

Warrant Committee Education Subcommittee  
(Joint Meeting with the School Committee Finance Subcommittee)  
Wednesday February 4, 2015 4:30 pm

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Present: Sarno, Gammill, Grob, Helgen, Manjikian

School Committee Finance Subcommittee Members Present: Caputo, Lougée, Slap  
School Department Staff Present: Phelan, DiCologero

Chair Sarno called the meeting to order at 4:34 pm.

Finance Director DiCologero reviewed the FY 2015 financial reports released at the School Committee's meeting of January 20, 2015. These included first half results (through December 2014), plus projected full year results.

(The three documents discussed are available at <http://www.belmont.k12.ma.us/bps/Administration/School-Budget>, under the heading "FY 2015 - Second Quarter Budget Projection").

The main document reviewed was the "Update 2 table" from the "FY 2015 Q2 Projection" pdf file.

Referring to the Update 2 table, Finance Director DiCologero explained the projected variances in the salary accounts, summarized by the first six rows of the table. The current projections reflect what is known about current and upcoming leaves within the system and the need for long term substitutes. Since there are some unpaid leaves and other vacancies, the department is currently projecting that these six lines will end up about \$115,000 under budget. \$20,000 of this projected surplus is due to administration-initiated cutbacks in various overtime accounts.

Lines 7 through 11 summarize various non-personnel expense accounts, such as supplies. Finance Director DiCologero described the projected surplus of \$185,000 as a result of administration-initiated scrutiny of purchase orders, deferred purchase of new computers, and reduced tutoring and professional development.

Finance Director DiCologero then described the accounts summarized in lines 12, 13 and 14. Line 12, the regular education transportation budget, is projected to have a \$30,000 deficit, but that was known earlier in the school year. The fringe benefits (line 13) is projected to be in surplus by about \$135,000, or about 2% of the budget; the explanation is that the final cost figures are calculated and provided by the town government side. The utilities and maintenance (line 14) shows a projected surplus of \$40,000, or 2% of budget; Finance Director DiCologero and Superintendent Phelan reported that these are the result of budget-deficit induced cutbacks of non-urgent, non-critical maintenance items.

Finance Director DiCologero then went through the accounts summarized by the final four lines in the report, all having to do with Special Education (SPED) costs. Together, lines 15 through 18 are projected to show a deficit of about \$945,000. The magnitude of this deficit in the special education expenses triggered the reductions in the other areas described above.

The Finance Director and Superintendent discussed the nature of the SPED costs. Key contributors to the SPED budget account deficits cited are an increase in the number of students placed outside the district and the higher than expected cost of those tuitions. They explained that the Commonwealth sets the rate of tuitions, and that the district was not informed of approved tuition hikes until after the start of the fiscal year. They also noted that in addition to the 95 students currently placed out of district, there are 5 more students "in queue", and the end of year projection does not include those additional potential placements in the projected deficit.

The Finance Director explained that the projected deficit reflects the decision to apply all of the existing LABBB credits towards closing the deficit; the available balance as of July 1, 2014 was \$333,594.

There was discussion around the Commonwealth's "extraordinary relief" fund for SPED expenses, and the members of the two subcommittees urged the administration to explore whether the district could receive a grant from that.

There was also discussion about the lack of clarity about SPED student services expenses. The Finance Director and Superintendent explained that lines 16 and 17 include some student service expenses that are not SPED related, but instead provided by vendors and consultants who also provide SPED services. The current practice is to apply (more often than not) the full amount of the invoices paid to the SPED related accounts. The committee members urged that the general ledger entries more accurately reflect the distinction between SPED and non-SPED expenses from these vendors.

There was also discussion about the special education transportation budget, and the projected deficit of \$214,000 (25% over budget).

Finance Director DiCologero and Superintendent Phelan noted that the current projected deficit of \$497,064 is based on all information learned over the first half year of operations and on the projected results of key deficit reducing strategies, such as curtailed expenses and use of one-time funds. The subcommittees discussed the need for developing strategies to address and resolve this deficit in FY 2015.

This discussion then led to a broader discussion about the FY 2016 budgets in preparation -- an available revenue budget, and a level services budget supported by an operating override. Other strategies, such as increased funding of the SPED stabilization fund, were discussed too. There was discussion of longer-term needs

for classroom space, renovation of the high school, and various changes that could come about as a result.

As a final matter, the subcommittee unanimously approved the minutes of its December 3, 2014 meeting.

Chair Sarno adjourned the meeting at 6:10 pm.