

Meeting of the Finance Subcommittee

Wednesday, September 30, 2015
4:15 PM

School Administration Building
417 Rock Street
Fall River, MA 02720

Agenda

- Discussion: Use of increased Title I allocation for purposes of class size reduction
- Discussion: End-of-year report

MINUTES

Mrs. Panchley read the open meeting law.

At 4:18 PM Mrs. Panchley, Chair of the subcommittee, called to order the meeting of the Finance Subcommittee for Wednesday, September 30, 2015. A roll call for attendance showed Mr. Costa and Mrs. Panchley were present. Mr. Hart was absent.

Also present were Superintendent Mayo-Brown, Mr. Kevin Almeida, Mr. Tom Coogan, Mr. Tom Rose, Principal Joel Jocelyn, Principal Brian Raposo, Ms. Sibohan Ryan, and a member of the press. School Committeeman Gabe Andrade was also present.

- Discussion: Use of increased Title I allocation for purposes of class size reduction

Superintendent Mayo-Brown explained that the district's Title I allocation increased overall by \$1.3M (new money) based on census and poverty data for the community. She asked that Mr. Almeida review the amounts from the \$1.3M previously approved by the Committee.

Mr. Almeida presented a handout to the Committee and noted that they received \$1,368,289 over last year's amount and that the funds committed from the last meeting were listed. They have committed funds for the Letourneau longer school day for \$125K; Morton ELT \$57,500; loss of funds in the ELT grant for Kuss \$75,000; \$132,500 for the loss of the additional 21st Century funds from last year and they propose funding two ELL FTEs at a cost of \$100,000 which means to date they have committed \$490,000. If they take the \$500,000 placeholder into account it leaves them with \$378,289 left to allocate.

Superintendent Mayo-Brown said with the \$378K left to be allocated toward class size reduction they analyzed current class sizes (she presented a handout). They have 198 classrooms grades 1 through 5. There are 90 with 25+ students (45%). The average class size for K is 25+. She noted that the Greene School is at 95% and all grade levels are impacted. When surveying the teachers there it was their wish to open up classrooms because they have three empty rooms at the school. She recommended that they target Greene for an investment in class size reduction.

Superintendent Mayo-Brown continued that the second school is Letourneau who was at 75% and is also their ELL program school, so many of those students are learning English as a second language. Fourteen out of twenty classrooms are at 25+ impacting grades 1, 2 and 3 and they would expect to see K increase over the year; just because the average class size is not 25 right now does not mean it will not be in a month or two based on historical trends. She noted that Greene is a level two school and Letourneau is a level three. When they look at the data there is lower performance at the early grade levels so a rational to consider for targeting class sizes at the two schools.

She asked through the Chair for the principals to speak if they had anything to add.

Principal Jocelyn said the Superintendent perfectly described their situation especially in the lower grades. The district has been supportive with interventionists but they still need help with their whole group instruction. His teachers prefer to open the three additional classrooms they have available to relieve the pressure.

Mrs. Panchley said she knows class size has always been a problem at Greene and wondered if they had these classrooms available the whole time.

Principal Jocelyn said no and explained that they had two PreKs that went to Henry Lord and a social-emotional classroom that closed due to a reduction in enrollment.

Mr. Costa said this has been a problem for a long time and for whatever the reason the Greene population gets bigger and bigger which is not necessarily a bad thing. When Henry Lord opened, Greene was spotlighted as one of the schools it would help and he wondered how it impacted their enrollment.

Principal Jocelyn said it impacted it somewhat the first year but they have quite a bit of people coming into their community.

Superintendent Mayo-Brown said they had that conversation and ran the data to see if there were students who should be at Lord and there were only 6 K students who would technically be Henry Lord students so they are not seeing an over selection into Greene instead of Lord.

Mr. Costa asked if it would help if those six when to Lord.

Principal Jocelyn said his numbers would still be high noting a lot of people move into the community; even when the enrollment dips, it goes back up.

Mr. Costa said historically they have had large class sizes and even though there have been efforts to decrease them they still go back up. He is not sure what contributes but clearly having 95% with 25+ could become a problem. It is the same with Letourneau; the intent of Henry Lord served a number of purposes, not just class size, but his hope was it would reduce class sizes. He asked what Letourneau's plan for the funding would be and if they had the physical space.

