March 15, 2019

PUBLIC WELFARE COMMITTEE MEETING

Date: Tuesday, March 26, 2019
Time: 6:00 p.m.
Location: Mayor’s Conference, Room 128, City Hall

ANNOUNCEMENT - Any person may make a video or audio recording of an open session of a meeting, or may transmit the meeting through any medium, subject to reasonable requirements of the chair as to the number, placement and operation of equipment used so as not to interfere with the conduct of the meeting. Any person intending to make such recording shall notify the Chair forthwith. All Documents referenced or used during the meeting must be submitted in duplicate to the Chair, pursuant to the Open Meeting and Public Records Law. All documents shall become part of the official record of the meeting.

I. Review and Approval of Minutes of January 31, 2019.

II. Montachusett Regional Vocational Technical School District FY2020 Budget Presentation.

III. Other Business.

IV. Adjournment.

NOTICE: The listing of Agenda items are those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

CITY COUNCIL OF GARDNER

Christine A. Johnson
Councillor Christine A. Johnson
Chair, Public Welfare Committee
Councillor Christine Johnson, Chairperson of the Public Welfare Committee, called the meeting to order at 6:00 p.m. the City Council Chamber. Committee members present were Councillor Elizabeth Kazinskas and Council President Scott Joseph Graves.

Others present and participating were Superintendent of Schools Mark Pellegrino; School Business Administrator April Yu; Director of Pupil Personnel Services Joyce West; Chief Academic Officer Catherine Goguen; Director of Facilities Wayne Anderson; School Committee Vice-Chair Jennifer Zlotnik-Pelavin and members Robert Swartz and Anne Hurst; and, City Clerk Alan Agnelli.

I. Minutes of Prior Meetings
On a motion Councillor Elizabeth Kazinskas and seconded by President Scott Graves, it was voted to approve the Minutes of the April 30, 2018, June 7, 2018, and August 13, 2018 Minutes, as printed.

II. FY2019 School Budget Discussion
On inquiry from Councillor Christine Johnson, Superintendent Pellegrino informed the Committee that 95.4% of the Budget has been expended or encumbered to-date and that he expects to finish the fiscal year within Budget. He added that snow removal expenses are uncertain at this point.

On inquiry from Councillor Christine Johnson, Mr. Pellegrino said that School Transportation is included in the School Department Budget, but is it considered an indirect cost and is not included in “Net School Spending.” With regard to school maintenance/custodial, the annual contract is $708,000, which is encumbered and paid monthly to the private contractor.

President Graves remarked that the presentation to the Public Welfare Committee by the School Department is an effective way to convey School Department issues to the entire City Council.

Mr. Pellegrino provided the Committee with a Power Point Budget Presentation, attached hereto.

He outlined the following components:
- Reasons to build a new school now.
  - Accessibility and safety of the physical plant.
  - The schools do not comply with current school standards.
  - Monetary
    - The least per pupil cost.
    - The cost will increase in the future.
    - The City’s reimbursement rate is at 80%.
- The Tale of Our Ten Districts – The Impact on the Underfunding of the State’s Foundation Budget.
  - Foundation Budget Premise.
Chapter 70 funding doubled over the first decade, but was reduced since FY2002, resulting in fewer dollars today due to State aid cuts and inflation.

- Chapter 70 Funding for two sample districts – 4 steps.
  - Worcester and Southborough School Districts examples were cited.
- Legislative Charge of Foundation Budget Review Commission.
  - Review components of the Foundation Budget.
  - Seek to Determine and Recommend Measures to Promote Effective Resource Allocation.
- Findings and Recommendations.
  - Health Insurance
    - School Districts are paying $1.44 Billion above the Foundation budget.
  - Special Education
    - Gardner has a higher percentage of SPED students.
  - English Language Learners
    - Gardner has a higher percentage of English Language Learners.
  - Low Income Students
    - Gardner has a higher percentage of low income students.
  - The Foundation Budget is substantially less than what all districts need, Wealthier communities can spend more to compensate.
    - In Fy2017, the lowest 20% spent $12,308 per pupil, while the highest 20% spent $17,315 per pupil.
- Foundation Budget Gaps: Gardner, Clinton, and Webster Analyses.
  - Mr. Pellegrino outlined Foundation Budget gaps in the Gardner, Clinton, and Webster Districts. He noted that there are significant variances in the amount of staff that the Foundation requires and that Gardner has in both SPED and regular programs.
- Impact on Our Districts.

**School Committee and Finance Subcommittee meetings schedule relating to the School Budget.**
The Superintendent provided the Committee with the FY20 Budget Development Timeline.

