



Hamilton-Wenham BRC Report

June 17th, 2009

Lisa Kane – Chair

Dave Reid – Vice-Chair

Lynette Fallon – Secretary

Bob Bullivant, Margo Druschel, Betty Dunbar, Don Gallant, Roger Kuebel



BRC Mission and Goals

- Develop and pursue to recommendation meaningful ideas to increase revenue and /or reduce the rate of growth in the cost of delivering a quality education to the children in the Hamilton Wenham School System, as set forth by the Steering Committee
- Understand the current status of the HWRSD today in terms of spending in core categories, and baseline education quality metrics
- Understand how HWRSD compares to selected peer group across these core categories of cost and quality
- Investigate options for 3rd Party Review of HWRSD Operations
- Recommend options for next steps by the two towns and schools



Evaluation Process Overview

- Massachusetts DOE Data Sets
 - Statistical Review and Peer Benchmarking
 - Overall Expenditures / SPED Expenditures
 - Academic Performance – MCAS and SAT
- Baseline Development Information Sets
 - DOE/HWRSD Expenditure Chart of Accounts Overview
 - HWRSD Financial Audit Review
 - HWRSD Special Education Overview
 - Regional Agreement Reviews
 - Education Report Reviews
 - Consultant Interviews



Evaluation Process Overview

- Education System Analysis Reports
 - US Chamber of Commerce Leaders and Laggards Report
 - MA Readiness Finance Commission Report
 - North Reading Municipal Benchmarking Report
 - HWRSD Tax-Exempt Student Impact Report
 - HWRSD Regional Agreement / Manchester Essex Regional Agreement
- 3rd Party Review Options
 - Salem Audit Feedback (Sarah Johnson)
 - Nate Levensen – NLL Consulting
 - Grace Belfiore – MA Insight – SPED Reports
 - James Early - Walker Partnerships
 - Jim Flanagan – Public Consulting Group



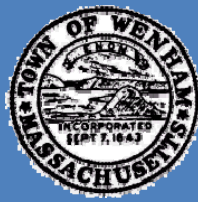
BRC Meeting Topics

- Oct08 – Kick-Off
- Oct28 – Initial DOE Data Review
- Nov12 – Selection of Cohort Districts / HWRSD Finance Review
- Nov25 – HWRSD SpEd Review / Initial Cohort Data Review
- Dec09 – HWRSD Budget Process Review / Cohort Data Review / Mass Municipal North Reading Review / DOR Advisory Memo Review
- Dec 16 – Steering Committee / Cohort Questionnaire / Regional Agreement / EIE Selectmen Audit Request/ Budget Process
- Jan 13 – Cohort Questionnaire / Tax-Exempt Student Impact / Salem Audit / Regional Agreement
- Feb 10 - 3rd Party Review Options / FinCom-HWRSD Salary Comp / Manchester-Essex Regional Agreement / MA Readiness Report



BRC Meeting Topics

- Feb24 – Consultant Interview (Nate Levensen - NLL Consulting)
- Mar17 – Consultant Interview (Grace Belfiore - MA Insight - SPED Reports) / DOE 2008 Preliminary Update (Ranking Review) / MA Readiness Report
- Mar31 – SPED Reports Review (Harvard, Lincoln, Arlington, Acton-Boxborough, Stratham(NH)) / NEASC S-T-R Discussion
- Apr14 – Consultant Interview (James Early - Walker Partnerships) / Town Budget Allocation Process / Teacher Salary Impact on 2.5% Limit
- Apr28 – 3rd Party Review (Jim Flanagan – Public Consulting Group)
- May12 – 3rd Party Options / Town Budget Allocation Process
- May26 – 3rd Party Options Discussion / School Info Access
- Jun09 – BRC Report Draft Commentary Review
- Jun17 – BRC Report

