

## Schools Subcommittee Minutes January 28, 2014

Carol Kamin on phone

Lee Selwyn

Cliff Brown

Beth Stram

Janet Gelbart

Jim Sturgen

Lisa Sheehan

Michael Glover

Chad Ellis

Sergio Modigliani

Also attending:

Peter Rowe

John Freese (Heath ED Parent Chair)

Sharon Corliss (Baker ED Director)

Abbie Fennell (Driscoll ED Director)

Connie Clauson (Driscoll ED Parent Board Chair)

Caroline O'Brien (Baker ED Board member)

Minutes of 15th approved

Discussion from Tuesday continued. Discussion had ended with Extended Day; it was also observed that it would be helpful to discuss Wednesday's point about where we go from here and to get an update from Susan on last night's School Committee presentation of the school side of the bridge budget.

Cliff discussed a draft spreadsheet compiled from individual websites and from Peter Villa, Chair of BEDAC (umbrella 501C3 for extended day programs). Spreadsheet lists programs divided by Pre-K & K and by K+ with monthly cost for different days per week and then divides to get an hourly charge for each program.

Assumption for rent was \$24,500 per program, based on BEEP costs. Discussion followed and Peter indicated that this reflected a full-day rent rather than what Devotion is paying KI for after school.

Driscoll representative explained that they try to limit fee increases to 5-7% per month.

Abby Fennel, director of Driscoll ED commented. She pointed out that their programs provide over \$14K per year in tuition assistance. Understands that rent may be coming but is worried about families with financial difficulties and who have a particular need for the program.

Question was asked about annual Driscoll program budget. Baker answered about \$785,000 for over 200 kids. Question asked if approximately half a million to a million would describe the various program budgets; answer was yes. Question was asked about program reserve funds of the various programs. Answer; each program carries at least two months operating costs in cash at all times.

John Freese commented on "bigger picture" question of whether to bid out programs. He argued that this was the wrong approach because the programs have good, long-standing relationships and bringing in a for-profit entity would not improve on efficiency.

Point made that these programs have an academic component; students start off doing homework with support, have enrichment programs and really get more than a baby-sitting environment.

Point made that ED programs hire people with relevant experience and education, many go on to be certified teachers (some are already) and are required to prepare activities that connect with the curriculum.

Question asked about program scholarship levels and finances. BEDAC rep will be point of contact for providing that information.

Discussion moved to bridge budget. Peter discussed Dr. Lupini's presentation from last night.

Question raised about legal limit of Materials Fee. Tuition can't be charged but specific number is not based on an exact calculation.

Bridge budget leaves gap on school side of approximately \$1.1M. Point raised that collective bargaining assumption has fallen from 2% to 1%. Question raised as to whether this implies a new tail in the upcoming bargain. Point made that those discussions haven't begun and we can't bargain in public but there was acknowledgment of the challenge in achieving 1% for FY15 without including larger increases in later years.

Discussion of budget followed. Technology budget was reduced mainly by removing new staff positions which provides more flexibility in future years.

Question raised about whether budget gap will require program cuts. Peter acknowledged that one-time funding couldn't completely plug the gap but did not believe that this would require the sort of targeted program cuts (e.g. music, ECS) that was discussed in the last budget, although no guarantees have been made.

Discussion moved to programs. Point made that by focusing on the numbers and not the values we may have exacerbated emotional impact. Point made that the OSC doesn't have to agree on whether a particular program is a good investment but we do need either to come to a unified view on the costs or at least to be totally transparent as to where the differences are.

Lee discussed his approach and numbers. Approach uses long-run incremental cost (rather than short-term budgeting approach) because in a period of capacity expansion and when looking at long-term commitments this is the optimal approach. Cost regression indicated a cost of approximately \$16,000 per student. This breakdown attempts to assign an average cost of Materials Fee and METCO students. Highest special-needs program (district wide and out of district) not available to students in those programs and so assigned entirely to the town, but METCO and Materials Fee participation in special ed is significantly higher; net result is that average cost per student is higher than average.

Point made that even if one or both non-resident programs were suspended PSB should still take siblings. Discussion followed as to implications both for short-term and long-term cost models. For long-term costs, this implies an even larger total cohort liability. For short-term costs it's harder to determine because we have to analyze actual impact on class numbers.

Question raised about whether METCO and Materials Fee discussions should be tabled because they aren't feasible for FY15. Point made that very few things are actually practical for FY15 (other than to raise ideas). Point made that METCO and Materials Fee merit an especially careful approach given the strong connections and emotions involved.

Discussion followed about Lee's model and where consensus of the committee is possible. Kevin's objections and Chad's thoughts on range were discussed. Lee reiterated confidence in his model but expressed comfort with a range, albeit arguing that the range should be equal in both directions (e.g. 80% to 120% or 90% to 110%). Chad explained that his suggestion of 80% to 110% wasn't derived from a -20% to +10% adjustment of Lee's number but rather from his own range, of which Lee's number happened to be in the upper half.