

#205-11 ALD. SANGIOLO, GENTILE, HARNEY, LINSKY requesting a discussion with the School Committee regarding a proposal to enter into contractual relationships with the Newton Schools Foundation to sell naming rights on behalf of the Newton Public Schools. [06/22/2011 @ 8:32AM]

ACTION: **HELD 6-0**

INTRODUCTION: This was a continuation of a discussion that has taken place over several meetings of the Programs and Services Committee. The Newton Public Schools (NPS) and the City of Newton – through the Mayor, have entered into a contractual agreement with the Newton Schools Foundation (NSF) for the sale of naming rights for certain spaces contained within the two high schools for the purposes of funding technology through the Newton Schools Foundation 21st Century Classroom campaign. The Inspector General's Office is currently reviewing whether the contract for the sale of naming rights falls under Public Bidding Laws. There are two related docket items: the first is a discussion about the proposal to enter into contractual relationships with the NSF to sell naming rights and the second is a request to create a revolving account to receive proceeds from the sale of those rights.

The Chair was particularly impressed with the high level of passion and discourse that took place that evening and has opted to include a detailed account of the discussion and public comments received at the meeting because there were so many compelling and thought-provoking arguments expressed on both sides of the issue. The Chair has taken the liberty of highlighting what she believes are some key issues for consideration.

Please note that two documents are attached to this report that were referenced in Ald. Baker's remarks. The full text of the NEPC article will be available online.

SHORT SUMMARY: There appeared to be no disagreement on the following:

- 1) The school system as a whole is underfunded;
- 2) Technology is a priority that has been underfunded;
- 3) All appear to share the wish that they didn't have to engage in this endeavor but disagree on whether the benefits outweigh any detriments

The issues expressed at the meeting appear to fall into several distinct categories:

- 1) Are the proceeds from the sale of naming rights a donation?
- 2) Is it appropriate to give a perpetual property right to a city building or rooms or spaces within city buildings for a price as opposed to the traditional reservation of naming public spaces for?
- 3) Should we allow commercialism in our schools in order to raise money?
- 4) Should there be a distinction between private individual naming rights vs. corporate naming rights?
- 5) Is technology an appropriate item to be funded through the sale of naming rights?

6) Is the Newton Schools Foundation the appropriate body to undertake this sale?

Information requested to be provided prior to the next scheduled discussion and potential vote on the item:

- 1) Response to the memo from Aids. Baker and Sangiolo
- 2) Copy of opinion from IRS provided to NSF regarding treatment of proceeds from sale of naming rights as fully tax deductible donations
- 3) Copy of proposed contracts or contract language associated with sale of naming rights for both individual sales and corporate sales
- 4) Information and documentation regarding Library's sale of naming rights
- 5) Confirmation on whether technology funding for the Newton Public Schools is contained within our Capital Improvement Plan
- 6) More detailed information on the process by which donors will be solicited and what the "naming right" will look like.

DISCUSSION: The Chair invited members of the School Committee and the Presidents of the Newton Schools Foundation to join them within the rail. She asked former School Committee member Kurt Kusiak to provide a brief summary of their proposal and what they seek. **Mr. Kusiak explained that they are asking the Committee to approve the creation of a revolving account to deposit funds donated for naming rights and use those funds for the stated purpose of the account**

The Chair recognized Ald. Baker. **He disagreed with the characterization that the proceeds from the sale of naming rights are donations.** If exchanging something for something – that is a sale. In fact, the proposal is about the sale of naming rights and the City's Comptroller has deemed naming rights as a city asset which is the basis for the need to create a revolving fund. He added that it is hard to argue that this is a donation when a giving a perpetual right to put their name on a school.

The counter argument offered by Mr. Kusiak as well as the Newton Schools Foundation Board Members and the Newton School Committee is that these naming rights aren't giving away ownership of the area and are not advertisements for a company. Mr. Kusiak explained that the most individuals receive are simple plaques that would be placed in certain locations to give acknowledgement of the contribution from a family. Kurt Kusiak explained that all that is being sold is the right to have the name associated with a part of the building. Corporations are only receiving an opportunity to have their name associated with their donation for a specified term – not in perpetuity. Mr. Kusiak equates it more to a lease and not a sale.

Ald. Baker argued that it is still a property right – an opportunity to have the name advertised in public space. He added that all public resources have gone into buildings. His concern is that we are effectively selling real assets of the city to go towards technology which is a very laudable purposes but not for the building itself. ***The process in the past is that individuals were recognized and identified with specific spaces because of quality and examples they set.*** He used the recent naming of the Mayor's conference room (room 209) as an example of a civic gesture and that is a value and tradition of Newton. He reminded the advocates for the proposal

that there are questions from the memo from himself and Ald. Sangiolo that need to be answered.

Liz Richardson explained that the Public Library has raised over \$1 million by using naming rights – a revolving fund was created at that time for the exclusive use of that building. She asked how that was set up and why it was acceptable at that time. She noted that 70% of the names will be reserved for the purpose of honoring people. They are not setting a precedent and considers the Library important as public schools.