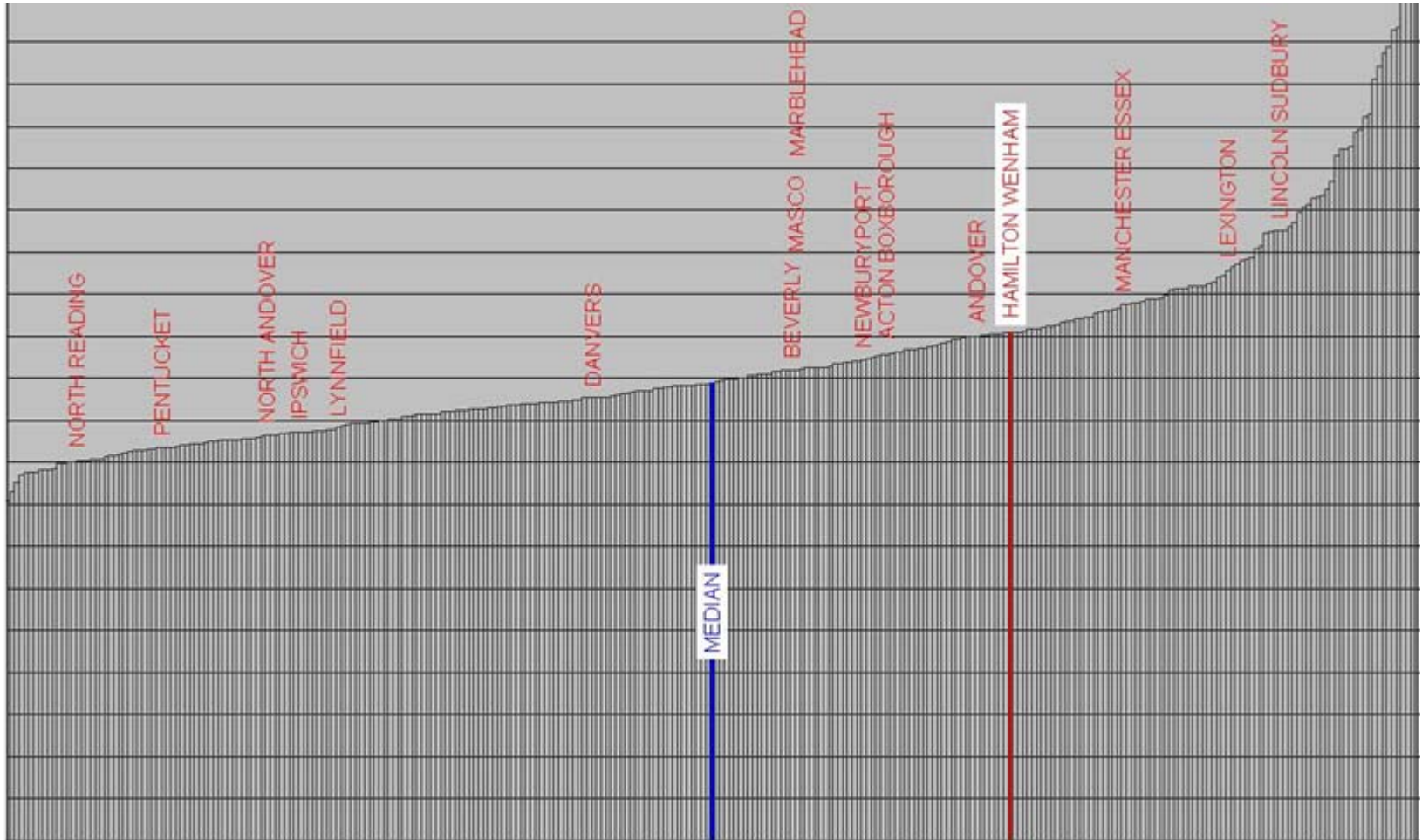


DOE Data Analysis

- 2007 DOE Data Sets
 - FY07 Expenditures Per Pupil, All Funds, Summary By Function
 - Chapter 70 Funding
 - School / District Profiles
 - Statewide Reports – MCAS / SAT Test Scores
 - Direct Special Education Expenditures
 - Special Education Profiles
 - 2008 DOE Data Sets*
 - *FY08 Expenditures Per Pupil, All Funds, Summary By Function*
 - *Statewide Reports – MCAS*
- *Preliminary Data Sets*



Initial HWRSD & Cohort Expenditure Ranking





BRC Cohort Review and Selection

- DOE HWRSD Cohort Group
 - DOE basis appears to be simply school population basis
 - Some towns do appear of interest – like Norwell – added to BRC list

Lea	District Name	Grade Structure	equalized property valuation (EQV) per capita 2006	district hi-low rank in EQV	median household income 1999	district hi-low rank in income	average rank in wealth	total fte pupils	total expenditures	expenditures per pupil
14	ASHLAND	K-12	160,138	129	68,392	79	104	2,746	29,101,510	10,599
23	BEDFORD	K-12	228,730	63	87,962	28	46	2,372	34,482,614	14,539
105	GEORGETOWN	K-12	163,689	127	76,260	51	89	1,787	14,858,747	8,315
144	IPSWICH	K-12	207,693	74	57,284	143	109	2,140	20,834,085	9,734
158	LITTLETON	K-12	179,371	106	71,384	63	85	1,686	17,710,066	10,502
164	LYNNFIELD	K-12	221,975	66	80,626	41	54	2,305	22,678,769	9,840
204	NEWBURYPORT	K-12	205,112	76	58,557	137	107	2,594	29,722,463	11,458
219	NORWELL	K-12	237,808	60	87,397	31	46	2,300	23,571,833	10,248
290	SUTTON	K-12	147,395	162	75,141	55	109	1,755	15,917,555	9,068
291	SWAMPSCOTT	K-12	194,562	88	71,089	65	77	2,587	27,650,030	10,688
675	HAMILTON WENHAM	K-12	187,918	93	77,877	48	71	2,196	26,584,547	12,105



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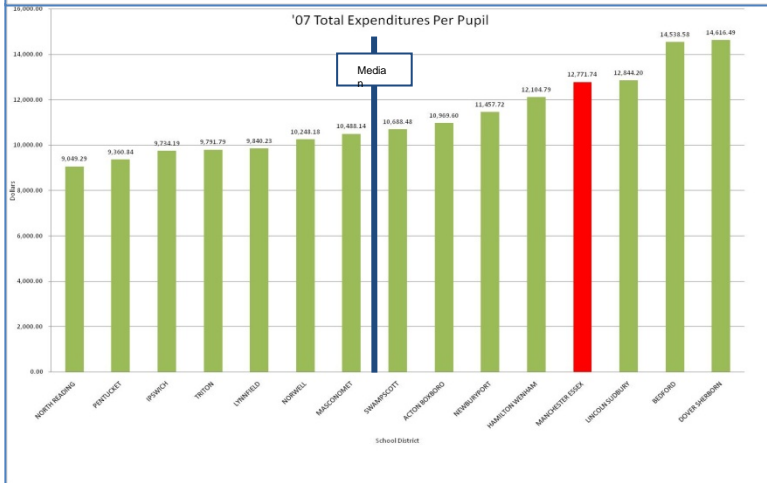
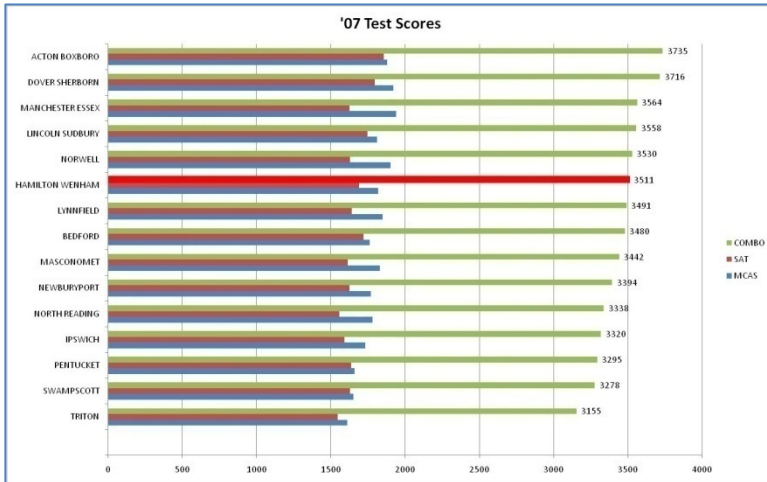


