

Finance Committee Minutes
March 26, 2009

Location: Bangs Community Center, Room 101

Attendance: Marilyn Blaustein, Kay Moran (Vice Chair), Brian Morton, (Chair), Douglas Slaughter, Bob Saul, Andrew Steinberg, Marylou Theilman

Others present: John Musante (Assistant Town Manager and Finance Director), Maria Geryk (Acting Superintendent of Schools), Rob Detweiler (Director of Finance and Operations, Amherst and Amherst/Pelham Regional Schools), Andy Churchill (Chair, School Committee), Larry Shaffer (Town Manager), Walter Wolnik

Agenda:

1. Budget Presentation-
 - a. Elementary Schools #2
 - b. Regional Schools #2
2. Legislative Update
3. Member Reports
4. Minutes
5. Miscellaneous

Actions:

None

Discussion:

The meeting convened at 7:05 pm and was chaired by Brian Morton. Slaughter announced that he would not participate in the discussion of the School budgets, as an employee of the schools, and left the meeting room during the discussion of the Amherst and Regional School budgets.

Geryk and Detweiler presented the budgets on behalf of the Amherst elementary and Amherst/Pelham regional schools. Geryk acknowledged that the community is in a financial crisis and that it must be addressed as a multi-year process. She distributed written information to which she referred during the presentation. The budget process began in October and November with meetings of the principals and administrative staff to assess how student needs are being met and competing demands. They looked at each line and consider the history, potential efficiencies, and the guiding principles that may be considered as core. Geryk reviewed the guiding principles/core values for the elementary school, the Middle School, and the High School. The challenge is that the budget is contracting and that they must determine how to do more with fewer resources.

Each year the school administration looks at the demographic, legal, and student information that will affect the budget and develops budget planning information, including the data and directions and budget assumptions. That information affects the draft budgets that are published for comment and discussion.

As described to the committee at a previous presentation by former Acting Superintendent Helen Vivian, the budgets for the elementary and regional schools were prepared in three levels. Level one is the additions and cuts from a level services budget to derive a budget at the amount designated in the Finance Committee's preliminary guidelines from November. Level three makes additional cuts that would be required to achieve a proportionate reduction to schools, libraries, and municipal functions if the Governor's budget recommendation for municipal assistance is adopted and there are no new revenues or use of reserves. That budget was requested by the Budget Coordinating Group in February, with support from the Finance Committee. Level 2 assumes that \$1.5 million is restored to the Town from new revenues. Geryk and Detweiler explained the changes from the current year to level one, and then the additional cuts at levels two and three for the elementary budget, and then for the regional budget. For both budgets, they explained the implications of the cuts at each level and the effect on staffing.

These are all drafts that are continually reexamined to reflect comments and new information. For the elementary schools, the current level two removes most supports prior to the classroom and preparation time for teachers. It maintains relatively acceptable class sizes but eliminates part of the instrumental music program. The level 3 draft will eliminate homework clubs and late buses, both access to these activities and support for them. It would also eliminate the remaining instrumental music program, capacity for intervention, and begin to affect the class sizes, a core guiding principle.

Steinberg suggested that there be a clear delineation of the central and school-based administrative positions that will be affected, the classroom teaching positions that will be affected, and an explanation of the effect of the diminished administrative staff on the teachers in the classroom. Morton added that we should also be able to understand the consequences of the loss of administrative staff on compliance with reporting and financial management requirements, and the possible consequences. Detweiler responded that the penalty for untimely submission of reports is a delay in receipt of Chapter 70 funds from the state. He also warned about the weakening of internal controls.

Steinberg then asked about the pending motion at the School Committee to close the Marks Meadow School and pointed out that the issue had been discussed in a previous Town Meeting. An issue at that time had been the availability of space at the other schools to accommodate those students. Geryk responded that this remains a concern and observed that Marks Meadow is providing excellent education presently. Morton asked about enrollment projections, and pointed out that if we abandon this school the university will use the building for other purposes and it will not be available to the Town in the future. Blaustein asked whether the Schools are considering accepting choice students and about the proposal to create separate lower elementary and upper elementary schools. Detweiler pointed out that accepting School Choice students in 2010 will not help the budget for that year since the funds would not be available until the following year. Geryk pointed out that due to space limitations, choice is not an option if an elementary school is closed. With regard to the option to reorganize elementary schools into separate grade level buildings, that alternative is no longer being considered after receipt of comments.

