

January 29, 2024



Dear Mayor Fuller, Members of the School Committee, and the Newton Teachers Association:

We are frustrated that the strike continues. Our January 25th letter asked the Mayor to find additional funds for our teachers and for the Newton Teachers Association to make meaningful concessions to reach an agreement. We understand that Mayor Fuller has started this process by finding additional funds for a fourth year of the contract and a greater cost of living increase (COLA) offer. We are pleased that Mayor Fuller and the School Committee have publicly and firmly promised to address class size issues in our high schools and the need for additional social workers in our elementary schools – important measures for the well-being of our students that have been identified by the NTA. We also are aware that the NTA has made some movement on its financial demands. But we were troubled to learn that the negotiations apparently took a step backwards on Sunday when the NTA made a brand-new demand – one that is both unprecedented and unacceptable - for an automatic 4-5% increase in the COLA after the end of the contract that is being negotiated.

We urge all of you to make further concessions and compromises and not to move backwards. To better understand the constraints that we all have, here are some basic facts about our finances:

- **Nearly two-third of the city’s budget is devoted to providing our children with an excellent education.**
- **Newton’s revenue growth is relatively constant at about 3.8%-4% annually,** comprised of 2.5% increase in property taxes and 1.5% increase in taxes due to new growth of our tax base –(through major building renovations or new construction). However, other revenue grows slightly less; state aid for education (Chapter 70) only increased this year by 1.8%, revenue from other taxes, including meals and excise taxes, are also fairly stable from year to year which brings the average revenue growth down.
- **Our expenditures cannot be greater than our revenue.** If our budget/revenue growth is 3.8% annually, our expenses can only grow at the same rate – we are legally required to have a balanced budget. However, some individual components of the budget grow faster. For example, Newton’s pension obligation grows at 6.6% annually as agreed to last spring (a reduction from 9.6% growth annually) in order to fully fund our pension obligations by 2032 (under state law, until our pension obligations are fully funded, we have no control over how much we must pay to fund our pension deficit – that is controlled solely by the Newton Retirement Board).

- **So-called “extra money” – like free cash and the one-time Eversource settlement have limited effect on helping bridge our long-term revenue gaps – here is why:**

- *Free cash* is extra money that the city has every year, and the number varies significantly from year to year. Typically, our free cash has ranged from \$6-12 million annually. This year, the number is higher, due primarily to comparatively high interest that the city is earning on its investments. Free cash is regularly used to pay unanticipated capital expenses, extra costs for snow and ice removal, legal settlements, and similar one-time expenditures. Although the city has “free cash” every year, the city also has one-time expenses every year. We do not know what the most pressing needs will be each year, but we are relatively certain that the money will need to be spent, and allowing that flexibility is responsible budgeting. This year, the Mayor has asked for about 50% of our free cash to go directly to the Newton Public Schools to fix facilities in most need of repair, including broken bathrooms, non-functioning ventilation systems, leaking roofs, and other elements that affect the day-to-day working and learning conditions for our teachers and students.
- *Overlay funds* are monies held in reserve by our City Assessors to fund potential tax refunds owed to taxpayers who successfully challenge their tax assessment. This year is quite unusual – after many years, Eversource agreed to a tax settlement with the city that allowed the Assessors to release approximately \$26 million to the city. *This is one-time money.* The Mayor has already pledged 70% of this money to the Newton Public Schools over the next five years to help settle the contract and support the needs of kids who have suffered as a result of COVID

We strongly believe that the teaching profession should be held in high regard and we should do our best to pay our educators accordingly. As City Councilors, we also are keenly aware that our constituents need other basic city services: maintaining our streets and sidewalks; trash collected on time; police and fire services to keep us safe; and programs and resources for our very young, seniors, and vulnerable people in our community.

We all value our educators and we are operating within a constrained budgetary environment. Therefore, we urge the NTA to reduce its demands to reflect these real-world constraints and urge Mayor Fuller to find the required funds to help bridge the current gap. Together, we can get this resolved.

Respectfully,

Marc Laredo, President and Councilor-at-Large, Ward 7
David Kalis, Vice President and Councilor-at-Large, Ward 8
Alison Leary, Councilor-at-Large, Ward 1
John Oliver, Councilor-at-Large, Ward 1
Maria Greenberg, Ward Councilor, Ward 1
Susan Albright, Councilor-at-Large, Ward 2

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David Micley, Ward Councilor, Ward 2
Andrea Kelley, Councilor-at-Large, Ward 3
Pamela Wright, Councilor-at-Large, Ward 3
Julia Malakie, Ward Councilor, Ward 3
Joshua Krintzman, Councilor-at-Large, Ward 4
Randall Block, Ward Councilor, Ward 4
Andreae Downs, Councilor-at-Large, Ward 5
Rena Getz, Councilor-at-Large, Ward 5
Vicki Danberg, Councilor-at-Large, Ward 6
Alan Lobovits, Councilor-at-Large, Ward 6
Martha Bixby, Ward Councilor, Ward 6
Rebecca Grossman, Councilor-at-Large, Ward 7
R. Lisle Baker, Ward Councilor, Ward 7
Richard Lipof, Councilor-at-Large, Ward 8
Stephen Farrell, Ward Councilor, Ward 8