

Finance Committee Meeting Minutes
March 17, 2016
Town Hall
Sturbridge, MA

Call to Order

The chairman called the meeting to order at 7:00 PM with the following Finance Committee members present: Chair Kathleen Neal (KN), Vice Chair Kevin Smith (KS), Clerk Joni Light (JL), Laurance Morrison (LM), Michael Serio (MS), Suzanne Smiley (SS), James Waddick (JW)(at 7:43 PM) and Leah Boutelle as recording secretary. Guests in attendance: Dr. Erin Nosek (EN), Superintendent of Schools, and Deb Boyd (DB), Associate Superintendent of Business & Finance.

Discussion of Education Budget Proposal for FY17

KN opens the discussion to LM, the appointed Finance Committee liaison to the education budget.

LM expresses gratitude to DB and EN for coming to clarify the budget proposal for the fiscal education needs in Sturbridge public schools. He notes that several of the terms used in discussion need clarification and definition and he will define them mindfully, although some may be open to corrections. LM notes that on December 3rd, 2016, he and KN sat in executive session with the Sturbridge School Committee. The minutes have not yet been released and therefore not up for public discussion, however, the focal point of the conversation was around special needs and the effect on the FY17 school budgets.

LM goes on to explain fundamental elements in paying for education for the newest members of the Finance Committee, who may be unfamiliar, and for viewers at home. Public dollars are precious and every student is the most important customer. An educational foundation budget is derived from a formula that is a state figure intended to equalize among all communities regardless of wealth, and to allow those schools to provide the optimum education for all students. The special needs definition derives from the 1970s, Chapter 766. Massachusetts was the first in the nation to have a statute on special needs. Subsequently, federal law took Massachusetts' definition "lock, stock, and barrel" and adapted it for the federal mandate. LM believes that Burgess Elementary, not excluding Tantasqua, concerning the way things are done, are indisputably in the top tier. Burgess is able to do more per student for thousands of dollars what other places in the private sector would do for hundreds of thousands of dollars. He stresses that the responsibility of the community is for all students from ages 2.9 to age 22 to receive proper education.

School choice is a less widely understood definition. LM explains the definition of what school choice funds are in that it is a statewide open system, and it's voluntary. School choice only works when there is room for the school to accept outside students. Local students take priority for enrollment. The sending school pays the receiving school a certain amount of money. For special needs students, they pay an additional amount. Vocational and technical schools are in a separate system. Some schools recruit students for School Choice funding, however, Tantasqua does not. A school choice student will ordinarily enter in 7th grade and stay in the system for 6 years. The sending school pays a fixed amount for the time that sent student is in our school system. A great many statistics, such as the graduation rate and continuing per pupil expenditure, make the school highly attractive. LM opens the floor for discussion.

DB confirms that it was important to reach out and start a dialogue with the Finance Committee as early as they saw concerns with the budget so that no one was surprised. She clarifies the puzzlement when LM was referring to net school spending amount over the state average spending, and that the previous document he was referring to ended in FY15. Updated with FY16, they are 24% over net spending. This is the current state average.

DB states that they take their job seriously, in order to give the best education at the lowest price, meaning top notch education for the lowest taxes possible. The minimum required contribution has decreased by nearly 20%. 20-30% is the “middle of the road”, but as a district Sturbridge is probably giving 35-40+%. DB feels they have not risked the quality of education for a lower minimum required contribution. Chapter 70 funds have been increasing. DB also clarified that school choice status happens by default if the school doesn't vote NOT to be a school choice school. Every year the Sturbridge School Committee votes on school choice. Burgess is not a school choice institution. This does not prevent Burgess from the need to send students to other learning institutions, and those costs are for the tuition line item in the budget. They are more often than not related to personal convenience with a parent working or living close to another school.

