

FINANCE COMMITTEE

Minutes

February 23, 2015

Regular meeting of the Finance Committee was held on Monday, February 23, 2015 at 7:00 p.m. in the Main Meeting Room, Town Hall with the following members present: J. Burke, J. Denneen, M. Iwanowicz, A. Ragosta, P. Hinton, J. McDermott, M. Trudell, S. Lawson, D. Crowley, J. Lowre, C. Lane A. Healy. Members absent were: D. Bruce, A. Walsh, and T. Williams. Also in attendance was School Committee Members, P. Shield, N. Gallivan and B.Muccini, School Superintendent L. Lynch, Assistant Superintendent J. Kenny, Business Manager M. Friscia. Also in attendance was M. Thompson, Finance Director, J. Cuneo, Town Accountant, Selectmen C. Snuffer and Fire Chief T. Bailey and Town Administrator J. Johnson.

7:00 p.m. – Quorum being present the meeting was called to order the Acting Chairman J. McDermott.

May 4, 2015 Spring Annual Town Meeting

Schools Budget Updates

School Superintendent L. Lynch with School Committee Chairman P. Shield focused on the FY2015 Budget, in particular, the Special Needs and Personnel portions.

Chairman P. Shield thanked the Committee for allowing the meeting to be televised. They were speaking to the Special Education deficit in the amount of \$850,000 and what they plan to do to correct the issue. On the FY2016 Budget, School Committee has held two public hearings last month and voted a tentative budget for FY2016 in the amount of \$40,335,285 which represents a 3.76% increase.

Superintendent Lynch spoke to 99% of the budget is running smoothly, 1% of the budget (\$391,524) is in deficit. The original projected deficit was in the amount of \$855,000 which is due to mandated services (\$260,000 Circuit Breaker reimbursement reduction \$100,000 Contract Services, \$100,000 Preschool staffing \$200,000 Bridge Program \$450,000 Board Certified Behavioral Specialist and \$145,000 Out of District tuitions. In an attempt to correct this deficit they have spent \$80,000 in eliminated positions and redirected dollars to Preschool staffing for an additional mandated classroom, \$100,000 Special Education admin settled cases, \$174,000 in remaining Sustainability Reserve, \$10,000 in Contracted svc efficiencies, \$200 in transportation savings, for a total reduction of \$494,000.

Superintendent Lynch spoke to the School Department being required to pay for transportation for Special Ed students. He has no say in Special ed decisions, this is done through a Special Education Team, that consults with parents and they have to agree with an individual ed plan and Schools are obligated to fund. School Department has to pay 100% for private tuitions for out of state students. Circuit Breaker was reduced in the amount of \$260,000, with a projection of 75%. Circuit Breaker is a grant that is passed by Department of Education and they distribute the money. Additional money might become available at the end of the year. Cuts come from the Commissioner of Education. In addition Metco Grant and other grants have been cut. Lack of funding plays no part in special ed.

In addition contractual services are in deficit and cut \$100,000 for services above and beyond what the staff can provide i.e. homes services for autistic children, two speech and language pathologists (\$70/day) Outside contract services cost \$100/hour for a speech and language individual. If these services are not provided, law suit could prevail and would be very costly to the town. Evaluations are done by a professional. Massachusetts has more than special ed schools that all other states combine. Special ed covers the ages of 3 to 22.

Town collaborates with 16 different towns with TEC, VICO, Tri County Collaborative in order to obtain a better price. Town has been successful with TC and working presently with VICO, and looking into hiring their own personnel, but benefits are an issue.

Only seven pre-school special ed students are allowed in a classroom, other than that they would have to create an additional classroom. They have hired a long term substitute with no benefits, Two aids resigned and did not fill these positions, redirected these funds to a teacher and instructional assistant. Pre-School special ed students. Town is mandated to purchase an ad announcing that services are available and how to obtained the services, this has to be advertised.

Bridge Program is for high school students and curriculum is within the high school plan. There has been a drop in participation in enrollment and tuition and reductions are occurring in other towns. They are looking into the collaborative.

Longview Farms is a concern and the amount of students there. They fit into the Bridge Program. It is not self sustaining. They are considered Walpole residents as they live in a residential home.

Superintendent Lynch spoke to a lot of other towns suffering the same deficit. FinCom questioned where the responsibility is of the Federal and State Government. Health insurance is a requirement. \$400,00 is provided for home service costs but \$800,000 is the real number. You cannot force a parent to sign off and pay for the health insurance and you cannot request health insurance information from the Mass. Department of Education. Every year the Town has to provide a collective action plan to the Mass.

Department of Education. Superintendent's organization has just hired a lobbyist for assistance.

Walpole has a low percentage of out of district placements, average cost for special ed students is \$50,010, regular students are less than \$10,000, in house special ed is \$30,000.

Issue of students moving out of Boston to Walpole, into a house or apartment, and change the custody of the parent discussed. They are required to live four out of seven nights in Walpole. There are strict residence requirements.