**Financing Plan for the new Elementary School (City share).**
Councillor Christine Johnson announced that the Committee would postpone discussion on this item since the Mayor was not present.
**Establishing a School Building (Targeted) Stabilization Fund.**
Councillor Christine Johnson distributed a DOR Division of Local Services document entitled “Special Purpose Stabilization Funds, February 2016.” She said that the City Council could establish a School Building Stabilization Fund and that the Mayor, if he so chooses, could submit a Money Order to the Council in order to deposit monies into the account. She cited the four reasons for establishing the fund, as referenced in the document:

- Encourages a community to think long term.
- Helps a community save money.
- Helps a community manage debt.
- Builds resident confidence in government.

Councillor Christine Johnson stated that she believes that the Montachusett Regional Vocational School District has a Stabilization Fund for this purpose and that the Mayor has talked about stabilization accounts for DPW, Police, and other departmental capital needs.

Councillor Elizabeth Kazinskas expressed concern about the process to appropriate to and to expend from such a fund, noting that an Order from the Mayor would be required in both instances, and that it takes two-thirds of the City Council to appropriate from such funds.

Councillor Johnson recommended that the Stabilization Fund discussion be continued to the next meeting.

**Adjournment**
On a motion Councillor Elizabeth Kazinskas and seconded by President Scott Graves, it was voted to adjourn at 6:54 p.m.
Meeting with Public Welfare Committee
1/31/2019

Gardner Public Schools

Questions Regarding the FY19 Budget?
Reasons to build a new school now

- Physical Plant
  - Accessibility & Safety
- Educational
  - Does not comply with current school standards
- Monetary
  - Least per pupil cost
  - It will cost a lot more in future years
  - Reimbursement is 80%
THE TALE OF OUR TEN DISTRICTS

THE IMPACT ON THE UNDERFUNDING OF THE STATE'S FOUNDATION BUDGET

A presentation of the Massachusetts Association of School Superintendents

FOUNDATION BUDGET PREMISE

Resulted from the McDuffy v Secretary of the Executive Office of Education (1993)

Intended to assure a fair and adequate minimum spending by defining a foundation budget for each community

Communities pay a share of the foundation budget based on an ability to pay, aggregate wealth, using property taxes and income
LEGISLATIVE CHARGE OF FOUNDATION BUDGET REVIEW COMMISSION

- Review Components of the Foundation Budget.
- Seek to Determine and Recommend Measures to Promote Effective Resource Allocation.

Noteworthy Resources:
"Cutting Class: Underfunding the Foundation Budget's Core Education Program", Massachusetts Budget and Policy Center, 2011.

"Building an Education System that Works for Everyone: Funding Reforms to Help All Our Children Thrive", Massachusetts Budget and Policy Center, 2018.

FINDINGS AND RECOMMENDATIONS

- Health Insurance
- Special Education
- English Language Learners
- Low Income Students
Foundation Budget Undercounts Critical Costs by $2.63 Billion

Fiscal Year 2017

- Health Insurance & Other Benefits: $1.44 billion
- SPED In-District Teachers: $1.01 billion
- SPED Out-of-District (net of Circuit Breaker reimbursements): $150 million

Foundation Budget
Actual Spending

Foundation Budget is Substantially Less Than What All Districts Need, Wealthier Communities Can Spend More to Compensate

Districts ordered by community property wealth and income. Total district spending per pupil, FY 2017

- Lowest 20%: $12,308
- Second 20%: $13,175
- Middle 20%: $13,338
- Fourth 20%: $14,540
- Highest 20%: $17,315

Foundation Budget
Actual Spending
Lowest Wealth Districts Spend Nearly 30% Less Than Foundation on Regular Ed. Teachers

-27 percent

MassBudget
Districts clustered by community property wealth and tax rate
Per pupil spending on Regular Education Teachers, FY 2017

Clinton Public Schools
Gardner Public Schools
Webster Public Schools
Health Insurance

Clinton
- Increased Co-Pays and Deductibles

Webster
- Exploring plan changes and joint purchasing opportunities.

Special Education

Clinton
- Increased in-district special education programs
- Increased use of lower cost collaborative programs

Webster
- Increased in-district special education programs and review Out of District placements
Foundation Budget Gaps: Webster Analysis

Spending (in millions)
- Operations & Maintenance: $1.6
- Teacher PD: $0.3
- Instructional Materials: $0.1

Staffing
- Special Education Aides: 9
- Special Education Teachers: 15
- Non-Special Education Aides: 7
- Vice Special Education 'teachers': 124

Impact on Our Districts
Chapter 70 Increases

$ in millions
- Model 2
- Model 4

Model 2: Health Insurance, Special Ed. & ELL + Minimum Aid Guarantee
Model 4: Health Insurance, Special Ed., ELL + Low-Income Rates Increased by 70% + Minimum Aid Guarantee