	332,702	332,702	0.0%
Contract Services	75,097	83,980	78,754	62,800	66,600	6.1%
Instructional Services	2,180	750	1,125	7,600	-	-100.0%
Transportation	72,917	83,230	77,629	55,200	66,600	20.7%
Supplies & Materials	925,351	650,762	597,407	579,287	832,026	43.6%
Art	38,135	39,627	31,733	35,060	35,260	0.6%
English Language Arts	43,374	42,534	23,145	32,225	35,575	10.4%
Equipment	668	2,137	3,466	1,100	1,500	36.4%
Foreign Language	37,180	15,639	11,743	15,378	14,578	-5.2%
Furnishings	6,799	16,708	8,165	4,857	17,325	256.7%
Guidance	1,525	1,323	2,040	2,975	2,975	0.0%
Kindergarten	2,012	1,793	1,937	(19,209)	3,700	-119.3%
Library	17,081	23,680	23,416	21,488	19,638	-8.6%
Library Technology	1,902	1,361	671	2,659	3,915	47.2%
Math	10,154	48,432	45,278	62,657	59,457	-5.1%
Office	20,307	20,027	19,704	18,823	22,848	21.4%
Other	116,585	53,615	80,232	47,845	56,897	18.9%
Paper	36,097	41,647	38,015	41,188	48,987	18.9%
Performing Arts	10,015	17,659	10,364	11,510	13,806	19.9%
Physical Education	17,008	15,811	12,107	15,272	16,472	7.9%
Printer	31,285	21,933	30,735	17,466	36,824	110.8%
Professional Development	4,369	5,314	6,943	8,533	10,533	23.4%
Psychology	-	117	459	1,100	1,274	15.8%
Reading	15,139	10,592	17,607	13,761	13,433	-2.4%
Science	31,301	41,077	38,153	48,800	47,456	-2.8%
Social Studies	13,615	10,589	7,632	11,610	11,960	3.0%
Software	49,259	24,466	33,808	38,765	42,145	8.7%
Teacher Resources	5,597	5,155	2,078	4,500	4,900	8.9%
Teacher Supplies	22,262	28,212	27,487	20,753	26,483	27.6%
Technology	76,257	40,518	48,311	30,989	30,943	-0.2%
Testing	9,429	6,812	7,191	5,770	4,183	-27.5%
Workbooks & Consumables	1,528	21,078	11,754	2,500	7,495	199.8%
Curriculum, Elementary	221,518	62,036	35,981	42,195	148,345	251.6%
Curriculum, High School	39,611	13,530	4,740	16,600	27,100	63.3%
Curriculum, Middle School	38,241	9,522	7,885	16,800	60,705	261.3%
Peripherals	2,525	800	1,053	1,200	1,200	0.0%
Business	4,572	7,017	3,575	4,116	4,116	0.0%
Other Expenses	733,728	529,899	442,643	464,217	473,142	1.9%
Dues & Memberships	9,819	8,043	14,141	18,447	18,465	0.1%
Equipment	64,055	67,527	75,498	72,871	72,631	-0.3%
Field Trip Travel	468	225	620	550	600	9.1%
Graduation	7,688	7,276	7,772	5,481	7,481	36.5%
Instructional Services	865	590	141	2,198	1,075	-51.1%
Library Technology	-	-	1,645	-	-	0.0%
Office	-	-	-	200	-	-100.0%
Other	2,168	1,650	570	2,700	1,750	-35.2%
Professional Development	246,305	260,070	224,420	151,970	159,640	5.0%
Software Licensing & Support	132,023	93,428	77,164	85,800	85,800	0.0%
Technology	267,727	90,530	40,671	124,000	125,700	1.4%
Peripherals	2,610	374	-	-	-	0.0%
Technology	-	186	-	-	-	0.0%
Grand Total	22,356,036	22,509,776	23,185,387	24,397,646	24,860,947	1.9%

Special Education

The special education cost center includes the salaries and expenses necessary to provide special education and related services to the children in our community. The goal of the Student Services department is to provide high quality programs and services within the district and to identify and place children in out-of-district programs only when the programs or services that are offered within the district are not adequate or appropriate to address a child's particular needs. As mandated by the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Americans with Disabilities Act, we strive to provide programs and services to allow our students with disabilities to be educated in the least restrictive environment that enables them to make effective progress. In-district expenditures make up 60% of the special education budget while out-of-district expenditures comprise the other 40% of the budget.

The majority of the in-district portion of the budget funds the salaries of the teaching, therapeutic and support staff in our different in-district special education programs. We currently have seven different types of in-district programs, described below, as well as a learning center at each school. Program enrollments for each of the program are shown in Figure 83 below.

- Developmental Learning Center (DLC) – students identified with autism spectrum disorders. Located at Barrows (Grade 5 Only), Birch Meadow (Grades K-4), Coolidge, & RMHS. For the FY 17 Budget the program will be fully transitioned to Birch Meadow.
 - The DLC I program is a co-taught model where students are supported in the general education setting by a special education teacher and a paraprofessional, if necessary.
 - The DLC II program is a substantially separate program for students' diagnosed with autism spectrum disorder or students who require intensive instruction. Students are taught in this separate environment using the principles of applied behavior analysis. Given the needs of the students in this program there is a low adult to student ratio in this program.
- Integrated Learning Program (ILP) – students identified with cognitive deficits. Located at Wood End, Coolidge, & RMHS. This program services students with multiple needs and requires a low adult to student ratio within the classroom setting. Students within this program are provided with opportunities for inclusion based on their Individual needs.
- Language Learning Differences (LLD) – students identified with language-based learning disabilities and specific learning disabilities. Located at Eaton, Parker, & RMHS. This program is a partial inclusion program providing intensive remediation and instruction using language based methodologies. Depending on the needs of the individual student they may receive small group instruction for ELA and Math, as well as specialized reading instruction. At the high school level students have the option of participating in small group History if necessary.
- Learning Centers (LC) – Students identified with any of the ten disability eligibility categories. Located at each of our schools.
- Student Support Program (SSP) – students identified with emotional impairment. Located at Killam, Coolidge, & RMHS. Due to the nature of the disabilities in this program the staffing at each level needs to include both special education teachers, paraprofessionals and counseling staff.
- Therapeutic Support Program (TSP) – students identified with emotional impairment, primarily school avoidance behaviors. Located at RMHS. For FY 17 the SSP and TSP programs will be combined into one program the Therapeutic Support Program at all levels.

- Compass- students identified with multiple disabilities who require substantially separate programming with a focus on academics, life skills and social skills. Located at Coolidge. This is a substantially separate program requiring a low adult to student ratio. This program also provides opportunities for community trips.
- POST (Providing Opportunities for Successful Transition): A collaboration between the Wakefield Public Schools and the Reading Public Schools. This program services students who are ages 18-22. The goals of this program is to provide students with academics, life skills, social and vocational opportunities. The 15-16 School Year was the first year of our collaboration and we thus far have had a lot of success.

Figure 88 shows the enrollment for our high needs population, as defined by the Massachusetts DESE. What is apparent from the table below is that our ELL and low income populations have been steadily rising over the last several years. In FY16 we saw an increase in our Limited English Proficient population. Thirty-two percent or 15 of the 46 students are enrolled in kindergarten.

Figure 92: Special Education Enrollment

Academic Year	Total Enrollment	# of Students on IEP	% of Students	% of Students Statewide	# of Students Out of District
2005-06	4282	694	16.2%	16.4	73
2006-07	4332	707	16.3%	16.7	67
2007-08	4416	753	17.1%	16.9	73
2008-09	4428	771	17.4%	17.1	63
2009-10	4392	758	17.3%	17.0	59
2010-11	4459	734	16.5%	17.0	51
2011-12	4447	768	17.3%	17.0	64
2012-13	4483	737	16.4%	17.0	64
2013-14	4432	767	17.3%	17.0	50
2014-15	4407	809	18.4%	17.1	61
2015-16	4394	791	18.0%		64

Special education expenses present a unique challenge to school districts due to their variability and lack of predictability. Our goal is always to provide the highest quality services to students and to provide those within the district. Over the last ten years, our district has increased its in-district special education programs from one program to nine different programs across the district. The figure below shows the number of students in each of the programs in the current school year. Descriptions of each program can be found above. The total number of children in special education programs is 191 with the greatest number of students currently in the Language and Learning Disabilities program.

Figure 93: SY'2014-15 Special Education Program Enrollment

	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	Gr 9	Gr 10	Gr 11	Gr 12	Post Grad	Total
Compass								4							4
Dev. Learning Ctr I	2	4	3	4	6	4	5	4	7	2	2	1			44
Dev. Learning Ctr II	3	1	2	2	2	1									11
Integrated Learning Prog. I	3	3	2	2	3	1	2	4	6						26
Integrated Learning Prog. II										1		2			3
Language Learning Disabilities			3	3	3	4	6	3	9	7	10				48
POST Program														5	5
Student Support Program	1	1	1	2	3	1	3	3	3	5	3	7	13		46
Therapeutic Support Program											1	1	2		4
Total	9	9	11	13	17	11	16	18	25	15	16	11	15	5	191

The special education budget comprises 29.9% of the total FY'17 Superintendent's Recommended Budget, which has increased 2.4% from last year's 27.5%. The Special Education Cost Center budget is projected to increase 7.7% over FY'16 budgeted levels or \$870,972 which represents 63.4% of the total increase for FY'17.

Figure 94: Special Education Budget by Object

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Special Education						
Professional Salaries	4,706,356	4,569,777	4,484,815	4,731,305	5,411,149	14.4%
Clerical Salaries	71,218	79,729	71,991	81,708	77,199	-5.5%
Other Salaries	1,447,232	1,699,604	1,838,792	1,966,500	2,064,919	5.0%
Contract Services	1,174,931	1,459,708	1,554,759	1,388,261	1,385,988	-0.2%
Supplies & Materials	21,619	55,776	77,401	50,750	46,675	-8.0%
Other Expenses	1,917,584	1,682,663	2,226,423	3,133,978	3,237,543	3.3%
Grand Total	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%

Special Education by Object

Salaries make up the largest share of the special education budget at 61.8% of the total for this cost center. The next largest category is other expense which includes the tuition for students who are placed out-of-district in specialized programs. Contract services follows and this is where the transportation for both in-district and out-of-district students is budgeted. Supplies and materials are the smallest percentage of this cost center budget.

The 14.4% increase in professional salaries is driven by several factors, including, step, column change and cost of living increases, the proposed 1.0 FTE Social Worker at Killam, and the significant reduction of \$369,000 in the special education tuition offsets to professional salary. The FY'16 budget included a onetime increase to mitigate the reduction in the circuit breaker award.

Contract services are projected to decrease by .02% in the FY'17 budget. This decrease is due to a shift in funds from professional development from contracted services to other services. The FY'17 budget

also includes a 5% increase in special education transportation expenses as well as a nominal increase in legal services.

Supplies and materials, while not a large dollar amount, is projected to decrease 8.0%. The decrease is a result in reducing our parent transportation reimbursement line. This funding level should be adequate based on the current volume of parent reimbursement.