Principal Raposo said they do not have space and would not look at that as a model. He would want to take this back to his team and have it be a team decision. In the initial conversations with staff, given their population, they really found success in getting two ESL paraprofessionals which helped so they would probably look at a combination of interventionists and paraprofessionals to help with almost a

co-teacher model to have two adults in the classroom. He emphasized that there is definitely a need in ESL where the numbers are extremely high in those rooms.

Mr. Costa said in those situations, even with an additional adult, he wondered if it would be all day for those students or would there still be times when they would have classroom sizes where they would have one adult with more than 25 students in the classroom.

Principal Raposo said they would try to schedule the individuals so that they are in there for all the core academic areas. They also try to send out paraprofessionals into the specials classes and try to look for people who are bilingual or trilingual. It would hopefully be for almost the entire day.

Mr. Costa said it is a different story than Greene because they have the physical space. He wants to make sure the funds are truly targeted for making the biggest impact of keeping adult to child ratios down for the longest period of time they can. They would want that to happen in the core classes but to the extent they could make it happen in the specials, etc. that would more beneficial to those students. He would be interested in hearing more from Principal Raposo and his team after they have that discussion.

Mrs. Panchley said they were basically on the same page and they are fortunate that Greene has some space. She hears what Principal Raposo is saying but is also looking at other schools such as Spencer Borden and Tansey with classrooms at 31-32. She knows they allocated money for paraprofessionals last year. She is always afraid of ignoring other schools needs and having them slip down while they are giving resources to other schools. She wants to make sure they are doing the right thing with the money because it is to target classroom size. She asked Superintendent Mayo-Brown if she knew off hand if they have paraprofessionals in place that are helping them.

Superintendent Mayo-Brown said they will get them that report.

Mr. Costa noted that they could not use the money for Tansey or Spencer Borden because they are not Title I schools.

Mrs. Panchley said that was a good point.

Mr. Costa said if they had additional money he would certainly agree but they could not help them with this money.

Mrs. Panchley understood and forgot about that aspect but also noted that the money the City Council allocated the evening prior was already part of a spending plan and not additional money they could allocate to schools beyond what they already allocated. It is something she has her eye on and are hoping to target Fonseca with Westall School and maybe that would affect some of the other North End Schools as things shake out. She was looking at all the numbers – SGP, CPI and classroom sizes - and these two schools were the most obvious schools. She is in favor of the plan and would like to hear more on how Letourneau plans to use the money.

Superintendent Mayo-Brown explained that she had sent an update memo to the School Committee last week and referenced that Letourneau's sizes particularly around newcomer ESL students is now exceeding capacity and they need to open another program site. It will not make a huge impact on their class sizes but once the site is up and running it could alleviate some.

Mr. Andrade asked if the two new ELL positions the Superintendent had mentioned were targeted for Letourneau or an alternate site.

Superintendent Mayo-Brown said Spencer Borden and Watson shared. So those two positions allow Watson to have their own and then Henry Lord to have an ELL teacher as well.

Mr. Andrade asked about the \$500,000 funds placeholder.

Mr. Almeida said they received a memo that stated that going forward there is a potential to lose up to 15% of their allocation.

Mr. Andrade asked if the money would be rolled over.

Mr. Almeida said yes and explained that Title I money is allowed over three years.

Mrs. Panchley said they had discussed not building a cliff by putting in \$500K of staff that they could not continue to fund through the grant.

Mr. Costa said that it seemed Greene was ready to go and made a motion.

MOTION: Mr. Costa – Mrs. Panchley: To forward the Greene School proposal to the full Committee with a favorable consideration for the use of the additional Title I funds as they outlined.

No Discussion

2 were in favor

0 were opposed

1 was absent (Mr. Hart)

Motion passed

Mr. Costa said with respect to Letourneau, he would like to move it along but it sounded like they needed to discuss it.

Principal Raposo said they know they want to do a combination of interventionists and paraprofessionals and is the model they prefer. He ideally would like the ability to have all of their ESL classrooms have an additional paraprofessional in all those rooms because the numbers are so high and he does not have teachers that speak another language so the paraprofessional is a great resource in terms of contacting parents, translating for newcomer children, etc. He knows they would look at staffing all of those ESL rooms with paraprofessionals and then look at interventionists and paraprofessionals for the general education rooms.

