

CITY OF NEWTON

IN BOARD OF ALDERMEN

JOINT BUDGET MEETING

PROGRAM & SERVICES AND FINANCE COMMITTEES REPORT

WEDNESDAY, APRIL 13, 2011

Present for Programs and Services Committee: Ald. Sangiolo (Chairman and Chair of meeting)
Hess-Mahan, Merrill, Blazar, Linsky, Rice, Baker, Fischman

Present for Finance: Ald. Gentile(Chairman), Fuller, Danberg, Linsky, Rice

Also present: Ald. Crossley, Harney, Albright, Lennon, Lappin, Schnipper, Swiston

School Committee: Claire Sokoloff(Chair), Reenie Murphy, Kurt Kusiak, Jonathan Yeo, Geoff Epstein, Matt Hills, Margie Ross Decter

School Department: David Fleishman (Superintendent), Paul Stein (Deputy Superintendent), Joseph Russon (Assistant Superintendent of Elementary Education), Sandy Guryan (Assistant Superintendent of Business and Finance), Michael Cronin (Chief of Operations)

BUDGET

SCHOOL DEPARTMENT

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

#311-10 HIS HONOR THE MAYOR submitting the FY'12-FY'16 Capital Improvement Program, totaling \$174,246,135 pursuant to section 5-3 of the Newton City Charter and the FY'11 Supplemental Capital budget which require Board of Aldermen approval to finance new capital projects over the next several years. [10/18/10 @5:24PM]

ACTION: **STRAW VOTE HELD IN PROGRAMS AND SERVICES**
STRAW VOTE HELD IN FINANCE

NOTE: The budget meeting commenced with Claire Sokoloff, Chair of the School Committee, giving a brief introduction to the budget. She shared that this budget is very reflective of the time we are living. The schools would require \$8.8 million to continue to function as is, but they only received \$4.4 million from the City, leaving a \$4.4 million gap to close. The department also has to grapple with the loss of \$1.8 million in stimulus money for fiscal 2012, though this is partially off-set by \$850,000 in Federal jobs money.

Ms. Sokoloff explained that the School Committee developed a set of guidelines for the Superintendent and his staff to follow when developing this budget, which consists of the best

choices for preserving the educational programs for children during these difficult economic times. She stressed that having top quality teachers is the single most important element of the schools and should be maintained. She also stated that the operations infrastructure cannot be cut anymore and, though class size cannot be maintained at all levels; the School Committee requested that grade k-2 class sizes be maintained. The School Committee asked the Superintendent and his staff to find efficiencies in the breadth of program and student services while also being mindful that it's difficult to restore programs once cut. The School Committee also requested that the Superintendent review revenue as well as costs.

Ms. Sokoloff introduced David Fleishman, Superintendent of Schools. Mr. Fleischman walked the Committee through the budget proposals and the difficult choices that had to be made. He explained that class size, the breadth of program (electives available, arts, extracurricular), and student services (special ed., mental health services) are the three major areas that a budget is comprised of. Operational infrastructure and educational infrastructure are significant elements that go into creating a budget as well.

Superintendent Fleishman explained that this fiscal year the budget drivers are enrollment, health insurance (which went up 10%), out of district tuition, and unemployment costs. The process for determining this year's budget began with the decided goal of not touching the classroom. He explained that the periphery of custodial, maintenance, and technology are areas where costs could not be cut as we have the bare minimum for maintenance and should only be moving forward with technology; other areas therefore needed to be assessed and reduced.

Superintendent Fleishman proceeded to go through the presentation and outline what will be preserved, what will be cut, and what will be improved upon at the elementary, middle, and high school levels. These changes are outlined on slides 11-19 of the attached presentation.

In order to close the \$4.4 million gap costs revenue must be increased in addition to costs being cut; in this budget, 24% of the money to close that gap will be through fees. Raising revenue through fees will allow for all currently offered extracurricular activities and transportation services to continue to be offered in Newton, whereas in other communities these programs are simply being cut. Fee waivers will still be offered for families in need and will continue to be processed through the same confidential application process as they are now. For detailed fee proposals please see slides 20 and 21 in the attached presentation.

Superintendent Fleishman explained that he is hopeful that the schools will get additional revenue through the state budget once it's announced. If we are awarded additional revenue then certainly some programs will be restored to the greatest extent possible.

Ald. Sangiolo opened the floor to the aldermen for questions. Ald. Albright spoke first asking for clarification about the drama fee. Paul Stein, Deputy Superintendent, stated that there is a distinction between the drama program which is drama classes, and the drama that fees are being imposed on. There are no fees for the drama classes. The drama fees are only for after school programs.