Ald. Baker continued to express his concern. From his personal perspective, schools are different than the Library. He referenced a University of Colorado Boulder article, “The Educational Cost of Schoolhouse Commercialism”(Executive Summary is attached to this report) which outlines concerns about commercialism in our schools..

Mr. Kusiak outlined what he things are the two broad categories of objections: 1) worry that someone donating money gains undue influence over programs or curriculum and 2) worry that there will be advertising of some kind of goods or services that would be unseemly or unhealthy. Mr. Kusiak explained that the NSD Board Members and the School Committee have put policies into play to vet companies coming forward with donations and have agreed upon standards in order to avoid donations from inappropriate or questionable company names from placement in the schools.

Specifically, he stated that there are three shields of protection:

- 1) NSF has no interest in anyone or anything controversial
- 2) The School Committee has a strong interest in not putting name on facility that would undermine student health
- 3) There is a public meeting process where the public and the Aldermen may raise objections

He stated that there are strong safeguards in place to prevent the two harms that could occur from naming and commercialism in public schools. ***Mr. Kusiak added that at some time we have to weigh the metaphysical and highly speculative doubts relating to tradition against the real and concrete budget problems that we're faced with in public schools – cutting programs, firing teachers, etc. He reminded the Committee that a few years ago, the principals at the two high schools stated that we're on the precipice of very serious debilitation of school programs. He is asking to let us not fall behind the many, many communities out there who are already doing what they propose to do and help us to save teacher jobs and improve education through much need funds in the schools. He has yet to hear cogent arguments that the metaphysical or speculative doubts that people have will cause concrete harm to students.***

Ald. Baker referred again to his understanding of the literature (University of Colorado article) that there are a couple of issues:

- 1) the implicit endorsement for a specific kind of donor, and
- 2) the endorsement itself has the potential adverse effects on well being and critical thinking.

Beyond those issues, are the following what if someone doesn't work out – referencing the Enron situation. The fact that other communities are doing it doesn't mean it should be done here. ***Alderman Baker stressed that he supports any request they make***

for conventional ways of increasing funds to our schools – whether it be in the form of an override or increase in budget allocation.

Mr. Kusiak agreed that he would support the same thing but added that we are not going to have an override soon. Every year that doesn't happen is another generation of students that will have inadequate resources.

The Chair interjected adding that she was not certain that Mr. Kusiak's statement regarding future overrides was true. She then recognized the Executive Director of NSF, Rick Iacobucci who wanted to respond to Alderman Baker's concerns particularly with regard to whether they are selling naming rights as opposed to receiving donations. He informed the Committee that he received an opinion from the IRS Exempt Organizations Department on his inquiry as to whether providing naming rights was a sale or donation. He said they stated that it is a donation because the entire amount of the gift is tax deductible whether from an individual, corporation or otherwise.

Alderman Baker responded stating the interpretation/opinion presumes it is deductible upfront. Here there is a publicly funded asset for sale. There is a whole line of cases which suggest that even parties or functions hosted by organizations such as NSF – that the value of the dinner is not deductible.

Mr. Iacobucci countered stating that it is a donation and is tax deductible and the donator is not receiving value at all – just recognition for donation they made suggesting that a plaque on a wall is similar to an acknowledgment in a program book. Alderman Baker responded that a plaque on the wall is perpetual for individuals. Ald. Baker stressed that it is one thing to say that an individual is making a donation without recognition or plaque on the wall but another if someone is not willing to make a donation UNLESS their name is on the wall – in that case, it is a bargain for exchange and that may be deductible for some purposes but it is still a sale of city assets.

Mr. Iacobucci offered a distinction with regard to a corporation. He views the sale of city assets as if the corporation making the donation had the right to use the physical space to sell or promote its product similar to a bank's ATM where they are deriving actual cash by its physical presence.

Ald. Baker countered using TD Bank North as an example – the name means something and they are not selling a product in the building. The Garden is an example of selling public space for a private donor.

A second issue Mr. Iacobucci wanted to address was Ald. Baker's fear of having someone make a donation and get recognition for that donation and an issue with the donor later arises. He stated that those issues will be addressed in each of the contracts. In the case of individuals, if there is a problem, the plaque will be removed and that would be understood by the donor making the gift.

Ald. Johnson noted that it would be worthwhile to take a look at the process the library took when handling naming rights and use that as a guide. She stated her support for this proposal and explained that we need to find creative ways to

raise funds. From a process standpoint, if we already have a precedent and process in place, we should see how it was done and make sure they are aligned for consistency. She disagrees with Ald. Baker, is in favor of naming rights and said that some people need the acknowledgement.