Other expenses are projected to increase 7.7% in the FY'17 budget. This is due to a net overall increase in special education out-of-district tuitions, and the reallocation of professional development funds from the contracted services category. There is some fluctuation between categories of tuitions, most notable tuition to in-state private, residential and collaborative tuitions are all budgeted to increase due to known and anticipated out of district placements. As noted in the Superintendent's message at the beginning of this book, one anticipated out of district placement has been eliminated from this budget as part of the budget reductions.

During the 2014-2015 school year, Walker Associates conducted a comprehensive program review of the special education programs and supports for the Reading Public Schools. This report outlines some of the changes that need to be made for special education.

The following changes with fiscal implications were implemented for the 2015-2016 school year and will be continued for the 2016-2017 school year:

- Last year we restructured contracted services funding to add a Board Certified Behavior Analyst (BCBA). This position has allowed us to have an expert on staff who can support our staff, parents and most importantly the success of our students. Since the start of the 2015-2016 school year the District's BCBA has completed 10 Functional Behavioral Assessments. If we contracted out for these assessments we would have paid \$1545.00 per assessment through SEEM Collaborative for a total of \$15,450 for just 4 months of the school year. The BCBA has also worked as a liaison between the families and the school helping parents with specific strategies for supporting their children at home. Within the school setting, the BCBA consults with the DLC, ILP, Compass and POST programs. She assists with the data collection and analysis, additionally she develops and monitors student behavior plans. She has also conducted professional development for our paraprofessionals and the RISE preschool staff.
- Last year in the budget we restructured funds to add a Director for TSP/SSP. Although this was a need, the Walker report identified a greater need which was stability in our team chair model. As a result we took these funds to increase the number of team chairs. For the 2015-2016 School Year we have 7.0 FTE Team Chairs. This number allows us to have 2 Team Chairs at the High School, 1 at each middle school, and shared team chairs at the elementary schools. As part of the 7.0 FTE, we have a .5 Out of District Coordinator who works exclusively with our out of district students and families. We are also working to refine the job descriptions and job responsibilities to ensure that the job is manageable so we can have less turn over in this position. The Team Chairs are the face of the district to parents of students receiving special education services.
- The development of the POST program as a Collaboration with the Wakefield Public Schools. The Walker report found that we had limited in-district programming for students 18-22. By developing this collaboration we are able to increase the opportunities for our students. This year, our students have been able to participate in a variety of internships, they have developed new friendships and they are increasing their recreational opportunities. Additionally by having

a viable in-district program we are able to have some students remain in district who would have traditionally been placed out of district.

There are many other changes that were made during the 15-16 school year that were recommendations of the Walker Report that have had little or no fiscal impact. The following items are being addressed this year:

- Development of a more consistent and comprehensive transition process when students move from 1 level to the next (i.e. PK- K).
- Development of a Special Education Parent Advisory Council that can advise the director and the school committee.
- Continued work on program descriptions, entrance and exit criteria and vertical alignment of all in-district programs.
- A more comprehensive approach to professional development for both teaching staff and paraprofessionals.
- The TSP space at the high school is relocated to a more appropriate space for learning and therapeutic needs.

Some areas that continue to need work and will have a fiscal impact are the following:

- Appropriate space for all special education in-district programs. Some spaces are shared or smaller than is necessary to meet the needs of the students. In order to ensure that we have high quality programs we need to have appropriate spaces.
- Once there is more stability in the team chair role an evaluation of that role and the administrative structure of the student services office needs to be conducted to determine the most appropriate structure to support the needs of all constituents.
- The administrative team is continuing to work on defining the co-teaching model and how to utilize this appropriately to meet the needs of students identified with disabilities.

In the FY 17 budget we are proposing only one additional position that is a result of the findings of the Walker report. That position is a 1.0 FTE dedicated Social Worker be added to the Student Support Program (SSP) at the elementary level. The Walker report found that this program does not have a social emotional curriculum nor sufficient staffing to support the social emotional needs of the students. Since there is not counseling support dedicated to the K-5 program it is challenging to implement consistent social/emotional curriculum at this level. The current model is staffed with 1.0 Special Education Teacher and paraprofessionals. The therapeutic component is supported by the building's school psychologist. The school psychologist is not only responsible for the 11 students in this program but also for special education evaluations, consultation to teachers and parents, and Tier I and II supports for all students in the building. It is clear that the current counseling staff is insufficient to balance the needs of the entire building and also those of the therapeutic program. It should be noted that last year and this year there are students being considered for out of district placement due to the inability of this program to provide consistent therapeutic supports.

In this cost center, we are proposing the reduction of .4 FTE of Speech and Language Therapist at the elementary level. This reduction will still support 1.0 FTE of Speech at each elementary school. Review of staff schedules reveals that this reduction will still result in the ability to provide appropriate speech and language services to students in the Reading Public Schools.

Figure 95: Special Education Staffing

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Special Education	131.5	138.0	148.9	150.6	6,932,042	150.7	6,878,131	151.3	7,347,022
Behavior Analyst (BCBA)				1.0	60,000	1.0	65,000	1.0	70,000
District Administrator	1.0	1.0	1.0	1.0	122,055	1.0	122,055	1.0	125,106
District Administrator of Support Services	1.0	1.0	1.0	0.6	40,000	0.6	41,500	0.6	43,489
District Evaluator	1.0	1.0	1.0	1.0	78,442	1.0	85,959	1.0	88,108
District SSP/TSP Program Director				1.0	75,000				
Elementary Teacher	18.7	17.7	19.7	19.7	1,370,950	20.2	1,334,898	20.2	1,417,521
High School Dept Chair	0.4	1.0	1.0						
High School Teacher	6.6	8.2	8.2	9.2	555,081	9.6	606,404	9.6	635,980
Middle School Teacher	8.5	8.5	8.5	8.5	535,090	9.5	546,664	9.5	585,848
Occupational Therapist	3.1	2.9	2.9	2.9	278,515	2.9	217,916	2.9	225,608
Occupational Therapy Assistant	0.6	0.5	0.6	0.6	27,930	0.6	28,768	0.6	28,768
Paraprofessional	65.6	71.4	77.8	77.9	1,866,083	76.2	1,825,735	76.2	1,962,296
Physical Therapist	1.5	1.5	1.5	1.5	119,134	1.5	119,134	1.5	124,823
Pre-School Teacher	4.6	4.2	4.9	4.9	330,567	4.6	305,645	4.6	322,421
School Adjustment Counselor	1.0	1.0	1.0	1.0	65,483	1.0	65,483	1.0	69,712
School Nurse	1.0	-							
Secretary	2.0	2.0	2.0	2.0	81,708	2.0	75,278	2.0	77,199
Social Worker	1.5	2.0	3.0	3.0	207,638	2.6	184,890	3.6	260,041
Speech/Language Pathologist	10.2	10.7	10.8	10.8	801,878	10.4	769,634	10.0	814,856
Team Chair	3.2	3.4	4.0	4.0	316,490	6.0	483,168	6.0	495,247

Special Education by Function

Figure 96 below shows the breakdown of the FY'17 Superintendent's Recommended Budget for special education by DESE function. As was the case with the regular day cost center, a significant share of the special education budget falls within the "2000" series of expenditures or instructional services. In total, 61.5% of the special education budget is used for funding the salary expenses of professional staff, medical staff, or support staff providing direct instruction, instructional support, or therapeutic services to students. The next largest percentage is for the "9000" series expenditures which is tuition. Tuition expense, net of the circuit breaker reimbursement, constitutes another 25.6 of the budget. Related to this expense is the cost to transport students to and from out-of-district schools; this expense makes up 8.3% of the budget.

The remainder of the special education cost center budgets funds legal services; instructional materials, supplies, equipment, and adaptive technology; testing and assessment expense; professional development expense; collaborative dues; and Medicaid claiming services.

Figure 96: Special Education Budget by Function

Special Education	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
143 Legal Services	69,679	93,913	76,068	69,000	77,400	12.2%
211 Districtwide Leadership	257,943	268,628	290,012	257,230	250,236	-2.7%
221 School Leadership	-	924	2,117	2,000	-	-100.0%
222 Department Heads	80,469	185,927	158,457	118,465	121,274	2.4%
231 Specialist Teachers	2,903,301	2,676,646	2,562,415	2,539,945	3,074,649	21.1%
232 Therapeutic Services	1,404,894	1,520,387	1,542,930	1,432,951	1,434,647	0.1%
233 Paraprofessionals	1,444,815	1,699,249	1,837,103	1,966,500	2,064,919	5.0%
235 Instructional Coordinators	161,647	203,481	223,289	424,028	475,047	12.0%
236 Substitutes	4,010	1,925	2,806	-	-	0.0%
240 Professional Development	19,702	25,462	28,930	25,900	20,000	-22.8%
241 Text & Materials	5,251	10,983	10,652	9,206	7,620	-17.2%
242 Instructional Equipment	12,607	15,451	24,595	15,000	10,000	-33.3%
243 General Supplies	6,736	12,151	21,307	19,699	15,940	-19.1%
244 Other Instructional Services	1,458	1,148	2,674	24,000	1,925	-92.0%
247 Instructional Technology	22,269	17,874	21,164	10,500	11,500	9.5%
249 Instructional Software	-	2,750	233	-	200	0.0%
272 Testing & Assessment	8,512	27,447	39,406	19,745	21,815	10.5%
280 Psychological Services	282,781	326,078	378,945	407,063	469,849	15.4%
320 Health Services	-	-	97	-	-	0.0%
330 Pupil Transportation	853,404	876,333	917,464	979,441	1,016,550	3.8%
550 Other Fixed Charges	20,684	18,478	22,916	19,500	19,500	0.0%
910 Tuition to Other Districts	34,996	9,614	181,498	-	-	0.0%
920 Tuition, Out-of-State	43,502	54,748	54,749	59,599	67,259	12.9%
930 Tuition, In - State	1,127,748	762,952	1,239,676	1,937,501	2,024,488	4.5%
940 Tuition Collaborative	572,531	734,706	614,678	1,015,228	1,038,654	2.3%
Grand Total	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%

Figure 97 below shows the FY'17 Superintendent's Recommended Budget by detailed expenditure category. This information is intended to provide more specific information on special education expenditures.

