About Needham Public Schools...

The Needham Public School Superintendent's Operating Budget Request is a document summarizing the educational programs and related services provided by the Needham Public Schools. The budget document covers the period from July 1, 2011 to June 30, 2012.

Demographic & Historical Information:

Needham is a popular and attractive suburb of Boston, with a population of approximately 29,000. It is located in Norfolk County, approximately ten miles southwest of Boston, 29 miles east of Worcester, and about 208 miles from New York City. Needham is bordered by Wellesley on the west and northwest, Newton on the north and northeast, the West Roxbury section of Boston on the east, Dedham on the southeast and south, and Westwood and Dover on the south. It has easy access to Boston, good schools and town services, outdoor open space, recreational areas, and a strong sense of community. The Town has a total area of 12.61 square miles.

Needham was incorporated in 1711 and has experienced numerous changes over its history. Early settlers relied primarily on agriculture and grazing, plus some winter lumbering with orchards and tanneries as supplements in the 1700s. Saw and grist mills were opened along the Charles through the 18th Century. Extension of the rail and land speculation encouraged settlement, and the Town saw the growth of industrial employment and production at the same time during the mid 19th Century. Knitters from the English Midlands, displaced by economic changes in their own country, migrated to Needham and the surrounding towns to re-establish their businesses. The most famous of these was the William Carter Company, which still produces fine knitwear (although no longer in Needham). Needham manufacturers made knit goods, underwear, hats, shoes, and silk, although attempts to cultivate silk worms were short-lived.

Needham suffered a setback in its growth in April 1881, when West Needham was granted permission by the General Court to separate from Needham and form the new town of Wellesley. The Town's poor farm was included in the division, with the site later becoming the Wellesley Country Club.

Land speculation, housing development and knitted underwear continued to be the foundation of Needham's economy into the 20th Century. The construction of Route 128 in 1931 opened portions of the Town to development as part of the high-tech highway in the post-World War II electronic industrial boom. The creation of one of the nation's first industrial parks in 1950, the later addition of high technology firms, the improvement of access to Route 128 and Boston, and Needham's fine schools and public services have contributed to the Town's emergence as one of the more desirable suburbs of Boston.

Today, Needham is a relatively affluent, residential suburban community with easy access to Boston. As of the 2000 Census, there were 28,911 people, 10,612 households, and 7,782 families residing in Town. (The 2010 Census population – the only information released to date for the Town - was 28,886.) Approximately 37% of households had children under the age of 18 and 64.9% of households are married couples living together. The FY11 assessed value of a single family home is $708,194, the 2009 estimated median family income was $148,124, and the FY11 average single family tax bill is $7,719. The Town has an AAA Bond Rating from Standard & Poor's, and a total FY12 budget of $112,243,325. The economy of Needham is primarily that of a bedroom community and commuter suburb, with some light industry – Needham has been home to a Coca Cola bottling plant since 1986,

Trader Joe's operates a packing plant in Needham and more recently, Needham has begun to attract high technology and internet firms to Town.

Needham has five elementary schools, two middle schools, and one high school. (The new High Rock Sixth Grade Center opened September 2009.) The October 1, 2010 total student population is 5,432. Needham has a reputation for academic excellence and also boasts a full range of co-curricular and out-of-school opportunities, including after-school and summer services. Needham is a long-standing member of METCO, a voluntary desegregation program that provides educational opportunities in suburban communities for Boston children. Needham is also a participant in The Education Cooperative (TEC), a collaboration of 16 school districts that enables all of the participant communities to benefit from economies of scale in purchasing and high quality, cost-effective education services such as Special Education, which would be impossible for any one community to provide by itself.

The seven-member Needham School Committee is responsible for overseeing elementary and secondary education in the Town. Members are elected and serve overlapping three-year terms. The Board appoints the Superintendent, who is the chief executive officer of the School Department. The School Committee is responsible for setting policy, and the Superintendent and his staff are charged with managing the School Department's operations. Five Central Administrator positions and eight principals comprise the School Leadership Team: the Director of Student Development, the Director of Program Development, the Director of Personnel, the Director of Financial Operations, and the principals of Broadmeadow Elementary, Eliot Elementary, Hillside Elementary, Mitchell Elementary, Newman Elementary, High Rock Center, Pollard Middle and Needham High Schools.

The School Department is fiscally-dependent, which means that it does not have taxing or levying (borrowing) authority, and derives most of its funding from the Town of Needham and Commonwealth of Massachusetts. Additionally, as a department of the Town, the School Department shares a General Fund with other Town Departments, which is overseen by the Town Accountant. Needham's Town Meeting approves the School Department's operating budget total appropriation level, levies the necessary taxes to finance the operations and approves the borrowing of money, when necessary.
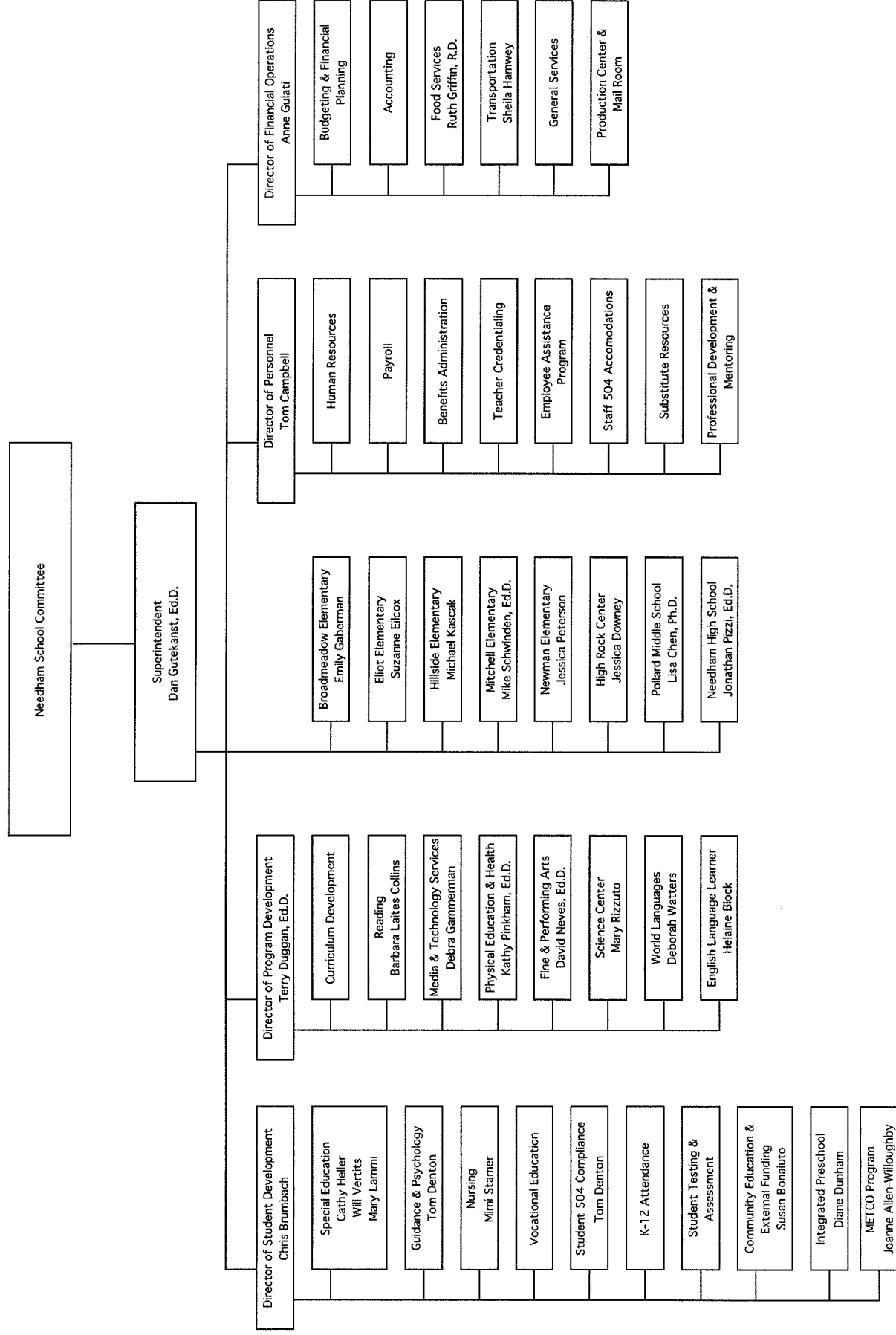
The Town will celebrate its 300th anniversary in 2011.

Organizational Chart:

The District's organizational chart is presented on the next page.

Needham Public Schools Organizational Chart

Needham School Committee

Superintendent
Dan Gutekanst, Ed.D.

Director of Financial Operations — Anne Gulati
- Budgeting & Financial Planning
- Accounting
- Food Services — Ruth Griffin, R.D.
- Transportation — Sheila Hamwey
- General Services
- Production Center & Mail Room

Director of Personnel — Tom Campbell
- Human Resources
- Payroll
- Benefits Administration
- Teacher Credentialing
- Employee Assistance Program
- Staff 504 Accomodations
- Substitute Resources
- Professional Development & Mentoring

Schools (reporting to Superintendent)
- Broadmeadow Elementary — Emily Gaberman
- Eliot Elementary — Suzanne Eilcox
- Hillside Elementary — Michael Kascak
- Mitchell Elementary — Mike Schwinden, Ed.D.
- Newman Elementary — Jessica Peterson
- High Rock Center — Jessica Downey
- Pollard Middle School — Lisa Chen, Ph.D.
- Needham High School — Jonathan Pizzi, Ed.D.

Director of Program Development — Terry Duggan, Ed.D.
- Curriculum Development
- Reading — Barbara Laites Collins
- Media & Technology Services — Debra Gammerman
- Physical Education & Health — Kathy Pinkham, Ed.D.
- Fine & Performing Arts — David Neves, Ed.D.
- Science Center — Mary Rizzuto
- World Languages — Deborah Watters
- English Language Learner — Helaine Block

Director of Student Development — Chris Brumbach
- Special Education — Cathy Heller, Will Vertits, Mary Lammi
- Guidance & Psychology — Tom Denton
- Nursing — Mimi Stamer
- Vocational Education
- Student 504 Compliance — Tom Denton
- K-12 Attendance
- Student Testing & Assessment
- Community Education & External Funding — Susan Bonaiuto
- Integrated Preschool — Diane Dunham
- METCO Program — Joanne Allen-Willoughby

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Strategic Plan: Mission, Vision, Values & District Goals:

The Needham School Committee adopts goals and objectives to guide District activities, annually. These goals and objectives articulate the mission, vision, core values, learning and infrastructure goals around which school improvement plans are based, and toward which support services are directed.

The District's goals and objectives also are incorporated into the Budget Guidelines that shape the budget process. The FY 2011/12 budget ties the funding priorities of the District, as well as activities of the organizational units, to these goals and objectives.

Future budgets will focus on the development and integration of performance objectives and measures for each organization unit, that will be integrated into the budget process.

