

Town of Saugus Finance Committee

Kenneth DePatto, Chairman

Ronald Jepson
Carl J. Mirabello
Theresa Katsos

Louis Rossi
Frank Perella

George DeDomenico, Vice-Chairman

Steven DiVirgilio
Stephen Horlick

April 11, 2018 7 p.m.
Town Hall Conference Room

The regular meeting of the Finance Committee was held on Wednesday evening, April 11, 2018, at 7:02 p.m. in the Town Hall Conference Room.

Members present: Chairman Kenneth DePatto, Ronald Jepson, Stephen Horlick, Theresa Katsos, Carl J. Mirabello

Absent from the Meeting: Louis Rossi, Steven DiVirgilio, Frank Perella

Chairman's Update: We are continuing with budget hearings on a weekly basis. We've addressed the Special Town Meeting warrant and made recommendations, and Town Meeting just has to act on another six articles. I asked Steady State Analysis subcommittee once again to put together the information as we requested to present nonbinding referendum information, the SSA, to Town Meeting during the Annual, but it would also be nice to send electronically before then. We still don't have a clerk. Hopefully next week we will have someone to get us through the budget review process and by next year have someone that's permanent.

Saugus Public Schools FY19 Budget Review

Dr. DeRuosi thanked everyone for the opportunity to come in and present the School Department's budget. He said he feels fortunate as a Superintendent to come into this district and have such an outstanding show of support when the taxpayers invested in a new middle-high school.

Enrollment has been decreasing steadily. The net school spending total budget for the schools for FY18 was \$42,131,684. Fixed costs for FY19 come through contractual obligations, transportation day & athletics. Fixed costs originally were a 3.3% increase. Looking at a level service budget. As a critical need, the district still has some negotiations underway. Dr. DeRuosi's job is to look at retirements and out-of-district tuition. We have circuit breaker to help offset that, but it's not an 100% reimbursement. My increase for FY19 was \$783,891, a 2.7% increase overall. Last year we did add under critical needs 2 FTE school/home liaison counselors.

Chairman DePatto asked if there were any employees, FTE or part time, that were not included in the budget that was appropriated by Town Meeting last year. He wanted to know how many employees were added after the actual budget process so that the Committee could accurately compare numbers. Dr. DeRuosi said that he did ask for two social emotional needs counselors in the FY18 budget. Chairman DePatto said he thought they were excluded from the actual request and were listed as a critical need follow up. Dr. DeRuosi said the FTE counselors were part of the FY18 budget that passed. Chairman DePatto said he knows the school department has other sources of funding, such as grants and revolving funds, so he wanted to know the exact costs to run the school department. Pola clarified that the school department tries not to use grants for full time salaries because it is not transparent.

Dr. DeRuosi explained the FY19 budget increase of \$783,891, which is largely due to fixed cost increases for agreed upon contractual obligations of SEA, Clerks, SEAA, non-unit employees, custodial, and transportation. He noted that custodial fixed cost increase reflects shifts in assignments. He recommended that the FY19 budget is \$29,579,624. He is also reserving \$62,311 for critical needs negotiations for custodial and non-unit employees, leading to his proposed budget of \$29,359,141, a 2.74% increase.

Dr. DeRuosi looked at economically disadvantaged students using FY16 numbers, because FY17 and FY18 aren't available. In FY16, we had 689 students or 26.5% of students economically disadvantaged and qualifying for free and reduced lunch. We had 4% of students English language learners, 14.3% of students whose first language is not English, 15.8% of students with disabilities, and 24 students, or .9% of students out of district placements. Altogether, 40.8% of your student population qualifies as high needs.

Chairman DePatto asked if we receive state or federal funding or grant money for this high needs aggregate. Superintendent DeRuosi said we get a small percentage of Title 3, as well as the circuit breaker. The more students that take part in free and reduced lunch and breakfast programs, the more the Town will get federal subsidy on that. Title 1 can go towards tutors. Chairman DePatto asked what percent of the overall operating budget is spent on SPED. Dr. DeRuosi said Pola would look for the exact number.

Mr. Mirabello asked if these numbers change during the year with the exception of students with disabilities. Dr. DeRuosi said the numbers tend to go up and that ELL students are growing. Mr. Mirabello asked if the schools have to compensate for this number during the year, and Dr. DeRuosi answered that he may add an additional para for the SPED students, however he doesn't have the budget to hire someone in the ELL. In FY20, he may put an additional ELL teacher if his critical needs are looking big.