Ald. Blazer agrees with Ald. Baker and did not appreciate hearing that the concerns or harms are speculative or metaphysical. He said it has never been done in Newton – at least not in the public schools. He makes a distinction with the library and doesn't think the library is sponsored by corporations. He shared his concern that the general commercialization in public schools is what's bothering him. ***Our entire society is based on commercialism and he doesn't feel that public schools should stoop to that level and bombard children with this in the classroom and finds it distasteful.*** He acknowledges that raising funds for schools is difficult but this is not the way to go to raise funds.

Mr. Kusiak responded stating that he understands the feeling of distaste about it. He said we can dream up all sorts of scenarios whether it be corporations we don't like or would somehow effect students in a bad way – example of a Coca-Cola cafeteria – putting something we don't think is good for kids in our schools – but he reiterated that was not going to happen. They have three levels of safeguards to ensure it won't happen. He added that he understands the bauge feeling of distastefulness. They all have had similar discussions/debates internally but he explained his position:

- 1) They won't allow those types of names that have real negative effect on the educational system or students and***
- 2) On the other side of the equation, there is the far more distasteful result of not having the kind of resources that we need to support our education in Newton at the level we are accustomed to having here and if we have to pump more public resources into technology to keep up, then that means fewer dollars resulting in firing teachers, eliminating programs which is exactly what we have been doing for the last 7 or 8 years.***

Ald. Blazer responded that it is not about whether he likes or dislikes a corporation or a business. It is the commercialization in and of itself that is the problem.

Mr. Kusiak then asked what is the harm? ***To which, Ald. Blazer responded that the harm is that the entire society is so commercialized with everything and the last place they need it is in the public schools.*** The kids get it all the time no matter where they go and he finds it offensive to see this City which has been a leader for so many years – we're not in a position that we have to commercialize everything.

Ald. Albright stated that many of the Board members work in universities and suggested that Ald. Baker referenced on example that went wrong. The reality is that seats and auditoriums are named. ***She stated that people are donating money to make the universities work better not with the expectation that people who buy plaques for these chairs would own the chairs. She said that argument is "specious" at best.*** She added that it is terrible we are in a place where we have to think of those things but

this is where we are. Not just where Newton is; this is where everyone in the United States and the world is in. ***If we have people who are willing to donate then we have to look beyond these concerns and address the needs of our city.***

Technology is something we need and it's only going to cost more money not less. She is in favor of this proposal.

Ald. Kalis offered his views raising three points. He wanted to make clear that just because something hasn't been done in the past doesn't mean it can't be done in the future. He is more of a traditionalist but he is becoming more comfortable with this proposal. He said there is a difference between a Kraft Foods versus a Village Bank that is part of the fabric of this community. ***He asked if we are building community here? He added with 70% of the spaces to honor people living in Newton or have contributed to Newton is a big learning opportunity for our children and sees it as a benefit.*** The third point for Ald. Kalis is that he disagrees with Ald. Baker when Ald. Baker expressed concern for the brand of Newton. ***For Ald. Kalis, the brand of Newton are the teachers, the buildings are not the brand. If we don't find ways to fundraise we're going to lose teachers in the future because there isn't enough funding right now to accomplish everything.***

Ald. Kalis also had two questions. The first is whether naming can be revoked at some point. He wants to be assured that we can reserve space for great teachers, etc. in the future. Julie Sall, co-President of NSF, responded. In terms of revocation, that would be addressed in the contract they have with the individuals and corporations. There will be a right of review as part of the contract. In terms of reserving space, she explained that the school committee can override a Newton Schools Foundation decision to accept a donation and reserve a naming right to a specific space. The NSF doesn't have full reign over this process.

Ald. Kalis' other question was whether those who we want to hold space for would have to buy into it or would they just assign it? Liz Richardson, co-President of NSF said they could do either. ***She pointed out that about 50% or more of the spaces will be named in honor of people. She said that people are thinking that there will be a big company or brand name. She also tried to give some perspective as to the scale of the names displayed in exchange for donations. She explained that there wouldn't be broad company names, there would be plaques.*** She used the example of the bridge at the library, sharing that that plaque has the name of a bank on it since they donated money to the library, but few people even notice this. ***She also clarified that the NSF is approaching local companies that have already donated to the Newton Public Schools or NSF or are CEOs and residents of Newton whose kids have gone to the Newton Public Schools and they have already made an investment in the City in one way or another. They are not going beyond Newton when they are talking about approaching companies.***

School Committee member Matt Hills was recognized. He said he acknowledges and understands the gut feeling that people in the community and the Board have about naming rights. But he doesn't agree with the visceral reaction that Aids. Blazer and Baker have. The issue for him as a School Committee member is what are the alternatives? When he looks at the School Department and the financial situation it faces – a situation where budgetary issues have been brought to heel. We have a

backlog of needs that have to be funded out of the budget. On the capital side, we also have a backlog of needs. When we look at the financial progress that has been made over the last 2 or 3 years and still see a backlog of pent-up demands and look at technology needs that can be funded through the sale of naming rights we have to say realistically that we are not going to fund that at \$4 – 5 – 6 million unless we have an alternative source of revenue. That is why they are looking at naming rights primarily for technology. That's also a reason why they are looking at donations from alumni, something they have never done before. Look at the trade-off – the alternative of not funding technology that is identified as a priority. He said, as a School Committee member, he is faced with a sense of not being sure what damage is done other than it doesn't feel right. On the other hand there is a tangible something that's not going to happen. He stated, ***“The Core value of Newton in terms of the school system, is providing high quality education that continues to progress and to move forward. The core value of Newton is not keeping the name off of room 304 in the lobby of Newton North.” In a perfect world, we wouldn't be having this conversation. The alternative is not making a badly needed investment in technology. It's a shame that we're hit with names everywhere you go but that's why he doesn't think it would result in irreparable harm.”***