The FY 2010/11 adopted goals and objectives are presented on the following pages; the FY 2011/12 budget was developed around these goals and objectives. FY 2011/12 goals and objectives will be developed during the Summer and Fall of 2011.

2010/11 District Mission, Vision, Values, & Goals

Mission Statement:
A school and community partnership that creates excited learners, inspires excellence, and fosters integrity.

Vision Statement:
We envision all students engaged and fulfilled in their learning, committed to their community and willing to act with passion, integrity, and courage.

Core Values:
   a. Scholarship: *Learning*. Every student engaged in dynamic and challenging academic experiences that stimulate thinking, inquiry and creativity; identify and promote the development of skills, talents, and interests; and ensure continued learning and wellness. Staff improving their practice in an environment that supports a high level of collaboration and instruction that is focused on helping every student learn and achieve.
   b. Community: *Working together*. A culture that encourages communication, understanding, and is actively anti-racist. Sharing ideas and valuing multiple perspectives ensures a caring community committed to the promotion of human dignity.
   c. Citizenship: *Contributing*. An environment that nurtures respect, integrity, compassion, and service. Students and staff acknowledge and affirm responsibilities they have toward one another, their schools, and a diverse local and global community.
   d. Personal Growth: *Acting courageously*. All students developing skills and confidence through personalized educational experiences that build on student strengths and emphasize reflection, curiosity, resilience, and intelligent risk taking.

District Goal #1: Advance Standards Based Learning.
To refine and continue to put into practice a system of curriculum, instruction, and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #1:
Essential content and learning expectations that are aligned to state standards will be clearly identified for each grade level/subject area, and will be clearly communicated to teachers, students, and parents.

Objective #2:
Common assessments, collaborative data analysis and specific student feedback will become a part of the instructional practice of all teachers.

Objective #3:
Students in all classrooms have the opportunity to increase their achievement because they experience instruction that is differentiated and grounded in best research practices.

Objective #4:
Students (and parents) receive explicit feedback regarding progress towards meeting identified learning objectives on a regular basis.

Objective #5:
The professional development and teacher supervision programs ensure learning opportunities that: are job-embedded; enable teachers to acquire rigorous and relevant content knowledge; enable them to implement best instructional strategies; provide support and guidance; and are directed towards individual teacher career growth.

District Goal #2: Develop the social and emotional skills of all students.
To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.

Objective #1:
All students will have a meaningful connection to an adult in the school system.

Objective #2:
Strong school cultures will promote a sense of participation, wellness, safety, and security for all students.

Objective #3:
Schools will partner with parents to provide consistent social and emotional experiences for students.

Objective #4:
Students will improve social and emotional skill development through consistent, layered, and effective instruction at all levels.

District Goal #3: Promote Active Citizenship:
To ensure students have the knowledge and skills necessary to participate productively in the local and global communities and commit them to action as learners and citizens.

Objective #1:
Students will engage in age appropriate service activities that enable them to contribute to or act on local or global social needs and that provide them opportunities to develop social, civic, and academic skills through reflection and analysis of their efforts.

Objective #2:
Students will develop competencies to enable them to understand and effectively address matters of diversity, racism, ethnocentrism, and bias in the context of the pluralistic communities in which they live.

Objective #3:
Students will develop proficiency in a language other than English and develop the cultural, technological, and civic skills necessary to adapt and respond to the conditions of 21st century global change.

District Goal #4: Ensure infrastructure supports district values and learning goals.
To build and carry out a sustainable plan for financial, building, technological, and human resources that enables our learning goals and is responsive to student and school needs.

Objective #1:
Long-range resource planning documents will support a sustainable school infrastructure and operations.

Objective #2:
The technological infrastructure, including hardware, software, support, and training, will be sufficient to meet 21st century needs for accessibility and reliability in order to enhance communication, enrich collaboration, and sustain teaching, learning, and administrative environments.

Objective #3:
Modern and efficient information systems and training opportunities will be in place and used regularly to manage school and district operations that support staff, parents, and students, and will be aligned to programmatic and curriculum initiatives.

Objective #4:
Core services including staff recruitment, compensation and benefits management, employee relations and human resource information management will promote a safe and healthy work place that facilitates and promotes a positive work ethic and reflects the district's core values.

District Goals 2010-2011

District Goal #1: Advance Standards Based Learning

To refine and continue to put into practice a system of curriculum, instruction, and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #1:

Essential content and learning expectations that are aligned to state standards will be clearly identified for each grade level/subject area, and will be clearly communicated to teachers, students, and parents.

Action Steps	Facilitator(s)	Timeline
Identify learning expectations at each grade level:	Principals Dir. Program Dev. K-12 Curriculum Leaders, Teachers	2010-2012
• Ensure documents are in place that detail elementary, middle and high school essential content and learning expectations for each subject area.		
• Conduct Special Education program review to ensure an appropriate level of services, maximize student learning and ensure effective use of resources.	Dir. Student Dev. Special Ed Dir.	2010-2011
• Develop an action plan for addressing the viable recommendations from English Language Arts Program Review.	K-12 ELA Curriculum Leaders, Principals Dir. Program Dev. Teachers	2010-2011
• Ensure special education staff are engaged in/aware of mainstream curriculum learning expectations, modifications, and program changes.	K-12 Curriculum Leaders, Spec. Ed. Directors Special Ed Teachers	2010-2012
• Pilot human sexuality education units in selected grades, 5-12.	Principals Dir. Program Dev. K-12 Curriculum Leader, Teachers	2010-2011
• Implement new elementary math program; *Think Math!*		2010-2012

District Goal #1: Advance Standards Based Learning

To refine and continue to put into practice a system of curriculum, instruction, and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #2:
Common assessments, collaborative data analysis and specific student feedback will become a part of the instructional practice of all teachers.

Action Steps	Facilitator(s)	Timeline
Ensure common assessments that help teachers to gain insight into student learning are in place in each grade level and subject area:		2010-2012
• Develop two common assessments and pilot in at least one grade, subject area or course at each level.	Director Program Dev. Principals K-12 Curriculum Leaders, Teachers	
• Analyze data from these common assessments and use information to modify assessment and instructional practices and provide intervention as needed.	K-12 Curriculum Leaders, Teachers	
Provide teachers with the opportunities to learn, practice, and receive specific feedback on instructional methods that are grounded in best practice.	Principals/Asst. Principals	
• Provide opportunities for teachers to learn/practice/share skills in collaborative groups within a Professional Learning Community model.	K-12 Curriculum Leaders Teachers	

Needham Public Schools

District Goals 2010-2011

District Goal #1: Advance Standards Based Learning

To refine and continue to put into practice a system of curriculum, instruction, and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #3:

Students in all classrooms have the opportunity to increase their achievement because they experience instruction that is differentiated and grounded in best research practices

Action Steps	Facilitator(s)	Timeline
Provide differentiated instructional opportunities for students.	Dir. Program Dev. Principals/Asst. Principals MS/HS Curr. Leaders Dir. Technology Instructional Tech Specialists Teachers	2010-2012
• Provide middle and high school students with opportunities to learn in an online environment within the framework of existing courses.		
• Begin to use online tools in collaborative learning environments to enhance the current classroom curriculum and instruction practice.	Dir. Program Dev. Principals/Asst. Principals MS/HS Curr. Leaders Dir. Technology Instructional Tech Specialists Teachers	2010-2012
• Incorporate into Professional Development program: - opportunities that help teachers to learn how to differentiate instruction and implement these practices into their lessons. - opportunities that help teachers to further their understanding of ▪ instructional practices for ELL and special education students, ▪ Effective co-teaching practices ▪ Standards-based practices (mapping, assessments, rubrics, grading)		
• Assess parent data regarding curriculum enrichment opportunities.	Dir. Student Dev. Dir. Program Dev. K-12 Curriculum Leaders	2011-2012

District Goal #1: Advance Standards Based Learning

To refine and continue to put into practice a system of curriculum, instruction, and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #4:
Students (and parents) receive explicit feedback regarding progress towards meeting identified learning objectives on a regular basis.

Action Steps	Facilitator(s)	Timeline
Examine, plan, and implement standards based feedback systems at each level: • Plan for development & implementation of a standards-based report card for grade 2.	Director Program Development K-5 Principals K-5 Curriculum Leaders Directors (including Sped) Teachers	2010-2012
• Ensure that each school develops a plan to implement a standards-based student feedback system and that it pilots the practice in at least one area/grade level, or course.	Director Program Dev. Principals K-12 Curriculum Leaders* Teachers	2010-2012

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District Goal #1: Advance Standards Based Learning

To refine and continue to put into practice a system of curriculum, instruction, and assessment that enable each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.

Objective #5:

The professional development and teacher supervision programs ensure learning opportunities that: are job-embedded; enable teachers to acquire rigorous and relevant content knowledge; enable them to implement best instructional strategies; provide support and guidance; and are directed towards individual teacher career growth.

Action Steps	Facilitator(s)	Timeline
Implement comprehensive professional development and supervision and evaluation programs:		2010-2012
• Train teachers and administrators who will pilot the proposed new supervision and evaluation model.	Dir. of Human Resources Principals Asst. Principals Teachers	
• Develop common professional development plan that is required for staff to complete prior to receiving professional status.	Dir. Human Resources Dir. Program Dev. Dir. of Student Dev. K-12 Curriculum Leaders, Teachers	2010-2012

District Goal #2: Develop the social and emotional skills of all students

To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.

Objective #1:
All students will have a meaningful connection to an adult in the school system.

Action Steps	Facilitator(s)	Timeline
Establish and evaluate structures (advisory, mentoring, 2nd Step, Responsive Classroom, etc.) at all levels that facilitate adult/student relationships:	Director of Student Development	2010-2012
• Evaluate current practices through student and staff surveys and interviews, determining student perceptions of having an adult to talk to and the efficacy of current models in place.	Principals Assistant Principals	
• High school athletic coaches, parents, and athletes will be provided training in positive coaching techniques to support young athletes.	Athletic Director	2010-2011

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District Goal #2: Develop the social and emotional skills of all students

To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.

Objective #2:
Healthy school cultures will promote a sense of participation, wellness, safety, and security for all students.

Action Steps	Facilitator(s)	Timeline
Ensure school cultures are healthy and positive:	Director of Student Development Principals Assistant Principals	2010-2012
• Analyze school culture data (from student, teacher, parent perspective) and identify areas for improvement.		
• Develop positive, healthy, and enriching school cultures at Newman and the auxiliary Newman program at Pollard (PreK-K) while students are displaced due to construction and repairs.		
• Develop and implement a Bullying Prevention and Intervention Plan, including professional development, delineating social and emotional and anti-bullying curriculum for each level, and parent education programming.		2010-2011
• Establish structures that facilitate adult/student relationships for students who are members of special populations including, but not limited to, gay and lesbian students, students of color, students in transition between grades 6, 7, and 8, students with disabilities, and English Language Learners.		
• Develop and implement programs in all elementary schools to address learning differences and disability awareness.		

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District Goal #2: Develop the social and emotional skills of all students

To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.

Objective #3:
Schools will partner with parents to provide consistent social and emotional experiences for students.

