

Committee Members

John Foley, Chairman
Donna Colorio, Vice Chairman
Tracy O'Connell Novick

AGENDA #9

F/O
12-19-12
Page 1

A C T I O N S

The Joint Meeting of the City Council's Subcommittee on Education and the Standing Committee on Finance and Operations met at 11:05 a.m. on Wednesday, December 19, 2012 in Room 410 at the Durkin Administration Building.

There were present:

School Committee Members: Ms. Colorio, Ms. Novick and Chairman Foley
City Councilors: Mr. Economou and Ms. Rivera

Chairman O'Brien arrived at 11:07 a.m.

Mr. Monfredo was also in attendance.

Representing Administration were: B. Allen, Dr. Boone, Dr. Rodrigues and Dr. Friel

Others in Attendance: R. Cohane, J. DeSignore, D. Johnson, M Paynich, J. Reis, Reverend Talley, C. Thomas, M. Molina and T. Zidelis

gb #2-223 - Mr. Foley/Ms. Colorio/Ms. Novick (July 16, 2012)

To review the status of the FY13 Budget and recommend appropriate account transfers as required.

COMMUNICATION of the City Auditor transmitting communication relative to reconciliation of the amount of annual funding the city is required to provide to the Worcester Public Schools to comply with the spending and funding mandates contained in the Education Reform Act ("Act").

(These items were considered together.)

The City Auditor James DeSignore reconciled the amount of annual funding the city is required to provide to the Worcester Public Schools to comply with the spending and funding mandates as contained in the Education Reform Act. He indicated that the city is currently \$799,361 in arrears of this mandate which entails actual contributions and expenditures in Fiscal 2012 and 2011 and the budget for fiscal 2013. The amount is based on information contained in School End of Year Reports filed by the City with the State.

Following the presentation by City Auditor DeSignore, the following individuals from the Massachusetts Department of Elementary and Secondary Education made a presentation regarding the Foundation Budget and Net School Spending:

The following individuals participated in the meeting via conference call:

Mr. Wulfson, Deputy Commissioner of Education

Mr. Sullivan, Executive Director, School Finance and District Support Center

Mr. Hatch, School Finance Programs Administrator

Mr. Jeff Wulfson began by giving a brief history of the Foundation Budget. Before 1993, spending on K-12 education was strictly a local matter. The court determined, in the McDuffie case, that it was unconstitutional to allow each district to provide funds for K-12 education because richer communities could afford to spend more and poorer communities were spending less on education. Therefore, children were not getting equal access to an education. As a result of this case, the legislature and government enacted the 1993 Education Reform Act which included a new school finance system that included the new terms of foundation budget and required local contribution. A foundation budget is calculated for each school district, representing the minimum spending level needed to provide an adequate education. It is adjusted each year to reflect the district's enrollment; changes in student demographics (grade levels; low income status; English language proficiency), inflation and geographical differences in wage levels. Vocational students get a higher amount reflecting a higher cost of that education. Different categories of students are differentiated and have different cost factors for each. It is also a formula that is adjusted each year to keep up with rising costs.

In the case of Worcester for FY13, the foundation budget is just under \$300,000,000.

The other part of the legislation of 93 indicated that the budget would be a combination of state and local dollars. Based on the fiscal capacity of each city and town, a percent from each city is determined and the difference is provided by the Chapter 70 State Aid program. In the case of Worcester, the current calculation asks the city to pay for about 30% and the state to pay 70% of foundation which becomes the required net school spending for the year or basic operating costs of the district.

However, transportation, capital construction costs, adult and community education programs and expenditures that the district might get from separate grant funds from the government are not included in the net school funding. The state sets the net school spending requirement and makes certain that each district is spending at or above that level. The rule is that if you are within 5 percent of your net school spending requirement, there is no penalty or sanction.

Based on budgeted numbers, not the final year-end numbers, last week, the city was just under \$800,000, or about one quarter of one percent so the city is well within the 5% margin of error.

Based on the actual October 1st numbers, the net cost to the city for charter school reimbursements, is less than was estimated by \$500,000 which puts the system into a further deficit.

Mr. Foley requested that Mr. Allen work with Mr. Zidelis to look at the new numbers and provide new information relative to the impact of the Charter School change.

Councilor Rivera requested an explanation of the administrative costs on page 341 in the school department's Budget book.

Mr. Zidelis indicated that there has been an Administrative Plan between the city and the schools for administrative costs since 2007.

Councilor Economou suggested that the Administration prepare both a 2-3 year and a long range budget plan to include cost efficiencies for the school department.

Mr. Monfredo inquired as to Medicaid reimbursements from the city.

Mr. Wulfson indicated that it comes into the city as a general fund reference. He further indicated that most municipal governments are willing to share some portion of those funds.

Mr. Foley indicated that the school department will be providing its Budget in early May rather than late May so that the City Council and City Manager will have its budget recommendations.

Councilor O'Brien indicated that Mayor Petty is going to meet with the Superintendent and the City Manager to attempt to identify some additional resources that might be available to close some of the deficits identified by the auditor.

The second part of the meeting was devoted to an update from Mr. Allen on some of the capital projects that are underway including MSBA.

Mr. Allen provided an update on the Worcester Public Schools' recent project completions and future plans.

Councilor O'Brien requested that the Administration provide a ten year Capital plan.

Mr. Foley indicated that the Administration would be forwarding the Statements of Interest for this year's filing for approval by the School Committee and City Council.

Ms. Novick inquired as to how the Administration will handle the increasing enrollment at the elementary level.

Mr. Allen responded that the Administration will receive a multi year enrollment projection as part of the NESDEC membership.

In response to Councilor Economou's request for a short term plan for solving overcrowded schools, Mr. Allen indicated the availability of Harlow Street, Greendale, Mill Swan and Granite Street properties, if needed.

Reverend Talley suggested that the Administration publicize all the renovations that have taken place in the schools.

Councilor Rivera suggested that the Administration work with the CPPAC which in turn can request that the schools highlight the renovation work in their respective schools in their newsletters.

Councilor O'Brien asked the Administration to provide an update on the Nelson Place project and the PCB remediation effort that was done this summer.

Mr. Allen indicated that there is some pre-work that is concluding now with MSBA regarding the replacement of Nelson Place School. Once that is completed, which is essentially an enrollment study and other technical pieces, the system should be eligible for the feasibility study. The City Manager has appointed a committee of both city and school administrative officials as well as community, parent and teachers that will be serving on that committee. It is a really large committee but very representative of the stakeholders.

With regard to PCBs, there are 27 schools that were built or had major renovations done during a period of time that PCBs were likely used in certain building materials. The plan has been to do short term measures that were recommendations from our environmental consultant and long-term plans which are window replacements. The system has a five year plan addressing the window replacements. This past summer, the system spent over \$1,000,000 both from local and capital funds to accomplish the recommendations from our environmental consultant which were weatherization of windows which was essentially placing caulking and glazing over the window and doing targeted service cleaning. All schools that had ballasts, which were likely to contain PCBs, have been completely removed from all of our schools. We did complete relighting work at WAMS and West Tatnuck School through rebate programs through National Grid. The Administration had done some univent inspections which again is to improve airflow within the school this past summer.

Mr. Foley requested that the Clerk of the School Committee and the City Clerk set up another meeting in mid to late January in one of the schools.

The meeting adjourned at 12:39 p.m.

Helen A. Friel, Ed.D.
Clerk of the School Committee