S. Lawson spoke to mandates being non-negotiable mandates available for special ed students, regular ed students don't have mandates and these students will bear the brunt of this squeeze play. Need to take a step back and find another approach. Perhaps the State should be required to pay the costs for special education students that exceed the cost of educating a regular education student. Town's don't have the ability to pay for this. Leadership needs to look at a different approach and talk to other communities and take a fresh look. She would like to encourage everyone to look at in a different way. There is **no** excess in this budget. School Committee Member N. Gallivan spoke to agreeing with this approach, something radical needs to be done. There is a fear and human factor. There is the need to lobby for more state funding and money needs to be put in a reserve account due to validity of special ed. School Department budgets in the Spring on what costs they know, it is a very sensitive issue. Government doesn't fund the programs, something should be put on a ballot, shifting to the towns has been a disaster.

Committee members discussed the issue of hospitalized day care and this not being an educational need. J. Kenney, Assistant Superintendent spoke to their being specific bench marks identifying the students in need. IEP is reviewed every year. It is difficult to run a budget with special ed. Federal and State need to pay their share. Federal Government pays 5% in reimbursement, comes in a Federal Grant (\$950,000) and pays for instructional assistants. Teacher's pay 100% of their retirement costs.

FY2016 Budget

Superintendent Lynch spoke to the budget basically is level services with the exception of Special Education. (Board Certified Behavioral Specialist-\$50,000 and Out of District Tuitions \$145,000) There are no new personnel. School Committee voted a budget of \$40,335,285 or 3.76% increase. Town Administrator's preliminary budget is \$39,739,633 or 2.22% increase. Grants have all been level funded. They have a Sustainability Reserve of \$25,000. \$391,524 projected deficit, moves in out, could get better or worse.

Transportation – M. Frascia, Business Manager, spoke to the schools two and one half years ago looked at deficiencies in special ed and transportation costs for in and out of district. Schools own 17 vehicles (one food service). They hand picked the routes, and developed a relationship with a dealer in Walpole for purchase. They did not go to Capital Budget as they used the money from Transportation Fund. They hired local people at a cost of \$14/hour, and they signed a benefit waiver as they work 20 to 24 hours and do not receive benefits. Parents are happy with the services provided. All vehicles are inspected. Town is obligated to transport the students, no parents have objected and the schools have a Transportation Coordinator. Some vans have aids to provide assistance (3). This is working very well, vehicles are parked at the DPW facility and Johnson Middle School. They feel they can handle 20 vehicles, anything over would become a challenge. In addition the vans are used by Music and Athletic Departments on weekends. Drivers need a special license. This has helped keep costs down, outside vendors increase costs every year.

Food Service – Mike Frascia, Business Manager, spoke to this used to being a traditional program. Each cafeteria was a separate entity, and proved to be very costly and schools weren't able to sustain, losing money. There were not a lot of options other than a drastic change. They hired a Food Service Coordinator, reviewed it with collective bargaining, and ended with a centralized program located at high school and delivered lunches to each school. Chef works the school year. This option eliminated a manager and at each school (7 positions) thus reducing 8 benefits. It is a restructured program and now reduced to only two benefit positions. All new hires receive 14 paid off days (no sick, vacation or bereavement). Labor costs have been cut down 40%, food service costs 48%, they needed a van, oven, and chill units. This was supported through program itself, all items have been leased and paid off. Large recipes are done once rather seven times, thus eliminated cascading costs and this is a centralized program. This reduces food waste, menus are on line. Program previously failed audits, and a recent audit passed with minimal issues, nothing financial. This is also part of the Wellness Initiative in schools, and work with nurses, principals', school gardens, etc. In addition, they provide breakfast in all seven schools. Program is exceptional and it does an amazing job.

Superintendent Lynch spoke to the deficit of \$391,254 and they don't know of any other areas to help reduce the deficit. Any money that they can free up they will, pockets are empty. They will do anything they can within the law and collective bargaining.

Committee requested personnel and special ed information.

No new personnel being requested. Everyone gets 2% salary increase, can move over lane. Contracts - Schools gave up health insurance benefits, they are in the second year of a three year contract, negotiations will begin this summer. There is a lot of pressure on teachers today, more and more students have issues. Metco students start in first grade, they go through Grade 12. 50 students in Metco program. Committee question the workings of the Metco program. Principals meet with Metco Director, they decide

who attends, require all records from prior schools, go through a screening process. They receive \$3500/student directly from Metco and also receive Chapter 70 funds, and receive more State Aid funds. Metco program doesn't usually take in Special ed students.

State Aid is level funded at this point.

School Committee is looking into School Choice. Need to know how much in a class size, number of seats, number of schools and classrooms. This can be set under School Choice. Schools are also pursuing an American Express purchasing, provides for a 1% rebate, need to work with the Town and might receive some revenue but will have to pass scrutiny.

School Committee asked the Finance Committee to contact them regarding any questions for their next meeting. Committee thanked the School Committee for their presentation and providing the updates.

Adjourn:

MOTION MADE by J. Denneen, Seconded by S. Lawson to adjourn the meeting at 9:35 p.m., Motion Passed (12-0-0) (12 voting) Unanimous

Respectfully submitted,

Clare P. Abril
Clerk