Action Steps	Facilitator(s)	Timeline
Establish parent programs at all levels to educate parents about the social and emotional skill development of their children and to involve them in supporting these efforts:	Director Student Development Principals	2010-2012
• Provide social and emotional learning curriculum information to parents through principal newsletters.		
• Develop the social and emotional learning page on the NPS website to provide current information and parent materials, including anti-bullying information.	Department Directors/Chairs	2010-2011
• Establish and evaluate the effectiveness of the middle school parent program (*Resiliency Parent Conference*).	Director of Community Education	2010-2011
• Partner with PTCs, community groups, and the SEPAC to establish an annual calendar of parent events that reflect the home-school partnership.		2010-2011

District Goal #2: Develop the social and emotional skills of all students

To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.

Objective #4:
Students will improve social and emotional skill development through consistent, layered, and effective instruction at all levels.

Action Steps	Facilitator(s)	Timeline
Improve current instruction by ensuring fidelity, consistency, and quality of instruction:	Director of Student Development	2010-2012
• Establish the SEL Steering Committee to monitor the district's progress toward meeting program goals; recommend professional development needs based on survey data.	Principals	
• Fully implement the 2nd Step program.	Department Directors/Chairs	
• Conduct the Social Emotional Learning survey of all PreK-5 classroom teachers to determine SEL program implementation.		

Needham Public Schools

District Goals 2010-2011

District Goal #3: Promote Active Citizenship

To ensure students have the knowledge and skills necessary to participate productively in the local and global communities and commit them to action as learners and citizens.

Objective #1:
Students will engage in age appropriate service activities that enable them to contribute to or act on local or global social needs and that provide them opportunities to develop social, civic, and academic skills through reflection and analysis of their efforts.

Action Steps	Facilitator(s)	Timeline
• Implement a service learning leader position in each school.	Superintendent	2010-2012
• Develop a school and district service learning team that guides efforts to integrate service activities and opportunities within classrooms, schools, and the district.	Principals	
• Expand service learning activities and opportunities for all students.	Department Directors/Chairs	

Objective #2:
Students will develop competencies to enable them to understand and effectively address matters of diversity, racism, ethnocentrism, and bias in the context of the pluralistic communities in which they live

Action Steps	Facilitator(s)	Timeline
Ensure programs and practices allow all students and staff to develop multiple perspectives, strategies, and opportunities to understand and work with a diverse population.	Director of Student Development	2010-2012
• Establish a Diversity Planning Team to facilitate the district's work in this area.	Human Resource Director	
• Assess the district's ability to provide equity and access for all students, particularly special education, ELL, low income students and for students of color.	METCO Director	

District Goal #3: Promote Active Citizenship

To ensure students have the knowledge and skills necessary to participate productively in the local and global communities and commit them to action as learners and citizens.

Objective #3:

Students will develop proficiency in a language other than English and develop the cultural, technological, and civic skills necessary to adapt and respond to the conditions of 21st century global change.

Action Steps	Facilitator(s)	Timeline
Articulate standards, competencies and experiences that reflect the skills required to be successful in today's global environment:	Principals	2010-2012
• Reconsider the existing middle school foreign language scheduling model to maximize student learning and the use of resources; consider the implementation of Mandarin and Latin at the middle school level to complement the high school program.	Director Program Development	
• Assess the learning impact of the high school's online courses.	Middle School Principals	
• Identify opportunities for students to engage in experiences that develop STEM (Science, Technology, Engineering, Math), civic, economic, and intercultural awareness and skills.	Department Director	
• Explore international collaborations to promote learning and student and staff educational exchanges.		

District Goal #4: Ensure infrastructure supports district values and learning goals.

To build and carry out a sustainable plan for financial, building, technological, and human resources that enables our learning goals and is responsive to student and school needs.

Objective #1:
Long-range resource planning documents will support a sustainable school infrastructure and operations.

Action Steps	Facilitator(s)	Timeline
Articulate and disseminate information and plans that detail school needs:	School Committee Superintendent	2010-2012
• Develop and share long-range forecast of school operating expenditures, to better understand the "big picture" and inform the resource allocation process.	Director of Financial Operations	
• Update Town Facilities Master Plan to reflect current capital priorities together with realistic financing plan (Mitchell, Hillside, Newman, Administration).	Director of Technology & Innovation	
• Develop sustainable technology plan that addresses 21st century skills, assistive technology requirements and modern administrative systems.	Director of Student Development	

District Goal #4: Ensure infrastructure supports district values and learning goals.

To build and carry out a sustainable plan for financial, building, technological, and human resources that enables our learning goals and is responsive to student and school needs.

Objective #2:
The technological infrastructure, including hardware, software, support, and training, will be sufficient to meet 21st century needs for accessibility and reliability in order to enhance communication, enrich collaboration, and sustain teaching, learning, and administrative environments.

Action Steps	Facilitator(s)	Timeline
Implement the district's technology plan to support learning:	Superintendent	2010-2012
• Expand access to technology-embedded learning opportunities by maintaining more mobile computer access in all instructional settings, including special education.	Director of Media and Technology Services	
• Provide Science, Foreign Language, Fine & Performing Arts, Media/Technology, and Libraries with specialized hardware, dedicated instructional facilities, and associated technology tools as required by the respective curriculum programs.		
• Plan for the deployment and support of a pilot 1:1 computing model in the secondary grades.		2010-2011
• Advance communication and collaboration among teachers, parents, administrators, and the larger community through regular use of listservs, wikis, blogs, calendaring, and cable programming.		

District Goal #4: Ensure Infrastructure Supports District Values and Learning Goals

To build and carry out a sustainable plan for financial, building, technological, and human resources that enables our learning goals and is responsive to student and school needs.

Objective #3:
Modern and efficient information systems and training opportunities will be in place and used regularly to manage school and district operations that support staff, parents, and students, and will be aligned to programmatic and curriculum initiatives.

Action Steps	Facilitator(s)	Timeline
Ensure administrative technology and training facilitates efficient school operations:		2010-2012
• Develop a human resource information management system.	Director of Human Resources	
• Implement system to permit on-line and electronic payments of school fees, in conjunction with the Town.	Director of Media and Technology Services	
• Update financial policies and procedures manual to reflect current practices and new policies.		
• Develop a handbook for administrative staff on administrative systems (Aesop, HTE, etc.)	Director of Financial Operations	
• Develop a staff handbook for all employees.		

District Goal #4: Ensure Infrastructure Supports District Values and Learning Goals

To build and carry out a sustainable plan for financial, building, technological, and human resources that enables our learning goals and is responsive to student and school needs.

Objective #4:

Core services including staff recruitment, compensation and benefits management, employee relations and human resource information management will promote a safe and healthy work place that facilitates and promotes a positive work ethic and reflects the district's core values.

Action Steps	Facilitator(s)	Timeline
Ensure human resource management programs meet district needs:		2010-2012
• Identify critical areas where staff turnover is likely and work with affected departments to develop a comprehensive retention and succession plan.	Director of Human Resources	
• Develop a professional development program for clerical staff.	Director of Financial Operations	
• Conduct regular market compensation studies to ensure competitive salaries.		
• Improve support staff (clerical, teaching assistant) evaluation instruments through the collective bargaining process.		

The Budget Process:

The budget process in Needham is governed by State law, Town Charter and School Committee Policy:

Operating Budget:
Needham's Town Charter was revised in 2005 to require (under Section 2.2.1 of the General By-laws) that the Town Manager issue budget guidelines and instructions for departments to use in preparing their spending requests for the ensuing fiscal year, after consultation with the Finance Committee. The Town Manager and School Superintendent must provide the Finance Committee with copies of their departmental spending requests on or before the second Wednesday in December. The Town Manager is required to present a balanced budget proposal, in which revenues equal expenditures, to the Finance Committee no later than January 31, after consultation with the Board of Selectmen and School Committee, which includes the spending priorities of all Town departments, and in addition thereto, the voted School Committee budget, if different from that contained in the balanced budget proposal. The Commonwealth of Massachusetts further requires that the final, recommended budget be submitted to the Finance Committee no less than 10 days before the end of the calendar year, or not less than 90 days prior to the date of the start of annual Town Meeting, which ever is later. (MGL Ch 41, Sect. 59) The Town Manager's budget recommendation is not binding on the Finance Committee; the Finance Committee is responsible for recommending a balanced budget to Town Meeting for its consideration and vote. (In Needham, the annual Town Meeting is held during the first week in May.)

The School Committee in each city and town also is required to review and approve the budget for public education in the district. (MGL Ch 71 Sect. 37) A public hearing on the proposed school budget is required, and must be advertised at least one week prior in a newspaper of general circulation. (MGL Ch 71, Sect. 38N)

School Committee Policy #DB and DBD further stipulate that, the School Committee delegates responsibility for budget preparation to the Superintendent, who is to be assisted by the Director of Financial Operations. The Superintendent must prepare and present to the School Committee by the first School Committee meeting in November a list of budget assumptions for its approval. Principals, department heads and staff are required to prepare preliminary budget requests, based upon the above assumptions, and to present these requests to the Superintendent for review. The Superintendent must present a preliminary budget recommendation to the School Committee in December, which will receive the joint evaluation of a School Committee budget subcommittee, the School Committee, the Superintendnent and the Director of Financial Operations. A hearing on the proposed budget is required no later than January, prior to which citizens are to be informed of the budget contents. A presentation of the School Committee's budget will be made to all Town Meeting members prior to Annual Town Meeting and the Committee must send a copy of the proposed budget to all Town Meeting members at least seven days prior to a public hearing.

The operating budget, as enacted by Town Meeting establishes the overall School Department appropriation. Although the School Committee has the legal authority to move funds within its appropriation, the total School appropriation may only be amended by Town Meeting at Special Town Meetings that occur during the year. At year-end, operating budget appropriation balances lapse. Capital budget balances are available until expended.

Capital Budget:
The capital budget process closely follows the operating budget process, and is described under sections 2.2.2.1-3 of the Town Charter. Town Boards, including the School Committee, prepare capital budget requests, which are submitted to the Town Manager for the ensuing fiscal year and subsequent four-year

period. The Town Manager develops a preliminary funding recommendation, after consultation with the Board of Selectmen. The Selectmen transmit the recommended capital budget to the Finance Committee, no later than the first Tuesday after the first Monday in January. Capital improvements are defined as the acquisition, construction, renovation, betterment or improvement, involving land, public buildings and facilities; water and sewer system laterals, mains and appurtenances; and equipment or vehicles; provided the total cost is $25,000 or more, and the improvement will have a useful life of five years or more, or any planning, feasibility, engineering or design study, in preparation for such capital expenditures. The first year of the capital improvements program shall constitute the proposed capital improvements budget for the coming year, and the ensuing four years of the plan are included for planning purposes

The Capital Improvement Plan shall include: a) a list of all capital improvements proposed to be undertaken during the next give years, together with supporting data; b) cost estimates, methods of financing, and recommended time schedule; and c) the estimated annual cost of operating and maintaining any facility to be constructed or acquired.