Figure 97: Special Education Budget by Detailed Expense Category

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Special Education	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%
Professional Salaries	4,706,356	4,569,777	4,484,815	4,731,305	5,411,149	14.4%
Director	171,059	206,954	204,976	209,737	220,306	5.0%
Employee Benefits	3,250	11,589	16,372	4,050	3,500	-13.6%
Extended Year Services	85,649	73,698	58,688	88,500	87,610	-1.0%
Manager	36,659	38,120	41,508	44,047	23,702	-46.2%
Nurse	63,200	77	97	-	-	0.0%
Occupational Therapist	186,673	186,713	190,413	200,972	231,174	15.0%
Other Therapies	13,915	-	-	-	-	0.0%
Physical Therapist	106,636	107,508	113,192	119,134	124,823	4.8%
Psychologist	274,846	306,903	347,401	391,563	461,349	17.8%
Reading	-	-	9,763	-	-	0.0%
Revolving Fund Support	(25,650)	(282,190)	(636,270)	(913,485)	(578,000)	-36.7%
Special Education Teacher	2,862,105	2,892,377	3,142,778	3,380,880	3,576,539	5.8%
Speech Therapist	739,207	748,883	720,707	781,878	785,098	0.4%
Stipends	27,161	75,664	51,901	-	-	0.0%
Team Chair	161,647	203,481	223,289	424,028	475,047	12.0%
Clerical Salaries	71,218	79,729	71,991	81,708	77,199	-5.5%
Employee Benefits	825	4,108	2,827	-	-	0.0%
Secretary	70,393	75,621	69,165	81,708	77,199	-5.5%
Other Salaries	1,447,232	1,699,604	1,838,792	1,966,500	2,064,919	5.0%
Employee Benefits	1,709	1,792	1,114	1,125	750	-33.3%
Extended Year Services	31,190	30,034	37,077	33,000	35,000	6.1%
Paraprofessional	1,411,916	1,667,423	1,798,912	1,932,375	2,029,169	5.0%
Professional Development	1,573	355	225	-	-	0.0%
Substitutes	-	-	1,464	-	-	0.0%
Tutoring Services	844	-	-	-	-	0.0%
Contract Services	1,174,931	1,459,708	1,554,759	1,388,261	1,385,988	-0.2%
Field Trip Travel	1,263	598	1,760	1,500	1,425	-5.0%
Professional Development	-	2,032	2,900	17,500	-	-100.0%
Substitutes	9,768	64,473	45,773	-	-	0.0%
Transportation	824,951	862,130	896,097	949,441	996,913	5.0%
Legal Services	69,679	93,913	76,068	69,000	77,400	12.2%
Districtwide Leadership	30,347	48,605	75,893	45,000	45,000	0.0%
School Leadership	-	924	2,117	2,000	-	-100.0%
Therapeutic Services	230,793	365,450	416,335	266,920	254,850	-4.5%
Other Instructional Services	196	550	914	22,500	500	-97.8%
Testing & Assessment	-	2,626	5,358	5,400	5,400	0.0%
Psychological Services	7,936	18,408	31,544	9,000	4,500	-50.0%
Supplies & Materials	21,619	55,776	77,401	50,750	46,675	-8.0%
Furnishings	-	38	923	-	-	0.0%
Office	2,206	3,406	10,008	1,500	1,600	6.7%
Other	-	-	1,385	-	1,500	0.0%
Postage	-	1,930	2,911	2,345	2,050	-12.6%
Psychology	-	767	-	6,500	4,000	-38.5%
Software	-	2,750	233	-	200	0.0%
Special Education	7,197	18,676	18,307	25,310	19,160	-24.3%
Technology	-	1,197	7,181	-	-	0.0%
Testing	8,512	24,822	34,048	14,345	16,415	14.4%
General Supplies	3,704	2,189	2,227	750	1,750	133.3%
Instructional Equipment	-	-	177	-	-	0.0%
Other Expenses	1,917,584	1,682,663	2,226,423	3,133,978	3,237,543	3.3%
Advertising	167	173	-	200	200	0.0%
Dues & Memberships	1,075	275	765	700	1,090	55.7%
Equipment	3,043	3,043	3,187	4,000	3,190	-20.3%
Postage	3,153	1,248	1,700	2,000	2,000	0.0%
Professional Development	18,227	23,076	26,249	8,400	20,000	138.1%
Software Licensing & Support	25,455	18,088	17,799	26,500	18,000	-32.1%
Therapeutic & Adaptive Equipment	6,169	9,385	21,145	10,000	10,000	0.0%
Travel	2,588	3,065	2,060	2,100	1,425	-32.1%
Districtwide Leadership	1,086	6,905	3,686	2,750	2,100	-23.6%
Pupil Transportation	28,453	14,203	21,367	30,000	19,637	-34.5%
Instructional Equipment	6,438	6,028	2,349	5,000	-	-100.0%
Instructional Technology	22,269	16,677	12,598	10,500	10,000	-4.8%
Other Fixed Charges	20,684	18,478	22,916	19,500	19,500	0.0%
Tuition - Out of District	1,778,777	1,562,020	2,090,602	3,012,328	3,130,401	3.9%
Grand Total	9,338,940	9,547,257	10,254,181	11,352,501	12,223,473	7.7%

Districtwide Programs

This cost center includes the budgets for Health Services, Athletic Programs, Extracurricular Programs, and Districtwide Networking and Technology Maintenance. These programs are grouped into the Districtwide Programs cost center since none of the expenses can be allocated to either regular day or special education. In other words, these expenses are for the benefit of both general education and special education students. A summary by object of the FY'17 Superintendent's Recommended Budget by Object is shown in Figure 94 below.

Figure 98: Districtwide Programs by Object

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Districtwide Programs						
Professional Salaries	654,925	682,630	725,793	744,153	739,829	-0.6%
Clerical Salaries	41,776	49,835	53,233	57,299	58,956	2.9%
Other Salaries	228,126	255,364	290,480	320,314	322,015	0.5%
Contract Services	266,378	281,197	282,861	325,988	343,830	5.5%
Supplies & Materials	30,593	29,371	41,008	45,675	43,170	-5.5%
Other Expenses	89,156	75,795	221,518	88,826	100,242	12.9%
Grand Total	1,310,955	1,374,192	1,614,893	1,582,254	1,608,042	1.6%

Overall, this cost center budget is projected to increase by 1.6%. This cost center accounts for just 3.5% of the total budget and has remained near this proportion for the last several years. While the proportion overall has not changed significantly, there have been shifts between various programs within this cost center. The Districtwide budget by individual program is shown below in Figure 99. The largest program budget is for health services (39.3%), followed by athletics (27.9%), district technology (30.7%); extracurricular is the smallest program budget at 2.2% of the total district-wide programs budget. In total, the increase of \$25,788 comprises just 1.9% of the total increase for FY'17.

Figure 99: District-wide Budget by Program

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Athletics	427,345	416,737	428,798	461,110	447,909	-2.9%
Extra Curricular	45,518	52,944	55,335	48,377	35,333	-27.0%
Health Services	523,020	543,697	606,827	630,104	631,559	0.2%
Technology	315,071	360,814	523,933	442,663	493,241	11.4%
Grand Total	1,310,955	1,374,192	1,614,893	1,582,254	1,608,042	1.6%

Figure 100: District-wide Program Staffing

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Athletics	1.5	1.5	1.5	1.5	100,038	1.5	99,020	1.5	102,777
Assistant Principal	0.5	0.5	0.5	0.5	55,015	0.5	53,997	0.5	56,097
Secretary	1.0	1.0	1.0	1.0	45,023	1.0	45,023	1.0	46,680
Extracurricular	0.3	0.3	0.3	0.3	27,508	0.3	26,999	0.3	27,374
Assistant Principal	0.3	0.3	0.3	0.3	27,508	0.3	26,999	0.3	27,374
Health Services	9.2	9.3	9.3	9.3	594,754	9.3	563,492	9.3	596,209
District Administrator	0.2	0.2	0.2	0.2	16,377	0.2	16,377	0.2	16,377
School Nurse	8.8	8.8	8.8	8.8	566,101	8.8	534,839	8.8	567,556
Secretary	0.2	0.3	0.3	0.3	12,276	0.3	12,276	0.3	12,276
District Technology	5.9	5.4	5.4	6.1	365,321	6.1	363,143	6.4	387,856
Computer Technician	5.0	4.5	4.5	5.3	283,038	5.3	276,835	5.5	299,390
District Administrator	0.7	0.7	0.7	0.7	66,595	0.7	70,620	0.7	72,386
Info Systems Specialist	0.2	0.2	0.2	0.2	15,688	0.2	15,688	0.2	16,081

Health Services

The Health Services program budget funds the salaries and expenses for servicing the medical needs of the district’s student population. Currently, each building has at least one full-time nurse. The Director of Nursing is housed at the high school and provides additional support to its larger student population. The Director receives clerical support from one of the central office Administrative Assistants who spends 25% of her time supporting Health Services. Ninety-four percent of the health services budget funds salaries.

The Health Services program budget is effectively level funded in the FY’17 Superintendent’s Recommended Budget. The increase is driven primarily by the step and COLA increases for nurses as well as additional competency stipends they have earned. We increased the amount paid to substitute nurse in FY’15 from \$75 per day to \$125 per day. This was a necessary increase given market rates and the need to ensure that we are able to attract highly qualified nurse substitutes and maintain high fill rates.

Figure 101: Health Services Program Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	488,090	500,238	547,857	582,478	583,933	0.2%
Director	69,048	71,110	79,877	81,885	81,885	0.0%
Nurse	419,042	429,128	467,981	500,593	502,048	0.3%
Clerical Salaries	10,510	11,673	11,965	12,276	12,276	0.0%
Secretary	10,510	11,673	11,965	12,276	12,276	0.0%
Other Salaries	8,625	15,754	27,701	15,625	15,625	0.0%
Substitutes	8,625	15,754	27,701	15,625	15,625	0.0%
Contract Services	5,895	8,180	8,935	9,000	9,000	0.0%
Professional Development	-	180	935	1,000	1,000	0.0%
School Physician	5,895	8,000	8,000	8,000	8,000	0.0%
Supplies & Materials	7,687	6,072	8,589	8,900	8,900	0.0%
Medical	7,487	5,834	8,285	8,400	8,400	0.0%
Office	199	238	303	500	500	0.0%
Other Expenses	2,214	1,780	1,780	1,825	1,825	0.0%
Equipment	-	440	548	-	-	0.0%
Medical	2,031	1,292	570	1,525	1,525	0.0%
Postage	183	11	392	300	300	0.0%
Professional Development	-	37	270	-	-	0.0%
Grand Total	523,020	543,697	606,827	630,104	631,559	0.2%

The district contracts with a physician as required under MGL, c. 71, §53-55 who provides medical examinations to students as needed. We do not anticipate an increase to this contracted amount in FY'17. The funds allocated for medical supplies will be used to support the safety-centered activities such as replacing expired items in each emergency medical bags and adding equipment, most notably audiology testing equipment, as needed.

Athletics

The Athletics program budgets funds the salaries and expenses necessary to operate the High School athletics program. The largest single line of the budget is for the salaries of the athletic coaches that comprise 44.3% of the athletics budget. The next largest expense is transportation, followed by athletic officials, and facility rental. The athletics budget is offset by user fee and gate receipt revenue that is used as a direct offset to coaches' salaries. An increase in athletic user fees was approved and implemented effective with the FY'16 Budget. We are not recommending any increase to Athletic User Fees in the FY'17 budget. They will remain at \$250 per season, with a family cap of \$950 and an individual cap of \$600.

In addition the FY'17 Budget proposes increasing the revenue offset by \$16,666 to \$396,666. The revenue offset will cover 100% of coaching salaries. It is important to note this will be the last year this level of offset can be taken from the revolving fund as it is not sustainable.

As Figure 102 below shows, the Athletics Program budget is projected to decrease by 2.9% in the FY'17 Superintendent's Recommended Budget. This is a function of the increased offset mentioned above.