Alderman Rice was recognized and wished to utilize the first portion of his comments to relay (and channel) comments from Ald. Gentile who was unable to stay for the meeting. He stated that Ald. Gentile wanted to make sure that the Committee and the proponents were aware that he is of the opinion that if we are to embark on the sale of naming rights, we need to go out to bid and get the best qualified company. Ald. Rice, now speaking for himself, said he supports this project. He offered several reasons for his support. As a former PTO President at Oak Hill Middle School, he saw the deficiency in technology and PTOs running bake sales and getting every last dollar to put that small amount towards technology into the system. ***Having a larger professional operation that can bring a significant amount of dollars that will sustain itself longer is really important because it's our children and teachers that form the basis of public schools.***

He reminded Committee members that we had discussion during the budget sessions and unanimously passed a resolution that we as a Board want to reduce fees and recognized that we need more revenue into the system. This will bring more revenue into the system. It's a balancing act that the whole community does about how to take the money into the system and use it wisely to benefit the community. His final point referred to the renovation of the Hyde Playground. They bought benches and all have plaques with names on them – like Baker's Best and Lincoln Street Coffee. Neighbors even donated funds for a plaque for Ald. Rice. The City of Newton owns the benches and donating this to the City of Newton is not impacting anyone. He believes we can have the same kind of acknowledgements in Newton School buildings.

The Chair, before recognizing Ald. Schwarz, reminded the Committee that they are waiting for an opinion from the Inspector General on whether or not the contract falls within public bidding laws and that the City Comptroller has deemed the naming right as a city asset.

Ald. Schwarz shared that he has some of the same concerns and gut reactions that have been raised by previous speakers. However, like Ald. Kalis, he has been reassured by the three levels of protection that are in place. **He does, have a separate concern regarding School Committee member, Matt Hills statement that they don't love doing this but it is better than the alternative. He questioned whether there were any efforts to raise funds without offering naming rights. Obviously, that has been what they've been doing up until now. What are the limitations? Is there a marginal increase that they can quantify or assess that comes from naming rights? What order of magnitude are they talking about?**

Liz Richardson deferred to Mr. Iacobucci, Helaine Miller or Madeleine Bell to respond. Helaine Miller came to the podium and identified herself as one of the two professional fundraisers working on this project. **She said there is a huge difference – probably could raise a few hundred thousands of dollars without naming rights. With naming rights, she thinks they can raise in the millions. She said she has heard from people who have named things, that they want to show their children and grandchildren that they mattered in their life and that they can take them to see what they've done.** She said they are doing this pro-bono because they both live in Newton, had children go through the Newton School system, and in her case, have grandchildren at Mason-Rice. In the best possible worlds, they wouldn't have this conversation but we are not in the best possible world. **They offered their services because they believe you cannot send the 13,000 children who are now in the 21 schools across our fine city, out into the world being technologically in-ept. They will therefore be unable to operate in the 21st century. "There's a reason they grow up tuned into everything in the world. We're talking about having a school system that does not have technology that is comparable to probably what they were playing with in the kitchen when they were 2 years old."**

Ald. Schwarz said he appreciates the need. However, he is asking about the marginal increase in donations. Ms. Madeleine Bell responded. She said they have been involved in dozens of capital campaigns – some in the hundreds of millions of dollars. **They cannot raise serious dollars unless they have naming and names on everything.** She suggests that when people sit on a bench from Bakers Best that they don't see the advertising, they see that Bakers Best cares about schools in the City and that's why they gave the money – to make that bench possible. Regarding the issue of putting this out to bid, she wanted to share that NSF had done a lot of research before they came into the picture, to see how public schools raised funds. They discovered there are national fundraising organizations across the country who do this but they solicit from across the country – not locally and charge about 30 – 40 % of what they raise to do the job. Because Helaine and Madeleine are doing this pro-bono, they will probably run the entire campaign at a cost of about 5%. She added that Helaine was Vice President of Development for Beth Israel Hospital and that no one would come in with better credentials.

Ald. Schwarz said he was still trying to get the question answered. **He's talking about the marginal difference – how much from corporations versus individuals.**

Liz Richardson responded that it is similar to the 80-20 rule. Approximately 20% will come from companies but will provide about 80% of the funds that come in. The

differential is about 90% between naming and non-naming. That is significant. If don't have naming, they will have to build a new campaign and may only be able to raise about \$500K tops versus the anticipated and estimated \$5 million.