BRC Cohort Review and Selection

HW Cohorts	DOE Cohorts	BRC Cohorts	Students		
			ID	OD	TOT
HAMILTON WENHAM	HAMILTON WENHAM	HAMILTON WENHAM	2153	43	2196
	ASHLAND				
ACTON BOXBOROUGH		ACTON BOXBOROUGH	5901	140	6041
ANDOVER					
	BEDFORD	BEDFORD	2256	115	2372
BEVERLY					
DANVERS					
		DOVER SHERBORN	2160	36	2196
	GEORGETOWN				
IPSWICH	IPSWICH	IPSWICH	2095	45	2140
LEXINGTON					
LINCOLN SUDBURY		LINCOLN SUDBURY	6101	95	6196
	LITTLETON				
LYNNFIELD	LYNNFIELD	LYNNFIELD	2273	32	2305
MANCHESTER ESSEX		MANCHESTER ESSEX	1319	52	1371
MARBLEHEAD					
MASCONOMET		MASCONOMET	4654	67	4721
NEWBURYPORT	NEWBURYPORT	NEWBURYPORT	2378	216	2594
NORTH ANDOVER					
NORTH READING		NORTH READING	2776	48	2824
	NORWELL	NORWELL	2262	38	2300
PENTUCKET		PENTUCKET	3376	133	3509
	SUTTON				
	SWAMPSCOTT	SWAMPSCOTT	2533	54	2587
		TRITON	3248	375	3623



BRC Cohort Review



HWRSD MCAS/SAT

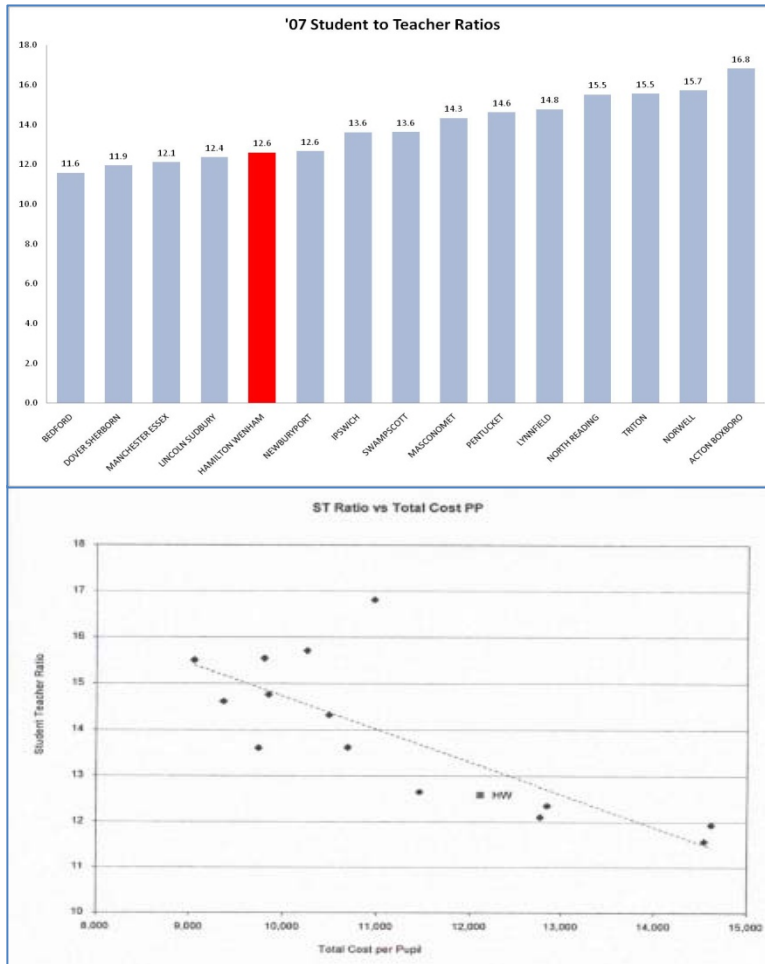
- Normalized combined score
 - State Avg “3000”
 - 1500 MCAS / 1500 SAT
- HWRSD **3511** (1820/1691)
- Cohort **3450** (1792/1658)

Per Pupil Expenditures

- HWRSD **\$12,105**
(108%/114% to cohort avg/med)
- Cohort Average **\$11,171**
- Cohort Median **\$10,588**



