



GREENFIELD PUBLIC SCHOOLS

195 Federal Street, suite 100, Greenfield, MA 01301

“Every Child’s Success is Our Mission”

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Jordana B. Harper, Superintendent of Schools

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Dear Town Councilors,

I would like to provide some clarification on several important matters in response to comments and questions during the FY20 Budget Hearing and the Mayor’s May 15 Memo to the Council titled “FY2020 Budget Final Thoughts and School Budget Suggestions”

The FY20 Budget passed by the School Committee provides level services, with increases only where deemed necessary due to programmatic changes, state / federal mandates (such as Individualized Education Plans), or increased enrollment.

- **Chapter 70 Education Aid** - The Mayor correctly notes that in addition to the conservative estimate of 1.1 million in new Chapter 70 funds from the state that formed the basis for the FY20 School Committee budget, there is now another \$257,517 in Chapter 70 aid in the State’s budget. However, he fails to point out the approx \$60,000 in additional new revenue Charter Tuition reimbursement which can be used to offset the City’s indirect education obligations for Charter & Choice. **Altogether, State Aid for Education in Greenfield has gone up by 1.3 million.**
- **Use of Revolving Funds** - The Mayor stated, “for FY2020 the school committee reduced their contribution by \$800,000 that they committed last year.” This is only partially true, and misleading.

FACT: In FY19 the School Committee **increased** their contribution through use of revolving funds by \$400,000 to match the \$400,000 put forward by Council to balance the budget, on top of a budget that already heavily-relied on Revolving Funds in excess of revenues. The FY20 Budget **corrects** for this, balancing the budget through increased State Aid & applying Revolving Funds equal to Revenue in those accounts. Recurring Revolving Fund revenues equal \$2 million, FY19 use was \$2.8 Million, FY20 use is at \$2 million. The continued use of one time receipts for recurring expenses will continue to worsen the budget cliff; therefore, revolving use in FY20 equals FY20 revenues which is consistent with good budgeting practices and policy.

- The mayor also left out the School Committee vote to use \$170,000 additional from revolving to replenish buses, and \$45,000 for 4C Teacher. Bringing the total added revolving use to \$615,000 - an unsustainable amount. In FY18 & 19, revolving funds were the only source of revenue available for over \$120,000 in city-side costs born by the schools. These included paying \$15,000 when the City’s Capital Paving project at Four Corners School exceeded its budget threatening completion, water quality testing, wiring for PA systems that exceeded the Council’s allocation, Snow Guards to reduce the city’s liability due to injury from falling snow, emergency roof repairs, etc. Additional revolving use of FY20 should not exceed \$400,000.

- The Mayor has suggested the use of **specific revolving funds** without any prior communication to Administration or the Committee which must vote as a body on the use of those funds and vote to use funds in excess of prior year revenues. Before using one time funds for a second year in a row, an agreement must be made with the city to replenish the budget cliff it creates. The School Committee is the governing authority on these funds, and would need to specifically vote to authorize additional use of funds. In addition, the Mayor has denied access to the Special Education Stabilization Account, requested as part of the FY20 Budget proceedings, preventing the request for funds from reaching the Council.
- **IDEA** - \$150,000 additional in IDEA (Individuals with Disabilities Education Act) grant funds is not possible unless the mayor has information that the IDEA grant will be increased next year by \$150,000.
- **Other Departments** – The Mayor writes, “The options at this point include reducing city department budgets at a risk of service & program loss and lay-offs or request the school committee and superintendent use \$400,000 of existing revolving funds from their various accounts.” This may not be accurate. The School Department has a positive working relationship with other City Departments and recognizes the vital role all city departments play. The Ways and Means Committee is encouraged to look closely at revenues and potential savings in the Mayor’s Budget for areas to free up funds for the schools without impacting other vital Greenfield departments, specifically:
 - **Health & Life Insurance Itemized Costs**, broken down by department. In the most recent Town-School Meeting at which Councilors Mayo and Wheeler were present, and at the May School Committee Meeting, this number was reported publicly as \$70,000 in savings. The Mayor’s May 15 memo reduces that savings to \$54,000, but the School Department has not received confirmation of the specific calculations or cost savings to arrive at this figure.
 - **Health & Life Insurance in other departments** – If other departments were similarly budgeted for increases in Health Insurance (e.g. GCET), did the successful negotiation of a 2.5% increase vs. a 4.3% increase result in savings that would not impact operations? If so, consider allocating these to the schools’ indirect insurance expenses, freeing up funds for classroom costs & teachers.
 - **Energy Savings** created by reduction in energy costs in the schools. The Mayor states, “The Energy and Sustainability Department was able to reduce the aggregate cost of energy use for school buildings by 50% via solar and natural gas conversion.” (pg. 11, Budget Book) Carole Collins reported this number at a School Committee meeting as a savings of \$30,000 per year due in large part to efforts of school staff. How is this savings allocated?
 - **MV Excise Tax** – FY18 Actuals are 1,938,743, FY19 and Fy20 are budgeted at 1,590,000. What is the rationale for the \$400,000 reduction in projected revenue for both FY19 and FY20?
 - **Medicaid revenue (over \$450,000 in FY18)** should be appropriated directly to the schools for nursing and SPED services, the department and functions that generates the reimbursement