Tantasqua also votes on school choice after looking at class size program and enrollment, and determining how many slots are available. Applications are accepted until March 31st, as of now there are 46 applicants. They usually only take in 22 and are allowed a maximum of 27. There are very few slots remaining after enrolling after 7th grade because students generally stay in the system. There are school districts that take all applicants and that pay to bus them in, they look at benefits. The law allows school choice to be separate, a revenue that doesn't have to be applied to the operating budget. It benefits the education budget with capital expenses.

While Sturbridge is increasing in enrollment the other four towns that make up Tantasqua are decreasing in population and enrollment. It is projected that in five years across the district in our 5 towns there will be 100+ fewer students

KS asks if any school were at capacity would they remove the option of school choice. DB answers that they choose to pay close attention and prevent over the maximum enrollment from happening.

KS states that years ago there was a conscious movement to integrated classrooms for special needs students and general students and asks if they are moving away from that philosophy. EN informs him that there are substantial needs that cannot be serviced in a typical classroom of an inclusion setting. DB further states that a large portion of special needs students are in inclusion classrooms, but there is a small population who just cannot be included despite best efforts.

KS asks if at the Town Meeting in June the town should be expecting changes to the Regional Agreement Compact, and if special needs tuition is the only increase for additional funds.

DB states that they intentionally voted an article to ask for \$100,000.00, to compensate the deficit as they are not going to make the current year budget, largely because of district placements tuition costs presented. They are not certain how much they will need, nor did it seem that it will be the entire \$100,000.00. They will know April 1st if the outlook is better, however they were instructed to give the worst case scenario amount. As for the changes to the Regional Agreement, DB said they are only changing language with the intent to reflect actual practice.

KN asks about when the last time the school came back for extra money. DB is only aware of one time in the 15 years she has held the position. KN confirmed it is a rare occasion. She further asks what year of the teachers' contracts they are in, and DB confirmed that Tantasqua is in contract year 1; Burgess is in year 3.

KN asks how many students from Tantasqua go out from the district. DB answers 20 at the most; a handful go out to vocational school, other times students who are almost finished with High School want to stay at the school they were attending previously.

Committee member James Waddick, (JW) is present at 7:43

DB and EN discussed the option of online virtual schools that are considered a school choice. There are two in Massachusetts. KS asks if they receive \$5,000.00 for regular students received into the district. DB confirms and goes on to state that additional dollars come in for special needs.

KS asks how residency is verified among students. EN explains that initially a purchase and sale or rental agreement is sufficient, but often they hear of people moving through various channels. They use school resource officers for information or pursue the family to ask if they moved to authenticate the information. DB states that because Burgess is not school choice it is a bigger issue.

MS asks if the projected 100 student decline was because of population or if there is any impact on people making other choices in private education. EN receives information from private and parochial schools. MS inquired about virtual choice and if that is the same as home school students. EN explained that they are considered a Massachusetts public school in that students receive a diploma; they take MCAS testing; and they have teachers.

SS inquired about the proposed charter school at OSV. EN states that it did not get approved for this coming year. LM presents that there are two reasons; one in that there were gaps in the proposed curriculum; and the other is that the state is running Southbridge public schools and, as such, the state does not want to start up a magnet in proximity to Southbridge. OSV only wanted to accept K through grade 2, but the state wanted grade 3 included. Almost all applications for the charter school were from Southbridge. DB states that charter schools are usually present in under-performing school districts, but she wishes OSV to succeed.

JL asked about homeschooled children, and why they finish in the last year of HS, not realizing that they did not receive a diploma. EN perceives that it's the sports and social opportunities as well as the diploma. JL asks if these students could be considered new residents. DB answers yes, however, they will be received with just proof of residency. EN all homeschooling plans are tracked through the superintendent's office, and there is a fair amount from the 5 towns. EN figures homeschooled children are in the low hundreds across the 5 towns, in 12 grades. DB explains that the virtual placements caught them by surprise from homeschooled to virtual high school placements.