Mrs. Panchley said she would make a motion to refer it to the Committee.

Superintendent Mayo-Brown asked if they could bring the plan forward to the Committee of the whole October 13th from Letourneau or if they felt it would need to come back to subcommittee.

Mr. Costa said he did not think it needed to come back to subcommittee but he was not comfortable making a motion to refer without specifics. He thought if they had a plan before the next meeting they could put it on the agenda.

Mrs. Panchley said that was fine but did not want to wait another month.

Mr. Costa thought if they could come up with a plan to present they could just put it on the agenda for the full Committee.

Mr. Jocelyn said he looked at his data and the opening of Lord did help; two years ago they had 12 of their classrooms that were 31+. They still have 2 classrooms with 30 but that is nowhere near what they had.

Mrs. Panchley thought that was good information to know.

Principal Jocelyn said they are still at 26-28 but it is much better.

Transcriber's note: at 4:42 PM Ms. Ryan, Principal Jocelyn, and Principal Raposo left the meeting.

- Discussion: End-of-year report

Mr. Almeida presented the Committee with another handout and explained that he completed the end-of-year report that afternoon and was providing them with a snapshot of the two reports. The first report is the FY15 which will be the actual expenses through FY15 also referred to as schedule one. The second page is FY16 referred to as schedule 19 and is the budget for FY16. When looking over the sheet they will note that their net school spending (NSS) total spent for the year is \$127,308,652 (Line 28). The required NSS was \$126,851,512. They see the carryover in the next line which was \$3.3M. When they add the two numbers together the actual requirement for FY15 was \$130,238,091. The unexpended NSS amount/the carryover from FY15 to FY16 is \$2,929,439 but there is a caveat which he noted on the handout.

He continued that in FY15 the School Committee approved and allowed them to spend \$1M on prepaid special education tuition but the way it works for purposes of the end-of-the year report, they can't take the expense in FY15 and the expense flows through to FY16. Therefore, in essence, the \$2.9M would be reduced by \$1M. In addition, the DOR waiver that the city applied for has not been affected yet by the state/the state has not made that adjustment on the report. He tried to get in touch with Roger Hatch that afternoon but was unsuccessful. In the meantime he left that amount so they can see that that should also be reduced by the \$496,000.

He continued that the next couple of items were adjustments from what the budgeted figures were on the FY14 end-of-year report for the budget FY15 and if they look at the schedule they will see the column that does not have a heading are actually numbers that the state prepopulates in from the FY14 report so it does not actually reflect the actual amount. Even though he put in the actual amount on the schedule, what gets populated is the amount that was reported in the previous schedule. In order to make it all work, he requested to do an amendment to the 2014 report for the amounts that are over and above what they were initially budgeted for in the FY14 report in FY15.

Mr. Costa asked if that was about \$110K.

Mr. Almeida said that was correct. He continued that at the end of FY15 the adjusted carryover is \$1,321,994.

He asked if there were any questions with FY15 and there were none.

He gave an update on the health insurance; the difference in health insurance in FY15 was \$2.2M.

Mr. Costa asked if that was the shortfall in FY15 and Mr. Almeida said it was and would carry over into FY16.

Mrs. Panchley said the shortfall on just health insurance was \$2.2M so she wondered how they got to \$1.3M. She wondered if they spent over in other areas.

Mr. Almeida said the \$3.3M that the city gave to them actually put them over by \$800K over NSS so with the \$1M in prepaid and the \$2M shortfall.

Mrs. Panchley understood.

Mr. Almeida said moving on to FY16; he wanted to point out the methodology they used to allocate the expenses on the city side over to the school side. There were previous discussions on meeting somewhere in the middle. When the city sent their information to them he reviewed it and what he is presenting to them is the city's number which is 46.98% and that percentage comes about because of health insurance.

Mrs. Panchley said they never agreed to that.

Superintendent Mayo-Brown said that was why they wanted to have the discussion.

Mr. Almeida said he wanted to have the discussion before he submits it to the state. With that premise he calculated the difference between the two. If they used the district's method they would be closer (just under 40%) and the difference is about \$320K.

Mr. Costa said if he understood correctly, then the total shortfall would be almost \$1.6M.

Mr. Almeida agreed.

