

WACHUSETT REGIONAL SCHOOL DISTRICT

HOLDEN ♦ PAXTON ♦ PRINCETON ♦ RUTLAND ♦ STERLING

Minutes

Annual Budget Hearing

Monday, March 22, 2004

7:00 PM

Modular Cafeteria

Wachusett Regional High School

Committee Members Present:

Duncan Leith, Chair	Alice Livdahl
Natalie Mello, Vice-Chair	Norman Plourde
Donald Benson	René Rodriguez (8:22 PM)
Elizabeth Brennan	Julie Scott
Charles Capparelli	Michael Sherman
Clifford Connell	Tammy Tod
Patricia Gates	Margaret Watson
Mark James	Patricia Young
John Kane	

Committee Members Absent:

David Dickman	John Nunnari
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Administration Present:

Paul K. Soojian, Director of Operations
Steven Penka, Director of Administrative Services
Peter Brennan, Comptroller
Susan Sullivan, Executive Assistant to the Superintendent

Others present, who desired to be recorded as speakers (see attached Attendance Sheet – attachment 1)

I. Call to Order

Chair Duncan Leith called the meeting to order at 7:02 PM.

II. Public Hearing

Motion: To open the Public Hearing

(N. Mello)
(C. Capparelli)

Vote:

In favor:

Duncan Leith
Natalie Mello
Donald Benson
Elizabeth Brennan
Charles Capparelli
Clifford Connell
Patricia Gates
Mark James
John Kane
Alice Livdahl
Norman Plourde
Julie Scott
Michael Sherman
Tammy Tod
Margaret Watson
Patricia Young

Opposed:

None

(Motion passed unanimously)

Chair Duncan Leith reported that he would recognize the area legislators first, followed by questions from the Committee Members. Then the Public Hearing would be open to comments from the general public. Legislators were asked to speak to the Committee regarding Chapter 70 Aid, Circuit Breaker funding and regional transportation aid.

Senator Stephen Brewer reported that eleven meetings were held across the Commonwealth to gather data, prior to the development of the budget. The goal of the legislature is to have the final budget on the Governor's desk for approval by June 1st. Senator Brewer reported that the Hancock case has been referred to the Supreme Judicial Court, all

data has been supplied, and that the legislature expects a decision soon. Changes to the Chapter 70 formula may be necessary following the ruling on the case.

Senator Brewer reported that there are not enough funds available for regional school transportation. Senator Brewer reported that he is hopeful that increased funds would be made available for transportation. Senator Brewer was cautiously optimistic that more funding would be made available for Circuit Breaker. He reported that the good news to be reported is that everyone is expressing concern about the same three items for regional school districts: regional transportation, circuit breaker, and Chapter 70 Aid.

Senator Brewer reported that he is a supporter of School Building Assistance (SBA) reform and welcomes changes to that program. Senator Brewer ended his comments by stating that the health care crisis is the largest problem facing the State and that until that is brought under control, the funding for other issues is limited.

Representative Lewis Evangelidis reported that it will be a tough budget season. Regional transportation aid (Chapter 71) is a major source of concern. Contributing to the problems for regional school districts is the fact that there are no regional school districts within Route 128 and it is difficult to get the voices of the regional school districts heard. There has been a dramatic drop off in funding, 40% in two years. Representative Evangelidis reported that the senators and representatives of the regional school districts will continue to fight for the regional schools.

Representative Evangelidis reported that the funding for Circuit Breaker is critical. He reported that when the Circuit Breaker was debated on the House and Senate floors, the representatives and senators were told that the \$170 million to be appropriated for this would indeed reimburse school districts 75%. In reality, the data was incorrect and the funding started at 27% and eventually became 35%. In many cases, the Wachusett District being one, more funding was available through the previous 50/50 program than under Circuit Breaker.

Representative Evangelidis reported that Chapter 70 Aid will continue to be a problem due to the lack of revenue at the State level.

Representative Evangelidis reported that there is bipartisan support for the revised SBA proposal from the Governor. He reported that the program needs revision and that it does not matter who gets credit for the victory. It is important to the schools districts to have a viable funding program for the building and renovating of school buildings.

Representative Robert Spellane presented data on State revenues via slides (attachment 2). Representative Spellane reported that the State began to build up what became the largest per capita stabilization fund in country. The fund, however, has been depleted substantially in the last two years. He reported that there is not enough revenue to fully fund the Education Reform Act. Representative Spellane pointed out that in 2001, 63% of the State revenues were dedicated to five categories: Medicaid, GIC, Ch. 70, Debt Service and pension expenditures. In FY04, 82% were dedicated to those five categories. Representative Spellane informed the Committee that although an unpopular view, he believes that a tax package is necessary as the revenues just are not there.

Senator Harriette Chandler reported that she was encouraged to know that there would be no less Chapter 70 funding this year than last year. Senator Chandler reported that one of the communities she represents did a study and discovered that there were nineteen unfounded mandates. Senator Chandler has referred this to the Post-audit Committee, which will review. Senator Chandler reported that funding the Circuit Breaker is a critical priority as it puts family against family, student against student. Senator Chandler reported that she would do anything necessary to preserve and maintain the quality of the Wachusett District.