The rest of the budget remained level funded. The FY'17 budget amounts appear reasonable given the three year trend in spending.

Figure 102: Athletics Program Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	49,500	52,350	53,645	55,015	56,097	2.0%
Director	49,500	52,350	53,645	55,015	56,097	2.0%
Clerical Salaries	31,266	38,163	41,267	45,023	46,680	3.7%
Employee Benefits	-	-	-	-	-	0.0%
Secretary	31,266	38,163	41,267	45,023	46,680	3.7%
Other Salaries	61,670	45,235	38,295	21,651	7,000	-67.7%
Coach	349,738	348,389	362,620	394,651	396,666	0.5%
Event Detail	4,933	4,846	5,675	7,000	7,000	0.0%
Revolving Fund Support	(293,000)	(308,000)	(330,000)	(380,000)	(396,666)	4.4%
Contract Services	238,395	231,828	236,667	262,027	272,720	4.1%
Athletic Services	238,395	231,828	236,667	262,027	272,720	4.1%
Supplies & Materials	19,625	22,599	31,476	34,975	29,870	-14.6%
Athletic Services	8,706	3,216	7,529	9,000	8,000	-11.1%
Office	2,910	1,471	1,416	3,260	1,500	-54.0%
Team	4,622	10,228	12,985	12,715	12,850	1.1%
Uniforms	3,387	7,685	9,545	10,000	7,520	-24.8%
Other Expenses	26,889	26,563	27,448	42,420	35,542	-16.2%
Athletic Services	3,388	4,434	4,460	6,550	5,425	-17.2%
Awards	2,251	2,888	2,608	3,000	3,000	0.0%
Dues & Memberships	8,429	8,815	10,665	8,420	10,882	29.2%
Equipment	10,971	8,625	2,859	14,550	8,500	-41.6%
Professional Development	-	-	-	5,000	-	-100.0%
Software Licensing & Support	1,850	1,800	6,856	4,900	7,735	57.9%
Grand Total	427,345	416,737	428,798	461,110	447,909	-2.9%

The coach salary line does include an assumed step and cost of living adjustment for staff. We have had a number coaching positions turnover with more veteran staff being placed by more junior staff placed at lower steps and therefore lower salaries than those they replaced.

Event detail expense, which covers predominantly the cost of police detail at football, basketball, and/or hockey games as needed, fluctuates from year to year depending upon the number of home games. Next year, we have assumed the same number of home games. Equipment repair funding is used for refurbishment of equipment, most notably football jerseys, helmets, and pads. Field maintenance funds the labor to maintain the fields including striping as well as sweeping and cleaning of the turf fields. Game staff includes employees who monitor the gate, sell and collect tickets, and count and monitor game receipts. This figure fluctuates based on the number of home games; this number is expected to remain the same in FY'17. Finally, software expense includes the cost of the Family ID system being used to manage all of the forms and miscellaneous paperwork required for athletics and extracurricular participation as well as concussion impact testing and the Huddle software license fee.

Figure 103: Participation in High School Athletic Programs (2012-2016)

SCHOOL YEAR	2012-13	2013-14	2014-15	2015-16
BASKETBALL (B)	40	47	44	35
BASKETBALL (G)	42	42	38	37
CHEERLEADING	22	26	21	22
CROSS COUNTRY	69	69	71	58
FIELD HOCKEY	51	49	31	41
FOOTBALL	99	100	89	109
GOLF	16	19	14	15
GYMNASTICS	18	29	17	17
ICE HOCKEY (B)	51	51	54	47
ICE HOCKEY (G)	26	23	18	17
INDOOR TRACK (B)	83	74	72	78
INDOOR TRACK (G)	70	51	36	46
SOCCER (B)	61	69	64	67
SOCCER (G)	72	65	66	62
SWIMMING (B)	29	27	34	24
SWIMMING (G)	29	30	28	27
VOLLEYBALL	41	43	42	44
WRESTLING	43	34	34	39
TOTAL	862	848	773	785

Extracurricular Activities

The extracurricular activities program budget funds the salaries, stipends, and a small portion of the expenses necessary to offer extracurricular activities at the high school and the two middle schools. These activities include the high school drama, band, and choral program; the middle school drama, band, and choral program; and the operations of the high school after school fitness center program. As with athletics, these programs are critical to the education of the whole child and provide opportunities for students to grow, learn, and excel in activities that generate enthusiasm and passion outside of the classroom. They also offer students the chance to develop confidence, character, relationships, and leadership abilities.

Figure 104: Extracurricular Activities Program Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	26,578	33,436	38,155	24,377	11,333	-53.5%
Coordinator	24,750	26,175	26,822	27,508	27,374	-0.5%
Revolving Fund Support	(30,500)	(41,500)	(42,000)	(52,000)	(57,000)	9.6%
Stipends	32,328	48,761	53,333	48,869	40,959	-16.2%
Contract Services	9,096	10,249	10,235	12,650	11,500	-9.1%
Other Student Activities	9,096	10,249	10,235	12,650	11,500	-9.1%
Supplies & Materials	3,070	387	923	800	2,000	150.0%
Performing Arts	3,070	387	923	800	2,000	150.0%
Other Expenses	6,774	8,873	6,022	10,550	10,500	-0.5%
Dues & Memberships	685	845	545	650	1,000	53.8%
Equipment	3,729	3,943	3,492	5,000	4,250	-15.0%
Other Student Activities	1,550	1,335	1,985	2,400	1,750	-27.1%
Royalties	810	2,750	-	2,500	3,500	0.0%
Grand Total	45,518	52,944	55,335	48,377	35,333	-27.0%

Sixty-two percent of the extracurricular program budget funds salaries and stipends including 25% of the salary of the Assistant Principal for Athletics and Extracurricular Activities (representing the effort required to manage this department), as well as the stipends for the various program advisors and the wages for the fitness center monitors. This program budget is partially offset by user fee and ticket revenues. An increase in the extracurricular user fees to offset the increased cost of living adjustments in advisor stipends was approved and implemented in FY'16. There is no increase recommended for FY'17. The Extra-curricular User Fee will remain at \$125 for cast per show for drama and \$75 for tech per show for drama. The family cap for drama will remain \$550 and an individual cap is \$350. We are not recommending an increase for band because their fee is currently \$175.

In addition the budget proposes increasing the revenue offset by \$5,000. This revolving fund revenue offsets 44.6% of the program expenses, similar to the percentage of program expense offset by athletics revenue offsets.

The Extracurricular Activities Program budget is projected to decrease 27.0% in the FY'17 Superintendent's Recommended Budget. This decrease is due primarily to increase in revolving fund support which increased by \$5,000 in the FY'17 budget.

All other increases/decreases, which may be large in percentage terms, are less than \$500 and are used to support the goals and initiatives of the extracurricular programs.

Districtwide Networking and Technology Maintenance

The districtwide networking and technology maintenance budget funds the salaries and expenses required to operate and maintain our technology infrastructure including our wide area network, wireless networks, servers, computer hardware and peripheral devices, and telecommunications equipment. The majority of this budget funds the salaries of the network administrator (34% of this

salary is charged to district administration), 6.0 FTE computer technicians, and 0.2 FTE information systems specialist. In FY'16 we allocated .25 FTE from the Districtwide Networking and Technology Budget to the School Climate Transformation Grant to act in the role as data analyst. It was determined that a full time data analyst would be necessary to support the grant work so the .25 FTE is being allocated back to the operating budget in FY'17.

Figure 105: Districtwide Networking and Technology Maintenance Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	90,756	96,606	86,135	82,283	88,466	7.5%
Manager	61,521	70,577	64,904	66,595	72,386	8.7%
Technology Integration	29,235	26,030	21,231	15,688	16,081	2.5%
Other Salaries	157,831	194,375	224,485	283,038	299,390	5.8%
Employee Benefits	-	-	3,101	-	-	0.0%
Technician	157,831	194,375	221,385	283,038	299,390	5.8%
Contract Services	12,993	30,941	27,025	42,312	50,610	19.6%
Consulting Services	-	18,000	11,400	15,180	13,200	-13.0%
Networking & Telecomm	1,743	1,861	4,036	2,112	5,760	172.7%
Software Licensing & Support	11,250	11,080	11,589	25,020	31,650	26.5%
Supplies & Materials	211	313	20	1,000	2,400	140.0%
Information Management	-	-	-	-	1,200	0.0%
Networking & Telecomm	211	313	-	-	1,200	0.0%
Technology Maintenance	-	-	20	1,000	-	-100.0%
Other Expenses	53,280	38,579	186,268	34,031	52,375	53.9%
Equipment	455	1,411	139,472	6,800	25,000	267.6%
Information Management	5,605	-	5,601	-	-	0.0%
Networking & Telecomm	28,495	28,768	22,426	22,323	22,875	2.5%
Postage	475	96	145	500	500	0.0%
Software	-	4,057	17,829	-	-	0.0%
Software Licensing & Support	18,249	4,249	795	4,408	4,000	-9.3%
Grand Total	315,071	360,814	523,933	442,663	493,241	11.4%

The districtwide networking and technology maintenance budget is projected to increase 11.4% in the FY'17 Superintendent's Recommended Budget. The primary driver of this increase is salaries, \$22,536, or 44.6% of the total \$50,578 increase is due to salary. This is a result of staff turnover and the restored .25 FTE in the operating budget in FY'17.

This budget funds the districts purchases of technology infrastructure equipment. The district has made a significant investment in technology infrastructure over the past several years and much of this equipment is no longer covered by warranties. Therefore, it is necessary to budget a sufficient amount (\$25,000) to cover the cost to repair or replace any equipment that fails. This could include servers, ireless arrays, routers, hubs, or switches.

Figure 106 below shows the inventory of technology devices deployed throughout the district during the 2014-15 school year.

Figure 106: SY'2014-15 Technology Inventory

This figure will be updated for the School Committee's Recommended Budget Book.

Location	By User Group				By Device Type			
	Teachers	Students	Admin	Total	Laptops	Desktops	Tablets	Total
Barrows	48	138	7	193	49	48	96	193
Birch Meadow	46	119	5	170	97	19	54	170
Eaton	42	158	6	206	100	18	88	206
Killam	40	137	6	183	122	16	45	183
Wood End	40	155	6	201	99	57	45	201
Coolidge	71	334	10	415	194	155	66	415
Parker	73	336	12	421	231	125	65	421
RMHS	137	521	30	688	252	336	100	688
Central Office	-	-	24	24	9	4	11	24
Total	497	1,898	106	2,501	1,153	778	570	2,501

School Building Facilities

The School Building Maintenance budget funds the salaries and expenses necessary to operate and maintain our eight school buildings. Town Meeting voted to approve a new structure for School and Town Facilities. The FY'17 Budget reflects the creation of a CORE department.

The School Building Facilities department includes the salaries of the custodial manager, custodial staff and a .4 facilities rental coordinator. Salaries account for the largest share of the School Building Facilities budget at 69.3% of the total (net of offsets). Revenue from fees collected by organizations renting our school buildings is used to support the School Building Facilities budget and the Town CORE budget. This revenue offset of \$200,000 will be split \$150,000/\$50,000 School/Town. An additional \$50,000 offset from the Extended Day Program will be allocated to the Town CORE.