Mr. Costa said the \$1M the city thinks they owe; if the district used their own numbers would actually be \$1.6M.

Mr. Almeida said that was correct.

Mrs. Panchley asked if he meant their numbers being just under 40%.

Mr. Almeida said that was correct; their number was just under 40% and the city's number is just under 47%.

Superintendent Mayo-Brown asked him to explain how he calculated that.

Mr. Almeida said the percentage is calculated by taking the total overall budget and backing out the debt service that they always have which comes to an adjusted budget figure. They then take their total budget which in this year's case the city added in the health insurance to the budget so it brought that number to a total of almost \$119M. He backed out transportation and they get to a total school budget figure. They take that total school budget figure and divide it by the total adjusted budget when they back out the debt services and that gives them the percentage that gets applied.

Mrs. Panchley felt they made it clear last year that taking on the health insurance as part of their budget was preferable because if it was over budgeted it would give them the opportunity to put that money into resources for their students. It was an unintended consequence that that percentage would be raised and they were not on board with that happening and they needed to keep that

percentage the way it was. They mutually agreed it was the best fiscal decision for the district to take the health insurance on in-house and it baffles her that this being done on September 30 with no conversations.

Mr. Costa was disappointed in the lack of communication they get from the city's finance team regarding the numbers they want to use. It speaks to a bigger issue; it's been stated a number of times taking on health insurance costs was going to be a benefit to the district because they would have the funds available and if there was a need to use those if the projections were low they would have the funds to do that and would not have to wait for the city to find the funds to allocate to them. The problem with that is that by taking it on it increased the overall percentage of what they are now being charged off towards what is eligible for NSS and he did not think that was fair to their students that because they have decided to make a fiscal decision to take on health insurance that then that should raise the percentage of the net school spending eligible line and essentially reduce the amount of money for students.

He continued that it should not play that way and he is not trying to be greedy. He understands the cities overall physical picture and that they are part of that but he honestly does not think that they should be submitting a report using the city's percentage. He thought there needed to be a discussion and mutual agreement as to what percentage should be. That is the way the indirect cost agreement was constructed and has been used for years. It is been interpreted a number of different ways depending on who is reading it but the intent was always to keep the percentage to something that is agreed upon, and his understanding is that any disagreement between the indirect costs agreement would be the final decision of DESE.

Mr. Costa agreed with Chairwoman Panchley that he is a little dismayed that it is September 30 and the day they have to submit this end-of-year report and they are now finding out the city's percentages. He did not think they needed a vote from them but he certainly would not be in support of sending in an end-of-year report that reflects almost 47% of net school spending because next year it is not going down and before they know it, the city is benefiting from educational money and their students are not. He did not feel comfortable pushing that it should be 40% but he certainly did not think anybody from the city should be suggesting it be almost 47%.

Transcriber's note: At 4:55 PM a reporter from WSAR entered the meeting.

Mrs. Panchley said that they have always been willing to discuss it and bring some kind of recommendation to the School Committee for a percentage that was fair. She and Mr. Costa take a lot of time out of their work schedules to go to meetings during the day with the city administration to discuss these matters to bring back to the Committee. She felt a little disrespected to have this information brought to them today when the report is due after all of the time that they give. She continued that this was new to her and they didn't have this conversation last year and wondered what the options were at this point.

Superintendent Mayo-Brown said they could request an extension.

Mr. Almeida said he had told them he would have the report to them by Friday but he could request an extension if he had to.

Superintendent said they have done extensions in years past but it is not looked upon well from the department to the school district in terms of them submitting the report on time. Having been

through the recovery plan they have avoided those situations but Mr. Almeida literally receive this information yesterday and had requested it a number of times. She asked that Mr. Almeida also address the administration line item on number 23 because they had discussed a little bit about that specific number.

Mr. Almeida said if they recalled when they had the meetings with the city, they had discussed their per-pupil formula the state uses and when they had done that calculation at the time it was about 1.2 so it is in that ballpark.

Mrs. Panchley said that was something that they had talked about as an alternative they might be able to agree upon.