The Finance Committee's recommendation on both the operating and capital budgets is considered the main motion to be acted upon by Town Meeting. The fiscal year for all towns in the Commonwealth begins on July 1st and ends the following June 30th. (MGL Ch 44, Sect. 56)

Special Revenue Grant & Revolving Funds:
School Department special revenue funds consist of grants from federal, state and local sources (including donations), as well as fee-based "revolving" accounts. Under state law, school committees may receive grants or gifts for educational purposes, which are held in separate accounts, and, once accepted (by vote of the Committee), may be expended without further appropriation. (MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.) The School Committee also may charge fees or receive monies in connection with certain other school activities, the receipts of which also are held separately (in revolving funds.) Of these revolving funds, only the School Transportation Revolving Fund (a departmental revolving fund established under MGL C44 Sect. 53E1/2) requires annual appropriation by Town Meeting; all others may be spent without further appropriation, once the fund is established. (MGL Ch 40 Sect. 3; Ch 44 Sect. 53; Ch 44 Sect.17A; Ch 71 Sect. 26C; Ch 71 Sect. 47; Ch 71 Sect. 71C; Ch 71 Sect. 71E; Ch 71 Sect. 71F; Ch 71B Sect. 12; Ch 548 of Acts of 1948.)

Operational budgets are prepared and approved for all fee-based revolving fund programs in the spring of each year, for the upcoming school year. Departmental revolving funds, including the Transportation Revolving Fund, also are reauthorized each year at Annual Town Meeting, which sets the limit on the total amount which may be spent from each fund at that time. The aggregate for all departmental revolving funds may not exceed 10% of the amount raised by taxation by the City or Town in the most recent fiscal year, and no more than 1% of the amount raised by taxation may be administered by a single fund. (MGL C44 Sect. 53E1/2.)

Upon acceptance, the School Department also reviews and approves the budgets of all state and federal grants, as well as the budgets of significant local grants. The School Department does not budget donations or miscellaneous local grants.

Budget Guidelines & Priorities:

The School Committee annually votes budget guidelines to inform the development of the school operating and capital budgets. The FY 2011/12 guidelines, which are presented below, are required under School Committee Policy #DBD and reflect the School Department's approved Goals and Objectives. They also describe budget roles and responsibilities, the calendar for budget development, and the assumptions and priorities that will guide budget development.

Introduction:
The Needham School Committee is responsible for establishing budget priorities and subsequently voting a budget that reflects applicable state and federal mandates, the priorities, and the needs of the Needham Public Schools. Once adopted by the School Committee, the budget must ultimately be approved at the annual Town Meeting. The purpose of this document is to outline the roles and responsibilities associated with the budget process; detail a timeline for budget development; and outline assumptions and priorities that will guide the School Committee in its deliberations and in its interactions with other town boards as the Committee develops and approves a budget for the fiscal year beginning on July 1, 2011 (FY12).

Budget Roles & Responsibilities:
The School Committee, Finance Committee, School department's administrative staff, Town Manager's office, and others have various roles and responsibilities during the budget development process:

a) **The Future School Needs Committee–** Projects enrollments for FY12 and beyond.
b) **Town Meeting –** Town legislative body responsible for approving the annual Town-wide operating budget.
c) **The Town Manager –** Provides guidelines for developing Town-wide budget requests, develops revenue projections, reviews the budget requests of Town Departments and makes a balanced budget recommendation to the Finance Committee.
d) **The Finance Committee (FinCom) -** Reviews departmental spending requests, the Town Manager's recommended budget and the School Committee's budget proposal and makes recommendations to Town Meeting.
e) **The School Committee (SC) –** Establishes School Department budget priorities, reviews the Superintendent's initial budget request, and presents the School Committee's final budget recommendation to the Town Manager, FinCom and Town Meeting.
f) **The School Department's Central Administration (CA) –** Utilizes Town Manager guidelines and School Committee priorities to guide budget development, develops the District-wide salary budget, reviews and evaluates building and department-based budget requests, and develops the Superintendent's system-wide budget request.
g) **Principals and Directors -** Generate detailed cost-center budgets for non-salary line items, within budget guidelines.

Aug 17, 2010	• Town Manager FY12-16 Pro Forma Budget Released • Town Manager Budget Consultation with Board of Selectmen
Sept 7	• Draft FY12 Budget Guidelines Presented to School Committee for Review
Sept 14	• Town Manager Budget Consultation with Board of Selectmen
Sept 15	• Town Manager Budget Consultation with Finance Committee
Sept 21	• School Committee Discusses Draft FY12 Budget Guidelines • FY12-16 Draft Capital Requests Presented to School Committee for Review and Discussion
Sept 22	• Superintendent "Budget Kickoff" Discussion with Principals and Directors
Oct 5	• School Committee Votes FY12 Budget Guidelines • School Committee Prioritizes and Votes FY12-16 School Capital Project (CIP) Requests
TBD	• School Budget Workshop on Assumptions with School Committee Budget Liaisons & Finance Committee
Oct 19	• School Five-Year FY12-FY16 Budget Forecast Presented to School Committee
Oct 1- Nov 30	• Superintendent's Budget Request Developed
Nov 1, 3, 5	• Central Administration Meets with Principals & Directors to Review Budget Requests
Nov 2	• Election Day
TBD	• School Budget Workshop on Principal/Director Requests with School Committee Budget Liaisons and Finance Committee
Nov 23	• Town Manager Consultation with Board of Selectmen
Dec 6	• FY12 Superintendent's Budget Request Sent to School Committee & Town Manager
Dec 7	• Superintendent Presents FY12 Budget Request to School Committee • School Committee Reviews Superintendent's Budget Request
Dec 8	• Town Manager Forwards Budget Requests to Finance Committee, Including Superintendent's Submitted Budget Request
Dec 11 (Sat)	• School Committee Budget Workshop *(tentative)*
Dec 21	• Board of Selectmen Votes CIP Recommendation • School Committee Budget Discussion
Jan 4, 2011	• School Committee Budget Discussion • Budget Consultation with Town Manager *(preliminary)* • Town Manager Releases FY12-16 Capital Improvement Plan
TBD	• School Committee/FinCom Budget Liasons Meet to Discuss School Budget Request • FinCom Reviews School Operating & Capital Budgets
Jan 11	• School Committee Budget Discussion
Jan 18	• School Committee Budget Discussion • School Committee Budget Public Hearing
Jan 25	• Town Manager's Budget Presentation • School Committee Budget Discussion/ Vote FY 2011/12 Budget Recommendation to Town Manager • Board of Selectmen Open Annual Town Meeting Warrant
Jan 31	• Town Manager's Budget (including School Committee's Voted Budget Recommendation) due to FinCom
Feb 7	• Warrant Articles for 2011 Annual Town Meeting due to Board of Selectmen
Feb 8	• Board of Selectmen Closes Annual Town Meeting Warrant
Feb 22	• FinCom's Draft FY12 Budget due to Town Manager
Mar 15	• FinCom Votes FY12 Budget Recommendation to Town Meeting
April	• Town Meeting Budget Document Published
April 12	• Town Election
April TBD	• League of Women Voters Precinct Meetings
May 2	• 2011 Annual Town Meeting Begins
May 17	• School Committee Budget Update
July 1	• Start FY 2011/12

State and Local Budget Requirements and Applicable Laws:
The budget process is governed by State law and Town Charter. Needham's Town Charter was revised in 2005 to require that the Town Manager issue budget guidelines and instructions for departments to use in preparing their spending requests for the ensuing fiscal year. Both the Town Manager and School Superintendent must provide the Finance Committee with copies of their departmental spending requests on or before the second Wednesday in December. The Town Manager then presents a balanced budget proposal to the FinCom no later than January 31, which includes the spending priorities of all Town departments, and in addition thereto, the voted School Committee budget, if different from that contained in the balanced budget proposal. (Town Charter, Section 2.2.1) The Commonwealth of Massachusetts further requires that the final, recommended budget be submitted to the Finance Committee no less than 10 days before the end of the calendar year, or not less than 90 days prior to the date of the start of annual Town Meeting, which ever is later. (MGL Ch 41, Sect. 59) (In Needham, the annual Town Meeting is held during the first week in May.) The Finance Committee's recommendation on the operating budget is considered the main motion to be acted upon by Town Meeting. The fiscal year for all towns in the Commonwealth begins on July 1st and ends the following June 30th. (MGL Ch 44, Sect. 56)

The School Committee in each city and town is required to review and approve the budget for public education in the district. (MGL Ch 71 Sect. 37) A public hearing on the proposed school budget is required, and must be advertised at least one week prior in a newspaper of general circulation. (MGL Ch 71, Sect. 38N)

School Committees may receive grants or gifts for educational purposes, which are held in separate accounts, and, once accepted, may be expended without further appropriation. (MGL Ch 71 Sect. 37A) The School Committee also may charge fees or receive monies in connection with certain other school activities, the receipts of which also are held separately (in revolving funds) and may be spent without further appropriation. (MGL C40s3, C44s53, C44s17a, C44s53e1/2, C71s26c, C71s47, C71s71c,C71s71e,C71s71f, C71Bs12, C548ofActs of 1948)

The School Committee develops budgets and votes the fees for special revenue revolving funds in the Spring. Grant budgets are developed on a preliminary basis in conjunction with the regular school operating budget, and finalized when the final grant allocations are known in the summer and fall.

Guidelines for Budget Requests:
There are two levels of funding requests within the School Committee's budget: Base Budget requests and Program Improvement Budget requests.

The Base Budget assumes the same level of service to the schools from the FY11 budget to the FY12 budget, including the current school programs, staffing levels, class sizes, and services. The base budget includes:

    i. The total FY11 budget appropriation (net of turnover savings);
    ii. Statutory or regulatory mandates;
   iii. Personnel step, longevity and collective bargaining increases (including cost of living);
   iv. Increases under other existing contracts;
    v. Significant inflationary or enrollment increases (inflationary increase in the cost of student supplies, additional teachers needed to maintain student-teacher ratios, etc.) These requests should include:
           • Specific dollar increase by line item; and

     ● Purpose of the requested increase; and
  vi. Other items considered necessary and recommended by the Superintendent.

The Program Improvement Budget includes both the Base Budget plus additional funds for program enhancements and improved service to the students of the Needham Public Schools. The Program Improvement Budget is the budget mechanism the School Committee will use to invest in service and program improvements for the Needham Public Schools. The Program Improvement Budget is not a wish list; rather it reflects the need to grow and improve the schools in a way consistent with the mission, values, and goals of the Needham Public Schools and the high expectations of the Needham community. Program Improvement Budget requests must be listed in order of priority and include:

  i. Specific dollar amount;
  ii. Purpose of request;
  iii. Projected impact of request on service delivery;
  iv. Identification of grants or other outside sources of revenues.
  v. Reflect the district's values and goals

School Committee Budget Assumptions:
The budget is developed with certain assumptions and priorities established by the School Committee. For example, the budget reflects the assumption that the School District will meet all federal, state, and local mandated programs and requirements.
Thus, the budget should include sufficient resources and funding to meet contractual obligations and mandated programs, including:

(a) Chapter 766: Special Education (SPED)
  a. Meet the federal requirement to provide a free and appropriate public education to students with disabilities in the least restrictive environment. This often means creating programs to retain students 'in-District,' whenever possible;
  b. Priority is given, whenever possible, to providing in-District SPED programs to students;
  c. Where Out-of District programming is required,
    i. Provide for SPED out-of-District tuition costs;
    ii. Provide for SPED transportation; and
    iii. Implement and maintain systems for complying with monitoring, procedural review and paperwork requirements.