Ald. Albright also asked the Superintendent whether teaching with technology between the schools (having a teacher teach from one location while students watch from another school) was ever considered. Dr. Fleishman responded by saying that in the middle schools we can't leave students unattended, so distance learning wouldn't work. To do so in high school, there would have to be a coordination of schedules between North and South. He shared that the new Director of Technology will be looking at how this could be accomplished in the future.

Ald. Albright's final question was whether the department was concerned about not meeting education plans with all the cuts to special education. Superintendent Fleishman said they are not concerned about meeting Individual Education Plans (IEP's). However, they are concerned about caseloads and are spending much time examining reductions with special education administrators. The Superintendent stated that the proposed co-taught method of one teacher with one special education teacher gives the benefit of being able to group students together and they can have the benefit of a licensed and educated teacher, opposed to an aide who generally does not have the same education. There was a trial this past year which was a tremendous success as attention from two licensed teachers is more productive and more beneficial. This proposed model is of course dependent on the agreement by parents to go from a one on one aide to a co-taught model. Sandy Guryan, Assistant Superintendent of Business and Finance, explained that the behavioral therapist positions that will be cut are within larger category of aides. They're a specialized more highly trained aide but still part of the aide category. The overarching principle is adding teachers and removing aides to provide the services differently to students.

Ald. Crossley addressed the School Department attendees, sharing that she is distressed to see such fees for services. She also questioned whether the activities fees are on top of other fees or if they are in lieu of them. It was explained that, in high school, activity fees are in addition to drama and sports fees and will cover all the other activities/clubs that a student could do after school. In middle school, the \$100 fee will include drama and all sports. An activity fee of \$60 can be paid just for clubs, should the student not play sports.

Ald. Johnson notes that she is most concerned with Special Ed and asks that if the state finds money she requests that money be appropriated to Special Ed. Furthermore, Ald. Johnson gave the suggestion that the community make use of the talented retirees from a volunteer prospective to augment some of the cut backs. Lastly Ald. Johnson inquired about the possibility of a program where everyone has a computer to incorporate technology and eliminate textbooks. Superintendent Fleishman noted that there are pilot programs happening around the country to test this out. Newton's challenge is having a strong enough technological infrastructure to support children having such technology in school. He noted that this is something that he and the schools' new Director of Information Technology are going to be very focused on.

Ald. Fischman asked whether the school department is eliminating certain programs because they aren't well attended. The Superintendent stated that at the elementary school level there is very little to touch. When the decision was made to keep the elementary classes at the size they are at, the elimination of programs were their only option. Mr. Russo added that currently in 3rd grade there is music class and then an additional 30 minutes of recorder. Though

the recorder program is being cut, it could be maintained in a different way, perhaps by including it in the music class.

Ald. Fischman continued, asking how the decision was made to keep 6th grade drama instead of 7th or 8th. Mr. Stein stated that a decision had to be made and it was decided, after consulting with the drama teachers, to keep the experience for 6th graders. The drama teachers felt that if they could only have drama in one grade it should be in 6th grade to spark creativity and create an interest that they can then continue in high school. If you wait until 8th grade it is too late.

Ald. Danberg stated her concern about fee waivers and stressed that we must not create groups of children who are not able to participate in music, art, sports, because of financial difficulty. She questioned how we handle the waiver program and what account these funds come out of. Ms. Guryan acknowledged that some percentage isn't going to be able to pay the fee. Families in need are encouraged to apply; they must provide some form of documentation though it is not a hard and fast formula and there's a very liberal approval policy and the School Department is very responsive to the needs of families. Ms. Guryan stressed that the department doesn't want to lose any students in clubs or other activities due to financial hardship. There is a program in place now that will stay in place to aide families in applying for and obtaining waivers in a completely confidential manner. Ald. Danberg inquired about whether fee waivers are renewable yearly. Ms. Guryan couldn't say for sure whether or not this is the procedure and would need to review their electronic database. Ald. Danberg thinks they should be renewed annually as situations may change.

Ald. Linsky asked whether it would be possible to keep programs by going to PTSO's; there must be enough talent out there to cover the programs between parent volunteers and retirees, as Ald. Johnson suggested earlier.

Superintendent Fleishman explained that in terms of the libraries they are open to parent involvement. Mr. Russo, noted that it's important to know that the library program is staffed by certified library teachers that have program goals. There may be some possibilities to staff with parents or other volunteers but staffing won't replace the programming that the library teachers currently provide.

Ald. Baker asked what will happen with collective bargaining; at some point that issue will be resolved and it will affect the budget. The Superintendent deferred this question to the Chair of the School Committee's negotiations subcommittee who stated that they are in the middle of negotiations with the NTA regarding health insurance and compensation. They are working with the Mayor and the CFO, Maureen Lemieux. Nothing has been resolved yet.