Mr. Costa said for years they did the per-pupil and then got away from that. That was going way back and then it became beneficial for them on the education side to go to an overall percentage. Now it seems like they may be turning it back to conservative per-pupil because they are talking about the city alleging that half of their budget makes up the overall city budget. He knows they are a large piece of that but he did not think that 47% was accurate when they count the health insurance. If there are other indirect costs contributing to making up that percentage he would be willing to talk further about it but to simply say that it is based on healthcare costs so, therefore, they should get an almost 7% increase; he thought that was a big hit for the school department and equates to \$320,000.

Mr. Almeida said the other thing he could do is submit the report in time by Friday with going back to their old method and then if an amendment has to be done he could do that.

Mrs. Panchley said but then they will not sign off on it.

Mr. Almeida agreed that the city would not sign off on it. But those were the two options.

Mrs. Panchley said for clarification what this is saying basically is that the school department is taking 47% of the city auditor's office time and resources which is clearly not the case and it would be a shame to take money away from students for that reason.

Mr. Costa did not know if they could justify that just about half of their work related duties are school related in any given week. He did not think there was any way.

Mrs. Panchley said she was new and not afraid to admit that she does not have the experience that the other people at the table have as to what would be the better option. She noted that the third option would be to submit it as is but did not think they felt that was an option.

Mr. Costa said he would go on record publicly to say that he would not be in support of submitting the end-of-year report with the city's percentage of indirect being almost 47%.

Mrs. Panchley agreed and said that they did not need to take a vote so thought the school department would decide.

Superintendent Mayo-Brown said Mr. Almeida had until Friday so they would try to meet with the city.

Mr. Costa said it raises another issue because they are waiting for schedule 19 to be approved by DESE and it holds up their ability to finally say to the city what the shortfall is/the number that the city is

going to need to make up in order to meet 100% of net school spending by June of next year. He thought this process could be held up regardless and did not think even if it were submitted by Friday that they would get that news back anytime soon. He asked through the Chair to the Superintendent and Mr. Almeida to speak to the city and explain that it does not fly in the face of their indirect costs agreement and that is what they have been relying on and budgeting with. It was also the conversations they had through the budget process last year and a document that has been in effect for a long time. If they want to revisit that...

Mrs. Panchley said revisiting that is not on September 29 but having conversations through the subcommittee and going through to the Committee as a whole and agreeing with a vote on the percentages that they are going to use. It is not the city submitting on September 29 what they feel makes the numbers work. She thought they should be clear for anyone watching that even with that 47%, the deficiency now is \$1,268,000 and people should know that it is no better than that and it is not a good thing. In her opinion it is their role to make sure that the students of the Fall River Public Schools get the money that they are entitled to when the state is giving them about 80% of their funds. That is her number one duty.

Mr. Costa noted that it was just the two of them there as part of the finance team and he would not want to speak for other members but he cannot imagine any other member of the Committee agreeing to using almost 47%.

Mrs. Panchley noted that Mr. Andrade indicated he was in agreement with them as well.

Mr. Costa thought that if this had gone to the full Committee or it gets submitted at 47% and the School Committee as a whole is informed of that decision, he thought they would find that there would be unilateral dismay over that.

Mrs. Panchley asked them to keep them abreast of the situation as it goes on noting that she did have time the next day if they wanted her to attend a meeting.

Mr. Almeida said he will request an extension.

Superintendent Mayo-Brown said she wanted to be clear with the City Council's appropriation from last night (\$1.6M) that this is on top of that.

Mrs. Panchley agreed.

Mr. Costa reiterated that if they used the city's percentage it is \$1.268M...

Mr. Almeida said that the district's percentage would be closer to \$1.7M.

Mrs. Panchley said she did want to make clear that this is in effect from the FY15 budget and not a budget that this Mayor put together. She did not think it was fair that when the public hears these numbers and not meeting at school spending that, 1. The City Council intended to meet net school spending when they passed a budget that was created by the Mayor's office showing health insurance; so it was never anyone's intention not to meet net school spending and 2. It was not this current administration that put these budgets forth. She thought that was important to know.

There was no further discussion.

MOTION: Mr. Costa – Mrs. Panchley: To adjourn.

2 were in favor

1 was absent (Mr. Hart)

Meeting adjourned at 5:05 PM

Respectfully submitted,



Administrative Assistant for
School Committee Services

Please note: A videotape/DVD of this meeting is on file in the School Committee Office and is available for review by contacting the Interim Administrative Assistant for School Committee Services.