Finance and Warrant Committee Minutes

March 12, 2019

Kevin Hughes, Cecilia Emery Butler, David Roberts, Michelle Persson Reilly, Kevin Preston, John Heffernan, Marty Lindemann, and Susan Fay present.

Mr. Preston called the meeting to order at 6:32. He gave the opportunity for public comment on any subject other than the school budget. There was none. He announced to the committee that he has corresponded with the town to secure reports on the library’s recent problems with fire code and lack of sprinklers. He explained his intention to continue investigating options to resolve the issue.

Mr. Welch began his budget presentation by thanking Mr. Donati for his work on the budget Subcommittee. He extended thanks to Assistant Superintendent of Business & Finance Sam Rippin for his work preparing the budget presentation. Mr. Welch shared images of the finished Early Childhood Education Center, part of the community’s move towards free full-day kindergarten. He shared that 1st grade teachers have seen an increase in the aptitude of their students, thanks to the full-day kindergarten. Applicants to the ECEC continue to outstrip its capacity.

Mr. Welch explained that the schools are in the 4th year of a 5-year strategic plan. He emphasized the focus in the budgeting process on student learning. The average increase to the school budget has been 3.9%. He presented the changes in staffing from last year.

Mr. Welch explained that Chapter 70 state aid goes directly to the town of Dedham’s general fund, but is used each year to offset the cost of education. Dedham is projected to receive a 14% increase in Chapter 70 funding this year.

The School department revert unspent funds to the town at the end of the year. Mr. Rippin aggressively pursues grants and alternative funding sources to supplement the school budget and lighten the cost to the town as much as possible. In fiscal year 2018, the schools reverted $73,000 to the general fund.

Mr. Welch called attention to attendance statistics, suggesting that students are choosing to stay in the Dedham public school system. He pointed to the shifting demographics of students at Dedham, particularly the uptick in English language learners, for whom the district is required to provide ELL services. He also pointed to the increase in students per full-time-employee, as well as some staffing difficulties at the middle school, which are creating class sizes higher than they hope to maintain. This is a leading factor in their request to increase staffing at that education level.

Mr. Welch projected that we will be seeing an increase in Kindergarten enrollment levels.

Mr. Welch called attention to the 65 children in out-of-district placement in 2014. In 2019, the number of out-of-district placements is down to 47. A few years back, the school reduced its budgeting for out-of-district placements by $500,000.

There is a state reimbursement program called Circuit Breaker for ‘extraordinary school expenses’. There are paid at roughly 70% of the expense, and always one year in arrears.

Mr. Welch called attention to the year’s budget request. The contract with the unit A educators expired in August 2018, and collective bargaining is still ongoing. As a result, the contractual obligations line item is a prediction of the outcome of collective bargaining agreements, and expenses may very well be different. They project a 3.6% raise on average, factoring in both the bargaining and step increases. There is a program called the STAR program. This autism services program is being raised in its age bracket as students age out of its funded level. The Lifestart program is to cover students who remain the responsibility of the school district from age 18-22. These students would require out-of-district placement were it not for this program. This both saves money and can be a better experience for students. The school is requesting an additional full time employee to supplement this program.

The Curran Center is requesting an expansion to its Early Childhood Education Center. The additional employees will be paid for by a tuition increase.

There is a new position proposed for a new full-time employee to allow for music classes for 4th and 5th grade students.

There is an aforementioned request to add an additional employee for the Middle School. The district has already been transferring students from the elementary school to the middle school, and requires the extra help to take the load off of staff that is not intended to teach core content classes, like education coaches. There is a request for a bilingual psychologist to address our rising ELL evaluation needs.

Mr. Welch explained to the committee that there is a new 0.6 FTE request for a committee communication expert.

The final new budget item is an allocation to each elementary school for special programs for students operating above grade level.

Overall a 4.36% increase to the operating and facilities budget.

