

**Minutes**  
**Town of Lexington Appropriation Committee**  
**March 1, 2007**

Place and time: Room 111, Town Office Building, 6:00 p.m.

Members present: Alan Levine (Chair), Deborah Brown (Vice-Chair), John Bartenstein (Secretary), Rod Cole, Rick Eurich, Pam Hoffman, David Kanter, Mike Kennealy, Eric Michelson

Also present: Tom Diaz (School Committee)

A meeting of the Appropriation Committee was held prior to Budget Collaboration-Summit Meeting 4. The meeting was called to order at 6:13 PM.

**1. Reports of Other Meetings.** Alan Levine noted that he and David Kanter had attended a meeting of the Permanent Building Committee on February 27 during which planning for the new DPW facilities was discussed at length. Because time was short, Alan gave only a brief report on that meeting.

**2. Special Education Budgeting Issues.** Tom Diaz reported on the outlook for special education (SPED) finances for FY 2008. He distributed a handout that was based on a report to the School Committee that summarized some of the SPED information. He indicated that there are two positive factors influencing the budgeting of SPED costs in FY 2008. The first is that the school administration has a new tool for tracking out-of-district students and the associated costs which should enable firmer budget estimates than in the past. The second is that the administration proposed and the School Committee approved (last November) the creation of three new in-house programs for FY 2008 to serve SPED students who might otherwise require out-of-district placements. One of the main focal points of the new programs is services for students with autism or related conditions. These programs will cost about \$500K and are projected to save about \$1,400K in outside tuition and transportation costs to the Town. The Superintendent's recommended FY2008 budget factors in the projected net cost savings of \$900K (the numbers here do not factor in the anticipated reduction in circuit breaker reimbursements).

On the negative side, Tom said that even after any savings that might be realized from the new in-house programs, SPED costs are projected to increase. In particular, there are 8 to 12 students in the school system at present who are likely to be placed out-of-district next year. The net number of out-of-district placements will increase by about three, and program costs will also be higher. Overall, SPED costs are projected to increase about \$2M from FY 2007 to FY 2008. Last year, the projected cost increase (FY 2006 to FY 2007) was about \$1M, and the actual increase after supplemental special education funds were appropriated at last fall's special town meeting was closer to \$2M.

There was general discussion of whether more detailed examination of SPED statistics, including historical data predating the tracking tool, would yield better projections of future costs. Alan commented that certainly it will be useful to obtain overall statistics but it only takes the placement of a few students in expensive programs to have a large impact on the budget. Tom continues to work on SPED records and said that he could use some assistance. Alan Levine, Pam Hoffman and Mike Kennealy volunteered to help in this effort.

There were suggestions for factors to review in the FY 2008 SPED cost projections.

Tom reported that Sen. Havern has mentioned that the State legislature may consider legislation to reimburse towns for some portion of SPED transportation costs, which in Lexington currently total about \$1M per year. The SPED circuit breaker program does not currently reimburse any transportation costs.

The current estimate for circuit breaker reimbursement in FY 2008 is now about \$2,069,000. This is lower than the number in the Superintendent's recommended budget book and does not anticipate either extraordinary relief from the state (available only if special education costs exceed the prior year by more than 25%) or additional circuit breaker reimbursement resulting from better accounting of in-house costs. The net increase in SPED costs for FY 2008 after circuit breaker reimbursements will likely be something over \$1.5M.

**3. Budget Summit 4.** At 7:25 the meeting moved to Cary Hall to participate in a Budget Collaboration/Summit meeting. That meeting commenced at 7:40 PM.

The Board of Selectmen will publish minutes of the summit meeting. A few items are worth noting here. First, the Governor's proposed FY 2008 budget was released and suggests that Lexington's state aid may increase by something over \$300K. Some \$280K of that increase is Chapter 70 aid, i.e., an increase of \$50 per student, and \$30K is in lottery aid. The Town Manager is skeptical that the lottery aid will materialize, but may consider building the increase in Chap. 70 aid into the Town's budget. It could cover the present gap between the amount in the recommended budget for Minuteman Science-Tech. High School (about \$1M) and the amount that Minuteman is now expected to request (\$1.236M).

The budget schedule was discussed. The operating budget will not be final until mid-March at the earliest because the School Committee does not expect to vote on their budget until March 13. Thus it will likely be useful to begin discussions of CPA and non-General Fund enterprise capital requests at Town Meeting before the General Fund articles are discussed.

Funding of the school capital requests was discussed. The need for estimates of cost savings from energy efficiency improvements was highlighted. The possible use of some of the funds presently planned to be put into the Stabilization Fund was mentioned.

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Future summits were planned for March 15 at 6 PM at Clarke (for the discussion of capital requests) and on March 21 at 6 PM.

The meeting adjourned at approximately 9:10 p.m.

Respectfully submitted,

Alan Levine  
John Bartenstein

*Approved March 8, 2007*