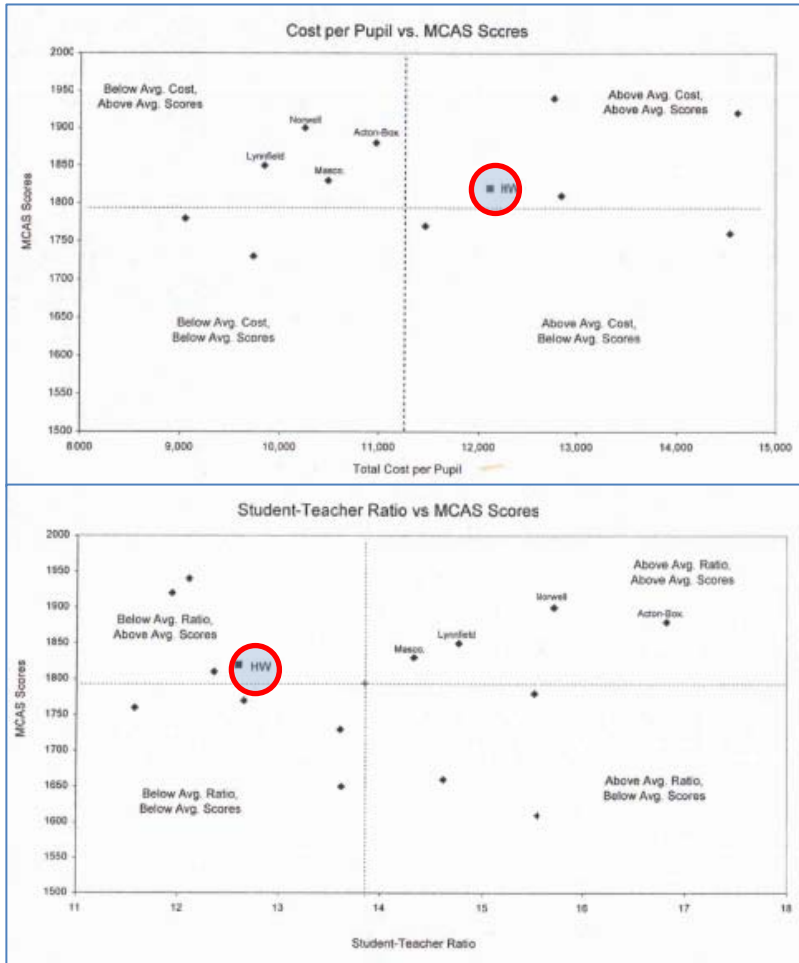
BRC Cohort Review



- Student Teacher Ratio (STR)
 - HWRSD has a better STR than the Cohort average, and the state average too
 - There is a strong correlation between the Total Per Pupil Expenditures and the STR
 - Further analysis would need to be done on the correlation to specific instructional expenses



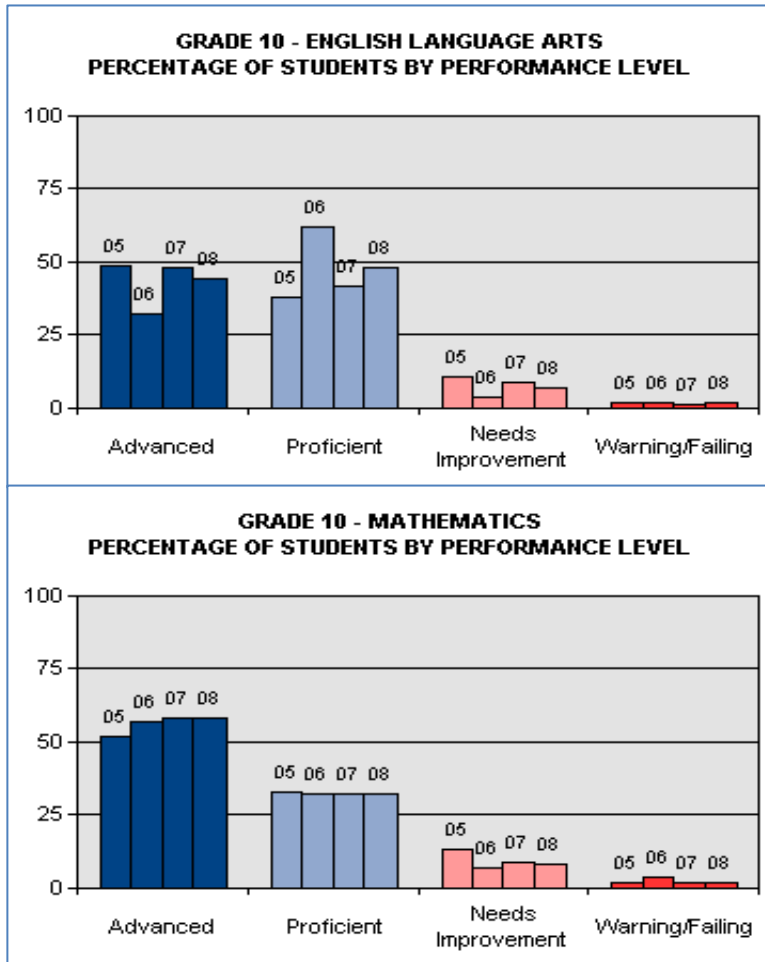
BRC Cohort Review



- MCAS - Cost Per Pupil - STR
 - MCAS - Per Pupil Expenditures
 - No specific correlation
 - Some peers have above average scores and below average costs
 - MCAS - Student Teacher Ratio
 - No specific correlation
 - Some peers have above average scores and higher student teacher ratios



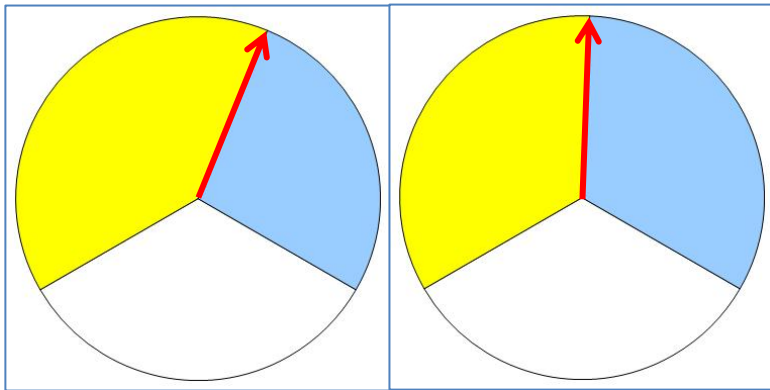
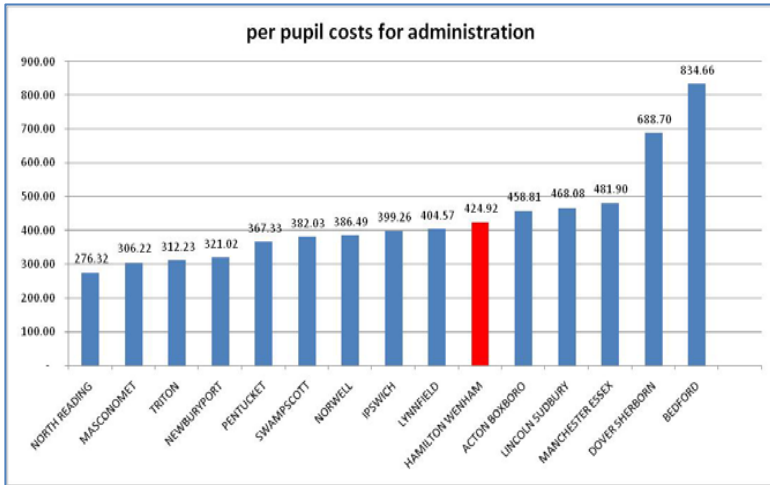
BRC Cohort Review



