

Warwick School Committee Minutes  
Meeting of August 3, 2010  
Special Open Session

The Warwick School Committee met in Open Session at Toll Gate High School, on Tuesday, August 3, 2010. Chairman Friel called the meeting to order at 5:10 p.m. with the following in attendance:

COMMITTEE

Christopher Friel, Chairperson  
Lucille Mota-Costa, Vice Chair  
Bethany Furtado, Clerk  
Paul Cannistra  
Patrick E. Maloney, Jr.

ADMINISTRATION

Peter P. Horoschak, Superintendent  
William Sangster, Assistant to the Superintendent  
Rosemary Healey, Esq., Director of Compliance & Human Resources  
Richard D'Agostino, Director Special Services

MOTION 2010-162: Moved by Ms. Furtado, seconded by Mr. Maloney, to go into closed session for discussion and/or action regarding those items of business exempt from open meetings under General Laws of Rhode Island 42-46-5(a)(1) and (a)(2).

MOTION PASSES (5-0)

Christopher Friel - Aye      Lucille Mota-Costa - Aye  
Paul Cannistra - Aye      Bethany Furtado - Aye  
Patrick E. Maloney, Jr. - Aye

Meeting reconvened at 6:05 p.m.

**Leave of absence:**

MOTION 2010-163: Moved by Mrs. Furtado, seconded by Mr. Maloney, that the request for **unrestricted leave** by **Julee Thomas**, English teacher at Winman Jr. High School be approved effective for the 2010-2011 school year.

MOTION PASSES (5-0)

Christopher Friel - Aye      Lucille Mota-Costa - Aye  
Paul Cannistra - Aye      Bethany Furtado - Aye  
Patrick E. Maloney, Jr. - Aye

**Retirement:**

MOTION 2010-164: Moved by Mrs. Furtado, seconded by Mr. Maloney, that the **retirement of Julia Lanphear**, elementary teacher at Randall Holden Elementary School be accepted effective June 22, 2010.

**FY2010-2011 Budget Adjustments**

Chairman Friel: This evening the Warwick School Committee shall endeavor to make the necessary budget adjustments so as to adopt a balanced budget for this fiscal year, which commenced on July 1, 2010. This is a very difficult task, as the projected deficit currently stands at \$9,012,869. During the budget process, the Superintendent authored a memorandum listing discretionary expenditures that might be considered for reduction. That list included the following:

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<u>Discretionary Expenditure</u>	<u>Value of Expenditure Reduction</u>
Athletic and Co-Curricular Activities	\$1,214,833.00
2.5 Advanced Learning (ALAP) teachers	264,910.00
Student Mentor Program	76,000.00
Student Assistance Program	138,786.00
Marine Environmental Science Program	5,042.00
Student Field Trips (Transportation)	20,000.00
Professional Development (General Fund)	161,475.00
Volunteers of Warwick Schools (VOWS)	5,497.00.00
<b>Total</b>	<b>\$1,886,543.00</b>

Also included within that list were the following staff reductions:

Six (6) Custodians	\$322,006.00
Six (6) Library Clerks	266,577.00
<b>Total staff savings</b>	<b>\$588,583.00</b>

The total savings contained within the memorandum was \$2,475,126. Particularly disheartening to the School Committee was the fact that a vast majority of expenditures directly impacted student programs. The Committee is of the opinion that these student programs, while not mandated entirely in the Basic Education Program (BEP) are nonetheless vital to student development and shall be preserved.

**Revenues:** this past session, the General Assembly amended R.I.G.L. §16-7-23, captioned “Community requirements – adequate minimum budget provision.” This section was amended to provide “for the fiscal years 2010 and 2011 each community shall contribute to its school committee in an amount not less than ninety-five (95.0%) of its local contribution for schools for the fiscal year 2009.” Relying upon this recent legal development, the City of Warwick approved a budget allocating the Warwick School Department 95% of its 2009 local appropriation, a nearly \$6.2 million reduction in revenue.

