

**AMHERST FINANCE COMMITTEE
MINUTES**

Saturday, January 12, 2013
Middle School Library

Attendance:

Amherst Attendees: Andrew Steinberg (Chair), Kay Moran (Vice-Chair), Janice Ratner, Anurag Sharma, Douglas Slaughter, Marylou Theilman. Absent: Bpb Saul

Others Present:

Sandy Pooler, Finance Director; School Superintendent Maria Geryk; School Director of Finance and Operations Rob Detweiler; Officials from all four towns in the Amherst-Pelham Regional School District

Call to order 9:10 am

Highlights of presentations by Maria Geryk and Rob Detweiler

The school system is unlike corporate hierarchies in that they are characterized by a diffuse hierarchy and power structure. Change cannot be accomplished via fiat. The presentation (dated September 2012) by Geryk entitled, District improvement plan: A blue print for continuous growth. Available at <http://www.arps.org/files/DistrictImprovementPlan.pdf>. This is the third iteration.

Detweiler provided a financial overview: The trend is one of assessments to the four towns going up and the State Aid going down. Data 2001-2013. The year 2002 was the inflection point when the trend reversed. In spite of the budget restrictions over the previous five years, "we have met the challenges."

State and local support accounts for 96 percent of the revenues. Charter, choice, and use of E&D make up the rest. Charter reimbursement was up 42.1 percent but these need to match with expenses. Charter school enrollment is on a slight up trend. Net cost to the district is going up as tuition keeps going up...reimbursements up and down, high 230 K 2002; low 82K in 2008

Initial assessments for the 4 towns...a 3.54% increase.

There is a concerted effort underway to drive operating efficiencies...several initiatives such as energy, targeted budget cuts, school choice, health care, grant funds, embedded professional development models, partnerships, and web technologies.

The schools are faced with a new fiscal reality. One of the challenges is that Federal stimulus funding is ending...this has a negative impact on grant funding that supports the budget beyond the towns' financial support. Grants in 2009 were over \$1.9 million; down to about \$500k expected in 2014. Additionally, competitive grants too are now more difficult. Finally, the schools are entering into contract negotiations; retirement assessments are a further drain on the budget.

Moreover, the challenges created by a sluggish economy are compounded by declining enrollment; the Chapter 70/State Aid is now supporting lower percent of the budget. Enrollment in 2002 was just under 2,100; by 2017 it is expected to be about 1,400, down one-third.

And then there are increased unfunded or underfunded mandates from the fed and the state. The mandates are potentially consistent with the priorities of the school but they are also costly in terms of dollars and staff time.

Overall, the mandates are quite a bit of challenge to which the schools and the towns have to respond. In this rather bleak context, Geryk and Detweiler presented a level services budget totaling \$29,050,683 or 1.80 percent increase over the previous year. In order to accomplish such, \$923K cuts are needed from a budget that would provide the same services as this year.

Reductions thus far included 9.30 FTE or \$521,057. Additional cuts needed were \$402,650. That's the work for the next year.

Geryk and Detweiler reiterated that this is all about the children. We have to look to the future. We have to become more sustainable over time, to hold what we have and to live within the constraints.

End of presentation. 10 am.

Discussion / Issues

With declining enrollment from 2,100 to 1,400, is it time to consolidate the facilities?

Leverett: facing no new growth. So basically, an increase of 2.5 percent is going to be the usual limit. People are complaining to the collector. The town is choking on the \$101K assessment. If the assessments were down to 2 percent, the scenario is better but then the cut to the school budget increases to 1.1mm

Pelham: also shows no new growth. The current assessments are over 2.5 percent...the targeted amount for increase is about \$40K.

Shutesbury: once again, has shown no growth for a number of years and is facing similar problems.

Amherst: growth in assessments is in the workable range of 3 percent. The town is projecting no health premium increases. So, it's not like the town is flush with cash /resources. The town has endured 10 percent fewer employees and state aid cut of 32 percent over a couple of years.

From the floor...we need to put more monies in OPEB

End of discussion. 10:30 am.

Brief Highlights on Regionalization by Andy Steinberg

Series of committees in place. Meetings in towns for opportunities to listen. Rotating the meetings to all the elementary schools and having presentations from the principals.

Regionalization will need to have respect for individual schools and at the same time come together in the 7th grade

Potential Benefits/Motivation for Regionalization: shifting demographics, need for fiscal responsibility—stability and sustainability, facility needs, shrinking pool of qualified administrators, better coordinated curriculum, increased district capacity to serve the academic needs of students.

The priorities for regionalization remain focused on education, finance, governance, continuity of community schools, operations.

DESE grant has come through, although the details are still emerging. Have applied for two more grants...for development of the regional plan and also a community innovation challenge grant.

Report to communities Feb 2, 1 pm in the middle school auditorium

Forums for each town Feb 12

Board decision early March

Calendar going forward

School Committee Budget Broad Overview Tuesday January 15

Amherst Budget Details Feb 5

Pelham Public Hearing Feb 7 Pelham vote is March 7

Regional Public Hearing Feb 12

Four town Meeting March 2 (tentative because of Pelham vote)

Adjourned 10: 58 am

DOCUMENTS USED AT THE MEETING

Several from the Regional Schools