Mr. Roberts asked how much the preschool tuition is slated to increase. Mr. Welch answered that Dedham has a below average preschool tuition, which has not been increased in 10 years. The new increase is to $7500.

Mr. Preston asked the impact if we raised our tuition to the state average. Mr. Rippin answered that it would be a further increase, as even after the proposed increase we are below average. Tuition would have to be nearly $8000 to reach the average. Mr. Welch called attention to a graph presenting the costs of nearby community tuitions.

Mr. Roberts asked how this cost compares to private preschools. Mr. Rippin answered that they are nearly double our tuition.

Mr. Preston expressed concern at the projected increase to the average taxpayer’s bill. He explained that the committee needs to have options available to them by the time of their deliberations to the effect of ‘If something needs to be cut, what to cut.’ He acknowledged that the school would best know what elements of their budget to cut, and requested that the school present options for budget cuts.

Mr. Welch explained that the contract obligations are still up in the air, and need to be funded to pay employees. He called attention to the middle school requests as one of the few places that could be cut without actually costing more money.

Mr. Welch explained that they request from the school principals a budget priority with a 1, 2, and 5% cut.

Mr. Preston requested that Mr. Welch prepare an option for the worst case scenario. He asked Mr. Rippin if they expected an increase in Medicare collections. Mr. Rippin answered yes, but only in the amount of tens of thousands of dollars.

Mr. Preston mentioned an alternate method of collections for federal programs. Mr. Welch called attention to the changes two years ago in collections. Mr. Preston asked who managed the program. Mr. Rippin answered that the schools manage collections. He explained that they pay 4.5% to their collections group, so the group is incentivized to maximize the reimbursement.

Ms. Emery Butler asked about the age breakdown in the preschools. Mr. Welch answered that there are 33 three-year olds in preschool. Ms. Emery Butler asked how long it takes a teacher to reach the highest pay step. Mr. Rippin answered that it can take up to 14 years, going from step 1 to 15. Ms. Emery Butler asked if the schools have an HR person. Mr. Rippin answered yes, they have an administrator.

Ms. Fay asked if there would be 55 families turned away from our preschool program. Mr. Rippin answered that yes, they are at capacity, but have been able to admit more student this year. Last year the school had 105 students. Next year, they anticipate 160 students.

Ms. Fay asked exactly how many families they expect to turn away. Mr. Welch answered that some families have different needs for their preschool care and are offered something less than 5-day preschool care rather than turned away outright. Ms. Fay asked what age group the bilingual psychiatrist would be responsible for. Mr. Welch answered that they would be district-wide.

Ms. Fay asked how the music teacher would be able to provide services to four schools. Mr. Welch replied that the staff member would more free up time for other musically trained teachers to do more music classes, not handle all the classes themselves.

Mr. Heffernan asked if we had 5% more students with disabilities than the state average, and why. Mr. Welch acknowledged that it was correct. He explained that the percentage of students who already have IEPs when they move into the district is approaching 40%. Lisa O’Connell agreed.

Mr. Heffernan reminded Mr. Welch that there will not be excess Free Cash this year, and there are a great deal of factors still unresolved in the budgeting process.

Mr. Lindemann asserted that Dedham’s high school classrooms are underutilizing high school teachers. This is the third year of high school class sizes below the state average. He asserted that he sees increasing teacher utilization in high schools as one of the most efficient ways to save money. Mr. Welch replied that there are frequently adjustments in class sizes to maximize student learning.

Mr. Lindemann asked if they had made progress gathering information on graduate data on students going into the workforce, 2-year colleges, 4-year colleges, etc. Mr. Welch answered that information could be accessed on the school’s website.

Mr. Lindemann asked when the old ECEC building would be vacated. Mr. Bilafer replied that there are many requirements that need to be met for dealing with surplus properties. They are still in the process of doing their due diligence on potential usage for the space when it is vacated.

Ms. Persson Reilly asked about Mr. Welch’s proposed savings associated with avoiding out-of-district placements. Mr. Rippin answered that they are not savings so much as the avoidance of future expenses.