	FY2010-2011 Revised Budget	FY2009-2010 Budget Amount	Difference	Percent
Local Appropriation	117,769,665*	123,968,068	(6,198,403)	-5.0%
Tuition	975,000	1,050,000	(75,000)	-7.1%
State Aid	31,032,244	37,182,749	(6,150,505)	-16.5%
Federal Aid	35,000	35,000	\$0	0.0%
Local Revenue	2,257,288	2,770,151	(512,863)	-18.5%
<b>Total</b>	<b>152,069,197</b>	<b>165,005,968</b>	<b>(12,936,771)</b>	<b>-7.9%</b>

\*includes the sum of 487,000 “sequestered” by the City in contravention of state law

This 5% reduction in the local appropriation, coupled with a further reduction in state aid to education, has resulted in a one-year decline in revenue totaling \$12,936,771, or nearly 8% of the overall budget. Entering the City Council budget hearings, the School Department proposed an all-funds budget of \$161,082,066, a decrease of \$3,923,902 or 2.4% from last fiscal year.

	FY2009-2010 Budget Amount	FY2010-2011 Budget Request	FY2010-2011 Actual Budget
Total	\$165,069,197	\$161,082,066	\$152,069,197

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Therefore, as of this date, the projected deficit for this 2010-2011 fiscal year stands at \$9,012,869.

**Proposed Cost Savings Measurers:** In accordance with the RIGL § 16-2-9(d), “the school committee of each school district shall be responsible for maintaining a school budget that does not result in debt.” With no ability to generate additional revenue on its own, the school committee must, out of necessity, reduce expenditures in order to comply with this provision of state law.

**1. Salary and benefit expenditures**

Educating the children of this community is, and always has been, a labor-intensive task, and the budgets of the WSD reflect this fact. The largest single expenditure area of the school system is personnel. In FY2003-04 the school department spent \$118,268,718 on salaries and fringe benefits, that figure increased to \$143,966,306 in FY2009-10. Thus, between FY2003-04 and FY2009-10 salaries and fringe benefits increased \$25,697,588. In total, during that same period, all budgetary expenditures increased \$21,162,271 from \$137,303,602 to \$165,005,968.

	FY2003-2004	FY2009-2010
Salaries & Fringe Benefits	118,268,718	143,966,306
Total Budget	137,303,602	165,005,968
Salary & Fringe Benefits as % of Total Budget	86%	87%

The personnel costs continue to comprise a larger portion of the WSD budget despite the drastic measures taken to reduce staffing levels.

Warwick School Department Staffing Level History					
	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
FTE Reductions	6	43	60	18	19
Total staff reductions					146

The fact of the matter is that a projected deficit of this magnitude cannot be bridged without major changes to the salary and benefits line items. This district can no longer reduce the non-personnel expenditures and successfully operate the school system. The Warwick School Committee has endeavored to fairly and equitably allocate these costs savings measurers in order to treat our employees in a similar manner. Toward that end, the committee shall make budget adjustments reflecting two tenets: **(1) no employee of the Warwick School Department shall receive a salary increase in this current fiscal year; and (2) every employee of the Warwick School Department, including members of the school committee, shall contribute twenty (20%) percent towards the costs of his/her individual or family health and dental insurance coverage.** By approving these measures, the School Department is projected to save \$6,815,385, broken down as follows:

**Elimination of Salary Increase**

	Budgeted Salary increase	Salary & benefits amount
WTU	2.75%	3,077,647
WISE	0%	0
ADMIN.	0%	0
OTHERS	0%	0
<b>Total salary savings</b>		<b>3,077,647</b>

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**20% Health Insurance Co-Share**

WTU	2,432,672
WISE	1,145,439
ADMIN.	153,413
OTHERS	6,214

<b>Total benefits savings</b>	<b><u>3,737,738</u></b>
<b>Total Salary and Benefits Savings</b>	<b><u>6,815,385</u></b>