(b) Federal No Child Left Behind (NCLB) Act. (Federal Elementary and Secondary Education Act)
  a. Meet the federal requirement to have all students become proficient on state testing standards by 2014, by making Adequate Yearly Progress (AYP) toward yearly performance goals;
  b. Implement and maintain systems for student data collection, and reporting (to provide evidence of AYP);
  c. Hire and retain "highly qualified" teachers through professional development and licensing
  d. Implement and maintain systems for tracking and monitoring teacher credentials (to provide evidence of highly qualified staff); and
  e. Continue to work toward closing the achievement gap for minority and special education students.
  (c) English Language Learners (ELL)
  a. Meet the federal (Title VI, Civil Rights Act) and state (M.G.L. c71-A) bilingual statutes that require districts to provide limited English Proficient (LEP) students with support

services until they are proficient enough to participate meaningfully in the regular educational program;

    b. Provide building support and tutoring for all LEP students;

    c. Implement, coordinate and maintain systems for student identification, assessment, support and student data reporting; and

    f. Provide training in sheltered English immersion practices to teachers with LEP students in their classrooms.

(d) Section 504 and Americans with Disabilities Act

    a. Meet the federal requirement to provide reasonable accommodations so that all people (students, faculty and community) can participate in activities in our schools, regardless of disability. These accommodations can include building modifications, specialized equipment, instructional or testing changes, or care from a nurse or other staff member.

(e) Education Reform Act

    a. Provide MCAS support; and continue to close the achievement gap for minority and special education students, and

    b. Comply with state financial, pupil and student reporting requirements.

School Committee Priorities:

The School Committee budget should also reflect certain priorities that address the needs of the Needham Public Schools. These priorities should provide direction to administrators and guide staff in developing budget recommendations. The priorities also should guide the School Committee in its deliberations and the budget planning process.

The budget should reflect the following priorities, in relative order. The School Committee may sometimes choose to fund items addressing the lower priorities over items that may claim a higher priority. While not done lightly, such choices must sometimes be made to ensure that no priority is neglected.

- *The District's mission, vision, values, and goals;*
- *The need for highly qualified staff teaching within established student/teacher ratio guidelines;*
- *The ongoing refinement of curriculum, instruction, and assessment practices; and*
- *The need to develop and maintain educational resources and a technology infrastructure that supports student learning and meets District goals.*

1. The District's mission, vision, supporting assumptions, core values, goals and objectives are:

    A. Mission Statement: A school and community partnership that creates excited learners, inspires excellence, and fosters integrity.

    A. Vision Statement: We envision all students engaged and fulfilled in their learning, committed to their community and willing to act with passion, integrity, and courage.

    B. Core Values:

        a. Scholarship: *Learning.* Every student engaged in dynamic and challenging academic experiences that stimulate thinking, inquiry and creativity; identify and promote the development of skills, talents, and interests; and ensure continued learning and wellness. Staff improving their practice in an environment that supports a high level of collaboration and instruction that is focused on helping every student learn and achieve.

b. Community: *Working together.* A culture that encourages communication, understanding, and is actively anti-racist. Sharing ideas and valuing multiple perspectives ensures a caring community committed to the promotion of human dignity.

c. Citizenship: *Contributing.* An environment that nurtures respect, integrity, compassion, and service. Students and staff acknowledge and affirm responsibilities they have toward one another, their schools, and a diverse local and global community.

d. Personal Growth: *Acting courageously.* All students developing skills and confidence through personalized educational experiences that build on student strengths and emphasize reflection, curiosity, resilience, and intelligent risk taking.

C. District-wide Goals and Objectives:

a. *District Goal #1: Advance Standards-Based Learning:* To refine and continue to put into practice a system of curriculum, instruction and assessment that enables each student to be engaged in challenging academic experiences that are grounded in clearly defined standards.
   i. Objective #1: Essential content and learning expectations that are aligned to state standards will be clearly identified for each grade level/subject area, and will be clearly communicated to teachers, students, and parents.
   ii. Objective #2: Common assessments, collaborative data analysis and specific student feedback will become a part of the instructional practice of all teachers.
   iii. Objective #3: Students in all classrooms have the opportunity to increase their achievement because they experience instruction that is differentiated and grounded in best research practices.
   iv. Objective #4: Students (and parents) receive explicit feedback regarding progress towards meeting identified learning objectives on a regular basis.
   v. Objective #5: The professional development and teacher supervision programs ensure learning opportunities that: are job-embedded; enable teachers to acquire rigorous and relevant content knowledge; enable them to implement best instructional strategies; provide support and guidance; and are directed towards individual teacher career growth.

b. *District Goal #2: Develop the Social and Emotional Skills of all Students:* To ensure that students have the social and emotional competencies that enable them to be self-aware, to have social and relationship skills, to self-manage, and to make responsible decisions.
   i. Objective #1: All students will have a meaningful connection to an adult in the school system.
   ii. Objective #2: Strong school cultures will promote a sense of participation, safety, and security for all students.
   iii. Objective #3: Schools will partner with parents to provide consistent social and emotional experiences for students.
   iv. Objective #4: Students will improve social and emotional skill development through consistent, layered, and effective instruction at all levels.

c. *District Goal #3: Promote Active Citizenship:* To ensure students have the knowledge and skills necessary to participate productively in the local and global communities and commit them to action as learners and citizens.

      i. Objective #1: Students will engage in age-appropriate service activities that enable them to contribute to or act on local or global social needs and that provide them opportunities to develop social, civic, and academic skills through reflection and analysis of their efforts.

      ii. Objective #2: Students will develop competencies to enable them to understand and effectively address matters of diversity, racism, ethnocentrism, and bias in the context of the pluralistic communities in which they live.

      iii. Objective #3: Students will develop proficiency in a language other than English and develop the cultural, technological and civic skills necessary to adapt and respond to the conditions of 21st century global change.

   d. District Goal #4: Ensure Infrastructure Supports District Values and Learning Goals. To build and carry out a sustainable plan for financial, building, technological and human resources that enables our learning goals and is responsive to student and school needs.

      i. Objective #1: Long-range resource planning documents will be developed that support sustainable school infrastructure and operations.

      ii. The technological infrastructure, including hardware, software, support and training, will be sufficient to meet 21st century needs for accessibility and reliability in order to enhance communication, enrich collaboration, and sustain teaching, learning, and administrative environments.

      iii. Modern and efficient information systems and training opportunities will be in place and used regularly to manage school and district operations that support staff, parents, and students, and will be aligned to programmatic and curriculum initiatives.

      iv. Core services, including staff recruitment, compensation and benefits management, employee relations, and human resource information management will promote a safe and healthy work place that facilitates and promotes a positive work ethic and reflects the district's core values.

2. The need for highly qualified staff teaching within established student/teacher ratio guidelines.

   A.   Provide competitive wages for teachers and administrators by funding collective bargaining agreements and contractual obligations;

   B.   Develop and retain "highly qualified" teaching staff through professional development and licensing; and

   C.   Maintain student/teacher ratios at current levels.

      a. Student/Teacher ratios should be within the guidelines set forth in SC Policy #IHB. [These guidelines specify class sizes of 18-22 (in Grades K-3), 20-24 (in Grades 4-5), and 'Reasonable Class Size' (in Grades 6-12.)] These guidelines are recommendations, rather than absolute limits requiring strict, literal adherence.)

      b. For FY12, a new, full-time teacher should be budgeted at $55,000, (plus associated operating costs of $1,300 for a computer and $200 classroom consumable supplies. An additional $4,000 in one-time costs will be budgeted if a new classroom must be furnished and equipped.) A new, full-time Assistant should be budgeted at $21,780 (plus associated operating costs of $200 for supplies.)

      c. The FY12 base salary budget resets FTE's to the FY11 Annual Town-Meeting appropriation.

3. The ongoing refinement of curriculum, instruction, and assessment practices. High priority is given to the elements that insure the continuance, renewal, revision, delivery and management of curriculum and instruction. These include:
   A. Professional development for teachers and administrators;
   B. Regular curriculum review, revision and development;
   C. Implementation of new programs to increase student achievement, growth and development;
   D. Provide for instructional programs and development;
   E. Purchase and replacement of textbooks, consumable material and curriculum-related resources, management and assessment tools, supplies and materials

4. The need to develop and maintain educational resources and a technology infrastructure that supports student learning and meets District goals:
   A. Teacher and Administrative Supplies
      i. Provide for the acquisition and replacement of instructional and administrative technology, software, supplies and other equipment;
      ii. Provide for student and classroom supplies;
      iii. Provide for office administrative and teacher supplies; and
      iv. Provide for maintenance and contractual agreements.
   B. Equipment/ Capital Outlay
      i. Provide for the regular replacement of copiers, and other instructional equipment, optimally within the capital budget;
      ii. Provide for administrative, financial and personnel systems, computers, projectors and other administrative and instructional equipment consistent with the Technology Plan; and
      iii. Provide school buildings and physical infrastructure that adequately support the educational program and promote student safety.
   C. Administrative Support Staff
      i. Provide trained and competent support staff to support the work of teachers and administrators throughout the District.

