

MINUTES
WOONSOCKET SCHOOL COMMITTEE
SPECIAL COMMITTEE MEETING
FRIDAY, MAY 11, 2012
5:00 P.M. - OPEN SESSION
Woonsocket Middle School @ Hamlet
60 Florence Drive, Woonsocket, RI 02895

Call to Order by Anita McGuire-Forcier

Roll Call:	Anita McGuire-Forcier, Chairwoman	Present
	Vimala Phongsavanh	Present
	John Donlon	Present
	Christopher Roberts	Present
	Eleanor Nadeau	Present

1. Review/Discussion of FY 2013 School Budget as Prepared by B & E Consulting, LLC – A. McGuire-Forcier, G. Donoyan

G. Donoyan presented the FY13 budget developed by B&E that was received about a half hour ago by Mr. Walter Edge. G. Donoyan said she hasn't even had the chance to look at the budget. There is one section missing which is the revenue report. W. Edge will be coming in with this report. What you have is a projected budget by location which is the first section and the second section is the personnel supplement which is a listing of all personnel which includes salaries, longevity, and any other stipends. Please recognize that this culminates six weeks of intensive work, not one particular report or person in the finance department has all the information in one place. I would like to thank all the people in the finance department especially Darin Cooper who worked around the clock to get as much information to B&E as he could. This budget is based on the status quo. Last year's budget was unrealistic hence the \$7.3M deficit we projected this year. It is very important to know where we stand right now and how much it will cost us for status quo. This does not take into consideration any projections or recommendations for FY13 state aid or federal grants. Federal monies will be decreasing about \$500,000 for all districts (Title I and IDEA are the grants). Example Title I for FY10 was \$3.5M which decreased to \$3.1M for FY11 and roughly the same amount for FY12. Do not know what Title III will be. Title II for FY10 was \$793,000 now reduced to \$619,000. IDEA for FY12 was \$1.9M now for FY13 it is \$1.755M. Pre-K IDEA allocation was \$61,000 last year, down to \$57,088 this year. Please be aware that we no longer have ARRA, there is no federal stimulus money, there is a huge gap in funding, small amount of money from Race to the Top but that is restricted grant funding. E. Nadeau asked with the decrease in federal funding and reinstate full day K, how does this impact that decision. G. Donoyan said we are not going to implement full day K. The budget you have is the status quo with ½ day kindergarten. This is a base line budget and we have been working on what are the programs out there, what staffing we have.

W. Edge said they took the template from last year and basically filled it in with the information provided to him. Before I get into the two separate sections of the budget, first you should know how I got to where we are. First meeting with the Superintendent, Mayor, Tom Bruce, and John Ward a report was giving to him showing a \$7M deficit, waited for months for excel reports and when I finally got the report it was similar but not the same. The missing key ingredient was fringe benefits. When we did receive the report, the numbers were \$450M, \$700M which made absolutely no sense. G. Donoyan asked W. Edge to describe to the committee who generated those reports. W. Edge said Dina did both reports and she made additional adjustments. W. Edge said what they did is go through every line item and put it in the appropriate place. Some we grouped together like McFee and system wide so it is a big group. We put all the teachers in the individual schools tied into the penny. W. Edge doesn't think it's a great budget but did the best he could with the information given. There are too many systems, a system in personnel, accounting, and payroll. W. Edge gave an example of the dilemma they faced, there was no money budgeted for the people at Bernon Shop, however they were two other places you could budget these people. A. McGuire-Forcier asked what is the best way to fix this. W. Edge said to combine the accounting and personnel system and uniformed titles. Example, in uniformed systems of accounts, the account number that says the location might be 3111 that's different from 03111 so if I wanted to get Bernon or any of them I had to go to two separate locations.

