



Lexington Public Schools

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To: School Committee
From: Paul B. Ash, Ph.D.
Superintendent of Schools
Re: Governor's Recommended Budget (HR 1)
Date: March 9, 2015

Last week, Governor Baker proposed his FY 16 budget to the legislature. His budget includes two significant potential cuts: the elimination of the Kindergarten Expansion grant and a reduction in the rate for special education circuit breaker reimbursements from 72% to 66%-68%. If the legislature agrees with these recommendations, we would lose \$227,000 that pays the cost of our Kindergarten Assistants and \$251,525 in special education reimbursements (if the account is funded at 66%).

While the State is still at the start of the FY 16 budget process, I would like the School Committee guidance on how to proceed. I have listed below three options and my recommendation.

Option #1 – Do Nothing at This Time

Without any intent of sounding partisan, experience has shown that the Democratic legislature rewrote the Republican Governors' budget proposal 16 out of the 16 years prior to Governor Patrick's two terms. In my opinion, it is highly likely that the House of Representatives will write its own budget followed by the Senate writing its own budget, and then followed by the two branches reconciling their two budgets in a joint conference sometime in June or July. The process listed below is likely to include some major changes:

1. *The Governor's budget is released.*
2. *House Ways and Means Committee members review the Governor's budget and release their budget.*
3. *All House members debate the House Ways and Means budget, including any amendments that are filed, and release their final version of the budget.*
4. *Senate Ways and Means members review the Governor's and the House budget and release their budget.*
5. *All Senate members debate the Senate Ways and Means budget, including any amendments that are filed, and releases its final version of the budget.*
6. *The Governor revises his budget. State Finance law requires the Governor to submit budget revisions to his proposed budget if revenue forecasts predict a shortfall after the original submission.*
7. *A conference committee is formed by members of the House and Senate to negotiate any differences in the House and Senate budgets and releases its budget for the Governor's consideration.*
8. *Once approved by both chambers of the Legislature, the Governor has ten days to review the budget. The Governor may approve or veto the entire budget, or may veto or reduce particular line items or sections, but may not add anything.*
9. *The House and Senate may vote to override the Governor's vetoes. Overrides require a two-thirds roll-call vote in each chamber.*
10. *The final budget is appropriated.*

If the Governor's recommended cuts are still included in the final FY 16 budget, the School Committee has the following options: cover the cuts by using potential salary differential savings and/or other savings, identify and implement LPS cuts starting this summer, or request funds from 2016 Annual Town Meeting (the proposed Town budget includes \$110,000 for potential state cuts. In addition, the Town has \$1,000,000 in its Special Education Stabilization Account).

Option 2 – Request Additional Funds at the 2015 Annual Town Meeting

Since the School Committee did not use its full allocation under the revenue allocation model, the School Committee could consider requesting additional funds at the 2015 Annual Town Meeting.

Option 3 – Ask the Superintendent to Identify FY 16 Cuts or Fee Increases at This Time

If the School Committee chooses this option, I will prepare a potential list in the next few weeks.

I recommend Option #1.