Saul asked about the effect on class sizes of the proposals that eliminate teachers. The administrative staff is still developing the plans about how to implement the budgets at levels

two and three. It is more difficult because principals no longer favor mixed-grade classrooms, in part because of demands to prepare students for grade-specific MCAS tests. Theilman asked if there is anything in the union contracts limiting classroom size. Geryk thought there are goals, but not limits, and will confirm that information. Theilman also asked about the trends toward increasing expense for special education, the use of summer programs, and whether it would be advisable to have someone from outside review the program. Summer programs are provided when required by individual plans. The major goal is to reduce out-of-district placements, which are most costly. Education team leaders have an important role to assure that plans are developed that meet the students' needs and are most cost effective. Geryk wants to use some of the one-time IDEA funds to hire a consultant to evaluate SPED. There was additional discussion about special education and the priorities within tier two. Geryk indicated that she needs to consult further with the principals about priorities within the level, but is most concerned about the level of intervention services, preserving a computer (technology) teacher, and then maintaining the instrumental music program.

Geryk and Detweiler reviewed the budgets for the region. As was pointed out at the earlier presentation by Dr. Vivian, the level one budget includes some additions that are expenses that were under-budgeted in previous years or otherwise required for Special Education plans or the very important and successful Bridges program. As with the elementary budget, the level two and three budgets are current draft administrative versions that are being reviewed, discussed and revised. However, it will not be possible to avoid affecting class sizes and course choices. At the Middle School, the world language program will be affected and one or more academic teams will be eliminated, causing increases in class sizes. At the High School, it will be necessary to require students to take a second study hall. At level two, most of the MS world language program will be eliminated as will be most professional development programs for teachers at the High School. We would need to eliminate some sports teams and increase fees. If the level three budget is implemented, Middle School class sizes will be "outrageous" and all support for professional development will be eliminated.

Theilman asked for an explanation about the amount that will be used from the Region's Excess and Deficiency Fund (E & D). Detweiler explained that there are two amounts listed in the budget. One is \$100,000 that is to be used for operating expenses in 2010. The other is \$280,000 for contingency that is budgeted each year with the hope that it will not be needed and can be returned to E & D at the end of the year. This would enable the School Committee to respond to an emergency without going back to the Town Meetings of four towns. The E&D account has approximately \$750,000, which is well below the amount recommended by auditors, 5% of the annual budget. Moran pointed out that the schools represent two-thirds of the total budget, and that it will be difficult to resolve the problem for the schools by significant reductions elsewhere. Theilman asked for information about when RN's must be used to provide nursing services.

Steinberg referenced Morton's report to the Budget Coordinating Group about the Finance Committee's proposed policy on use of reserves for the 2010 budget. There were no questions about the proposal. There was brief discussion about the continued delay on a recommendation from the Municipal Relief Commission and recognition that there is no new information about the House budget to assist the budget development for 2010. Detweiler had no new information about chapter 70 or regional transportation funding. Concluding the presentation of the school budgets, as one of the Committee members who attended School

Committee meetings Steinberg lauded the school's transparent and thoughtful process. Slaughter returned to the room and the meeting.

The Legislative Update took place during the School Budget presentation and was not repeated. Morton reported on the March 23 BCG meeting and the revised schedule for Town Meeting. Budget articles for 2010 will not be considered until June 1. Musante distributed a draft list of articles for consideration in May, and for sessions beginning on June 1. The second Finance Committee report, to include budget recommendations, will be mailed approximately on May 20. He will develop a proposed revised calendar for the committee. Steinberg added to Morton's report on the BCG meeting that there was also discussion about the Community Voices/Budget Choices report and the reserve policy. Slaughter and Moran reported about the JCPC meeting of earlier in the day. There is a revised 2010 capital projects list that is prioritized to guide the committee at any level of available capital funds.

Moran offered to review and revise the March 19 draft minutes for discussion at the committee's next meeting. Morton described the proposed agenda for the next meeting. There was no discussion about it. Moran moved to adjourn; the motion was approved unanimously.

The meeting adjourned at 9:45 pm.

Respectfully submitted,
Andrew Steinberg, Acting Secretary