The summary schedule was off Dina's schedule. Look at the summary schedule, the actual 2011 budget was \$60,441,211, Dina's schedule showed \$63M in actual expenditures so the \$2.8M can't be explained but I am trying to figure it out. E. Nadeau asked if this could affect the 2011 deficit. W. Edge said it could, the second column was off only by 101,934 only, the projected is off by \$499,252, and we are trying to tie in on March 14th data sheet. The next one is expenses to date. The difference is that we went up to May and Dina went to January so our numbers will be higher than hers. The last one was the \$261,000 deficit surplus which I noticed that was changing when I was pulling out items that were not in your general fund but more in your grants, etc. G. Donoyan said that the general ledger has not updated through July. C. Roberts said the actual 2011 audited by Braver matched Dina's. W. Edge said yes, the \$63.2M is the actual number. R. Ackerman said that you don't have all the expenditures since last July. W. Edge said that is correct, my numbers do not have the general entries that haven't been made yet. If you notice the totals, I'm at \$64M, Dina is at \$66M, and Stacey was at \$59M. W. Edge gave an example that this run which is suppose to be year to date, through May, has budgeted \$8,956,000 for health premiums, year to date expenditures \$424,000. R. Ackerman asked if we how much of discrepancies there might be because of those things not being posted since July.

W. Edge said no we don't know at this time what the gap would be until we look at the year to date activity and all of the reclassification entries are made. W. Edge said what he was able to do is take Dina's schedule and put that into a model set up by school, so if there are changes we can go to that school and take it out.

At this time, W. Edge went through the summary schedule. C. Roberts asked if Dina's numbers for 2011 was an actual match with Braver's numbers. W. Edge said that is correct and his numbers are wrong not hers because she did the actual and W. Edge did all the lines and many have no numbers in the actual. C. Roberts asked if the \$63.2M was the approved actual. W. Edge said that is correct. R. Ackerman recapped information provided by T. Sweeney the other night by saying that he asked T. Sweeney if would be able to defend this budget and comply with the BEP in court and I asked him this question at three different times and T. Sweeney said yes. W. Edge said that T. Sweeney shouldn't have said this and that he could not testify and support this budget under law, however we can support 80% of this budget. E. Nadeau asked when ARRA ended, why weren't the teachers dropped from the rolls. W. Edge said because they weren't terminated. A. McGuire-Forcier said that the committee didn't give out enough pink slips in March. G. Donoyan said that we used ARRA funds in the wrong way. The federal government gave guidance to the element of ARRA (ie Read 180 program, professional development) but there was a shortfall of money so the money was used to pay people to stay in their position.

R. Ackerman said in FY10 we filed caruolo. We were \$3-4M apart and the city said they will pay all our bills. In FY11 we had a budget of \$66M. Then the city brought us to court to reduce the budget to \$59M so we had to narrow the gap by X amount of dollars. The question for me is how many positions are not necessary, what can be cut and what do we really need will be the question of the City Council. W. Edge said the budget is 85% supportable. T. Sweeney will also find where they can cut to be in compliance. W. Edge said if you look at their last audit report, there are two pieces we did, the first part was the budget and the second was T. Sweeney's recommendations as to how we could save money. If you have not done those recommendations, then you are certainly not as lean as you could be. R. Ackerman said you have a new superintendent, no finance director, so how do we get to that point. W. Edge said that the superintendent and T. Sweeney are going that way. There is \$12M in play; in one month could you construct a budget that you could defend 100%. We have to recall teachers before June 13th (last day of school by WTG/WED contract) or we will pay unemployment so we have to figure out what we need compared to what we want.

E. Nadeau asked if we could do a proposed budget then an amended budget. W. Edge said this budget is better than what you already had, so what I suggest we do is put an extra column at the end of this budget which becomes our base. The column at the end of this budget is where the superintendent comes up with the fact that a school doesn't need a teacher; we subtract the teacher in the next column and come up with another budget so by adding this column all the work done to this budget doesn't get lost. W. Edge said that if you vote on this budget tonight, he suggests that we add back another \$159,000 to one of the fringe benefits because I received information that the FICA should be \$159,000 higher and the FICA Medicaid should be about \$49,000 higher but only received this information when he already sent the budget out and I got it from a great schedule from Darin. G. Donoyan referred back to W. Edge statement that we have too many systems, she said there was a delay in getting this budget done by March because the system is disjointed, so when you are asking for any one particular bit of information, it is a matter of calling different parts of the total report from so many different systems which takes time. A. McGuire-Forcier said we need to fix the system and it will be a lot easier next year.