Pola determined the SPED portion of the operating budget without grants or circuit breaker is close to 31%. Chairman DePatto recalled when that number was 25%. He said it is important for the district and taxpayers to know in the budget are growing so he can make sure to demand funding for that. He said that we have so many unfunded mandates, and this is one of the biggest ones. Dr. DeRuosi explained that there are two relatively new age groups in the special education population: children who are getting autism referrals at a younger age, and special needs students between the ages of 18 to 22 that school districts are now responsible for. Mr. Horlick asked why the number of autistic students keeps rising. He asked if it is because the testing has been changed. Dr. DeRuosi said he could not fully answer that, but that as the population continues to grow, and testing becomes more accurate, the number of students with autism seems to increase.

The district is looking at the new grades 6-12 middle-high school opening in the spring of 2020. There will be a rehabilitation of the existing Belmonte to accommodate grades 3-5 for a STEAM academy, and there will be a rehabilitation/build at Veterans to accommodate Pre-K to grade 2. The district will make a big investment in these buildings, as well as new technology, equipment, desks, etc. In order to prepare for this, we have had to downsize.

Ms. Katsos asked what the cost will be for extra bussing to take students to one school compared to their neighborhood school. Dr. DeRuosi said they are working out the additional costs. Ms. Katsos noted that there are many new developments in Saugus. She asked if the schools will be able to accommodate all the new students. Dr. DeRuosi said that the MSBA has been taking projected enrollments into consideration. He said there is flexible spacing and furniture. Dr. DeRuosi said the Town has been looking into hiring a truancy officer who will work to find students who live out of

Town and attend Saugus schools. Ms. Katsos said she would hate to see a school close because they are very hard to reopen as a school.

Dr. DeRuosi said for the middle-high school, they will develop a fixed block schedule which will allow for better use of current staff, increase instructional time with no additional cost, examine the merging of 6-12 staff to increase academic/encore classes with no additional cost, and create one course of study book for the building.

Dr. DeRuosi said he is reviewing all grade reconfiguration to estimate teacher-student ratio as grade levels reconfigure district wide. We have already made great strides to get equity in classes. We are trying to recapture and redistrict technology supplies now and as new buildings go online. We are transitioning to online testing and now we have the chromebooks. We will examine all aspects of regular transportation costs to increasing ridership to support reduction in traffic flow to new school locations. We're hoping to increase ridership by lowering user fees and helping ease up traffic patterns.

We will continue to look for efficiencies by examining current programs being offered in the district. We will realign special education services and support staff, and we will realign ELL services and support staff.

Dr. DeRuosi said he is looking to explore a Parent Information Center at no additional cost. He is also looking to develop a project manager/buildings and grounds manager because he needs another set of hands. He said he is trying to utilize this position from his current staff.

Dr. DeRuosi noted that the district has already privatized the cafeteria service with Whitson's. He started breakfast in the classrooms at Oaklandvale, and he would like to expand Grab and Go at Lynnhurst. He is looking to offset retirement costs by hiring young.

Moving forward, he noted that there is a gradual movement away from textbooks. There is a whole bank of online courses. He is looking to do a blending learning model with online and in-classroom. They will use Title I and Title 2 grants to support teacher curriculum leader teams in the district. He also mentioned the district is looking to expand the scope of Whitson's for creative ways to bring breakfast to the schools, such as something similar to a Starbucks grab and go model.

Mr. Mirabello asked how the charter school affects the budget. Dr. DeRuosi explained that the district loses money for every student who goes to a charter school. Town Manager Scott Crabtree explained the complex formula, saying that the funding per student is phased out for the first four years the student transfers to a charter school. By the fifth year, there is no funding for that student directed to the district. Chairman DePatto relayed that many residents asked if we would be educating children that don't live in Saugus. He said that a truancy officer would help with these costs.

When discussing bussing, Chairman DePatto also said residents seemed concerned with the bussing costs and athletic fees. He said it's important to give kids something to do, so it would be nice to see those fees come down. School Committee Chair Jeannie Meredith interjected that the School Committee reduced athletic fees last year and the enrollment went up. Town Manager Crabtree noted that this would be the same for busses. If costs went down, more people would opt to bus their children to schools. He said that the culture needs to be changed in the community for some of these cost savings to work.

The meeting adjourned at 8:09 p.m.