Ald. Schwarz had some final questions regarding CEOs and individuals who have already donated. Are we going to see a loss of donations once naming rights become available?

Liz Richardson responded that what happens after the campaign is over is that every year thereafter, they will go back and ask for a donation. Everyone will be approached with a different format. They will be careful after doing the campaign as they don't want to put the donors in a corner where they are hounded but they do become part of the donor baseline.

The Chair recognized Liz Richardson to provide comments but Liz deferred to Julie Sall. Julie Sall described her years of participation with the Newton Public Schools – her kids attended the schools, she was PTO President at Countryside, Brown and South. She said her kids will be very successful but that doesn't mean we can't continue to improve. She agrees with Ald. Baker that Newton is our schools but thinks we're not doing enough. One of the things they are hoping to bring in our schools is technology. She referred to an earlier statement by Ms. Miller that kids are already playing with technology starting at 2 years old and when they walk into the classroom, there is nothing there. She stated ***"Then they go home or go to work and the first thing they do is open their computer. So are we teaching kids critical thinking in a way that they need to be successful in the world. The answer is no. Kids with parents who are very computer literate – they have a leg up in the world. Why shouldn't they be learning that in school? The way the world integrates through technology and teaching and learning is changing. We need to be at the forefront the way Newton schools are at the forefront and always have been at the forefront and that's why many people move here. I think that the community gives back by supporting our schools through rights – not commercialization – it's a way to say we respect our schools, we want to participate."***

She referred to a statement made by Ald. Albright – that it was something negative – that most people don't even notice the names. She said, different names stick in different ways. She added, ***"Maybe we'll name something that doesn't feel comfortable but it's something the kids get value from in the form of improved teaching and learning. NSF has gone through a lot of ups and downs and talked to other foundations. They have raised several hundreds of thousands of dollars and give out grants that aren't followed through because there is no follow up funding. This is why they were asked by the School Department to do something new, something bigger and better. They are thinking outside the box. The need the support of the community and board to make them successful and Newton successful as a community."***

The Chair had several more Aldermen wishing to speak but asked for their indulgence in order to commence public comment. The Committee agreed.

The first speaker was Arnold Lasker who is Henry Lasker's son. He came to the meeting to thank NSF for their having come up with a great compromise. He said he thought about this issue 5 years ago when he heard there would be a new Newton North and thought about how to keep his father's legacy in the new high school. His father was an innovative music teacher. **He is please with the current proposal, the name is kept and they can still raise funds.** About three weeks ago, he was approached by Mr. Iacobucci who presented the current proposal to him and he thinks it is the best of both worlds - continue to honor people who were influential in Newton Public Schools. He urged the Committee not to lose sight of the end game if we become too concerned about process. He understands the issue with commercialization but stated there are ways to present that in the community. Education is very important too.

Before leaving the podium, the Chair informed Mr. Lasker and the rest of the Committee, that Connie Kantar had come earlier to the meeting but could not stay but did want to make known her view that the City must keep the name – Lasker Auditorium.

The next speaker was Walter Devine of 289 Cherry Street. Both his parents studied under Henry Lasker. He addressed Matt Hills' comments saying there is a reason for having that feeling in the gut – it is because of an acknowledgement cognitively something is not right about this. He fully supports NSF. He grew up in Newton and his kids go to Newton public schools and all benefit from the good work of NSF. **He appreciates all that they do but does not believe NSF should be charged with funding the money to support what needs to be going on in our public schools. It's the people that have to do it.** He was on the PTO of Franklin and has given time but will never have a plaque. **He mentioned that people like the Pullmans, Carol Stapleton, Rev. Hayward and Lillian Jefferson are the kinds of people we should acknowledge - people within our community putting public service for decades as the industry that we should acknowledge in our public buildings.** He stated that Ald. Baker put his finger on it, there is a quid pro quo – something being gotten for having their name there. People said they would give but for the naming right, they would not give the funds. He applauds the work of NSF and will continue to support it to the best of his ability but thinks this isn't the way it should be done. It is putting a band-aid over something instead of addressing the underlying problem.

Dan Proskauer of 240 Derby Street addressed the Committee. He did not want to address the question of selling naming rights. He wanted to make a few points. **First, he is disappointed to hear former public officials who were deeply involved in the process, citing past instances of firing teachers and implying this is a solution to that problem.** He is gratified to hear School Committee member Matt Hills talk about the fact that they have made progress and it is possible to make progress. **His real objection is to the stated purpose of this effort – technology. He asked if technology is a core part of our fundamental educational mission or not? If it is, then why isn't it part of the budget? It should be. He stated that every time he writes a check to support technology for the PTOs he later regrets it. Everytime he does the same for NSF for technology he regrets it. He feels like an enabler-enabling the school system to not fund something they should be funding.**