**2. Special Education Transportation -** Currently, Warwick is one of only a handful of communities that maintain their own special education busing fleet. Recent, the WSC, in an effort to determine what, if any, cost savings may be realized should this function be outsourced to a third-party transportation provider, authorized the transportation bid specifications to include special education transportation. First Student, the transportation provider for the district's non-special education student population, partook in this bid process. Based upon the bid provided, and coupled with the State of Rhode Island's initiative to handle the out-of-district special education transportation routes, the projected savings for this fiscal year could reach \$1,316,165. This does not include the sale of our bus fleet, estimated to realize approximately \$250,000. However, due to the fact that there may need to be a phase-in period of between 90 and 120 days to implement this change, a conservative estimate of the total projected savings for the next three years are as follows:

FY2010-2011	980,747* (conservation projection based upon 120 day phase-in period)
FY2011-2012	1,633,820
FY2012-2013	1,582,985

**3. Department Head consolidation -** Currently there exist department heads for all departments in both the district's three high schools and junior high schools. Under this proposal, there would be one department head in certain subject areas for Pilgrim-Aldrich, Warwick Veterans-Gorton and Toll Gate-Winman. This consolidation among department heads at the secondary level is projected to save the district **\$178,628 this current fiscal year.**

**4. Elimination of Workers' Compensation Subsidy -** The district currently provides a subsidy for those classified employees who are out of work and collecting workers' compensation proceeds, so that, while out of work, that employee receives 100% of his or her salary. The subsidy is the difference between what the employee collects through workers' compensation and their normal salary. By eliminating this subsidy, the district would save approximately **\$74,400.**

FY2010-2011 Projected Surplus/(Deficit)	(\$9,012,869)
<b>BUDGET REDUCTIONS</b>	
Elimination of Salary Increase	3,077,647
20% insurance co-share	3,737,738
Sub-contract Special Education Transportation	980,747
Department Head consolidation	178,628
Elimination of Workers' Compensation Subsidy	74,400
Elimination of three (3) library clerks	133,289
Elimination of six (6) custodians	<u>322,006</u>
<b>TOTAL BUDGET REDUCTIONS</b>	<b>8,504,455</b>
Adjusted FY2010-2011 Projected Surplus/(Deficit)	(\$508,414)

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MOTION 2010-165: Moved by Mr. Maloney, seconded by Mr. Cannistra, to approve the budget adjustments as outlined.

**MOTION PASSES (5-0)**

Christopher Friel - Aye      Lucille Mota-Costa - Aye  
 Paul Cannistra - Aye      Bethany Furtado - Aye  
 Patrick E. Maloney, Jr. - Aye

FY2010-2011 Projected Surplus/(Deficit)		(\$9,012,869)
<b>BUDGET REDUCTIONS</b>		
Elimination of Salary Increase	3,077,647	
20% insurance co-share	3,737,738	
Sub-contract Special Education Transportation	980,747	
Department Head consolidation	178,628	
Elimination of Workers' Compensation Subsidy	74,400	
Elimination of three (3) library clerks	133,289	
Elimination of six (6) custodians	<u>322,006</u>	
<b>TOTAL BUDGET REDUCTIONS</b>	<b>8,504,455</b>	
Adjusted FY2010-2011 Projected Surplus/(Deficit)		(\$508,414)

MOTION 2010-166: Moved by Mr. Maloney, seconded by Mr. Cannistra, too approve First Student alternate bid for special education buses.

**MOTION PASSES (5-0)**

Christopher Friel - Aye      Lucille Mota-Costa - Aye  
 Paul Cannistra - Aye      Bethany Furtado - Aye  
 Patrick E. Maloney, Jr. - Aye

MOTION 2010-167: Moved by Mr. Maloney, seconded by Mr. Cannistra, to adjourn.

**MOTION PASSES (5-0)**

Christopher Friel - Aye      Lucille Mota-Costa - Aye  
 Paul Cannistra - Aye      Bethany Furtado - Aye  
 Patrick E. Maloney, Jr. - Aye

**Meeting adjourned 6:40 p.m.**

Bethany Furtado, Clerk  
 Betsey Snipes, Secretary