

MINUTES

Finance Sub-Committee Meeting

Wednesday, August 7, 2013

4:20 PM

Fall River Schools Administration Building

417 Rock St.

Fall River, MA 02721

AGENDA

1. FY13 – EOY Budget Transfer
2. FY 14 – Grant Allocations
3. Reallocation of Henry Lord FTEs

Mr. Hart called the meeting to order at 4:20 and requested a roll call:

Mr. Hart	Present
Mr. Martins	Present
Mr. Costa	Absent

1. FY 13-EOY Budget Transfer

Mr. Saunders, CFO: Explained end of FY 2013 report as of July, which was distributed to the committee; regarding closing out grants which can cause minor adjustments in object lines. Transfers and ending balances of school department in the amount \$88,128,944.86; under our management, finishing the year in positive position in the amount \$3,284.14. Anticipate the grant closing will not change the ending balance in operating fund. Individual line items could change with reclassifying expenditures between the grants; the surplus of \$3,284.14 would flow into the city budget.

The biggest part of the transfers and budget adjustments would be the tuition account; manage to budget in filling positions, adopted some savings due to high vacancies in some areas, we asking to transfer some funds to different line items to cover the deficit and keep them in the positive position.

Mr. Martins: Which funds are being transferred? I see many amounts with parenthesis; and where will funds go?

Mr. Saunders: As you can see the individual lines and totals, which there are three parts to this report. First there is a summary report indicating positive and negative, which indicates negatives –indicate savings, and we are transferring the money to the, positives- indicates where the money is being transferred to.

Finance Meeting minutes: 8-7-13

Mr. Martins: I'm looking at professional salaries, your transferring \$321,000, where is that going?

Mr. Saunders: A portion will go to tuition, and the remainder of money will go to other line items to cover any small deficits.

Mr. Martins: You know that, but I don't.

Mr. Saunders: In the third part, adjustment piece of the report you can see where funds will be distributed certain line items as well as the amounts; also, indicated that on the second part of report, descriptions of adjustments made in amounts over \$50,000.

Mr. Martins: Professional salaries \$321,000; high value \$151,000 guidance, another high value \$745,000 teacher salaries. It bothers me when that is budgeted appropriately. If we knew throughout the year that we would have all this money available in teacher salaries, we could have hired additional teachers. Money allocated to a specific line item should be used specifically for that line only. Line items showing shortages and then pulling from line items that have an overage just do not sit well with me, especially with the salary line indicating large amount of money in overage. Then, during the course of the year we are told that we only have enough for what we have.

Superintendent: May I clarify that, around teacher salaries? The \$745,000, which is a large amount in context to the \$42 million, which funds the teacher line item; represents approximately 15 teacher positions went unfilled because we were unable to find highly qualified candidates in subject areas.

Mr. Martins: This should have been brought to the committee's attention that we will be having an overage; and asking the committee what ideas we may have to help staff the school buildings, and how will we do that; now we have all this extra money.

Superintendent: To your point Mr. Martins; our monthly reports capture that line item consistently for the committee.

Mr. Martins: True, it does. If we are at the half year mark, then ½ teacher salaries should be gone. When we are half way through the year and at 30% I would put a question mark on that. If we are at half way through the year and expended at 75% also put a question mark on that. We need to get a better handle on the; because each budget season, if these line items are low; and if this has been a pattern, then we need to add money to those particular line items.

Superintendent: Example if you look at the substitute line, we had to add \$256,000; that's a direct trade off for having those 15 teaching positions we still needed but were filled with substitutes. If you are suggesting that we provide the committee with a quarterly report on positions unfilled, we can do that, to show the committee and public the areas we are challenged in filling, in terms of finding highly qualified teachers, especially Math, Sped and Science positions.

Mr. Hart: What does that equal out to in terms of percentage regarding positions not filled?

Mr. Saunders: Using a 2% number, this current year in October we notified the committee that we are \$1 million short on tuition. In the past three years we have been flat on that line item. This year we took a hit, it was unforeseen.

Finance Meeting minutes: 8-7-13

Superintendent: There was an increase of \$300,000 to the paraprofessional line. Our goal is to make sure classrooms are staffed appropriately, and that paraprofessionals are servicing the special needs students. Instead of the money sitting there, it was used to support direct classroom services.

Mr. Coogan: The 15 positions that were vacant at the beginning of the year may not be the same as mid-year vacancies, which are more difficult to fill at that point in the year.

Mr. Martins: My point is I don't want trade a teacher so that the position goes unfilled in order to pay off tuition. This is the stuff that needs to be brought up to the school committee, in order to problem solve.

Superintendent: This is exactly what Mr. Saunders captures in 1-2% vacancy rate, because if recommended to the school committee what was necessary to fully fund all positions, 100% of the time all year round it would be \$1-\$2 million more.

Mr. Martins: You know my position here. These large amounts of transfers indicate that we did not budget appropriately; taken into consideration raises and inflation. We need a 3-5 year budget analysis to assist us in budgeting appropriately.