Josh Weiss of 62 Gammons Road was the next speaker. He has been involved with Zervas and Oak Hill as PTO President and the technology representative for the PTO Council and is a board member of NSF. He spent lots of time analyzing schools and going back to the issue of the budget. **He agrees that the City should have funding in the budget for technology. Unfortunately, the tradeoffs are teachers against capital. He said we are forced into an area where we have to raise funds in alternative ways. Naming rights are one way. As being part of PTOs – he has seen how hard it is to raise \$10K. Other schools can't do that have to have a hard time raising \$2K. Technology in the schools – at Oak Hill and others is equivalent to driving a 12 year old car. It is unfortunate how bad they've become – computers, networking and wireless. There's not enough bandwidth in the schools. The ability to raise 2 – 3 – 4 million will have a huge impact – at least raising the infrastructure up and hopefully in the next four years, we can fix the capital budget and get it funded and get the word out and recognition that technology is being used and being used effectively and helping learning and collaborating in the way kids are interacting at home with their friends but not in the schools.**

He added that NPS used to be one of the renowned names but now we are riding on past legacy. If naming rights helps and making sure it is done appropriately, he thinks it is the best way to go. Relying on parents and PTOs is not the way to fund technology. Fundamentally, technology needs to be part of the capital budget of the City and not taking it from the schools and firing teachers.

The Chair informed the speaker on the point about technology being part of the capital budget that it is not part of the capital budget submitted by the School Committee. Ald, Albright disagreed with the Chair saying that the School Department put in a request for wireless infrastructure. Mr. Weiss agreed with Ald. Albright that the School Department was looking for \$1.5 million for technology going forward.

Former Alderman Brooke Lipsitt, 54 Kirkstall Road, came to the podium to address the Committee. She shared that she was troubled on several levels. She said there is no question that we need technology, but we must realize that technology is a rapidly evolving piece of infrastructure and when you think about offering the right to put names on rooms in perpetuity in exchange for what is essentially an operating necessity. She thinks it should be a capital expense and should be in the operating budget every year to upgrade technology. She said there is certainly the need to put in wireless capability and in 5 years it will no longer be what we need and will need to put in the next whatever it is and have some concern in giving the rights to naming spaces for life of a building in exchange for supporting that because in 5 years will need to raise more funds to upgrade and what are we going to sell then? Further concerned, heard Ald. Albright's representation with what has happened in universities and in hospitals and in many places we have sold names. She agrees with previous speakers that schools are different.

“The mission of the schools is the most pure public purpose we have and is the one place where I find the institutionalization of memorializing sponsors as the most inappropriate. In particular, I have some concern about the idea that some grandfather can come in with a grandchild and say I matter because I gave money

to put my name on some piece of the schools and I think that theoretically and maybe really it perpetuates the distinction we have in this community between people who have and people who have not. This is an egalitarian society. It is the mission of Newton Public Schools to educate every child; to make every child feel proud of who he or she is and to feel valued and to feel that his family is valued just as every other child. And finally, I think that opportunities to make distinctions between families or among families because of their capacity and willingness to give money to put their names on schools is in conflict with the values that we and you as members of the School Committee are trying to instill in our children. Finally, I want to applaud Ald. Blazar for his early passionate remarks in this evening's discussion about making a distinction between private and foundation gifts and commercial gifts. If this Board determines it is appropriate to institute this practice and if the School Committee and NSF go forward with this, I strongly believe we should allow for individual and maybe non-profit foundations. Do not want to see a New Balance School and do not want to see Kraft's Culinary program. I am fearful that although Garelick Chocolate milk might be lovely today, in 2 years, chocolate may be an allergen and may not want children to eat chocolate any more. I know I am being facetious but I am really worried about promoting commercial messages in our schools when we are working really hard to get candy and sweets out of our school buildings. I do not think promoting commercialization – even for what we consider good commercials in the schools. I think it's quite inappropriate and urges the Board to guard strongly against it”

Karen Pansarella of 88 Dana Road was the next speaker and introduced herself as having just completed her first year on the Board of NSF. She works with the Department of Energy's Research Lab. She said she understands the cost of technology and the impact it has on the world. She related her own personal experience in high school with technology. Now as a mother of kids in the schools – she has seen that kids use computer at home, homework collaboration with classmates, email teachers, textbooks and use the worldwide web for subjects. The teacher use laptops and smartboards in creative ways. Children use powerpoint and imovies in elementary school to present information. ***She went on to state that Newton schools must continue to provide access to this information for every student in all 21 schools from K – 12 and that it is not just about technology but also about teachers being able to use it in innovative ways to educate our children. Newton cannot be left behind. The money raised through this campaign will integrate technology equitably into the schools. She added that this is the only plan in place to generate large amounts of money and that the campaign will be thoughtful and respectful to Newton Schools and values of the community.***

Rick Iacobucci, the Executive Director for NSF wanted to address Alderman Gentile's concern about going out to bid. He wanted to point out that if it went out to bid and a for-profit corporation is the lowest bidder, he wasn't sure what the medium is for someone who makes a donation to receive a tax write-off. His second point was if it went out to bid, what other non-profit would have the mission to raise funds for NPS like they do? ***“At face value putting it out to bid sounds nice, what company would work harder? Or have the mechanism or the ability to do what we're doing?”*** He recognizes that we are waiting to hear back from the IG's office.