Mr. Lindemann asked Mr. Welch about plans in the future to ensure as much of Dedham’s potential high-school age students choose the public school district over private school. Mr. Welch answered that recruiting kids from the private schools is not their strategy. Rather, they make the high school education quality as high as possible. He explained that he does not see a pattern of students entering out school at age 9 and leaving for private schools.

Mr. Hughes thanked the representatives of the school for providing a high level of detail and extra information. He commended the increase in quality of their data in recent years. He also reminded the representatives of the severe financial pressures in this year’s budget. Mr. Bilafer replied that he understands the financial pressures and assured the committee that they form their budget based on community feedback and communication with their school principals.

Mr. Preston asked that the representatives estimate changes to revenue that could be used to offset the budget somewhat, such as using the preschool tuition.

Mr. Rippin explained that the hourly rate for our tuition is $6.67, and going up to the state average would be an over 30% increase to tuition costs, an over $700 average increase.

Mr. Donati explained to the committee that the budgeting subcommittee did their best to cut the budget as much as possible. He called attention to the significant grant and state/federal funding money that the district manages to bring in, totaling over $1,000,000 each year.

Mr. Preston explained that he does not question the legitimacy and value of each and every item in the budget, but must be prepared for a possible worst case scenario.

Mr. Bilafer thanked the committee for their time and commended his school committee and subcommittee.

Mr. Preston gave the opportunity for public comment.

The chair recognized William Gallagher, father of children in the Dedham school system. He offered thanks to the school committee and budget subcommittee for representing Dedham school district parents.

The chair recognized Megan Priest, mother of children in the Dedham school system. Ms. Priest asked for clarification on the nature of the collections fees. Mr. Preston answered that the money generated by collections goes back to the general fund. Ms. Priest asked why the school is paying to collect the money but not getting all of the money. Mr. Preston answered that while he does not know personally, it is typical for revenues to go into the general fund throughout the town.

The chair recognized Liz Straghalis, mother of children in the Dedham school system. She expressed that in her view, the Dedham school budget is meeting needs to keep moving forward. She sees every item in the budget as important, and does not see excess when it comes to education.

Mr. Heffernan replied to Ms. Straghalis to note that the school budget also started at a $1.4 million dollar level funding cost, aside from the $407,000 in completely new programs and funding.

Mr. Preston suggested that the keeping the budget low over previous years has been helpful in keeping the taxes low, but has now created a structural problem where increased needs require increased funding, and may drive taxes up.

Mr. Rippin called attention to a very low rate of retirement among teachers in the top step. This has all but done away with the traditionally available retirement savings generated by staff turnover.

The chair recognized Sherry King, mother of children in the Dedham school system. She said that she approves of the schools having high-caliber, experienced teachers. She praised the new ECEC building and the leadership surrounding its upcoming opening. She suggested that getting into the new Preschool is a great victory for parents and she sees it as well worth the proposed tuition increase. As a parent with a daughter on an IEP, she takes umbrage with comments about reducing levels of students on IEPs. She has also received a great deal of feedback from friends and neighbors that are very enthusiastic about the school leadership and the direction it has taken in recent years.

Mr. Lindemann asked what percent of homeowners who pay property tax have children in our schools. Mr. Rippin replied that he could only speculate, but estimated 25%.

Mr. Lindemann cautioned that homeowners, particularly those who do not have children in schools, and especially the elderly, are seeing their property values go up, which is significantly increasing the taxes, and large tax jumps can be untenable for them.

Mr. Roberts suggested that the town has done a great job supporting education in recent years.

Mr. Preston asked the committee to hold off on further discussion until the deliberation phase.

Mr. Roberts asked that a future meeting agenda contain an item to discuss the retirement pension funding.

Mr. Hughes motioned to adjourn, Ms. Persson Reilly seconded, it was voted 8-0.