School Committee Budget Document Contents:
The School Committee's recommended budget document should include the following information and features:

1. Provide summary budget information (including prior year actual, current year budget and next fiscal year requests):
   a. Program level (District, Elementary, Middle, and High);
   b. Town Meeting appropriation (personnel, purchase of services, expenses, capital outlay);
   c. Functional area (Administration, Transportation, Other General Services, K-12 Regular Instruction, Guidance & Psychology, K-12 SPED Services, SPED Tuitions, Technology & Media, Physical Education & Health, Fine & Performing Arts, World Languages);
   d. Provide summary budget information (including prior year actual, current year budget and next fiscal year request.)
2. Describe budget assumptions and fiscal strategies used to develop the budget;
3. Provide a multi-year FTE summary for all staff categories (administrators, teachers, instructional support and non-instructional staff);
4. Provide charts and tables to show where each budget line item appears on the system-wide reports;
5. Highlight revolving fund budget requests and operating budget impacts;
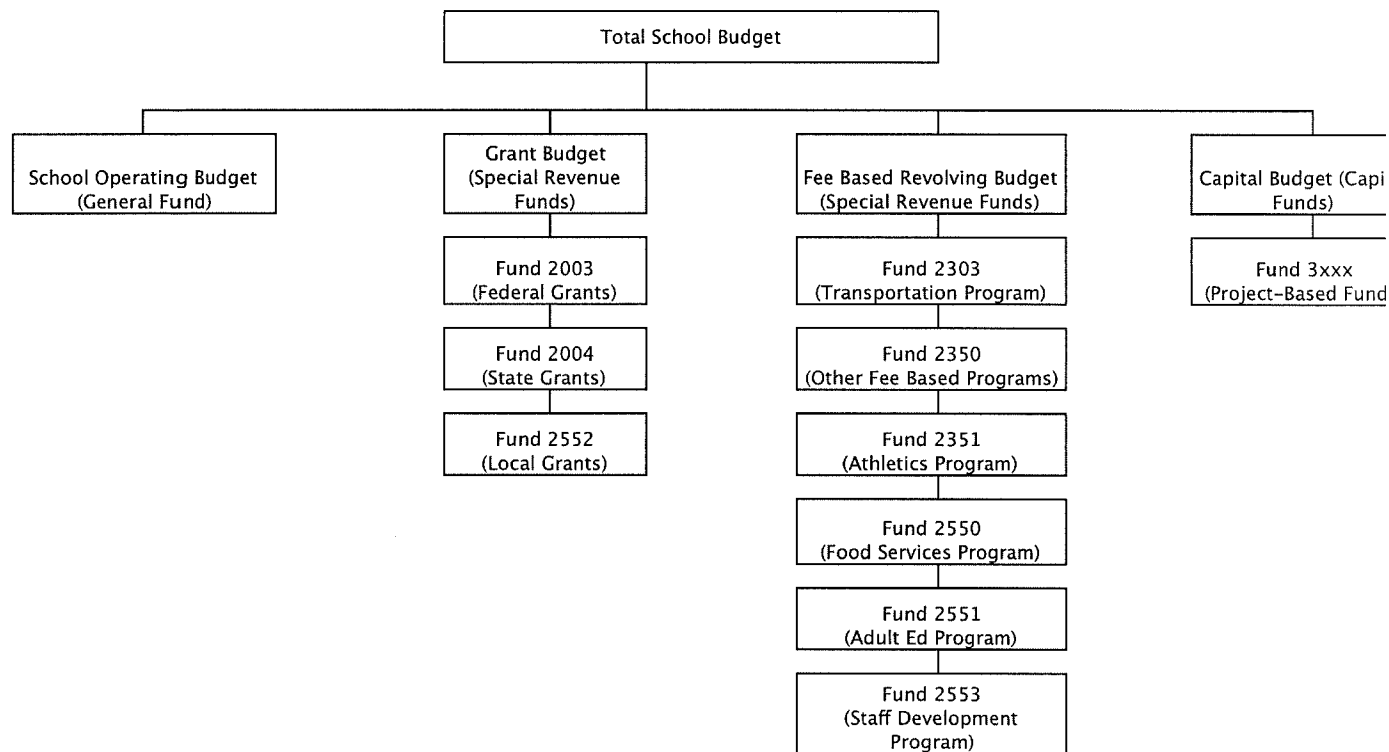6. Highlight grant and program operating budget impacts;

7. Highlight capital requests and operating budget impacts;
8. Relate budget priorities to district-wide goals and objectives; and
9. Present a five-year financial forecast.

School Department Funds:

The accounts of the School Department are organized on the basis of fund and account groups. Funds are the control structures that ensure public monies are spent only for those purposes authorized and within the amounts authorized. Funds are established to account for different types of activities and legal restrictions that are associated with a particular governmental function. The use of funds and the budgeting, accounting and auditing that are associated with this fund structure are governed by the Massachusetts General Law and Generally Accepted Accounting Principals, as determined by the Governmental Accounting Standards Board.

The 2011/12 school budget consists of the following elements/funds:

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                              │  Total School Budget │
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   ┌─────────────────────┬───────────────┼───────────────────────┬──────────────────────┐
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│School        │  │Grant Budget  │  │Fee Based         │  │Capital Budget│
│Operating     │  │(Special      │  │Revolving Budget  │  │(Capi         │
│Budget        │  │Revenue Funds)│  │(Special Revenue  │  │Funds)        │
│(General Fund)│  │              │  │Funds)            │  │              │
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                  │Fund 2003     │  │Fund 2303         │  │Fund 3xxx     │
                  │(Federal      │  │(Transportation   │  │(Project-Based│
                  │Grants)       │  │Program)          │  │Fund          │
                  └──────────────┘  └──────────────────┘  └──────────────┘
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                  ┌──────────────┐  ┌──────────────────┐
                  │Fund 2004     │  │Fund 2350         │
                  │(State Grants)│  │(Other Fee Based  │
                  │              │  │Programs)         │
                  └──────────────┘  └──────────────────┘
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                  │Fund 2552     │  │Fund 2351         │
                  │(Local Grants)│  │(Athletics        │
                  │              │  │Program)          │
                  └──────────────┘  └──────────────────┘
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                                     ┌──────────────────┐
                                     │Fund 2550         │
                                     │(Food Services    │
                                     │Program)          │
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                                     │Fund 2551         │
                                     │(Adult Ed Program)│
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                                     │Fund 2553         │
                                     │(Staff Development│
                                     │Program)          │
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A detailed description of each of the components of the school budget follows:

* School Operating Budget (within the General Fund), which is the principal financing plan for school operations. The School Operating Budget is appropriated annually by Town Meeting, as part of the Town's larger General Fund budget (under fund/department code 0001-3xxx.) Major funding sources include state Chapter 70 Education Funds and local revenues. At year-end, operating budget appropriation balances lapse.

* School Capital Budget (Capital Projects Funds), which is the basic financing plan for capital needs, including school facilities. The School Capital Budget is appropriated by Town Meeting, under separate project-based funds and accounts (with fund codes 3xxx.) The Capital Budget

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addresses the current year's needs, while the Capital Improvement Program plans capital projects over a five-year period. Major funding sources include: local revenues from taxation and reserves, other local funds, debt and debt exclusions. Capital budget balances are available until expended.

- <u>School Grant Funds (Special Revenue Funds)</u>, consist of funds received for educational purposes from federal, state and local sources. These funds are held in separate accounts, and once accepted (by vote of the Committee), may be expended without further appropriation. School Committee Policy #DFC governs the acceptance of gifts/grants, fundraising, student/parent gift giving to staff members, and solicitations by students on school grounds. Typically, unexpended grant balances which remain at the end of the grant period are returned to the granting agency. School grant funds are organized as separate accounts within the following fund codes:

Fund/Program	Authorizing Legislation	Appropriated?
Fund 2003 (Federal)		
• SPED Entitlement (94-142) /240	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• SPED Program Improvement/274	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• SPED Early Childhood/262	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• Safe & Drug Free/ Title IV/331	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• NCLB Teacher Quality/ Title IIA/140	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• NCLB Title I/305	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• NCLB Technology/ Title IID/160	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• ARRA IDEA (Stimulus)	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• ARRA IDEA-Preschool (Stimulus)	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• ARRA SFSF (Stimulus)	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• Education Jobs (Ed Jobs)	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• US EPA Environmental Education	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• NCLB/ LEP Summer	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• 297A Early Literacy Gap	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
Fund 2004 (State)		
• Circuit Breaker	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• METCO	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• DPH Essential School Health (& H1N1)	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• Academic Support /632-635	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No

Fund 2552/2554 (Local)

	Authorizing Legislation	Appropriated?
• Metrowest Youth Substance Abuse	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• Metrowest Bullying Prevention	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No
• Steps to Success	MGL Ch 71 Sect. 37A, MGL Ch 44 Sect. 53A.	No

• **School Fee-Based Programs (Special Revenue Funds)**, which are extracurricular programs of the School Department, that are self-funded through fee revenues and are authorized by specific statutes of either Massachusetts General Law, or federal law. Once established, school revolving funds may be expended without further appropriation, with the exception of departmental revolving funds established under MGL Ch44 Sect. 53E1/2, which must be annually reauthorized by Town Meeting. School revolving balances are available until expended. School revolving funds are organized as separate accounts within the following fund codes:

Fund/Program	Authorizing Legislation	Appropriated?
Fund 2303		
• Transportation Program	MGL Ch 44 Sect. 53E1/2	Yes
Fund 2350		
• Production Center	MGL Ch 71 Sect. 47	No
• Broadmeadow School Rental Income Fund	MGL Ch 40 Sect. 3	No
• Broadmeadow Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Eliot School Rental Income Fund	MGL Ch 40 Sect. 3	No
• Eliot Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Hillside Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Hillside Lesley Intern Program	MGL Ch 71 Sect. 47	No
• Mitchell School Rental Income Fund	MGL Ch 40 Sect. 3	No
• Mitchell Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Newman School Rental Income Fund	MGL Ch 40 Sect. 3	No
• Newman Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• High Rock Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• High Rock Lost Books (Recovery)	MGL Ch 44 Sect. 53	No
• High Rock Overnight Camp (Camp Thompson Island)	MGL Ch 71 Sect. 47	No
• Pollard Japan Exchange Program	MGL Ch 71 Sect. 47	No
• Pollard Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Pollard Lost Books (Recovery)	MGL Ch 44 Sect. 53	No
• High School Testing Program	MGL Ch 71 Sect. 47	No
• High School Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• High School Lockers (Locker Sales/Locker Repair)	MGL Ch 71 Sect. 47	No
• High School Textbook Recovery	MGL Ch 44 Sect. 53	No
• High School Parking Safety	MGL Ch 71 Sect. 47	No
• High School Non-Resident Tuition	MGL Ch 71 Sect. 71F	No
• SPED Agency Tuition	MGL Ch 71 Sect. 71F	No
• SPED Non-Resident Tuition	MGL Ch 71 Sect. 71F	No
• Integrated Preschool Program	MGL Ch 71 Sect. 47	No
• Science Center Program	MGL Ch 71 Sect. 71E	No
• Media Recovery	MGL Ch44 Sect. 53	No
• School Performing Groups Program	MGL Ch 71 Sect. 47	No
• Fee-Based Music Instruction Program	MGL Ch 71 Sect. 47	No
• Fine & Performing Arts Book/Equipment Sales	MGL Ch 71 Sect. 47	No
• Graphic Arts Program	MGL Ch 71 Sect. 47	No
• Theatrical Productions	MGL Ch 71 Sect. 47	No
• World Language Book/Equipment Sales	MGL Ch 71 Sect. 47	No

• Kindergarten After School Enrichment (KASE) Program	MGL Ch 71 Sect. 47	No
• Elementary After School Enrichment (EASE) Program	MGL Ch 71 Sect. 47	No
• Pollard After School (PAS) & Rock After School (RAS) Program	MGL Ch 71 Sect. 47	No
• Tutoring Program	MGL Ch 71 Sect. 47	No
• Summer School Program	MGL Ch 71 Sect. 71E	No
• Summer Sports Clinics	MGL Ch 71 Sect. 71E	No
• METCO Program	MGL Ch 71 Sect. 47	No
• METCO Summer School	MGL Ch 71 Sect. 71E	No

Fund 2351

• High School Athletics	MGL Ch 71 Sect. 47	No

Fund 2550

• Food Services (School Lunch) Program	Chapter 548, Acts of 1948	No

Fund 2551

• Adult Education Program	MGL Ch 71 Sect. 71E	No

Fund 2553

• Staff Development Program	MGL Ch 71 Sect. 71E	No

This budget presentation excludes Agency Funds (such as student activities, as established under MGL Ch71 Sect. 47), and Private Purpose Trust Funds (such as scholarships and trusts, as established under MGL Ch71 Sect. 47), scholarships and trusts.) Gift accounts and miscellaneous local grants also are excluded from the budget process.