Chair Duncan Leith recognized questions from the Committee to the area legislators.

Chair Duncan Leith reported to the area legislators that the Committee has sent letters of support for the revised School Building Assistance Program. He also reported that with the 20% decrease in Chapter 70 Aid last year and the projected level funding of that aid, it is causing much dissension between the municipal and education leaders. Each entity is fighting for the same pot of money. Much, if not all, of the new revenue growth in towns, has been dedicated to the Minimum Local Contribution. The main issues of concern for the Committee are

Chapter 70 Aid, Circuit Breaker funding, and regional transportation aid.

Following inquiry regarding the underfunding of the Circuit Breaker for FY04, Representative Evangelidis restated that the legislators were told that the \$170 million would fund the program. More accurate data is being compiled now before deliberations on the Circuit Breaker funding.

Comment was made by a Committee Member that the District is projecting to spend \$3.6 million in out-of-District special education tuitions, \$6.7 million in special education services inhouse, and \$1.3 million in special education transportation. Most of these expenses are federal and/or state mandates. This is a large problem in this district.

Following inquiry regarding the feasibility of a tax package for FY05, Representative Spellane reported that he does not see support for an income tax increase at this time. He further stated that without an increase in either the income tax or the sales tax, the burden will remain on the real estate tax base. There are many in the Commonwealth who cannot afford an increase in real estate taxes.

Senator Brewer added that the Governor has pledged to veto any tax package brought forward. He stated that there is not support at this time for a tax package.

Representative Evangelidis reminded the Committee that revenue increases can come in other ways and that he will be looking closely at the idea of allowing gaming, for example.

Senator Brewer stated again that the rising cost of health care is the largest single problem for the State and the nation and that funding will be limited until that is resolved. He reported that Medicaid requires one quarter of the entire state budget.

Committee Members restated the problem within the District that there is not sufficient funding in the Member Towns for the budget request of the School Committee, yet the District is in the lowest quartile in per pupil spending. There is a disconnect between the Foundation Budget and reality and that the State should refocus on the Foundation Budget and properly align it to what districts actually are required to spend in

areas such as special education. Committee Members wanted the legislators to know that last year \$1 million was cut from the budget and 50.72 positions were lost. If the School Committee is to reduce the budget to the level requested by the Member Towns, \$1.7 million, many more positions would be eliminated. The legislators were implored to do whatever they could to help relieve some of this burden.

Senator Chandler then asked for INDIVIDUAL MEMBER input as to where Committee Members thought the legislature could look to help the funding problems of the District:

- Release the school districts from the obligation to pay for transportation beyond two miles.
- Freeze out-of-District special education tuitions.
- Change the formula for Minimum Local Contribution and average it across the District
- Reallocate the share of health insurance paid by all state employees
- Reduce Medicaid
- Increase sales tax.
- Look at reality when mandating programs
- Do not start new programs when funding is limited, i.e. establishing new Charter schools
- Do not establish scholarships for excellence on MCAS in a time of budget crisis

Chair Duncan Leith then asked members of the public to speak.

Joseph Giotta, Chair, Holden Finance Committee, read a prepared statement (attachment 3).

Maureen Floryan, Holden, read a prepared statement (attachment 4).

Kimberly Paquette, Holden, read a prepared statement (attachment 5).

David Gibbs, Sterling, read a prepared statement (attachment 6).

Melinda Johnson, Paxton, read a prepared statement (attachment 7).

Charles Gruszka, Principal, Dawson Elementary School, spoke to the School Committee urging the Committee to not reduce the budget any further than what has already been reduced in the past two years. He

explained many of the impacts of the budget reductions from FY04 on his building. He stated that there should be three priorities for communities: education, public safety, and elder services. All budget discussions should keep those three priorities in focus.

Melanie Amaral, Holden, stated that funding is reduced and expectations have been increased. She expressed concern if there were future budget reductions, she would have to consider sending her children to other schools.

Joseph Sullivan, Holden Selectman, presented data on the Holden municipal budget (attachment 8). He reported that the views do not necessarily represent the views of Selectboard. He encouraged a continued level of dialogue.

Joseph Giotta, Chair, Holden Finance Committee, stated that at the Annual Meeting of the Massachusetts Municipal Association (MMA), it was reported that this budget crisis could continue for two more years.

Motion: To close the Public Hearing

(N. Mello)
(J. Scott)

Vote:

In favor:

Duncan Leith
Natalie Mello
Donald Benson
Elizabeth Brennan
Charles Capparelli
Clifford Connell
Patricia Gates
Mark James
John Kane
Alice Livdahl
Norman Plourde
René Rodriguez
Julie Scott
Michael Sherman
Tammy Tod
Margaret Watson

Patricia Young

Opposed:
None

(Motion passed unanimously)

III. Adjournment

Chair Duncan Leith declared the Public Hearing adjourned.

The Annual Budget Hearing adjourned at 9:45 PM.

Respectfully,

Alfred D. Tutela, Ph.D.
Superintendent of Schools

ADT:ss/School Committee/Minutes