Superintendent: Mr. Martins, you are describing the exact process in which Mr. Saunders used. We look at a trend analysis in the past number of years; what does that line item look like, and how much we need to transfer.

Mr. Hart: Mike, if those 15 vacant positions were filled we wouldn't have that \$745,000 which means we would be in a deficit?

Mr. Saunders: Yes, that is correct.

Superintendent: We have approximately 800 teachers; 15 positions unfilled, not necessarily the same positions throughout the year. This is what Mr. Saunders captures, we are never 100% fully staffed. Through a trend analysis we find that we are 98% fully staffed any given time of the year.

Mr. Martins: Another high pay out line, workmen's comp. \$136,000

Mr. Saunders: Usually there are a lot of people in idle to get paid and at the end of the year the state pushed to pay these folks. That is the reason for the large amount you see.

Mr. Martins: Here's another large pay out, contractual services.

Mr. Saunders: This amount is for the fact we had to pay an outside agency for services such as, speech or other sped services that we weren't able to hire qualified staff for.

Motion: Mr. Hart - Mr. Martins: Transfers be referred and approved to the full Committee, with favorable recommendation to make the transfers.

All in favor

None opposed

Motion approved

2. FY 2014 GRANT ALLOCATIONS

Mr. Saunders: We received notification of the FY 14 allocations for the grants; our major grants are Title I, Title II, Title III and IDEA.

- Title I- \$4,509,878
- Title II- \$869,829
- Title III- \$121,685
- IDEA- \$3,047,067
- Payroll- this is staff actually on payroll
- Benefits-attached to these individuals
- 3 Sped positions will have to be removed from the grant money
- Increase in classroom teachers for SPED, however grant (IDEA and IRDA) doesn't have sufficient funds to cover it, so we will need to pay it out of our operating budget
- In upcoming years we anticipate more positions being cut from those grants
- In previous budget Ed jobs-absorbed many of those positions, in order to support classrooms

Mr. Martins: These are not all the grants.

Superintendent: To clarify; these are our entitlement grants. Typically, we are alerted now in terms of what our final allocations will be. The department and Federal DOE are alerting districts to anticipate reductions.

Title I has often be used as discretionary funding, for lack of a better term. The discretionary amount of \$175,000; is beyond staffing purposes. Which is a big change for us; usually Title I has a huge chunk of money for us.

Mr. Martins: I am going to suggest we push this onto the full Committee, without a recommendation, due to the fact that no determination has been made on how we will use Henry Lord School (HLMS). The committee needs to look at all the Grants, each one of them, before they are sent to the Department of Education; it has been past practice that the committee approves after the fact, which is not how it should work. Taken into consideration what HLMS will be used for.

Superintendent: For what purposes?

Mr. Martins: I have my own idea what to use the school for. But whatever the school ends up being, I want to be sure students receive support; using Title I or Race to the top funds.

Superintendent: I don't understand what the HLMS has to do with the grants.

Mr. Hart: This is just informing us that there has been a reduction, correct?

Superintendent: Yes, that was our intent; if you look in the last column labeled IDEA there is a shortfall, that's 3 SPED positions we would have to eliminate, and I'm not recommending that any SPED positions be eliminated; or move that \$189,000 (3 positions) to the operating budget.

Mr. Martins: Absolutely so. If it goes as it has been, I would put that into teacher salaries account. My point or purpose is that no one wants the Department of Education to take control of HLMS.

Finance Meeting minutes: 8-7-13

Superintendent: I guess that's why I'm confused with the grants having anything to do w/HLMS; the HLMS is closed by action of the committee.

Mr. Martins: Yes. Right now it is. That doesn't mean that it's not going to reopen.

Mr. Hart: We will pass this in to the full committee; since you and I know that there is a reduction. If the full body committee would like to discuss what Mr. Martins is talking about, we will address it then.

Mr. Martins: Correct. Absolutely. This amount of money that is coming in, but is not indicated what it is being used for.

Superintendent: No, we are not asking for you to approve anything; this just for informational purposes.

Mr. Hart: Just indicating a reduction.

Mr. Martins: So there is nothing here that indicates what school is receiving money, and how the money is being spent. Correct?

Superintendent: Bottom line is we are informing committee that these are our final allocations provided to us by the Department of Elementary and Secondary Education, additionally to inform you that we have a shortfall in SPED federal grant that needs to be picked up in the operating budget, so we can continue with those 3 positions.

Mr. Martins: I agree with you. We cannot lose 3 positions in SPED. This is how much money is coming in from these grants. That's why I ask, where is Race to the top grant money? I understand that these grants we are talking about are entitlement grants, unlike the other grants, such as Race to the Top are competitive grants. However, we still receive some money from them for the FY 2014. We need to know how much, so we can decide how it will be spent.

Superintendent: I guess to your point Mr. Martins, if you take a look at the grant allocation, it indicates how the money is spent. We are not asking for approval, but again in terms of informing you; payroll and allocation line indicates where the money is spent. It's to continue the positions in each of those grants that are already funded. The row indicates what money is available, that is not attached to a position or person in this district.