- HWRSD MCAS Performance
 - SY05-SY08
 - Percentage of students in Advanced and Proficient categories continues to remain strong
 - AYP and CPI remain strong
 - HWRSD performance is in top segment of statewide school performance



BRC Cohort Review



2007 Position - State

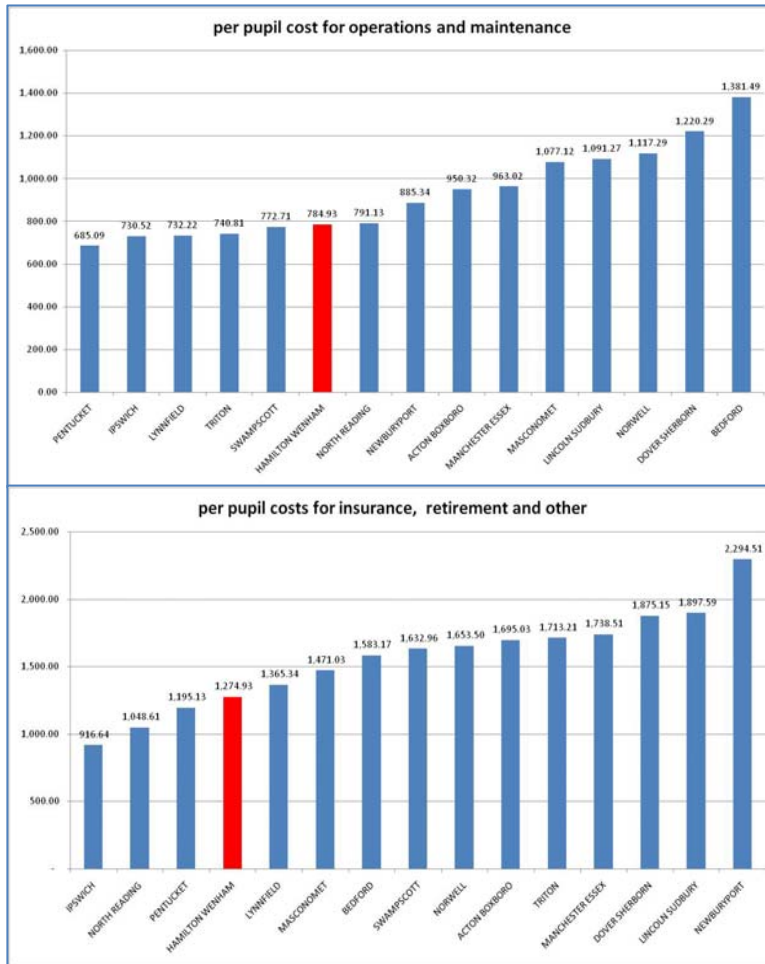
2008 Position - State

- Administrative Costs
 - HWRSD administrative costs are in line with the cohort group average (98%) as well as the state average (106%), and state filtered average*(106%)
 - Preliminary 2008 data shows the same position in the state filtered average* (98%)

* State Data Filtered to remove student population <500 and >10K



BRC Cohort Review



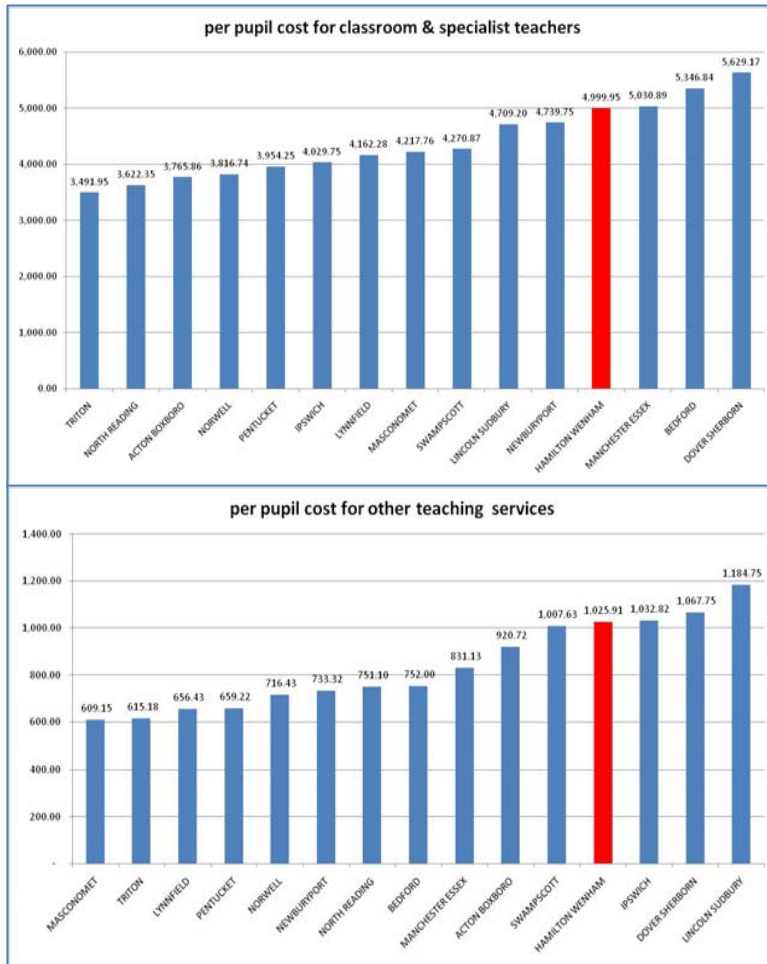
- Operations & Maintenance
 - HWRSD Expenditures rank low in Cohort group and in State
 - 80-85% of group averages
- Insurance/Retirement/Other
 - HWRSD Expenditures rank low in Cohort group and in State
 - 75-80% of group averages