The Chair responded that she didn't want to speak on behalf of Alderman Gentile but certainly, these issues would come up when it gets to Finance. She did say that she thought his focus was on the bidding and that this would not impact the Newton Schools Foundation from continuing to do what they are currently doing or embarking on their campaign to reach out to alumni – recognizing that the alumni campaign seems to be overlapping with the naming rights campaign.

Assistant City Solicitor Ouida Young addressed the Committee to make it clear that the sale of naming rights was not subject to state bidding laws. ***The IG's office is looking at the arrangement between the City, the School Department and the Newton Schools Foundation and the contract for services and whether the foundation is the appropriate body to conduct these services.***

Seeing no one else waiting to make public comment, the Chair returned to the Committee and visiting Board members.

Alderman Linsky wanted to take this opportunity to reinforce his prior statements for conceptual support for the campaign. In terms of the issue of using names, he thinks we can get past that through recognition and not just naming (Julia Childs dining hall sponsored by Krafts Food). He recognized that there are obvious philosophical differences but the item does have to go before another committee and wanted the Committee to consider taking this up jointly with Finance where there will be more questions on exactly how this program will work.

Alderman Fuller acknowledged there were a lot of thoughtful questions and comments made this evening. She made several comments. The first was on whether the proposal should go out to bid. Normally, she would be in favor of going out to bid, but this is an unusual situation. ***She said, people give to people, we give to our neighbors, we give to our friends.*** This won't be effective if another non-profit gets it. Her second point was about noticing whose name is on a plaque. ***She thinks those who give should be acknowledged and it is good for kids to notice that someone was generous to donate funds to support school systems. She added that people give for a lot of different reasons. Some give anonymously, others give to honor a revered teacher and some will give for a sense of legacy for themselves and she doesn't think we should judge these people harshly and sees that as a good and human instinct.*** Her third point was that words matter and it is unfortunate that we devolved into calling this a sale of naming rights. ***Soliciting donations and acknowledging and honoring these people for their willingness to give by putting a plaque on a wall is different than selling naming rights.*** She added that this was a good example of public/private partnerships. This is it and it feels right for her. She thought Dan Proskauer spoke very thoughtfully about technology and that he's right. Technology isn't in our budget and it's a new and growing line item that absolutely has to be embedded in our municipal and school budgets going forward. We are short on money and this has been underfunded but this is a bridge in the meantime.

Alderman Fischman stated that he liked the concept in general but the devil is in the details. With regard to the whole technology issue, he is always struck when people say other countries are farther ahead of us. He thought the questions that

Alderman Baker has raised are important and the questions that Alderman Gentile is expected to raise are also important. He added that he's not necessarily suggesting that these (NSF) are not the right people (to carry out the campaign) but maybe we need to know if we have to spend more to get more. He asked about the proposed technology budget (network, bandwidth) and what the projected \$2 million per year will be spent on – adding that people (donors) will want to know what they will be spending their money for). He also asked if they are successful in raising \$6 million over a 3 year period and if they have exhausted all of the available funding sources, will the city be left to pick up where they left off and left with something that is not sustainable. **With regard to the concerns raised about corporate donors, he suggested that they consider starting off limiting the campaign to individuals in order to get more support.**

Alderman Baker wanted to be clear on a few things. First, was that the premise here is that this is basically a corporate funding vehicle because 80% of the funds are coming from corporations. Liz Richardson said it was not. Corporations would provide larger donations. **Alderman Baker suggested that while there may be fewer corporate names (on the walls or on plaques), it will still be 80% of the revenue.** Liz Richardson wanted to clarify that there may be individuals who have companies in Newton but the name (on the plaque or the room) is of the CEO and not the company. She added 80% of the names we will see are people being honored. Alderman Baker's responded stating that still 80% of the revenue is coming from businesses. **He added that his concern is that there are many people worthy of being honored (referring even to the people in the chamber that evening) and if the process were only limited to be a solicitation to alums to honor those people or for a revered teacher, etc., he would be more comfortable with that type of campaign.** Liz Richardson responded saying that is also a part of the campaign but cited an example where the Class of 1965 is considering donating \$30K to honor classmates who have passed on to point out that we won't get the same amount of money.

Alderman Baker then said there are certain distinctions between public and private partnerships and places where that is appropriate. Certain public assets are not appropriate (using the Statue of Liberty sponsored by the Amalgamated Cheese Company as an example). Part of the problem is that Newton Public Schools are part of a process that is commercialization. **The need of the schools is paramount but this particular means is what he is troubled by.**

Liz Richardson stated that she has spent over 10 years advocating for funding for public education at the State House. School systems that are maintained at a high level are being funded by public funds or by private foundations. **Newton is a conundrum because it is not appropriate for public grants or for private foundations. Communities like ours are being told to take care of the problem ourselves. She said the Community should ask the Board, if this is not passed, what is the plan? There is no other funding source.** This is a new model that they are proposing. They have one of the most comprehensive policies and it is brand new and not the way naming rights is usually done. This is not just about technology but it is teaching and learning.