- **Mckinney-Vento Homeless funds**, if received by the City, could be used to support displaced students in the schools.
 - **Community Development Block Grant Funds** have not been identified as revenue in the Budget Book, but may assist in mitigating other city expenses.
- The Mayor identifies **one-time revenues** that the School Committee could further deplete to balance the budget. The Budget & Finance sub-committee, of which the Mayor is a member, debated this at length in the six-month budget process that included **all revenue sources and all expenses**. In the end, they voted for a sustainable plan that drew more from reserves than they would have liked.
 - While the School Committee may well consider additional reserves to prevent massive layoffs, if necessary, this is still a Band-Aid approach because the revenues are **one-time funds** that have been built up over many years, and it is the decision of the School Committee if they wish to do so. In contrast, the School Department has repeatedly used prudent planning and a multi-year approach to bring stability to students, staff, and families, avoiding unnecessary loss of students to School Choice. A one-year solution that widens next year's fiscal instability is not advisable. Instead, it is more secure to rely on Chapter 70 State Aid that has risen dramatically in FY19, and allow the Mayor to come back for supplemental budget to address demonstrated needs
 - **Potential Additional State Revenue** - The Auditor has called for another **\$700,000** in additional revenue to be returned to Greenfield due to foster care expenses born by the schools. While this is unlikely in FY20's budget, it could generate significant revenue in the future which could further bolster free cash reserves, while we have layoffs now.
 - **Potential Pot Revenue** – The Mayor has previously called for a portion of Pot Sales in Town to be dedicated to Civics Education in the Schools. “Martin said he hopes this money can be earmarked for the growing retirement fund and for civics education in the schools.” A new curriculum was recently rolled out at GHS after a change in the Civics law, however the school will need \$80,000 for teachers and textbooks to fully roll out this proposal.
 - **Councilor Stipends** – The Mayor calls upon Councilors to free up \$3250 in funds. Councilors should not be asked to give up training for their role allowed by Charter. The School Committee just took a vote to participate in additional Open Meeting Law Training, with the Mayor's support. The small funding available to Councilors for this important work should not be jeopardized.
 - **Out of District Costs** – The Mayor questions the accuracy of costs of Out of District Placements. This is the single most costly line in the school department budget. On May 16, the Director of Pupil Services verified 37 students **currently known to the school department** cost a total of \$2.84 million. Out of District placements for any 1 student any time between now and the end of next school year will place us well **over** our budgeted amount of \$2.9 million. In FY18 we also pre-paid \$240,000 in **OOD Tuitions** for FY19.

- **Pupil Enrollment** – The Mayor’s memo states “The number of students has decreased and reductions are expected.” It is unclear what is being referred to here, but Greenfield Public Schools enrollment is increasing and is currently approximately 1,775, a significant increase compared to the FY19 enrollment of 1,732 cited in the Mayor’s Budget Book.

Summary of one potential path to a balanced School Committee Budget for FY20:

1. Apply <u>New State Revenue</u> Not Considered in Mayor's 2020 Budget	<u>SAVINGS</u>
• Addtl Chapter 70 in Senate version of Budget	\$257,517
• New Charter Tuition Reimbursement	\$ 59,480
• Portion of Pot Sales Tax Mayor pledged to schools*	<u>\$200,000</u>
	\$516,997
2. Find Savings within the Mayor’s FY19 & FY20 Budget	
• FY20 Health Insurance for School Dept employees	
o Negotiated @ 2.5% stated per Mayor in SC Mtg	
o Budgeted @ 4.3% (see pg. 49 in Mayor’s budget book)	\$70,000 +
• Energy Savings (\$30k/year savings per Carole Collins in schools*)	\$30,000 +
• Return School-based Medicaid claims to schools	
(Revenue generated 100% by Schools & school employees)	<u>\$400,000 +</u>
	\$500,000 +
3. Consider use of one-time funds	
• Supplemental Budget for Technology or Special Education Stabilization	\$150,000
• School Committee Revolving Funds or further cuts	<u>\$150,000</u>
	\$300,000
	GRAND TOTAL \$1,316,997

The steps as outlined above are a potential path to restore the funding necessary for a Level Services budget in FY20.

Thank you in advance for your careful attention to the FY20 Budget and the needs of our schools.

Sincerely

Jordana B. Harper

Superintendent of Schools