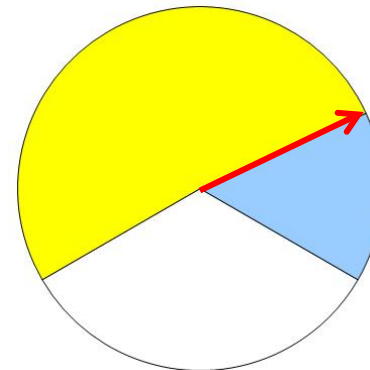
Hamilton-Wenham BRC Report June 17th, 2009



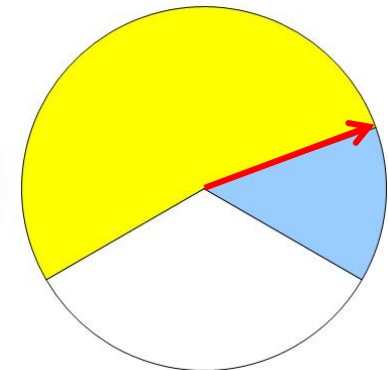
BRC Cohort Review



- Instructional Expenditures
 - HWRSD ranks in the upper section of the Cohort group, State and State Filtered group
 - Teachers (115% of avg.)
 - Other Teaching (124% of avg.)
 - Instructional* (117-119% of avg)



2007 Position - State

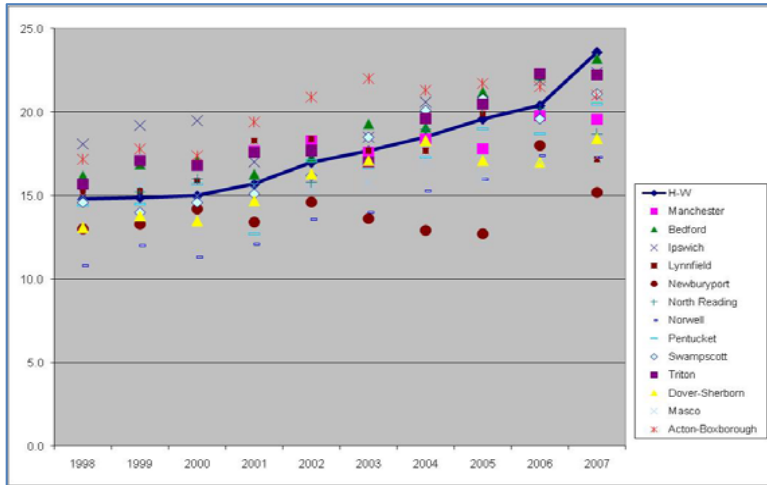


2008 Position - State

* Instructional combines Inst.Leader, Teachers, Other, Prof.Dev, Mat'l, Guidance



BRC Cohort Review



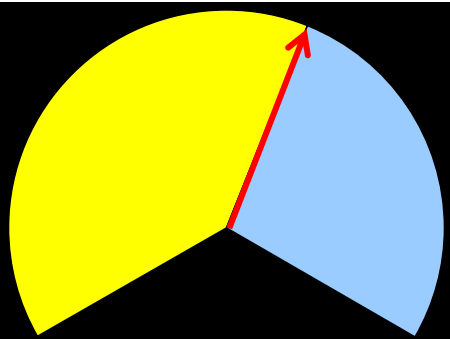
Review of SPED Studies from several area schools (Harvard, Lincoln, Arlington, Acton-Boxborough, Manchester-Essex, Stratham(NH)) all indicate similar profiles and cost control concerns.

Summary views for cost control is Improved Screening, Formal Procedures, and more In-District options

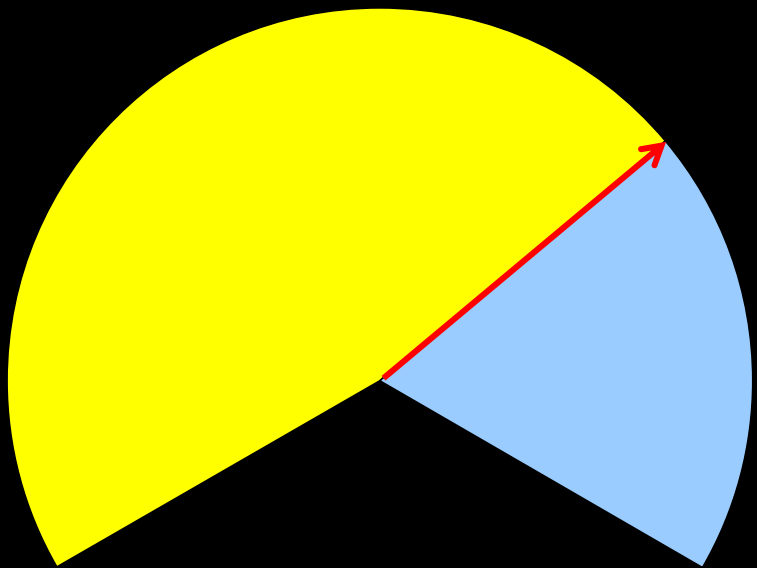
- SPED % of Budget
 - DOE SPED Data Set
 - HWRSD at top of Cohort group in 2007 at approx 24%
 - Preliminary review of 2008 data indicates similar percentage
 - 2010 Budget also indicates similar percentage
 - Need to review 2008 data for updated cohort profiles