In FY'17 an additional offset of \$90,000 is budgeted from Extended Day to support the custodial cleaning for the program. Extended Day operates a before and after school program that has grown to include over four hundred students across our five elementary schools.

Figure 107: School Building Facilities Budget by Object

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	110,974	113,846	113,267	66,950	75,000	12.0%
Clerical Salaries	18,584	19,543	30,163	11,946	12,571	5.2%
Other Salaries	637,924	731,124	701,580	791,880	737,576	-6.9%
Contract Services	231,540	231,222	231,134	235,840	254,813	8.0%
Supplies & Materials	105,821	73,687	80,246	95,590	97,590	2.1%
Other Expenses	14,966	17,802	6,425	12,955	13,960	7.8%
Grand Total	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%

The School Building Facilities budget is projected to decrease 1.9% in the FY'17 Superintendent's Recommended Budget. This is due in large part to the additional \$90,000 revenue offset from Extended Day. The outside cleaning contract will be bid in FY'17 for the Coolidge Middle School and Memorial High School. We budgeted an 8% increase for this expense.

Figure 108: School Building Facilities Budget by Function

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
360 School Security	4,153	5,191	2,382	3,455	5,460	58%
411 Custodial Services	1,110,045	1,178,924	1,157,118	1,211,706	1,186,050	-2%
412 Energy Management	5,611	3,109	3,315	-	-	0
Grand Total	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-2%

Figure 108 shows the breakdown of the School Building Maintenance Budget by Function. The largest share of this budget is for custodial services (99.5%) which include custodial salaries, contract cleaning services at the high school & Coolidge Middle School, and custodial supplies and equipment. All other expenses including utility services, (electricity, natural gas, and water and sewer) as well as maintenance of buildings is now if the CORE department.

Figure 109: School Building Facilities Staffing

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Facilities	19.5	19.6	20.0	20.0	881,366	20.0	877,850	20.0	925,209
Custodian	18.5	18.6	18.6	18.6	802,469	18.6	800,902	18.6	837,963
District Administrator	1.0	1.0	1.0	1.0	66,950	1.0	65,000	1.0	75,000
Secretary			0.4	0.4	11,946	0.4	11,948	0.4	12,246

Figure 110: School Building Facilities Budget by Detail

	Actual Expended FY2013	Actual Expended FY2014	Actual Expended FY2015	Adopted Budget FY2016	Requested Budget FY2017	% Change
Professional Salaries	110,974	113,846	113,267	66,950	75,000	12.0%
Director	50,000	49,023	47,683	-	-	0.0%
Employee Benefits	-	1,168	6,091	-	-	0.0%
Manager	60,974	63,654	59,493	66,950	75,000	12.0%
Clerical Salaries	18,584	19,543	30,163	11,946	12,571	5.2%
Employee Benefits	325	325	325	-	325	0.0%
Secretary	18,259	19,218	29,838	11,946	12,246	2.5%
Other Salaries	637,924	731,124	701,580	791,880	737,576	-6.9%
Custodian	570,205	740,134	755,964	802,473	837,963	4.4%
Employee Benefits	6,048	10,376	4,305	4,408	4,613	4.7%
Overtime	49,115	51,147	48,026	55,000	55,000	0.0%
Revolving Fund Support	(70,000)	(125,000)	(200,000)	(150,000)	(240,000)	60.0%
Substitutes	82,556	54,467	93,285	80,000	80,000	0.0%
Contract Services	231,540	231,222	231,134	235,840	254,813	8.0%
Cleaning Services	231,540	231,222	231,134	235,840	254,813	8.0%
Supplies & Materials	105,821	73,687	80,246	95,590	97,590	2.1%
Supplies	105,821	73,687	80,246	95,590	97,590	2.1%
Other Expenses	14,966	17,802	6,425	12,955	13,960	7.8%
Energy Management	5,611	3,109	3,315	-	-	0.0%
Equipment	1,598	3,266	607	3,000	4,000	33.3%
Software Licensing & Support	955	955	955	955	960	0.5%
Uniforms	6,803	10,472	1,548	9,000	9,000	0.0%
Grand Total	1,119,809	1,187,224	1,162,815	1,215,161	1,191,510	-1.9%

Special Revenue Funds

Federal, State, and Private Grants

In the current fiscal year, our district is supported by \$3.07 million in federal, state, and private grant funding. While we have been fortunate over the last five years to have been supported by various American Reinvestment and Recovery Act, Education Jobs Act (Ed Jobs) and Race to the Top Funding, these funds are no longer available to us as of FY'15 and beyond.

Figure 111: Summary of Federal, State, and Private Grants

	Expended 2013	Expended 2014	Expended 2015	Award 2016	Projected 2017
Federal Grants:					
Title I	68,670	102,854	114,266	145,778	123,092
Title IIA	58,974	38,890	7,877	101,681	55,925
Safe & Supportive Schools		10,000			
SPED P.L. 94-142	994,600	957,193	971,940	978,744	988,531
SPED Early Childhood	17,994	16,803	17,917	17,919	17,919
SPED Program Improv. Early Child.	4,236	4,000	2,669	6,700	6,700
SPED Prof. Dev.	33,390	15,135	32,957	34,809	34,809
Mental Health First Aid			39,258	60,742	-
School Transformation (MTSS)			111,640	393,018	252,329
Subtotal - Non-ARRA Federal Grants	1,177,863	1,144,875	1,298,523	1,739,392	1,479,305
ARRA SFSF	-	-	-	-	-
Edu Jobs	236,253		-	-	-
Race to the Top (RTTT)	7,645	28,580	-	-	-
Subtotal - ARRA Federal Grants	243,898	28,580	-	-	-
Total - Federal Grants	1,421,761	1,173,455	1,298,523	1,739,392	1,479,305
State Grants:					
Racial Imbalance (METCO)	347,642	362,137	358,161	387,390	395,138
Academic Support	6,704	6,205	4,039	5,300	5,300
Circuit Breaker	1,298,305	1,275,210	1,186,247	952,837	1,043,577
Project Lead the Way	35,902		-		
Total - State Grants	1,688,553	1,643,552	1,548,447	1,345,527	1,444,015
Private Grants:					
Project Lead the Way	65,220	17,780	-	-	-
Total - Private Grants	65,220	17,780	-	-	-
TOTAL - ALL GRANTS	3,110,314	2,817,007	2,846,970	3,084,919	2,923,319

Overall, grant support for the budget in FY'15 increased due in large part to the School Transformation Grant award. There is a timing difference in spending for our Title I and Title IIA grants. Under current regulations we are allowed to carryover some funds into the next fiscal year. We have carried forward a significant portion of our FY15 Title IIA grant into FY'16.

Figure 112: Change in Grant Funded Positions

	FY13 FTE	FY14 FTE	FY15 FTE	Budgeted FY16 FTE	Budgeted FY16 Salary	Actual FY16 FTE	Actual FY16 Salary	Budgeted FY17 FTE	Budgeted FY17 Salary
Grant Funded	16.1	14.1	14.5	14.2	1,054,446	16.6	1,174,861	14.8	1,121,004
Data Analyst				0.3	15,193	1.3	85,193	1.0	70,000
District Administrator of Support Services				0.5	45,000	0.5	45,000	0.5	45,000
Elementary Teacher	3.4	3.8	3.8	3.8	274,094	3.8	255,416	3.8	272,172
High School Teacher	5.0	4.0	4.0	4.0	285,282	3.0	212,268	3.0	222,851
Middle School Teacher	2.5	2.5	2.5	2.5	196,105	2.5	196,105	2.5	201,008
Pre-School Teacher	1.5	1.8	1.6	1.6	106,482	2.0	134,407	2.0	143,224
Team Chair	2.0	2.0	1.6	1.6	132,291	2.0	162,682	2.0	166,749
Tutor	1.7	-	1.0			1.6	83,790		

Special Revenue Funds

The district maintains thirty-five separate special revenue funds that were created and are maintained in accordance with the state’s municipal finance laws as well as the Department of Revenue and Department of Elementary and Secondary Education regulations. The monies that are deposited into these funds include school lunch receipts; user fee receipts and ticket sale revenue from athletics, drama, and band; tuitions for full-day kindergarten and preschool; participation fees for summer school, extended day, and adult education; tuition for non-Reading residents attending enrolled in our in-district special education programs; and gifts and donations. Revenues from these revolving funds are used to support 6.3% of the district’s total expenditures on education. Figure 109 shows the revenues, expenses, and changes in fund balances between July 1, 2013 and June 30, 2014. Figure 110 shows the use of revenue as offsets to the FY’17 Superintendent’s Recommended Budget.

Figure 113: Revolving Fund Activity and Status as of June 30, 2014

	Balance 30-Jun-14	FY15 Revenues	FY15 Expenditures	Balance 30-Jun-15	Net Gain/(Loss)
Revolving Fund:					
School Lunch Program	342,052	1,144,322	1,096,246	390,127	48,076
Athletic Activities	175,907	311,104	374,878	112,133	(63,774)
Guidance Revolving Fund	6,671	54,095	53,509	7,257	586
Coolidge Extracurricular	4,288	200	-	4,488	200
Parker Extracurricular	3,860	-	-	3,860	-
School Transportation	253	52,305	38,281	14,276	14,023
Drama Activities RMHS	49,527	94,233	128,178	15,582	(33,944)
Band Extracurricular Activities	29,878	39,391	50,296	18,973	(10,905)
Drama Activities Parker	34,121	24,629	28,667	30,083	(4,038)
Parker After School Activities	16,367	30,900	24,784	22,484	6,116
Extended Day Program	660,630	1,112,883	907,062	866,451	205,821
Drama Activities Coolidge	10,963	13,085	17,704	6,344	(4,619)
Adult Education Program	4,481	68,822	62,079	11,224	6,743
Summer School Program	47,149	84,220	68,806	62,562	15,413
RISE Preschool Program	474,070	286,190	326,308	433,953	(40,117)
Use of School Property	96,701	333,970	343,793	86,878	(9,823)
Special Education Tuition	840,705	193,907	352,304	682,308	(158,397)
Full Day Kindergarten Tuition	655,141	856,986	820,000	692,127	36,986
Lost Books	20,551	4,363	2,296	22,618	2,067
Elementary Science Materials	1,640	-	-	1,640	-
Burns Foundation (Coolidge)	2,052	-	737	1,314	(737)
District Donation Fund	16,066	7,248	13,316	9,998	(6,068)
Barrows Donations Fund	1,735	2,884	3,017	1,602	(133)
Birch Meadow Donation Fund	4,345	12,048	12,795	3,598	(747)
Joshua Eaton Donation Fund	14,790	2,890	8,246	9,435	(5,356)
JW Killam Donation Fund	5,994	11,594	17,579	9	(5,985)
Wood End Donation Fund	5,769	3,881	1,072	8,578	2,809
Coolidge Donation Fund	20,169	19,347	31,355	8,161	(12,008)
Parker Donation Fund	18,019	18,007	21,128	14,898	(3,122)
High School Donation Fund	21,400	16,593	17,024	20,970	(430)
Special Education Donation Fund	9,350	3,500	4,638	8,212	(1,138)
Total - All Funds	3,594,645	4,803,595	4,826,098	3,572,142	(22,503)