School Committee member Margie Ross Decter asked to be recognized. She wanted to elevate the conversation and summarize what she has heard. She said, "There isn't one person in the room who doesn't care about Newton Public Schools and doesn't understand the conundrum faces with respect to revenue. This week, the Board passed a resolution for everyone to get together to come up with some alternative means to raise revenue to supplement fees in NPS". She said NPS is a success – more families, more kids – which make it vibrant and view public schools as an asset. Because of its success, they've had to wrestle with budget issues. In terms of revenue, they had to pass a gap of \$1 million in fees to people who have the means and those who do not have the means. In light of spirit of what they passed, she suggested that raising (funds for) technology is no different from those fees. When they go to the schools, they ask parents to dig into their pockets for many different reasons – pay for buses, pay for activities and pay for technology. Many students and families can't afford that. The Equity Policy that they try so hard to uphold is difficult because each individual schools have different means of fundraising. She said some schools can raise \$100K , others can't and are at the bottom. Some of what they have been able to do is through their partnerships and reaching out to people committed to the City of Newton. She cited the most publicized example has been the BC partnership. It's the one partnership everyone seems to revere. The donation by BC was specifically for technology. She added that many other corporations and companies in Newton are generous – the School Committee reviews all – gifts, and donations. PTC, Legal Seafoods, Whole Foods have all contributed. They partnered with NSF not only in curriculum and services but in terms of being real resources to the schools. She added that the Governor and a Council of Mayors came to see the Innovation Lab and touted it as a great example how public/private partnerships can work and how businesses with ties to Newton can support our programs. She views this as an opportunity to take it to the next level because more than just time and partnership that we need – we need to catch up. She remarked that Ald. Fuller's comment about the bridge. She said they're not talking about perpetuity – right now they are talking about a very real gap that has accumulated over the last many years that has to be spread evenly across the She entire school system. She said right now we don't have a ballot out to raise taxes which is really an equitable way of doing it. ***"Now we have an opportunity to go to our own – the people that we really value and build our own community – to what Ald. Kalis said "...building community to have businesses (which I think are not a dirty word) they are partners in our community who want to support our schools. To the extent they have a plaque that says – "Whole Foods supports NPS – that is not commercialism – that is support, building community; an opportunity for us right now to move forward and fill a gap we need today; a stop gap. I hope we have the courage as a community to do more for our public schools, to educate the community and bring along all partners – whether individuals and companies" "... to have a real sustainable solution going forward. This is a good proposal – it has public oversight and checks and balances."***

Claire Sokoloff was recognized. She said one of the things that strikes her is that everybody in the room has the best of intention and everybody cares deeply about the schools and kids and though we may all have different ideas about the best ways about getting the best resources that are sorely needed, she really appreciates the quality of this conversation as it has been respectful and thought provoking. A couple of things to she wanted to share is that they have been grappling with this issue - some have been grappling with it a little longer. As Mr.Lasker pointed out, they've been grappling with this for years – it's been heart wrenching – they want to honor our educators that is paramount and they love our teachers but they struggle with some of the issues that have come up – put technology in the operating budget or put it in the CIP but then they also have roofs and boilers in our CIP. Even though lots of good things that happened this year with the budget, there is no question that the pie has to get bigger. It's not going to be one thing to make this pie big enough. She asks people to be open minded and understand that we're all a little uncomfortable in varying degrees. She urged the Committee to take a leap of faith - we're not going to get all things addressed. This (proposal) is untried, we're on the cutting edge – people are looking at us. Reinforcing a point made by Ald. Fuller, she said, people will give because they know the folks here in the NSF. If we get a big fancy company and they want to go beyond Newton – that will never go over well - We're trying to hold on to our values but also think out of the box. She said they're saying let's give it a try and if it doesn't work out – they can stop it any time along the way. She reiterated that we need the money now and wants closure in the not too distant future.

The Chair took the opportunity to offer a few words. She shared her concerns and said she was struck by the comments made by former Ald. Lipsitt - the idea that this would further distinguish the haves and the have nots. Kids have to deal with that now on a daily basis but the idea that they will have to deal with it because it is memorialized on a wall in school leaves her uncomfortable. In addition, she is concerned about the process - that the NSF folks would be targeting specific people for funds. She used the example of one kid's father – though having the same amount of money as another's may not have been asked and therefore not have the same opportunity to participate in the program. Those are just some of the issues she would like to be considered.

Ald. Baker made a motion to hold. The Committee unanimously voted to hold the item until the next meeting on June 6th when the Chair expects to have received an opinion from the IG.