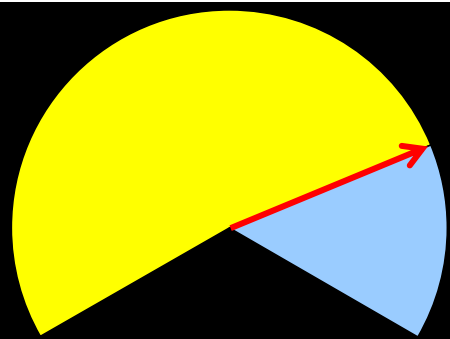
HWRSD Expenditure Ranking Cockpit Chart – 2007



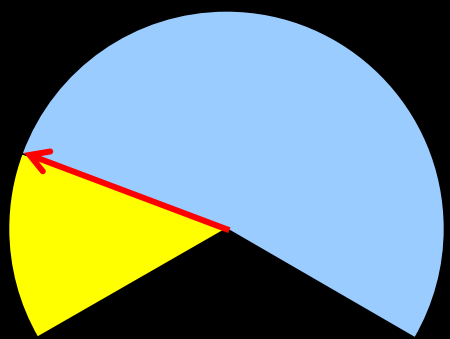
Administration



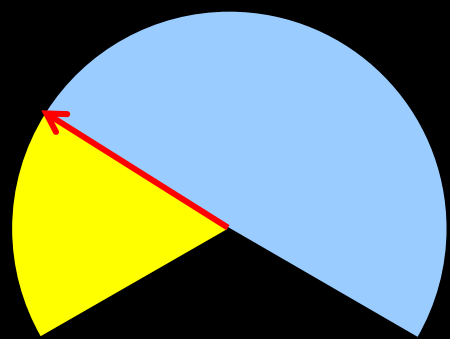
Total Per Pupil Expenditures



Instructional



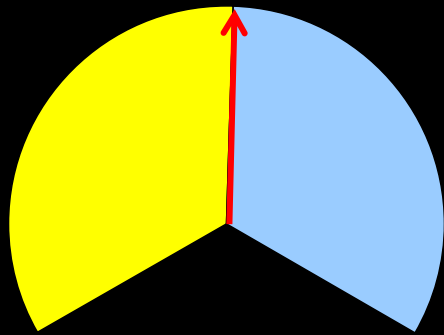
Operations/Maintenance



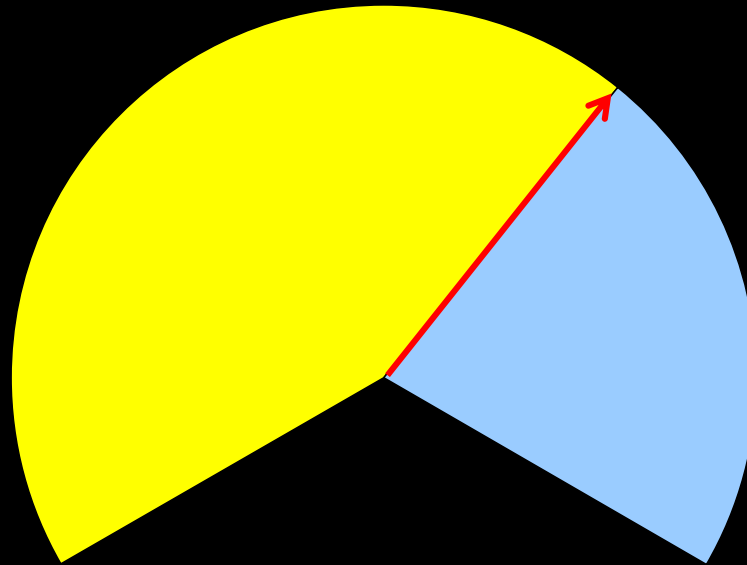
Insurance/Benefits



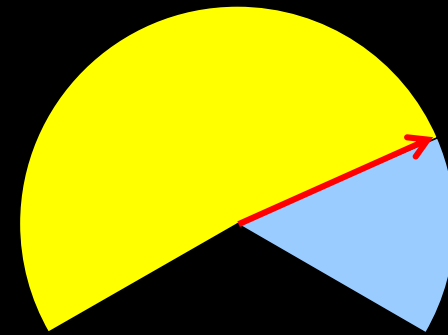
HWRSD Expenditure Ranking Cockpit Chart – 2008



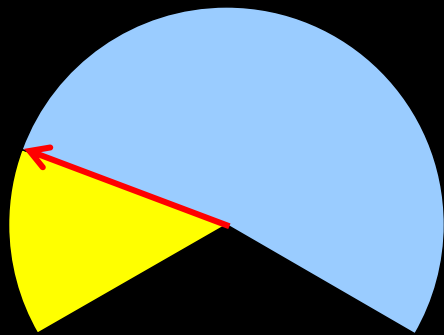
Administration



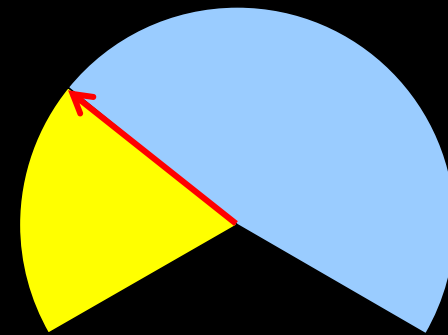
Total Per Pupil Expenditures



Instructional



Operations/Maintenance



Insurance/Benefits



BRC 3rd Party Review Summary

- Salem Audit Feedback (Sarah Johnson)
 - Salem did a financial city wide operations review and combined some operations (not educational delivery) and consultant confirmed they are not qualified for this type of review

- Nate Levensen – NLL Consulting
 - Resource Allocation Review
 - Program Effectiveness Review
 - SPED Review

- Grace Belfiore – MA Insight – SPED Reports
 - BRC Team Review of Available Reports Done for School Districts
 - SPED Studies from several area schools (Harvard, Lincoln, Arlington, Acton-Boxborough, Manchester-Essex, Stratham(NH)) all indicate similar profiles and cost control concerns – SPED focused.