Figure 114: Revenue Offset Summary for FY'17

	Ending Balance 30-Jun-15	FY16 Projected Revenue	FY16 Budgeted Offsets	FY16 Other Expense	Projected Balance 30-Jun-16	FY17 Projected Revenue	FY17 Budgeted Offsets	FY17 Other Expense	Projected Balance 30-Jun-17	Net Gain/(Loss)
Athletic Activities	112,133	350,000	380,000	34,000	97,907	350,000	396,666	34,000	17,241	(80,666)
Extended Day Program	866,451	1,115,000	85,000	1,007,062	763,568	1,112,883	175,000	1,107,062	594,389	(169,179)
Drama Activities RMHS	15,582	130,000	52,000	57,500	70,027	110,000	57,000	57,500	65,527	(4,500)
Full Day Kindergarten Tuition	692,127	840,000	870,000	-	505,141	840,000	900,000	-	445,141	(60,000)
RISE Preschool Program	433,953	280,000	330,000	34,000	350,070	280,000	330,000	34,000	266,070	(84,000)
Special Education Tuition	682,308	200,000	584,000	-	327,705	215,000	215,000	-	327,705	-
Use of School Property	86,878	280,000	200,000	100,000	26,701	280,000	200,000	100,000	6,701	(20,000)
Total - All Funds	2,889,432	3,195,000	2,501,000	1,232,562	2,141,120	3,187,883	2,273,666	1,332,562	1,722,775	(418,345)

Town Building Maintenance

Previously there was an agreement instituted in 1993, the maintenance functions of the town and school buildings were consolidated under the school facilities department. Per this agreement, the budget for municipal building operations and maintenance is developed by the Superintendent and approved by the School Committee. The Director of Facilities oversees the operations of the consolidated Facilities Department under the supervision of the Director of Finance and Operations.

In November 2015, Town Meeting voted to approve the creation of a new department to oversee CORE functions for both School and Town. The budget will be developed by the Director of Facilities with input and direction from the Superintendent and Town Manager.

The School Committee will approve the budgeted revolving fund offsets that will be applied to the new CORE department expenses.

Building Demographic, Staffing, Performance, and Budget Overviews

This section of the budget document provides site-specific information for each of our eight school buildings. For each site, we have included school goals, student demographic information, student performance data, personnel resources, per pupil spending information, and budget information by program (regular day, special education; and facilities). **This information will be added once the School Committee FY17 budget is approved.**

Appendix A: School Finance & Budget Laws, Regulations, and Policies

Massachusetts General Laws (MGL), Code of Massachusetts Regulations (CMR), and School Committee policies guide the Reading Public Schools in all aspects of School Finance & Budget. Below is a summary of the most relevant sections pertaining to school finance and budget.

Massachusetts General Laws (MGL)

GL c. 41, §52 Approval of bills

All accounts rendered to or kept in the departments of any city shall be subject to the inspection of the city auditor or officer having similar duties, and in towns they shall be subject to the inspection of the selectmen. The auditor or officer having similar duties in cities, and the selectmen in towns, shall approve the payment of all bills or pay rolls of all departments before they are paid by the treasurer, and may disallow and refuse to approve for payment, in whole or in part, any claim as fraudulent, unlawful or excessive; and in that case the auditor or officer having similar duties, or the selectmen, shall file with the city or town treasurer a written statement of the reasons for the refusal; and the treasurer shall not pay any claim or bill so disallowed.

GL c. 41, §56 Warrants for payment of bills

The selectmen and all boards, committees, heads of departments and officers authorized to expend money shall approve and transmit to the town accountant as often as once each month all bills, drafts, orders and pay rolls chargeable to the respective appropriations of which they have the expenditure. Such approval shall be given only after an examination to determine that the charges are correct and that the goods, materials or services charged for were ordered and that such goods and materials were delivered and that the services were actually rendered to or for the town as the case may be. The town accountant shall examine all such bills, drafts, orders and pay rolls, and, if found correct and approved as herein provided, shall draw a warrant upon the treasury for the payment of the same, and the treasurer shall pay no money from the treasury except upon such warrant approved by the selectmen.

GL c. 41, §57 Books of account and financial records

The town accountant shall keep a complete set of books wherein shall be entered the amount of each specific appropriation, the amounts and purposes of expenditures made therefrom, the receipts from each source of income, the amount of each assessment levied, and the abatements made; and he shall keep his accounts, so far as practicable, in conformity with the classifications and forms prescribed by the director of accounts in accordance with section forty-three of chapter forty-four and in conformity with any systems, classifications, forms and designations prescribed pursuant to regulations of the board of education for use by school committees.

GL c. 41, §58 Duties; notice of condition of appropriations; record of appropriations

Whenever any appropriation shall have been expended or whenever, in the judgment of the town accountant, it appears that the liabilities incurred against any appropriation may be in excess of the unexpended balance thereof, he shall immediately notify the selectmen and the board, committee, head of department or officer authorized to make expenditures therefrom, and no claim against such appropriation shall be allowed nor any further liability incurred until the town makes provision for its payment. The town accountant shall, at regular intervals and as often at least as once each month, send to the selectmen and to each board, committee, head of department or

officer having the disbursement of an appropriation a statement of the amount of orders approved and warrants drawn on behalf of said board, department or officer during the preceding month, and a statement of the balance of such appropriation remaining subject to draft. Each head of a department, board or committee authorized to expend money shall furnish the town accountant, at the close of the financial year, a list of bills remaining unpaid, showing to whom and for what due, and their amounts; and the town accountant shall incorporate the same in his annual report covering the financial transactions of the town, as provided by section sixty-one.

GL c. 41, §59 Annual estimates; furnishing to town accountant

The selectmen and all boards, committees, heads of departments, or other officers of a town authorized by law to expend money shall furnish to the town accountant, or, if there is no town accountant, to the appropriation, advisory or finance committee, if any, otherwise to the selectmen, not less than ten days before the end of the calendar year, or not less than ninety days prior to the date of the start of the annual town meeting, whichever is later, detailed estimates of the amount necessary for the proper maintenance of the departments under their jurisdiction for the ensuing fiscal year, with explanatory statements as to any changes from the amounts appropriated for the same purposes in the then current fiscal year, and an estimate of amounts necessary for outlays or permanent improvements. They shall also prepare estimates of any income likely to be received by the town during the ensuing fiscal year in connection with the town's business or property entrusted to their care.

GL c. 44, §31 Liabilities in excess of appropriations forbidden; exceptions

No department financed by municipal revenue, or in whole or in part by taxation, of any city or town, except Boston, shall incur a liability in excess of the appropriation made for the use of such department, each item recommended by the mayor and voted by the council in cities, and each item voted by the town meeting in towns, being considered as a separate appropriation, except in cases of major disaster, including, but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an immediate threat to the health or safety of persons or property, and then only by a vote in a city of two-thirds of the members of the city council, and in a town by a majority vote of all the selectmen.

GL c. 44, §53 City, town or district funds; use and disposition

All moneys received by any city, town or district officer or department, except as otherwise provided by special acts and except fees provided for by statute, shall be paid by such officers or department upon their receipt into the city, town or district treasury. Any sums so paid into the city, town or district treasury shall not later be used by such officer or department without specific appropriation thereof; provided, however, that sums recovered from pupils in the public schools for loss of school books or paid by pupils for materials used in the industrial arts projects may be used by the school committee for the replacement of such books or materials without specific appropriation.

GL c. 44, §56 Towns; fiscal year

The fiscal year of all towns of the commonwealth shall begin with July first and end with the following June thirtieth, and the returns made to the director under section forty-three shall show the financial condition of the town at the close of business on June thirtieth; provided, however, that the treasurer shall, until July fifteenth, enter in his books all items for the payment of bills incurred and salaries and wages earned during the previous fiscal year, excepting payment of school teachers' salaries which have been deferred under the provisions of section forty of chapter seventy-one, and expenditures thereof shall be deemed to be as of June thirtieth preceding.

GL c. 71, §26C Contributions and federal funds; use

The commonwealth and the school committee of any town may accept funds from the federal government for the purposes of sections twenty-six A to twenty-six F, inclusive. The school committee of any town may receive contributions in the form of money, material, quarters or services for the purposes of said sections from organizations, employers and other individuals. Such contributions received in the form of money, together with fees from parents and any allotments received from the federal government for said purposes, shall be deposited with the treasurer of such town and held as a separate account and expended by said school committee without appropriation, notwithstanding the provisions of section fifty-three of chapter forty-four.

GL c. 71, §34 Support of schools; appropriations; recommendations

Every city and town shall annually provide an amount of money sufficient for the support of the public schools as required by this chapter, provided however, that no city or town shall be required to provide more money for the support of the public schools than is appropriated by vote of the legislative body of the city or town. In acting on appropriations for educational costs, the city or town appropriating body shall vote on the total amount of the appropriations requested and shall not allocate appropriations among accounts or place any restriction on such appropriations. The superintendent of schools in any city or town may address the local appropriating authority prior to any action on the school budget as recommended by the school committee notwithstanding his place of residence. The city or town appropriating body may make nonbinding monetary recommendations to increase or decrease certain items allocating such appropriations.

The vote of the legislative body of a city or town shall establish the total appropriation for the support of the public schools, but may not limit the authority of the school committee to determine expenditures within the total appropriation.

GL c. 71, §37 Duties of School Committee

The school committee in each city and town and each regional school district shall have the power to select and to terminate the superintendent, shall review and approve budgets for public education in the district, and shall establish educational goals and policies for the schools in the district consistent with the requirements of law and statewide goals and standards established by the Board of Education.

GL c. 71, §38N Proposed Annual Budgets

The school committee of each city, town or regional school district shall hold a public hearing on its proposed annual budget not less than seven days after publication of a notice thereof in a newspaper having general circulation in such city, town or district. Prior to such public hearing said committee shall make available to the public at least one copy of said proposed budget for a time period of not less than forty-eight hours either at the office of the superintendent of schools or at a place so designated by said committee. At the time and place so advertised or at any time or place to which such hearing may from time to time be adjourned all interested persons shall be given an opportunity to be heard for or against the whole or any part of the proposed budget. Such hearing shall be conducted by a quorum of the school committee. For the purpose of this section a quorum shall consist of a majority of the members of said school committee.

GL c. 71, §49a Orders for materials and equipment; contracts for services

At any time after the annual appropriations for the ensuing fiscal year are made by a city or town or by all the member cities and towns of a regional school district, a school committee may order materials, supplies and equipment and may contract for services for the public schools which are chargeable against such appropriations, provided that no payment therefor shall be made prior to the commencement of said ensuing fiscal year.