In addition, the budget presentation excludes Debt Service Funds, which are held by the municipality. As a fiscally dependent entity, the School Department does not have taxing or borrowing authority. Information about Town of Needham debt obligations is presented in the Captial Funds section.

Budgeting & Accounting for School Department Funds:

The Town's accounting principals conform to generally accepted accounting principals (GAAP), as applicable to governmental units.

The term 'basis of accounting' is used to describe when events or transactions are recorded or recognized. Under the Modified Accrual Basis, revenues are recognized in the period when they become available and measurable and expenditures are recognized when the liability is incurred. The Modified Accrual Basis is the basis of accounting used for Governmental fund types, including the General Gund, Special Revenue Funds, Debt Service Funds and Capital Funds.

The 'basis of budgeting' is the form of accounting used to describe revenues and expenditures in the budget document. Generally, the basis of budgeting and accounting are the same for Governmental Funds, with a few exceptions. For budget purposes, operating budget (General Fund) encumbrances that are outstanding at year-end are treated as expenditures. (Encumbrances are not classified as expenditures under the basis of accounting; encumbrances outstanding at year-end are reported as reservervations of fund balance, since the committments will be honored through subsequent years' continuing appropriations.) However, the presentation of special revenue fund budgets excludes encumbrances, in order to clearly show that the ending fund balance from one period conforms to the beginning fund balance of the subsequent period. Additionally, for presentation purposes, the budgets of federal special revenue grants reflect the September 1 – August 31 grant accounting period for these funds, while other grant budgets reflect the July 1 – June 30 state and municipal budget periods. Finally, the budget document excludes gift accounts, miscellaneous local grants, trust and agency accounts, which are included in the audited financial statements.

Budget Policies & Practices:

All budgets are developed using a variety of policies and practices, which reflect state law, School Committee policy and voted budget guidelines. The following section highlights significant assumptions used in the budgeting process.

Budget Development Process:
The budget development process for school funds is described above, including roles and responsibilities.

Guidelines for Budget Requests
The voted Budget Guidelines of the School Committee outline two levels of funding requests within the School Committee's budget: Base Budget requests and Program Improvement Budget requests.

The School Department's **Base Budget** assumes the same level of service to the schools from the prior to the succeeding fiscal year budget, including the current school programs, staffing levels, class sizes, and services. The FY 11 base budget includes: a) the total FY10 budget appropriation (net of turnover savings); b) statutory or regulatory mandates; c) personnel step, longevity and collective bargaining increases (including cost of living); d) increases under other existing contracts; e) significant inflationary or enrollment increases (inflationary increase in the cost of student supplies, additional teachers needed to maintain student-teacher ratios, etc); and f) other items considered necessary and recommended by the Superintendent.

The **Program Improvement Budget** includes both the Base Budget plus additional funds for program enhancements and improved service to the students of the Needham Public Schools. The Program Improvement Budget is the budget mechanism the School Committee will use to invest in service and program improvements for the Needham Public Schools.

Salary Increase Policies:
Salary adjustments are subject to School Committee approval, and are generally part of the normal budget development process for the succeeding fiscal year. Contractual step, longevity and collective bargaining increases (including cost of living) are considered to be base budget requests for the upcoming school year.

Needham Public Schools has five salary scales, established by separate collective bargaining agreements for school administrators, teachers, instructional assistants, clerical staff and computer technicians, and food service workers. In addition, a small number of school personnel work under non-union contracts, including the Superintendent, Central Administrators, Principals, and specialized workers.

Position Policy:
Position adjustments are subject to School Committee approval, and are either part of the normal budget development cycle for the succeeding year, or the budget amendment cycle. For each budget year, schools are staffed based on established student/teacher ratios (School Committee Policy #IHB), applied to projected enrollment, as well as specific student needs articulated by Individualized Education Plans (IEPs). Starting with the prior year's staffing levels, staff are added or subtracted based on the aforementioned factors.

Positions also are adjusted to reflect the expansion or modification of existing programs, or to meet new requirements. Requests for additional positions generally originate with the program manager/principal,

are reviewed by the Superintendent, and as appropriate, are forwarded to the School Committee for approval.

All authorized positions in the School Department are assigned unique position authorization and sequence numbers. Position control is an important control mechanism, which ensures that the number of staff hired does not exceed the total number of budgeted authorizations, and that salary expenditures remain within budget amounts.

Budget Oversight and Amendment:
The operating budget, as enacted by Town Meeting establishes the overall School Department appropriation. Although the School Committee has the legal authority to move funds within its appropriation, the total School appropriation may be amended only by Town Meeting at Special Town Meetings, which occur during the year. Amendments to specific line items within the School Operating Budget are made in accordance with School Committee Policy #DBK. Under this policy, the School Committee is solely empowered to authorize changes in allocations between line items, within the total appropriation approved by Town Meeting. Budget adjustments are allowed throughout the year.

The Superintendent and his designee, the Director of Financial Operations, are responsible for providing budget oversight. Budgetary controls are maintained to ensure compliance with Massachusetts General Laws that govern municipalities and school departments, and School Committee policy. These statutes provide legal standards for preparing, presenting, adopting and administering the budget.

Features of Needham's internal control structure include the use of an integrated financial management system; the segregation of incompatible duties; the use of encumbrance accounting; properly designed accounting records (including the use of pre-numbered forms and automatic duplicates); controlled access to sensitive information and valuables; physical security of cash, assets and vital records; the use of computer backups and a disaster recovery plan; regular reconciliation of accounts; verifications of compliance with financial processes and controls; and the timely preparation of financial reports.

Each program budget is managed by a District administrator, who is responsible for operating their programs within the limits their approved budgets.

School Committee Policy #DBK, as implemented by the budgetary control system within the District's financial management system, requires that expenditure requests include a valid account number, that they be approved by an authorizing party and that they remain within the approved and available budget amount. Additionally, all expenditure requests must be approved in advance by District's Chief Procurement Officer, for compliance with Massachusetts Uniform Procurement Act (MGL Ch30B) requirements.

Encumbrance accounting is an important feature of the financial control and reporting system. As required under School Committee Policy #DBK, all non-salary expenditures must be encumbered to ensure that funds will be available when payment is due. (Although desirable, the Town's current financial system cannot encumber salary expenses.) The encumbrance process is an important control measure to prevent the inadvertent over-expenditure of budget appropriations due to lack of information about future commitments.

Expenditure Approval:
MGL Ch 41 Sect. 56 require the School Committee to approve all school bills, drafts, orders and payrolls, and stipulates that approval may only be given after an examination to determine that the charges were correct and that the goods, materials or services charged for were actually had been

ordered, delivered and/or rendered. School Committee Policy #DGA requires a majority of the School Committee to review and approve warrants for goods and services, but authorizes the Chairman (or designee) to approve payroll warrants,

Financial Information and Reporting Practices:
The financial management system provides accessible and timely information about the uncommitted balance of appropriations and unrealized revenues. Under School Committee Policy #DBK, financial status reports must be provided to the Committee within 45 days of the end of each quarter. These financial status reports present year-to-date payments and encumbrances for school accounts, as well as a listing and explanation of all transfers between appropriation accounts. In addition, quarterly projection reports are prepared for operating accounts, to provide timely about current or potential budget issues, and to facilitate fiscal planning. At the end of the fiscal year, Policy #DBK also requires the Superintendent to make a recommendation to the Committee about the disposition of unspent funds, which the Committee revises (as necessary) and approves by majority vote. In addition, the Superintendent or designee should inform the Committee about changes in staffing levels or in curriculum, prior to implementation, even if those changes have no financial impact on the budget.

Fund Balance:
As a dependent entity, the School Department is not allowed to retain fund balance within the School Operating Budget; at year-end, operating budget appropriation balances lapse. Capital budget balances are available until expended, are retained within each fund/account, and are restricted to the specific purpose of the appropriation. Special revenue revolving fund programs are permitted to retain unexpended balances within each fund/account, with the exception of those programs established under MGL Ch40 Sect. 3, for which unexpended balances laps to the General Fund at year end. As a general guideline, expended balances within special revenue revolving fund accounts should not exceed three months operating expenses, unless special conditions apply. Examples of special conditions include: the pre-collection of fee revenues for the next fiscal year, specific cash flow requirements (or the absence thereof), statutory restriction, an intentional accumulation for capital replacement or other purposes, or insigificant balance amounts. Special revenue grant funds lapse at the end of the applicable grant period, which is typically July 1-June 30 for state and local grants, and September 1 – August 31 for federal grants. For these grant funds, unexpended balances typically must be returned to the granting agency.

Auditing:
School Committee Policy #DIE requires that all school accounts undergo an annual audit, by the firm selected by the Town of Needham to perform general auditing of accounts. In addition, an internal audit of Student Activity Accounts is permitted, at the discretion of the Superintendent, but is routinely conducted on an annual basis. Finally, an independent review of the accounting procedures of the Needham Public Schools will be conducted following the termination of service, resignation or retirement of the Director of Financial Operations.

Capital Policies:
The Town annually develops a five-year Capital Improvements Program (CIP), under the direction of the Town Manager. The first year of the CIP constitutes the proposed capital improvements budget for the coming year, and the ensuing four years of the plan are included for planning purposes.

The Capital Improvement Plan shall include: a) a list of all capital improvements proposed to be undertaken during the next give years, together with supporting data; b) cost estimates, methods of financing, and recommended time schedule; and c) the estimated annual cost of operating and maintaining any facility to be constructed or acquired.

The School Department follows the general provisions of the Capital Improvement Policies established by the Board of Selectmen:

- Capital improvements are defined as: a) items requiring an expenditure of at least $25,000 and having a useful life of more than five-years; b) projects consisting of real property acquisitions, construction, capital assets improvements, long-life capital equipment, or major maintenance/repair of an existing capital item, as distinguished from a normal operating expenditure; and c) items obtained under a long-term lease.
- Town departments will propose operating budgets that provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment;
- All assets will be maintained at a level that protects capital investment and minimizes maintenance and replacement costs;
- All equipment replacement needs for the upcoming five-years will be projected and the projection will be updated every year; and
- Future operating and maintenance costs for all new capital facilities will be fully costed out.

These policies also govern activities of the Capital Improvement Fund (CIF), whose purpose is to allow the Town to reserve funds for general fund cash capital. Appropriations from the CIF are restricted to the following item for which the town may borrow for a period of five years or more; the acquisition of new equipment; the replacement of existing equipment; and building and facility improvements which cost less than $250,000. Only general fund capital items that have been identified in the CIP for a period of three or more years, and which are recommended in the Capital Improvement Program for the current year, are eligible for funding from the CIF. The CIF may be used to pay for recurring equipment replacement needs that have been identified in the CIP and funded in at least three of five immediately preceding fiscal years. Appropriations to the CIP and interest earnings on the fund become part of the Fund.

