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School Committee Chair: *L. Murphy*

Joint School Committee/Finance Committee Meeting

March 24, 2022 - 6:30 pm

Town Hall - 2nd Floor Auditorium

Attendance:

School Committee: Larry Murphy, Chair; Dr. Ryan Forsythe; Mike Barbaro; Thad King, Superintendent; Robert Mullin, Director of Finance and Operations

Finance Committee: Thomas Kane, Jr., Chair; Dr. Maureen Ward; Charles Corts; Doug Delay; Adrian Guerrero

1. Call to order

T. Kane reads audio visual disclosure:

2. Pledge of Allegiance

3. FY-2023 School Department Budget Presentation

T. King and R. Mullin present FY23 School Department Budget. T. King outlines budget priorities, including holdovers from the previous year, as well as creating a sustainable model for long term curriculum development, instructional improvement and leadership, social emotional and behavioral needs. He outlines the trusts with the Robinson-Broadhurst Foundation and Murdock Trust, which provide funding for the district each year for certain programs, including the dual enrollment program for high school students.

M. Ward asks if the credits are good at Fitchburg State or if they can be transferred to other schools. T. King replies that they are state credits and would transfer to any university.

T. King explains that traditionally, the supply lines for each school have been funded through the two trust accounts; however, this is not a good practice as it is an operational cost that should be included in the general budget. With the presented budget, he has attempted to include those supply costs either in federal grants or in the budget itself. Additionally, the other big part of the budget is staffing, which generally takes up about 80% of the overall budget. This year, the district had a 10% increase in net school spending. Seven teachers were added to the budget for next year, as well as one custodian at the Murdock Middle High School, and an individual to oversee the special education needs for the district, rather than pulling teachers from their classroom time to plan and implement special education needs.

The district has Chapter 70 and required local aid that is referred to as net school spending, which funds operational costs. Another large component comes from grants. T. King

outlines the COVID grants the district received and will notes that it is important not to plan the budget around temporary funding such as this.

T. Kane asks about the number for salaries, \$700,000, which he believes would suggest programming of some sort, and how the district came up with those numbers and how that money will be spent. T. King responds that a number of our salaries are paid through special education grants. Many of the funds also cover transportation and out of district students due to the restrictions that are placed on the way that grant money can be spent. T. Kane clarifies that what he wants to understand is that about \$400,000 in grants goes to salary. When you take that off the top, you are really looking at \$300,000 over as much as three years, so is there a specific program that would require an additional \$150,000 a year in salaries. T. King replies that recurring costs are evaluated when creating a new special education program, and since the COVID funds are temporary, the recurring costs of those programs is put into the general budget. L. Murphy states that Mr. King pushed hard on the idea of sustainability in the budget in that regard, that after all the COVID funds have disappeared, the need to sustain the jobs and salaries of employees has been taken into consideration with the preparation of this budget. T. King explains that as the COVID funds are very specific on how they can be used, he has planned carefully on how to use that money. T. Kane responds that the teachers that are identified in the regular operating budget last year are still in the budget this year plus the seven that will be hired, so he understands that they weren't taking that money to try to pay and cut down the operating budget and people need to understand they are allowed to do that. He states that part of their review of the budget is to make sure that the operating budget is sustainable, and it is. D. Delay asks about the increase in salaries from FY22 to FY23. T. King explains that the teachers who earn college credit also increase in steps. M. Ward explains that a teacher with a Masters degree will make significantly more money than one with a Bachelor's degree.

R. Mullin gives brief history of Chapter 70 and Student Opportunity Act. He explains that the amount the district is spending on special education for students is increasing by an additional rate in the dollar amount per pupil for English learners as well as low income students. He explains this as it relates to the foundation budget. T. Kane asks about the criteria for identifying students and the levels of their IEP and questions the numbers presented. L. Murphy explains that 20% of our student population is in special education. R. Mullin explains that the state calculates an average based on the total population of the district; they do not use the actual figures that are spent. M. Ward replies that it doesn't make sense from the point of view of the state and asks for clarification. R. Mullin states that he will get back to her with more information. T. Kane states that this is a problem that has existed for a long time, that the formula was developed back in the 90s and is not realistic in terms of rising costs. Education organizations have been advocating for reform in those formulas. T. King responds that there was an 8% increase from FY22 to FY23, and the net total of local and state funding is an increase of 10%. He states that the Chapter 70 and local aid are formulaic from the state that comes to the superintendent and the town manager to say how much the school should receive. He goes on to explain the athletic revolving account.

T. Kane brings attention to the indirect cost calculations and the dramatic difference between Worcester county's retirement in the previous year versus now. He asked the town accountant where the numbers came from, but she had very little information, though it listed town water and sewer and schools.

T. King states that if looking at the Cherry Sheets, the district is spending a little more as reflected on this page and in the revenues than what was received, and that is because the district wants to reflect what is actually being spent and that is as a result of the fact that they do have a revolving account and that money is available to spend.