Again, we are not asking for approval, this is strictly for informational purposes. We are still putting the applications together, so approval is not now, it's down road at some point. Mr. Martins, I think what you asking for is that you would like to see the applications before they go in.

Mr. Martins: The issue is HLMS is going to be occupied in some capacity. In collaboration with the committee and administration we will open that school, and I just don't want to hear we don't have any funds to support that school.

We will have to find funds to keep that school in the city of Fall River.

Superintendent: Of course, where else would it go?

Motion: Mr. Hart - Mr. Martins: Present to full committee summary of the major Title Grants allocation for FY 2014.

All in favor

None opposed

Motion approved

Finance Meeting minutes: 8-7-13

Superintendent: Can we recommend to the full committee that those 3 FTE's be transferred to the operating budget?

Motion: Mr. Martins – Mr. Hart: refer to full committee that the 3 FTE's be transferred to operating budget.

All in favor

None opposed

Motion approved

3. FY 2014 GRANT ALLOCATIONS:

Superintendent: To the committee's efforts to make sure all students are supported; as students have been reassigned to the 3 remaining middle schools based on the attendance boundaries that the committee approved in March. My commitment has been that resources follow those students, so that middle schools don't experience increase in class size, that they don't miss out on opportunities such as remediation's, interventions or additional services.

Mr. Saunders will be describing to you this concept of resources, since HLMS closed by action of the committee, and we have over 400 students being reassigned out to the remaining 3 middle schools, we are recommending that teaching positions, administrators are followed out to those schools with the students.

Mr. Saunders: What we have here is a spreadsheet on the allocation of positions that exist at HLMS; these positions were moved to the three middle schools based on principal restructuring schedules in order to service the students being transferred from HLMS.

We have .5 positions, which we call classroom teachers, 20 teachers spread out between different areas of knowledge and scheduling along with Morton, Talbot and Kuss. Basically, they stayed proportional regarding classrooms to the number of students that went to those individual schools. Kuss MS picked up 210 students, Talbot MS 147 students and Morton MS 110 Students. Support systems are the administrators that will be needed due to the increase of students to those schools.

Mr. Hart: Referring to the handout; Mr. Saunders, what is the allocation positions teacher classroom? I see Morton 5, Talbot 6 and Kuss 9. What subject?

Mr. Saunders: The first table indicates the 20 classroom teachers; the second table indicates what subject they will be in. There is a correction for Talbot, there is no world lang. it should be in Tech, the total on that line is 4 including the one at Morton.

Mr. Martins: I understand it as we see it right now, but this is going to change depending on what happens with HLMS.

Superintendent: We can only function as things are right now.

Mr. Martins: I understand that, however the funds that are following these students, and if the students go back to HLMS that the funds go with them, along with those teachers.

Superintendent: The teachers that go back to HLMS may go back in a different configuration than what you see here. If HLMS was to open as it was, you would need more than 3 English teachers, more than 3 Math teachers.

Finance Meeting minutes: 8-7-13

Mr. Martins: What was there just a few months ago?

Superintendent: Those positions have been distributed to the receiving schools based on their schedule needs. For example, take a look at the tech. teacher positions it indicates 4; HLMS did not have 4 tech. teachers, that's what I mean about the configuration being different.

Mr. Martins: My next question, I thought we weren't going to layoff anyone?

Superintendent: No we are not. Under the FREA contracts, the displaced teacher agreement; teachers who worked at HLMS were given the option to opt-in to vacancies throughout the system, assuming they have the appropriate license to do so. These positions on the bottom table indicate new hires. Our middle schools are anxious because they are opening school in 4 weeks and short these positions.

Mr. Martins: Upon the Mayor to call a special meeting with full committee, when available, so we can all have input as to what's going to happen with HLMS.

Superintendent: Based on everyone's schedules, the earliest it can happen is the 21st.

Mr. Martins: It may start out like this, but my position that HLMS will not be taken over by the DESE, it is going to be housing students and those students are going to receive the assistance they need to move from on grade to the next; and reap the benefits of having college classes in relationship with BCC at Durfee HS. Yet to come!

Mr. Saunders: This is notification of where students are today and what our staffing requirements are.

Mr. Martins: Yes, I guess recruiting can go on. I'm just concerned about making commitments to new people to hire and we can't fund it. Those new people will say I passed on another position because I was told I was hired.

Superintendent: I'm sure you can appreciate the principal's position, when a week before school starts and they still need to hire staff. What does the hiring pool look like then?

Mr. Martins: Yes, I understand. We need to take into consideration as to what HLMS will be.

Motion: Mr. Martins – Mr. Hart: refer to full committee the allocation of positions.

All in favor

None opposed

Motion approved

No further discussion

Motion: Mr. Martins – Mr. Hart: To adjourn at 5:10 pm

All in favor

None opposed

Motion approved

Submitted By:

Paula M. Soares
Administrative Assistant
Office of Instruction