LM asks EN to say something about substance abuse recovery schools. EN informs the committee that there are a few children district wide are enrolled in a state approved recovery school in Worcester, district wide. This school is fully aligned with Massachusetts standards and curriculum, and they do receive a bill. DB explains that Tantasqua owns that bill, and it is a new cost as the school just opened this year. If this school is the right place they have no problem paying it, however it was an unanticipated cost for two students that they weren't aware of. If the students aren't in recovery they are not eligible to be there. KS asks if they are also \$5,000.00 placements. DB states that it is more to \$11,000.00 mandated through the state. KS asked if transportation is included, and EN states that it is up to the family. LM offers that the faculty in Worcester can tell if a student is no longer in recovery.

KN states that Tantasqua debt is gone, and is asking how that money comes back to the town. DB just sent out assessment letters, her intention is to send a check back, not reduce the payments. They have to make a payment in April; at that time they send out checks to the five towns, however it will be tiny next year, but gets bigger for the next year and by year three it will be \$110,000.00 or more. The Tantasqua building is paid off within 15 years instead of 20. The community paid more than they needed to, and bond refunding reimbursement rate refunded. SBA was reimbursing at renovation approved amount, new project amount.

LM makes the motion to recommend the following amounts for the Education Budget: \$10,747,188.00.00 for line 107; account #13002-53000, KS seconds, motion passes 7-0-0. \$6,101,598.00 for line 108; account #13002-53200, KS seconds, motion passes 7-0-0.

\$156,168.00 for line 109; account #13002-53210, KS seconds, motion passes 7-0-0.

\$0.00 for line 110, 111; account #13002-53220, #13002-53215, KS seconds, motion passes 7-0-0.

LM makes the motion to recommend the Education Budget total at \$17,004,954.00, KS seconds, and motion passes 7-0-0.

Old Business

KN spoke to Barbara Barry (BB), the Finance Director, who thought the wages allotted for the recording secretary were sufficient. KS says that in anticipation we should increase so that if Reserve Fund Transfers were needed it would be allowed as unforeseen expenditures.

KN asks the committee if anyone else is ready to vote on their department assignments and asks who wants to vote on their line items at subsequent meeting. KS asked JL to reach out to the town administrator about the HAZMAT study on 8 Brookfield Road. JL offers to present on Tuesday the April 2 to review the budget 8 Brookfield Rd. JW confirms March 22 for the recreation salary line item.

Line Item Budget Review

KS makes the motion to recommend the following amounts for the Snow and Ice Control Budget:

\$45,000.00 for line 121; account #14321-51300, LM seconds, motion passes 7-0-0.

\$65,000.00 for line 122; account #14232-52000, LM seconds, motion passes 7-0-0.

\$85,000.00 for line 123; account #14232-54000, LM seconds, motion passes 7-0-0.

KS makes the motion to recommend the town adopt Snow and Ice Control budget in the total of \$195,000.00, LM seconds, and motion passes 7-0-0.

KS talked about the levy limit and will speak with the town administrator about his desire to take maintenance out of the line item budget. He understands why he wants to do this but is concerned after talks with Greg Morse DPW. KS further explains that if people vote the article down on town floor, there's no option for the funds to go back into the budget if the budget was already voted. JW agrees that voting the funds down once could cause the subsequent fiscal year to be behind. LM suggests there is a quest for administrative purity by putting it in a warrant article, although he will urge the town administrator and the townspeople to leave it where it is.

Approval of Meeting Minutes

The committee discuss the revision of multiple typos and grammatical errors, as well as clarification of meaning.

KS makes motion to approve minutes as amended for 3-3-2016, JL seconds, and motion passes, 7-0-0.

JL makes motion to approve minutes as amended for 3-10-2016, MS seconds, and motion passes 7-0-0.

KS makes motion to adjourn at 10:03 PM, MS seconds, motion passes, 7-0-0.

Reviewed by JML