A. Guerrero asks for explanation of the solar pilot. M. Ward explains that three years ago there was no revenue coming into the town, and the solar pilot started to bring revenue into the town. Ideally, it would be 50/50 town and school. Nothing was written in stone, but that was what was hoped. The needs change, and the town needed it this year more than the school needed it at just under \$250,000 for this year. At this point, the town is going to use it. M. Barbaro states that when the solar pilot began, there was a gentleman's agreement that there would be a 50/50 split between the town and the schools. The current estimate of solar money is \$370,000. M. Ward states that the numbers she got were just under \$252,000. M. Barbaro states that he was told \$307,000, but the bottom line was that it was to be a 50/50 split. When the overall school budget came through, the town budget came, the town took more of a hit than the school department did, therefore the town needed the money this year. But going forward, there will be a more equitable split. L. Murphy states that the gentleman's agreement is not a good way to do business. He believes there should be a process where the needs of the town and the schools are examined. He hopes that in the future, there will be a process to determine how the money is used between the town and schools. M. Ward states that there should be some sort of discussion because she remembers it being an agreement for a 50/50 split, and the school has received it every year for the last seven or eight years. The law says that a two and a half override is used for one year as presented. She believes a conversation should be had so that everyone is on the same page. T. Kane states that one of the recommendations from the Department of Revenue was that they develop a revenue sharing agreement. He would like to see that they reconvene the ad hoc committee that was formed years ago to look at revenue sharing and get some models on how other communities do it. M. Ward states that when you look at solar and override, as Mr. King has said with future money for enrichment activities, they shouldn't be part of the core budget. The current budget should be enough that there is a gap between that school spending and what is needed so that extras are available for the students, not just basics. L. Murphy states that the overage for net school spending used to be about 1.7% in the district, and the average in the state is 12%. M. Ward states that we should be adding that to the core budget every year. L. Murphy agrees but adds that the complicated part is that 62% of our students are below the low income level. The average income in Winchendon for a family of 4 was \$46,000 last year. He believes that our students deserve better and he is glad the state has recognized our need so that we are better able to serve our students. M. Ward states that if you look at the town and what its needs are; if you look at the list of capital expenses: a new fire station \$12 million; and this \$8 million are those top of the line, pie in the sky Cadillacs needed, or could we cut those down to \$7 million instead of \$12 million and funding the schools. She states that if done incrementally, it's not a huge tax increase, and if you plan it over a five, six or seven year period, then you would have something to plan with. M. Barbaro states that for the first time in probably ten years, we are adding staff back to the district. He believes the town is headed in a positive direction.

M. Ward suggests that T. Kane makes a note to initiate the committee of revenue sharing again and start discussions. T. Kane agrees but states that the committee never got anywhere. T. King replies that he and the town manager had initiated conversations to see that progress is made toward that end.

T. King continues to discuss balancing out the expenses against the revenues, stating that the revolving accounts are at \$471,000 which is a combination of circuit breaker and athletics. He anticipates about a \$21,000 deficit in expenses, giving the district a beginning balance for FY23. This revolving account aids students who may not be able to pay the fees for athletics or other programs. T. Kane asks for clarification on saving versus spending things like circuit breaker in case of something unexpected. T. King states school choice expenditures are a little more above what is received. He states that some are concerned about what will happen when the Title 1 funds go away, and the thought process is that we will continue to spend basically what is received or a bit above, but maintaining a balance is the plan at this time. R. Forsythe asks if it is true that the district's expenditures which would be applied against circuit breaker have the potential to increase without much warning. T. King states that the answer is yes. M. Ward adds that it can absolutely happen.

4. Closing Comments

T. King states that the overall intent of this budget is to focus on special education and making sure that the district is doing the right thing by its students that are most in need.

M. Ward thanks the district for the focus on the intent of curriculum and vertical alignment and supports the improvement district wide with the use of the trust funds for enrichment activities and putting back those core costs like supplies into the basic budget. She would like to see in the future the music and art teachers because she fears they are core to come back into the budget to increase that gap between school spending and where we really want to be. She thanks Mr. Mullin for the Chapter 70 explanation, which was well received and overdue.

T. Kane states that the presentation was well organized and appreciated the ease with which Mr. King responded to questions. He states that it speaks to the fact that he is well versed in the budget.

R. Forsythe points out for the Finance Committee that the School Committee thanked Mr. King for focusing this budget during a time where an increase in revenue that was partially unexpected resulted in a focus on student service, or direct service to students, decreasing class size, affecting special education and vertical alignment throughout the district. He believes that this budget reflects the priorities of the school district and was very well received by the School Committee in addressing the things that it thinks are most important.

M. Barbaro states that it has been 10 years since the district has been able to bring more people in and to enrich the children, the school district, which makes people want to come back to the district. He is very happy with Mr. King's budget and he is pleased to see the positive effects in the district.

5. Public Comment

T. Kane asks for public comment. None given.

6. Adjournment:

M. Ward makes Motion to adjourn. Seconded by C. Cortis. Vote is unanimous. Meeting is

adjourned.

Respectfully Submitted: Liz Latoria
Liz Latoria, Executive Assistant to the Superintendent

Documents Attached: None