At this time W. Edge reviewed and gave examples on how they produced the personnel supplement. G. Donoyan said that when we review the personnel supplement, names are to remain confidential. E. Nadeau asked if every person is in the exact location. W. Edge said they placed every person in a school from elementary all the way through secondary and they all tie in, however the problem comes when to try to fill in the people from McFee or district wide or Bernon Shop because they are everywhere and they have different titles like service providers, carpenters, etc. so they were added to the district wide section.

A. McGuire-Forcier stated that T. Sweeney said that we would be asking the city for an extra \$11M this year and he said yes. W. Edge said that if his numbers are right the amount would be \$1,822,234 in addition to what you received that year so the total would be \$14.7M. R. Ackerman asked if we are asking for an additional amount about \$1.8M since last year and the general fund doesn't show federal funds. W. Edge said this will be on separate sheets. C. Roberts said we are proposing a budget to run the entire district of \$64, 579,179 and when title monies come up short, the city pays and then we end up in a deficit. So when we let it go through and we don't address the federal money, as its been done before, then that goes to the local taxpayers, therefore we are talking about an additional \$6 to \$10M that is not on here. W. Edge that is correct.

G. Donoyan said by law, before we actually submit the CRP we should have a body of people looking at this including school committee, parents, teachers, and administrators. For here on forward, it is imperative that people sign off on the CRP which shows how we designed usage of that money. W. Edge said it suppose to be when the money dries up the job dries up. C. Roberts asked that when we do the caruolo act against the city, who are we getting the money from. A. McGuire-Forcier said you add it to your deficit. W. Edge said when you do caruolo one of the line items you get is the cost of the caruolo. In addition, all the money spent in this building is from the city unless it is small amounts like collections at football games, Medicaid reimbursements, etc. However the majority of the money comes from the state and not the city.

R. Ackerman asked that the budget amount of \$64,579,179 was to their best ability. W. Edge said not at this time. R. Ackerman asked how much is state, city, etc. W. Edge said state is \$46.7M, city is \$14.786M which equals approximately \$61M, then Medicaid is \$1.3, tuition \$900,000 and housing \$500,000. R. Ackerman said to W. Edge that you are saying we need \$64M to run the school department, we are suppose to project off the Governor's budget. G. Donoyan said we need to recognize that we didn't do that. We already found two people not on the budget and still getting paychecks. In addition, T. Sweeney wants a line item increased by 5% for every supply for the capitol budget which would increase the \$64M. but show other ways of showing this so we need to add to capitol. Keep in mind 1st and 2nd passage of the budget cannot change, not the level to appropriate this budget. Dina did not budget for Technology and B&E did budget tech monies. A. McGuire-Forcier said she is not comfortable to vote. G. Donoyan asked where do we go from here. The committee agreed they are not ready to vote tonight. A. McGuire-Forcier said the city needs a budget that they can go to the state with. W. Edge said this budget can satisfy that, we just need to increase at least by \$159,000. A. McGuire-Forcier and E. Nadeau said we have to add more because of capitol. G. Donoyan said maybe we would like the city or state guidance to satisfy this budget. C. Roberts asked why Bernon Shop had an art teacher listed for \$73,000. G. Donoyan said the art teacher should be at listed under Bernon School.

G. Donoyan and W. Edge both said this is a draft budget and we need to fine tune. G. Donoyan thanked W. Edge for attending this evening and coming through for May 11th. A. McGuire-Forcier said at this time, the School Committee feels that they cannot vote on this budget. Committee agreed that they will still meet tomorrow to continue on the work of the budget however they still will not take a vote tomorrow. A. McGuire-Forcier requested that G. Donoyan send via email this draft budget to the Mayor, John Ward, City Clerk, and City Council for their review. G. Donoyan said for the record that the budget was submitted on a timely basis. C. Roberts said he would like to edit the budget while they are making the changes and asked G. Donoyan and W. Edge if either one could email him the budget so he can do this.

Motion to adjourn at 7:10: E. Nadeau

2nd: John Donlon

Roll Call Vote: 5 yes.

Respectfully Submitted:

Kimberly Blais, WSC Recording Secretary