BRC 3rd Party Review Summary

- James Early - Walker Partnerships
 - Primarily SPED Programs
 - Involved in a few of the reports for other districts that the BRC reviewed
 - Scope would need to be expanded

- Jim Flanagan – Public Consulting Group
 - MA Readiness Commission Support
 - NH Educational Group – CRM
 - Proposed analysis tools and modeling
 - BRC instructional structure study seemed outside of core expertise



BRC Summary Findings & Recommendations

- BRC Findings

- HWRSD provides a quality education for students with MCAS/SAT as baseline indicators
 - Further reviews should include other metrics (AP Courses, Electives, Etc.)
- HWRSD total expenditures are above state and cohort group averages
 - Admin. costs, Ops & Maint., and Ins./Benefits are not core drivers
 - Instructional service expenses appear to be the core drivers
 - SPED Expenses are above cohort group
 - 2007 data appears to be peak as 2010 budget is same percentage
 - District Actions are following other towns “consultant guidelines”



BRC Summary Findings & Recommendations

- BRC Recommendations

- 3rd Party Study - Instructional Services

- Based on overall financial analysis leading to instructional cost structure issues, the primary recommendation of the BRC is to engage the services of a consulting firm familiar with educational operational analysis (not a financial audit) to determine options for HWRSD as well as benchmarking select cohort schools to determine their structure.
- Since this involves the general instructional set-up, it should include both regular and SPED student populations and staff.
- The consultant definitively needs to be familiar with educational operations and instructional delivery structure to be able to properly review and recommend options.
- The study should not simply be a review of current published data and should not provide generic guidelines like the SPED studies we reviewed.



BRC Summary Findings & Recommendations

– 3rd Party Study - Instructional Services (cont.)

- The review should not be a simple financial audit, as the majority of financial information is already publicly available, and normal financial audits are already done annually.
- The review should also not be focused only on SPED, as staffing structure analysis would involve the complete school district. However, the study should also look at SPED early intervention options (like appears to exist at Dover Sherborn where they expend more monies early, then less monies in high school) to determine the cost benefit of this approach
- The study should include (but no be limited to):
 - Staffing (STR), Class Size, Facility Capacity (Room Limitations), Course Offerings (Std/AP/Electives), Internal-External SPED Options, HWRSD options to provide SPED services to other districts, etc.
- **This needs to be noted as a one time adjustment to reset baseline**



BRC Summary Findings & Recommendations

- 3rd Party Study - Instructional Services (cont.)
 - Fundamental Study Questions (to include but not limited to)
 - Has HWRSD maximized Education Quality for the Expenditures?
 - » If not – Can same quality be achieved at lower cost?
 - If HWRSD is currently operating at maximum efficiency:
 - » What quality loss would occur at 5%, 10%, etc. reductions
 - Is the current quality sustainable at 2.5% annual increases?
 - Specific Areas to Address (to include but not limited to)
 - Compare HWRSD Instructional Service STR to peer quality districts
 - » Composition of the teacher/aide/assistant staffing
 - » Class Size Policy
 - » Number of Classes Per Teacher (Middle & High School)
 - » Use of aides and assistants



BRC Summary Findings & Recommendations

- 3rd Party Study - Instructional Services (cont.)
 - Specific Areas to Address (to include but not limited to)
 - Identify/Define Quality of Education Metrics
 - » Student Performance, Curriculum Offerings
 - » Output (Achievement) vs Input (Class Size)
 - SPED
 - » Benchmark HWRSD against Best Practices
 - » Screening Process
 - » Development of IEPs
 - » Delivery of Services
 - » Legal Action for Unilateral Placements
 - » Early Intervention Effectiveness
 - Budget Modeling
 - » Develop a 3yr plan to operate within a 2.5% annual increase



BRC Summary Findings & Recommendations

- BRC Recommendations (cont.)
 - BRC recommends refinements and changes to current budget process
 - A preliminary summary budget with a multi-year comparison profile should be delivered to the townspeople early – January timeframe – and a formal review forum for the two towns and the school district should be held (joint town meeting format?)
 - A set of core metrics needs to be established as part of this review so it is completely clear as to financial and educational impacts of pending decisions – clear and concise (avoid information overload)
 - The two towns and school district should develop a consensus based on the direction from this forum to develop budgets.



BRC Summary Findings & Recommendations

- BRC Recommendations (cont.)
 - BRC recommends refinements and changes to current teacher and other municipal union contracts
 - The H-W Educational Association's current 2.5% COLA + Step increases provide a situation where simple mathematical projections for the salary changes alone would exceed the "normal" 2.5% overall budgetary increase
 - 2.5% COLA + steps have netted ~5% increase in prior years
 - If 54.2% of budget is instructional salary and increases 5% - that nets a 2.7% increase, excluding all other budgetary drivers.
 - Provisions for including extraordinary economic factors should also be investigated



BRC Summary Findings & Recommendations

- Next Steps

- The two towns and the school district need to agree upon and proceed with a RFP for a detailed 3rd Party Review of Instructional Operations at HWRSD to clarify gap between district and cohorts.
- Other opportunities include:
 - Enhanced “early budget info to the townspeople process”
 - Review of state funding options
 - Continue to pursue fair share at Chapter 70 level
- The two towns and school district need to institute a renewed collaborative environment and develop a concise direction for the school educational policies and budgets, and present a singular vision in a clear voice to the residents of the two towns.