GL c. 71, §71F Nonresident or foster care students; deposit of tuition payments and state reimbursements; expenditures and appropriations

In any city or town which accepts this section, all monies received by the school committee as tuition payments for nonresident students and as state reimbursements for students who are foster care children shall be deposited with the treasurer of the town or city and held as separate accounts. The receipts held in such a separate account may be expended by said school committee without further appropriation for expenses incurred in providing education for such nonresident students or for such students who are foster care children, notwithstanding the provisions of section fifty-three of chapter forty-four. A city or town may appropriate funds for expenses incurred in providing education for such nonresident students or for such students who are foster care children, which funds shall be expended by the school committee in addition to funds provided from other sources.

GL c. 30B Uniform Procurement Act

The Uniform Procurement Act establishes uniform procedures for local governments to procure supplies and services, dispose of surplus supplies and acquire and dispose of real property. For supplies and services, Chapter 30B requires the use of sound business practices for contracts under \$5,000; solicitation of three quotes for contracts in the amount of \$5,000 up to \$24,999; and competitive sealed bids or proposals for contracts in the amount of \$25,000 or more.

Code of Massachusetts Regulations (CMR)

603 CMR 7.00 Educator Licensure and Preparation Program

This regulation establishes the professional standards for practice of teachers and administrators and requirements for licensure as well as induction programs for newly licensed educators. Under these regulations all candidates for preliminary or initial licensure must pass the Massachusetts Tests for Educator Licensure (MTEL). Initial or preliminary licensure is issued to individuals who have completed a bachelor's degree, passed the MTEL, completed an educator preparation program, and met all other Board of Education requirements. This license is valid for five years. Professional licensure is issued to individuals who have met the requirements of the Initial License, passed the MTEL and met other Board of Education Requirements, including the possession of a Master degree. The license is valid for five years and may be renewed for additional five year terms provided the individual has obtained the necessary professional development during the five year period. Massachusetts districts are prohibited from hiring non-licensed teachers unless they obtain a valid MA DESE approved waiver. Waivers are issued on a one-year basis and must be renewed in subsequent years for non-licensed teachers or the teacher must be replaced with a licensed teacher.

603 CMR 10.00 School Finance and Accountability

This regulation governs school and school district record keeping and reporting of information required to determine compliance with state and federal education statutes, and regulations; to compute school district spending requirements and annual state aid allocations; and to evaluate progress toward meeting the objectives of St. 1993, c. 71 (the Education Reform Act of 1993). Key provisions include:

- Each school district shall adopt and maintain a reliable data collection and retention system in which the student data required by 603 CMR 10.00 shall be recorded. This system shall be the basis for the district's periodic reporting of student data to the Department.
- Districts shall maintain enrollment, membership, and personnel data, in accordance with the program classification descriptions and reporting criteria set forth in guidelines published by the Department.

- Each school district shall adopt and maintain a financial accounting system, in accordance with generally accepted accounting principles and requirements prescribed by the Commissioner of Revenue, in which all revenue and expenditure data shall be recorded. This system shall be the basis for the district's periodic reporting of financial data to the Department.
- Every school district shall report to the Department, as of October 1, data required to determine the district's foundation enrollment and other student information. The data required shall be compiled and reported in accordance with guidelines published by the Department and any supplementary instructions issued by the Department.
- Each city, town and regional school district shall submit an End-of-Year Financial Report to the Department on or before September 30 of each year. A district's actual expenditure and revenue data of the prior fiscal year and estimated expenditures and revenues of the current fiscal year shall be reported in the form prescribed by the Department, in accordance with the category definitions and reporting criteria set forth in guidelines published by the Department.
- The Department shall compare each school district's net school spending in the prior fiscal year with the net school appropriation required by M.G.L. c. 70, § 6 to determine the district's compliance with M.G.L. c. 70 net school spending requirements.
- Each school district shall pay for the special education and related services specified in the approved individual education plan for every student in need of special education for whom the district is assigned financial responsibility under 603 CMR 28.00.
- State payments to school districts under the special education circuit breaker reimbursement program, so-called (M.G.L. c.71B, s.5A,) shall be made in accordance with 603 CMR 10.07(5) through 10.07(11). Claims for reimbursement under this program shall be submitted by the district that has financial responsibility under 603 CMR 28.03(4).
- Every school district shall, within nine months of the close of its fiscal year, arrange for and undergo an independent audit of its financial records and submit the report of this audit to the Department. The audit will be conducted, at a minimum, in accordance with the compliance supplement for Massachusetts school districts issued by the Department. The Department may waive the requirement of an annual compliance supplement audit for an elementary school district that has only one school.

603 CMR 28.00 Special Education

This regulation governs the provision by Massachusetts public schools of special education and related services to eligible students and the approval of public or private day and residential schools seeking to provide special education services to publicly funded eligible students. The requirements set forth in 603 CMR 28.00 are in addition to, or in some instances clarify or further elaborate, the special education rights and responsibilities set forth in state statute (M.G.L. c. 71B), federal statute (20 U.S.C. §1400 et seq. as amended), and federal regulations (34 CFR §300 et seq. as amended). The purpose of 603 CMR 28.00 is to ensure that eligible Massachusetts students receive special education services designed to develop the student's individual educational potential in the least restrictive environment in accordance with applicable state and federal laws.

603 CMR 30.00 Massachusetts Comprehensive Assessment System (MCAS)

This regulation establishes standards relating to the Competency Determination required by M.G.L. c. 69, § 1D. Students starting with the graduating class of 2010 must satisfy one of the following two conditions in both English language arts and mathematics to earn a competency determination: (a) meet or exceed the Proficient threshold scaled score of 240 on the English Language Arts and Mathematics grade 10 MCAS tests, or (b) meet or exceed the Needs Improvement threshold scaled score of 220 on the English Language Arts and Mathematics grade 10 MCAS tests and fulfill the requirements of an Educational Proficiency Plan.

Students starting with the graduating class of 2010 shall, in addition to meeting the requirements found in 603 CMR 30.03(2), take a discipline specific high school Science and Technology/Engineering MCAS test (Biology,

Chemistry, Introductory Physics or Technology/Engineering) and shall meet or exceed the Needs Improvement threshold scaled score of 220 on the test in order to satisfy the requirement of the Competency Determination.

603 CMR 35.00 Evaluation of Teachers and Administrators

The purpose of 603 CMR 35.00 is to ensure that every school committee has a system to enhance the professionalism and accountability of teachers and administrators that will enable them to assist all students to perform at high levels. This regulation sets out the principles of evaluation for Massachusetts public schools and districts and requires that school committees establish a rigorous and comprehensive evaluation process for teachers and administrators, consistent with these principles, to assure effective teaching and administrative leadership in the Commonwealth's public schools. The specific purposes of evaluation under 603 CMR 35.00 are: (a) to promote student learning, growth, and achievement by providing educators with feedback for improvement, enhanced opportunities for professional growth, and clear structures for accountability, and (b) to provide a record of facts and assessments for personnel decisions.

School Committee Policies

Policy DA Fiscal Management Goals

The quantity and quality of learning programs are directly dependent on the effective, efficient management of allocated funds. It follows that achievement of the school system's purposes can best be achieved through excellent fiscal management. As trustee of local, state, and federal funds allocated for use in public education, the Committee will fulfill its responsibility to see that these funds are used wisely for achievement of the purposes to which they are allocated.

Because of resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the school system take specific action to make sure education remains central and that fiscal matters are ancillary and contribute to the educational program. This concept will be incorporated into Committee operations and into all aspects of school system management and operation. In the school system's fiscal management, it is the Committee's intent:

1. To engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures so as to achieve the greatest educational returns and the greatest contributions to the educational program in relation to dollars expended.
2. To establish levels of funding that will provide high quality education for the students.
3. To use the best available techniques and technology for budget development and management as well as for financial processes, procedures and analysis
4. To provide timely and appropriate information to all staff with fiscal management responsibilities.
5. To establish maximum efficiency procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.
- 6.

Policy DB Annual Budget

The annual budget is the financial expression of the educational mission and program of the school department. The budget is more than just a financial instrument and requires on the part of the Committee, the staff, and the community an orderly and cooperative effort to ensure sound fiscal practices for achieving the educational mission, goals, and objectives of the school system.

Public school budgeting is regulated and controlled by legislation, state regulations, and local School Committee requirements. The operating budget for the school system will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The Superintendent will serve as budget officer but he/she may delegate portions of this responsibility to members of his/her staff as he/she deems appropriate. The three general areas of responsibility for the Superintendent as budget officer will be budget preparation, budget presentation, and budget administration.

Policy DBC Budget Deadlines and Schedules

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and charter. In accordance with Massachusetts General Law, the School Committee will hold a public hearing on a proposed budget before it takes a final vote on a proposed budget.

Policy DBD Budget Planning

The major portion of income for the operation of the public schools is derived from local property taxes, and the School Committee will attempt to protect the valid interest of the taxpayers. However, the first priority in the development of an annual budget will be the educational welfare of the children in our schools.

Budget decisions reflect the attitude and philosophy of those charged with the responsibility for educational decision making. Therefore, a sound budget development process must be established to ensure that the annual operating budget accurately reflects this school system's goals and objectives.

In the budget planning process for the school system, the School Committee will strive to:

1. Engage in thorough advance planning, with staff and community involvement, in order to develop budgets and guide expenditures in a manner that will achieve the greatest educational returns and contributions to the educational program in relation to dollars expended.
2. Establish levels of funding that will provide high quality education for all our students.
3. Use the best available techniques and technology for budget development and management. The Superintendent will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar.

Policy DBG Budget Adoption Procedures

Authority for adoption of the final school budget lies with the Town Meeting. The fiscal year shall begin on the first day of July and shall end on the thirtieth day of June, unless another provision is made by general law.

The General Laws of the Commonwealth of Massachusetts also establish the following procedures pertaining to the School Committee budget: Public Hearing by School Committee - As per Chapter 71 Section 38N of the General Laws. "The School Committee of each city, town or regional school district shall hold a public hearing on its proposed annual budget not less than seven days after publication of a notice thereof in a newspaper having general circulation in such city, town or district. Prior to such public hearing said Committee shall make available to the public at least one copy of said proposed budget for a time period of not less than forty-eight hours either at the office of the Superintendent of Schools or at a place so designated by said Committee. At the time and place so advertised or at any time or place to which such hearing may from time to time be adjourned all interested persons shall be given an opportunity to be heard for or against the whole or any part of the proposed budget. Such hearing shall be conducted by a quorum of the School Committee. For the purposes of this section a quorum shall consist of a majority of the members of said School Committee."

Appendix B: School Finance and Accounting

Fund Accounting

Reading utilizes fund accounting as a means of organizing the financial records into multiple, segregated locations. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. There are four main funding sources for the Reading Public Schools: General Fund, Grant Funds, Revolving Funds and Capital Funds.

General Fund

General Fund revenue comes from the local revenues of the municipality which are raised primarily through local property taxes and fees. The next largest source of general fund revenue is state aid which includes state education funds (Chapter 70 funds). Other sources include transfers from other funds, such as enterprise funds or distributed earnings from Reading Municipal Light Department, or free cash reserves. All general fund revenues used to support the budget are subject to appropriation by Town Meeting. School expenses charged to the General Fund include expenses for district administration, regular education, special education, athletics, extracurricular activities, health services, technology and infrastructure maintenance, and school building maintenance.