Additionally, the policies govern use of the Capital Facility Fund (CFF), whose purpose is to allow the Town to reserve funds for extraordinary building repairs when other resources are unavailable. Appropriations from the CFF are restricted to: a) building repairs and improvements related to the structural integrity, building envelope or mechanical, electrical, plumbing system of the then existing capital facilities; and b) buildings and structures located on Town property and under the jurisdiction of the Town Manager (school buildings fall under the jurisdiction of the Town Manager.) Appropriations into the CCF and interest earnings become part of the Fund.

Debt Policies:

Under state law, School Departments of Towns are not empowered to issue debt. MGL Ch44 Sect. 7 limits the ability to incur debt to Town Meeting, upon two-thirds vote, for specific purposes as outlined in the statute. The Board of Selectmen have established the following debt policies:

- Proceeds of long-term debt will not be used for current, ongoing operations;
- The Town will strive to limit total debt service, including debt exclusions and self-supporting debt, to 10% of gross revenues;
- The Town will limit annual increases in debt service to a level that will not materially jeopardize the Town's (AAA) credit rating;
- For those previously-authorized bonded projects with residual balances, the Town Administrator shall propose the reallocation of these balances for other capital projects in conformance with MGL Ch 44 Sect. 20;

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- For those previously authorized projects funded with available revenue (tax levy or reserves), that have residual balances in excess of $5,000, the Town Administrator shall propose the reallocation of these balance for other future capital projects in conformance with MGL Ch 44 Sect. 33B. This practice will avoid abnormally inflating general fund surplus with one-time receipts.
- For those previously authorized projects funded with available revenue (tax levy or reserves), with residual balances of less than $5,000, the Comptroller shall be authorized to close these balances to the appropriate fund surplus;
- The Town will attempt to limit bond sales in any calendar year to $10,000,000 in order to maintain bank qualifications and thereby receive lower interest rates on bonded debt;
- Long-term borrowing will be confined to capital improvements too expensive to be financed from current revenues. In general, the Town will attempt to finance purchases costing less than $25,000 with operating revenues;
- Bonds will be paid back within a period not to exceed the expected useful life of the capital project;
- To the extent practicable, user fees will be set to cover the capital costs of enterprise type services or activities – whether purchased on a pay-as-you-go basis or through debt financing – to avoid imposing a burden on the property tax levy.
- Ongoing communications with bond rating agencies will be maintained, and a policy of full disclosure on every financial report and bond prospectus will be followed.

School Revenues:

School revenues are derived from three primary sources: federal, state and local sources, including property taxes and fees. Local resources fund approximately 90% of the school operating budget; state aid comprises an additional 10%. Federal revenue is received primarily in the form of special revenue grant funds, and reimbursement for free and reduced price meals.

Federal revenues consist of categorical special revenue funds that are designated for specific purposes. Specific purpose grants include Federal Special Education Entitlement (SPED 94-142), SPED Program Improvement/274, Title I (No Child Left Behind), Teacher Quality/140 (Title II, Part A, Improving Educator Quality), NCLB Technology/160 (Title IID, Part D: Enhancing Education Through Technology), NCLB Innovative Programs V/302, NCLB Safe & Drug Free Schools/331 (Title IV, Part A: Safe & Drug Free Schools & Communities.) The Food Services program also receives federal reimbursement for free and reduced price meals sales to students. These funds are subject to the federal budget process and are received from the State as pass-through funds.

State revenues for education consist of Chapter 70 Education Funds, and other categorical amounts established by the State. MGL Chapter 70 Education funds, authorized by the Education Reform Act of 1993, provide funding to school districts based on a calculated foundation budget amount, which represents the amount of money that each district is required to appropriate, in order to provide an adequate education to its pupils. The funding formula also calculates a target local contribution amount, or local share, which is capped at 82.5% of the foundation budget amount. State Chapter 70 aid is the calculated difference between a District's foundation budget, and its required local contribution amount. Needham's Chapter 70 aid calculation for FY12 is shown below:

Massachusetts Department of Elementary and Secondary Education
## FY12 Chapter 70 Summary

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Aid Calculation FY12

Prior Year Aid

1 Chapter 70 +SFSF FY11	6,626,340

Foundation Aid

2 Foundation budget FY12	46,025,846
3 Required district contribution FY12	39,034,126
4 Foundation aid (2 -3)	6,991,720
5 Increase over FY11 (4 - 1)	365,380

Non-Operating District Reduction to Foundation

6 Non-operating district reduction to foundation	0

Chapter 70 Aid FY12

sum of line 1 and 5 minus line 6	6,991,720

Comparison to FY11

	FY11	FY12	Change	Pct Chg
Enrollment	5,094	5,184	90	1.77%
Foundation budget	44,582,496	46,025,846	1,443,350	3.24%
Required district contribution	37,987,380	39,034,126	1,046,746	2.76%
Chapter 70 aid	6,590,957	6,991,720	400,763	6.08%
Required net school spending (NSS)	44,578,337	46,025,846	1,447,509	3.25%
SFSF Grant	35,383	0	-35,383	-100.00%
Education jobs Grant	500,900	0	-500,900	-100.00%
Chapter 70 plus SFSF+Edujobs	7,127,240	6,991,720	-135,520	-1.90%
target aid share	17.50%	17.50%		
C70 & SFSF + Edujobs % of fndation	15.99%	15.19%		
Required NSS plus SFSF + Edujobs	45,114,620	46,025,846	911,226	2.02%
Req NSS & SFSF +Edujobs % of fnd	101.19%	100.00%		
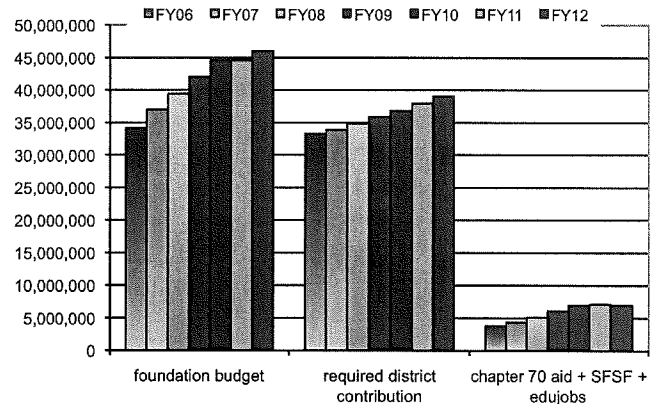
The Massachusetts Department of Elementary and Secondary Education (DESE) administers the Chapter 70 formula. Before receiving any education aid, all districts are required to submit End-of-Year Pupil and Financial Reports to the Department. The data contained in these reports are used to demonstrate compliance with net school spending requirements. A district's failure to spend at least 95 percent of its net school-spending requirement will result in a reduction of Chapter 70 Aid in the following fiscal year. Other state aid for education consists of: school construction reimbursements, Charter School tuition and capital reimbursements, racial imbalance funding for the METCO program, and school lunch aid. All of these revenues are reflected on the official "Cherry Sheets" published by the State Department of Revenue.

Local revenues consist of property tax revenues and local receipts. Under Massachusetts General Law's Proposition 2-1/2, property taxes on the whole are restricted to increases of 2.5%, plus tax revenues derived from new growth (the annual "levy limit.") An additional taxing limitation is the "levy ceiling," which is capped at 2-1/2% of the Town's valuation. The FY 2009/10 Town of Needham levy limit is $87,870,506, which is well below the levy ceiling of $185,794,098. The residential tax rate is $10.53 and the average single family tax bill is $7,379. Local receipts consist of motor vehicle excise tax, other excise, penalties and interest, payment in lieu of tax, charges for service, licenses and permits, fees, fines and forfeitures, special assessments, investment income, other types of income.

The majority of voters in the Town may authorize an operating override, which is a permanent increase in a municipality's levy limit (but not the levy ceiling) in a municipal election. The override amount becomes part of the levy base, when setting the next year's levy limit. A majority vote of the Board of

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Selectmen is required to place an override on the ballot and a simply majority vote by voters is required for passage. In November 2008, Needham voters approved an operating override of $1,887,929, to become effective on July 1, 2009 for the purposes of opening the Town's eighth school, the High Rock School. (Of this amount, $1,057,272 was appropriated to the School Department, and $830,657 to the Town, for High Rock-related expenses.)

Additionally, voters may authorize a *temporary* increase in a municipality's levy limit (and possibly the levy ceiling), when a municipality's voters elects to exclude the payment of a particular debt service from the constraints of Proposition 2 1/2. The debt service is then added to the levy limit for the life of the debt only. To place a debt exclusion question on the ballot requires a 2/3 vote of the entire Board of Selectmen. A simple majority vote by the voters is required for passage. Debt exclusion overrides are common funding sources for new/renovated facilities or large capital projects.

School Expenditures:

School Department expenses are grouped by Needham-specific functional area categories: Administration, Transportation, Other General Services, K-12 Regular Instruction, Guidance & Psychology, Health Services, K-12 SPED Services, SPED Tuitions, Other Student Services, Technology & Media, Physical Education & Health, Fine & Performing Arts, World Languages. Within these general categories, cost centers are defined.

Expenses also are grouped by Department of Elementary and Secondary Education reporting categories, including: Administration (1000), Instructional Leadership (2000), Classroom and Specialist Teachers (2300), Other Teaching Services (2330), Professional Development (2350), Instructional Materials (2410), Equipment and Technology (2420, 2450), Guidance and Testing (2700), Psychological Services (2800), Pupil Services (3000), Operations and Maintenance (4000), Employee Benefits and Insurance (5000), Other expenses (6000), Asset Acquisition (7000), Debt (8000) and Payments to Out of District Schools (9000.) These reporting categories are aligned to the annual End-of-Year Pupil and Financial Reports, which is used demonstrate compliance with net school spending requirements under the Chapter 70 Education Reform laws.

Expenditures further are broken into the following expenditure types, recognized by Needham Town Meeting: salaries (010), purchase of service (020), expense (030) and capital (200.)

Finally, the chart of accounts confirms to Uniform Municipal Accounting System (UMAS) guidelines, which provides fund and object code designations.

School Chart of Accounts:

The Town of Needham and School Department share a General Ledger and common chart of accounts. The chart of accounts reflects the Town's organizational structure (Fund & NPS Department), Department of Elemetnary and Secondary Education (DESE) reporting categories (DOE Program, DOE Building, DOE Subject, DOE Grade, DOE Object), Town Meeting expenditure categories (Activity, Category), UMAS guidelines (Fund, Object) and Department of Revenue "Schedule A" reporting classifications. The account code structure is defined below:

FUND	NPS Department	DOE Pgm	DOE Bldg	DOE Function	DOE Subj	DOE Gr	Activity	Sub Act	SubCat	Cat	Object	Schedule A	DOE Obj
0 0 0 1	3 2 2 0	0 0 5	2 2	2 4 1 0	0 9 0	9 9	5 2	0	0	0 3	5 5 1 7	3 0 0	0 5