

**Warrant Committee Education Subcommittee  
February 15, 2023 8:15 AM  
Town Hall, Select Board Conference Room**

**RECEIVED  
TOWN CLERK  
BELMONT, MA**

DATE: June 12, 2023  
TIME: 9:46 AM

## **Meeting Minutes**

### **Members in Attendance**

Bill Anderson, Anne Helgen, Paul Rickter, Matt Taylor, Jack Weis

**Other Attendees:** Mike Crowley, Meg Moriarty (remote), Geoff Lubien (remote), John Phelan, Tony DiCologero

### **Call to Order**

The meeting was called to order at 8:35 AM.

### **Discussion of FY 24 School Department Budget**

Jack began with some preliminary opening remarks, noting that the Ed Subcommittee just recently received the Draft 2 budget and had only had a chance to meet to discuss it on one occasion. Consequently, the subcommittee wanted to keep this meeting's discussion at a high level, focusing on major themes. The committee typically meets over a two- or three-night period to discuss the budget in a more detailed, line-by-line fashion. We have not had the opportunity to undertake that level of review yet. Additionally, our prior discussion and the focus of this meeting will be on the numbers presented in the Draft 2 budget itself, irrespective of the Q2 FY 23 financial results that were presented and discussed the prior evening.

Jack then shared the subcommittee's initial observations and conclusions. Specifically:

- If one deletes the OOD expenses from both the FY 23 and FY 24 budgets, the School Department budget is increasing by 6% year-over-year.
- With the additional \$4 million in free cash that is being proposed to utilize to support the School Department budget, the subcommittee feels that the School Department has sufficient funds to operate in FY 24.
- The subcommittee recognizes that it is not the Warrant Committee's role to dictate how the budgeted funds are to be expended. However, most of our subcommittee's comments/suggestions/questions are rooted in looking for ways to reallocate funds or achieve efficiencies in order to reduce the impact of cuts that are currently embedded in the Draft 2 budget.
- The foregoing said, the subcommittee also recognizes that to the extent that the department is able to reduce the impact of service cuts, that may well increase the budget challenge that the department and town will face in FY 25.

The discussion then turned to the subcommittee's two key areas of focus – staffing and OOD.

### Staffing:

- The subcommittee noted that we need to be able to understand the total number of staff additions and reductions, and be able to articulate a net change to Town Meeting. In that regard, the Draft 2 numbers were seemingly not necessarily tying to the previous summary presentations that the department made. John and Tony agreed that they would provide a summary showing the total number of additions and reductions.

- Anne shared her observation/calculation that salaries are increasing 6% in FY 24. John explained that that was an above-average increase in compensation due to the union contract settlement and a one-time resetting of salaries – in particular new agreed-upon minimum salary levels for aides and support staff and minimum salaries for directors. In his view, that rate of compensation growth is not expected to be a trend.
- The discussion then shifted to staff exchange. The subcommittee shared our observations that FY 23 budget included a reduction of about \$400,000 in salary expenses due to anticipated staff exchange and that the department was still able to add 6 unbudgeted FTEs at a cost in excess of \$600,000.
- The subcommittee acknowledged that unanticipated needs do arise during the year and acknowledged that the department wants to preserve flexibility. However, we noted that by budgeting some staff exchange savings in the FY 24 budget, money would be freed up to avoid some of the service cuts currently incorporated into the FY 24 budget.
- Through this discussion it became clear, and the superintendent acknowledged, that they were aware that they were making a strategic decision to cut some services in FY 24 in order to preserve what they feel is critical operational flexibility to deal with unanticipated surprises down the road.

#### OOD Tuitions:

- The subcommittee shared our initial overall observations and conclusions from our discussion prior to the presentation of the Q2 FY 23 financial results the previous evening. Specifically:
  - We shared that, while taking \$4 million from free cash and using \$1.1 million of it to essentially capitalize a SPED reserve that will carry over into FY 25 might be desirable from the School Department’s standpoint, it’s not clear that that is the best fiscal decision from the town’s standpoint.
  - Also, the budget projects carrying over another \$180,000 from the department’s dedicated SPED reserve, essentially leaving a projected carry-forward reserve balance of about \$1.3 million. That would fully recapitalize the carry-forward OOD reserve balance in one year. FY 23 was clearly an especially bad year for OOD expenses. If the department thinks that FY 24 is likely to be relatively stable, then one could question whether that full carry-forward reserve balance needs to be capitalized in one year. As an example (and not a recommendation), if the budget reduced the planned carry-forward balance by say \$300,000 to \$1,000,000, those freed-up dollars could be used to preserve other services in FY 24.
  - We also discussed the other sources of non-General Fund revenues. Given the high OOD expenses in FY 23, the subcommittee questioned whether it was reasonable and appropriate to project more revenue from the state Circuit Breaker program. If the department were to forecast higher outside revenues to cover OOD expenses, General Fund dollars could be freed up to fund other services currently being projected to be cut. We also briefly raised the question of whether the current trend of increased OOD enrollments implies that there might be some contract savings in the budget for in-district SPED services.
- As with the previous discussion on staff exchange, the Superintendent was clear that he was reluctant to make more aggressive assumptions about OOD expenses and revenues for fear of losing what he termed the “levers” that the department has to deal with negative surprises throughout the departmental budget in FY 24 like they have faced in FY 23.

- The foregoing said, the group also acknowledged that in light of the Q2 financials that were presented the previous evening (including five additional students that are currently expected to still be placed in OOD programs sometime in FY 23), the OOD expenses that are currently included in the Draft 2 budget will need to be revised, and those revisions will place an even higher strain on the FY 24 General Fund budget.

#### Other Topics:

The group briefly discussed a few additional topics including:

- **User Fees:** The discussion primarily focused on Matt's query about restoring user fees for full-day kindergarten, suggesting that parents might be willing to pay fees if that improved the quality of the program by keeping the kindergarten aides. That suggestion clearly got no traction. We did not address athletic or other after-school activity fees other than to note that the fees had not been increased since they were initially instituted and that raising the fees would produce only a modest budget savings (albeit enough to potentially restore a teaching position or a couple of aides).
- **Supplies and Materials:** While this was mentioned as a potential area to look for cost efficiencies, in light of the now-anticipated FY 23 budget shortfalls and the freezing of material purchases, it was felt that this area might have less potential for budget savings.

#### Conclusions/Next Steps:

A key conclusion from the discussion was the strategic decision embedded in the FY 24 budget to preserve flexibility for unanticipated FY 24 surprises at the expense of some known services. The subcommittee noted that if that was the logic behind some of the decisions shaping the FY 24 budget, that that message needed to be communicated more clearly to the public because that strategy had not been communicated at all to date.

In addition, even though the FY 23 Q2 actuals, particularly the higher-than-anticipated OOD expenses, suggest that a Draft 3 budget will need to be prepared, the Ed Subcommittee will work on a parallel path and dig into the Draft 2 budget on a line-by-line basis as we customarily do, recognizing that some of the budget numbers could shift around somewhat in a Draft 3 budget.

#### **Adjournment**

The meeting was adjourned at 10:36 AM.