Grant Funds

Grant Funds are awarded through an entitlement or competitive processes and must be used for their stated purpose. There are three main sources of grant funds: Federal, State and Private. Examples of these funds include:

- Federal: Title I, Title IIA, IDEA Sped 94-142
- State: METCO, Academic Support
- Private: Project Lead The Way (PLTW)

Special Revenue Funds

Special Revenue or Revolving Funds allow the district to raise revenues for providing a specific service and use those revenues without further appropriation to support the service. There are a number of revolving funds including, but not limited to:

- School Lunch (sales and costs associated with providing meals to students);
- Athletics (user fees and gate receipts used to offset the cost of the athletic program);
- Drama (user fees and ticket sales used to offset the cost of the drama program);
- Full Day Kindergarten (tuition used to offset the cost of the full day kindergarten program);
- RISE Preschool (tuition used to offset the program costs);
- Guidance (revenue and expenses related college and career readiness programs); and
- Extended Day (fees used to offset the cost of the extended day program).

Capital Funds

Capital Fund revenue comes from borrowing or direct outlay for capital or fixed asset improvements. Capital funds are project specific and require Town Meeting authorization.

School Department Account Structure

Reading Public Schools classification of revenue adheres to the requirement of the Massachusetts Department of Elementary and Secondary Education (MA DESE). Revenues are tracked by funding source through separate funds. Below are the DESE Revenue categories

Revenue Classification

1. General fund receipts:
 - a. Tuition receipts, transportation fees, earnings on investments, rental fees, medical care and assistance, and other general fund revenue;
 - b. The cash value of all non-revenue receipts.
2. State aid receipts:
 - a. Chapter 70 (school aid), chapter 70B (construction aid through MSBA)
 - b. Pupil transportation, charter reimbursement and facilities aid, circuit breaker and foundation reserve
3. State and Federal Grant receipts:
 - a. State grants or contracts received from the Department or any other state agency.
 - b. Federal grants or contracts received from the Department, from other state agencies or from any other federal government source
4. Revolving and special fund receipts:
 - a. School lunch receipts, including state and federal reimbursements
 - b. Athletic and other student body receipts for admission for school events
 - c. Tuition receipts for school choice or other receipts for adult education, community school programs, out of district tuitions or summer school.
 - d. Other local receipts as permitted by law, such as culinary arts programs, insurance reimbursements, lost schoolbooks or costs of industrial arts supplies, self-supporting recreation and park services or rental of school facilities.
 - e. Private receipts shall include all non-governmental grants or gifts.

The classification of expenditures allows for tracking expenses by function and expense type. The Massachusetts Department of Elementary and Secondary Education (MA DESE) requires all school districts to maintain an account structure that, "provides school and instructional expenditure information with greater specificity for accountability purposes beginning in fiscal year 2002³" Reading's account structure mirrors the account structure prescribed by MA DESE. The accounting structure allows the district to break out expenses in a variety of ways to compare and contrast spending trends and provide a clear breakout of actual and anticipated spending. Each year, districts must file the End of Year Pupil and Financial Report based on the MA DESE Expenditure classifications shown below.

Expenditures - Functional Classification

1000 DISTRICT LEADERSHIP & ADMINISTRATION: Activities which have as their purpose the general direction, execution, and control of the affairs of the school district that are system wide and not confined to one school, subject, or narrow phase of school activity.

1100 General Administration

1110 School Committee

1200 District Administration

1210 Superintendent

1220 Assistant Superintendents

³ Massachusetts Department of Elementary and Secondary Education (DESE) website (Accounting and Auditing)

1230 District-Wide Administration (Grants Manager, Director of Planning)

1400 Finance and Administrative Services

1410 Finance and Business

1420 Human Resources, Benefits, Personnel

1430 Legal Services for School Committee

1435 Legal Settlements

1450 District wide Information Management and Technology (Expenditures that support the data processing needs of the *school district, including student databases*)

2000 INSTRUCTIONAL SERVICES: Instructional activities involving the teaching of students, supervising of staff, developing and utilizing curriculum materials and related services. Instructional services directly attributable to schools must be reported on a school basis, while district-wide services, such as supervisory may be reported on a district-wide basis.

2100 District wide Academic Leadership - managers responsible for delivery of student instructional programs at the district level

2110 Curriculum Directors (supervisory)

2120 Department Heads (non-supervisory)

2200 School Building Leadership: Building Level – Curriculum leaders, department heads, school principals and assistants, headmasters and deans.

2210 School Leadership – Building – Principal's Office

2220 School Curriculum Leaders/Department Heads – Building Level

2250 Building Technology (support *school's* daily operation, non-instructional)

2300 Instruction - Teaching Services

2305 Classroom Teachers – Certified teachers responsible for teaching designated curriculum to established classes or students in a group instruction setting, including music, art and physical education teachers.

2310 Specialist Teachers - Certified teachers who provide individualized instruction to students (in-class or pull out, one to one or small groups) to supplement the services delivered by the student's classroom teachers.

2315 Instructional Coordinators and Team Leaders (Non-Supervisory) – Includes curriculum facilitators, instructional team leaders and department chairs that are non-supervisory

2320 Medical/Therapeutic Services (Costs for Occupational Therapy, Physical Therapy, Speech, Vision and other therapeutic services that are provided by licensed practitioners)

2325 Substitutes - Include long and short term as well as certified and non-certified teachers who cover vacant positions or absences.

2330 Paraprofessionals/Instructional Assistants hired to assist teachers/specialists in the preparation of instructional materials or classroom instruction.

2340 Librarians and Media Center Directors

2350 Professional Development for teachers, support staff and school councils

2351 Professional Development Leadership Development

2353 Teacher/Instructional Staff-Professional Days

2355 Substitutes for Teachers/Instructional Staff at Professional Development Activities

2357 Professional Development Stipends, Providers and Expenses

2400 Instructional Materials and Equipment

2410 Textbooks and Related Software/Media/Materials

2415 Other Instructional Materials

- 2420 Instructional Equipment
- 2430 General Supplies
- 2440 Other Instructional Services
- 2450 Instructional Technology: (to support *direct instructional* activities)
 - 2451 Classroom (Laboratory) Instructional Technology
 - 2453 Other Instructional Hardware
 - 2455 Instructional Software
- 2700 Guidance, Counseling and Testing Services**
 - 2710 Guidance**
 - 2720 Testing and Assessment
- 2800 Psychological Services** (Salaries and expenses for psychological evaluation, counseling and other services provided by a licensed mental health professional)

3000 OTHER SCHOOL SERVICES: *Other than instructional services.*

- 3100 Attendance and Parent Liaison Services**
- 3200 Health Services**
- 3300 Student Transportation Services**
- 3400 Food Services**
- 3510 Athletic Services**
- 3520 Other Student Activities**
- 3600 School Security**

4000 OPERATION and MAINTENANCE OF PLANT: Activities relating to the physical plant and maintenance activities for grounds, buildings and equipment.

- 4110 Custodial Services**
- 4120 Heating of Buildings**
- 4130 Utility Services**
- 4210 Maintenance of Grounds**
- 4220 Maintenance of Buildings**
 - 4225 Building Security System – Installation and Maintenance
 - 4230 Maintenance of Equipment
- 4300 Extraordinary Maintenance**
- 4400 Networking & Telecommunications:** (to support the district's infrastructure)
 - 4450 Technology Maintenance

5000 FIXED CHARGES: Retirement and insurance programs, rental of land and buildings, debt service for current loans, and other recurring items, which are not generally provided for under another function.

- 5100 Employee Retirement**
- 5200 Insurance Programs**
 - 5250 Insurance for Retired School Employees
 - 5260 Other Non-Employee Insurance
- 5300 Rental-Lease of Equipment**
 - 5350 Rental-Lease of Buildings
- 5400 Debt Service** (Interest) on Current Loans - RANS
 - 5450 Debt Service (Interest) on Current Loans - BANS
- 5500 Other Charges:** (Other items of a recurrent nature for school purposes)
 - 5550 Crossing Guards

6000 COMMUNITY SERVICES: Services provided by the school district for the community as a whole, or some segment of the community.

- 6200 Civic Activities**
- 6300 Recreation Services**
- 6800 Health Services to Non-Public Schools**
- 6900 Transportation Services to Non-Public Schools**

7000 ACQUISITION, IMPROVEMENT AND REPLACEMENT OF FIXED ASSETS: Acquisition of land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or acquisition of initial or additional *non instructional* equipment exceeding the \$5,000 unit cost and \$100,000 extraordinary maintenance cost as defined in 603 CMR 10.00.

- 7100 Acquisition and Improvement of Sites**
- 7200 Acquisition and Improvement of Buildings**
- 7300 Acquisition and Improvement of Equipment**
 - 7350 Capital Technology
- 7400 Replacement of Equipment**
- 7500 Acquisition of Motor Vehicles**
- 7600 Replacement of Motor Vehicles**

8000 DEBT RETIREMENT AND SERVICE: Retirement of debt and payment of interest and other debt costs.

- 8100 Long Term Debt Retirement/School Construction**
- 8200 Long Term Debt Service/School Construction**
- 8400 Long Term Debt Service/Educational Expenditures**
- 8600 Long Term Debt Service/Other**

9000 PROGRAMS WITH OTHER SCHOOL DISTRICTS: Transfers of payments to other school districts or to non-public schools for services provided to students residing in the sending city or town.

- 9100 Programs with Other Districts in Massachusetts**
 - 9110 School Choice Tuition
 - 9120 Tuition to Charter Schools (Horace Mann or Commonwealth)
- 9200 Tuition to Out-of-State Schools**
- 9300 Tuition to Non-Public schools**
- 9400 Tuition to Collaboratives**
- 9500 Payments to Regional School Districts**

Object Code Expenditures

01 Salaries Professional

The full-time, part-time and prorated portions of payments to personnel services of a professional nature rendered to an education plan. Categories included as professional are Superintendents, Principals, Supervisors, Teachers, Librarians, Counselors, Psychologists and other professional educators.

02 Salaries Secretarial and Clerical

Payments for a grouping of assignments to perform the activities of preparing, transferring, transcribing, systematizing or preserving communications, records and transactions, regardless of the level of skills required.

03 Salaries Other

Payments for a grouping of assignments regardless of level of difficulty that relate to supportive services including: Custodians, Aides, Substitutes, Paraprofessional, Food Service Personnel, School Bus Drivers, Cross Walk Guards and other classified salaries not identified as professional, secretarial and clerical.

04 Contract Services

Payments for services rendered by personnel who are not on the payroll and are not regular employees, including all related expenses covered by the contract.

05 Supplies and Materials

Materials and items of an expendable nature that is consumed, worn out or deteriorated in use, loses its identity through fabrication or incorporation into a different or more complex unit or substance. These items are defined as having a unit price of under \$5,000.

06 Other Expenditures

Expenditures not chargeable to another object code, such as dues, subscriptions and travel for staff (e.g., food, coal, fuel oil, gas, file servers).