Ald. Hess-Mahan shared that he thinks there simply isn't enough funding to maintain the quality of education that Newton rightly deserves a reputation for. He also shared his concern that a revised model for special education may not work for all students. Currently, placement is tailored to fit the IEP (Individualized Education Plan). Ald. Hess-Mahan noted that for parents who refuse the co-taught method they, by law, can keep the IEP. Furthermore, Ald. Hess-Mahan is concerned with losing the breadth and depth of courses. He is not as bothered by fees but

hopes that the City budget will include similar sacrifices that the School Department's budget has.

Ald. Fuller questioned which costs that were previously covered by the school department are now being transferred to the municipal side. She would like another page to delineate that information. She noted that Comptroller David Wilkinson pulled together a list of the 2011 fiscal year costs that the municipal side paid for (attached). Ms. Guryan explained that the Department of Elementary and Secondary Education requires that the School Department report all costs for education paid by the municipality or School Department or anyone else in certain categories. David Wilkinson, City Comptroller, tracks the costs and reports them. Having this data allows the state to do comparisons for communities.

Ald. Fuller also stated her concern that a fee may discourage students from trying new things; she asked if the School Department ever thought of letting students have a free try at a new activity so that they can test it out. Superintendent Fleishman stated that with sports and drama there is tryouts, which gives the student a taste of the activity. He explained that the student doesn't pay a fee to try out. Ms Guryan shared that the activity fees that will be implemented will entitle a student to go to any and all afterschool activities and clubs, other than drama and sports. They are trying to make it easy for kids to go to programs by having the flat fee, instead of having to track fees.

Ald. Gentile stated that he sees money in the budget for step increases but that there is no money assigned to cost of living or negotiated settlement increases. Superintendent Fleishman stated that that's correct.

Ald. Johnson: asked about grant money. Ms. Guryan shared that the schools have been receiving between 11 and 12 million dollars in recent years in grant money. The most significant change in grant money was the loss of the \$1.8 mil federal stimulus money which the School Department has received for 2 years in a row. There are a few grants that we don't know about yet but they still had to account for a 2 million loss, though it's somewhat offset by federal jobs money- some of which was used to close part of the gap for fiscal year 2011. The remaining amount will be used for fiscal year 2012.

Ald. Shaprio asked if it would be possible to have a prioritized list of what would be added back should more money come through from the state. Superintendent Fleishman stated that art, music, and special education are definitely on the list to add back, but that it wouldn't be wise to give a prioritized list since he isn't sure how much money will be coming through, or where that money is coming from, which can dictate how it's used.

Ald. Albright asked what the total amount of fees would be and what the potential total amount of fees that the average family might pay would be. Ms. Guryan stated that there is a summary on page 194 which shows the fees as being \$1.9 million for fiscal 11; the new fees would add another ~1.1 million for a total of \$2,993,000. Regarding Ald. Albright's second question, Ms. Guryan explained that the fee cap for a family is \$1800 which includes the super-cap of being charged for 2 students taking transportation, 3 children doing sports at the high school, and 2 student activity fees.

Ald. Gentile asked Ms. Guryan about the Boston College grants, and whether this is an actual cash contribution or an in-kind contribution. Ms. Guryan explained that she believes these are actual dollars. Ald. Gentile requested some more detailed information on this grant as it seems to have increased significantly over a short amount of time, going from \$2,800 initially to \$71,000 now.

Ald. Sangiolo asked if we will have revolving accounts for these new fees. Ms. Guryan replied that the school department will work with the Comptroller and Board of Aldermen in determining and establishing these accounts. Ald. Sangiolo also asked if the Aldermen could see some information for the justification of these fee amounts. Ms. Guryan replied, stating that pages 37-47 in the School Budget book show the fee figures, but that she will get some more detailed information to the Board.

Both the Committees voted to hold the item: Programs and Services 6-0; Finance 4-0
(Rice not voting)

Following the budget discussion, the Public Buildings Department then gave a presentation on the modulars; that presentation is attached to this report. The crux of the presentation is that the design for the modulars is moving forward and that bids are coming back by mid-July. Stephanie Gilman, Commissioner of Public Buildings, stated that there's a possibility of using used modular which could save much money. Zervas, Burr, and Horace Mann are the elementary schools that are to be handled first and then Day will be looked at. Ms. Guryan noted that Zervas and Burr should be completed this year. The schools have been allocated \$5 million for this project. Ald. Gentile stressed to Ms. Gilman that the Board Order for the modular needs to be followed as it is a Board Order regarding modulars and not money spent on looking at ways to carve out additional space within existing school buildings. Ald. Gentile also noted that should a good solution be determined for Day that puts the schools slightly over \$5 million then there should be a discussion with the Mayor about getting some more money allocated. He stressed that if we are going to do this we should do this right.

Respectfully Submitted,

Amy Sangiolo, Chairman
Programs & Services Committee

Leonard J. Gentile, Chairman
Finance Committee