

**MINUTES OF THE TOWN COUNCIL
EDUCATION COMMITTEE & WEYMOUTH SCHOOL COMMITTEE
Town Hall Council Chambers
April 22, 2013 – Monday**

Education Committee

Present: Thomas J. Lacey, Chairman
Frank Burke, Vice Chairman
Jane Hackett, Councilor
Michael Molisse, Councilor

Not Present: Ed Harrington, Councilor

Weymouth School Committee

Present: Sean Guilfoyle, Chair
Lisa Belmarsh
Steven Ford
Gail Sheehan
Tracey Nardone
Diana Flemer

Also Present: Kathy Deree, Town Clerk
Dr. Kenneth Salim, Superintendent of Schools
Matt Ferron, Assistant Superintendent of Schools
Garry Pelletier, Assistant Superintendent of Schools

Recording Secretary: Mary Barker

Chairman Lacey called the Education meeting to order at 6:33 PM and outlined the information to be covered on the agenda. He reminded the audience that the meeting was not a public hearing and that public input not be invited.

Town of Weymouth's Status Relative to:

-Net School Spending

-School Foundation Budget

Chairman Sean Guilfoyle called the School Committee meeting to order and led the Pledge of Allegiance.

Roger Hatch/ School Finance Programs Administrator, Massachusetts Department of Elementary and Secondary Education- was invited to the table with Supt. Salim. Mr. Hatch provided a packet with reports that may be referred to in the presentation and will review the major points. In speaking with local officials he knows there is a shortfall and has been. He reviewed the core of the formula and why it is working for Weymouth. It is based on 3 steps:

- foundation budget
- local required contribution (defined by ability to pay based on income and property values)
- aid fills gap

The required NSS equals Chapter 70 plus the required contribution and the shortfall becomes a carry-over which is added on. He noted that spending behavior has no impact on formula calculations. Higher spending districts are not rewarded. It is based on the ability to pay and those towns with lower income receive higher contributions. The formula was revamped in 2007 and was not tied very closely to a town's ability to pay since the beginning. The formula started out having strong tie, between ability to pay and how much aid a community received, but eroded in the 90's and they were able to work with state

legislature and the Governor for a simpler formula, the ability to pay is now factored directly into the formula. Each year is different between required spending and what is actually spent. Municipal indirect costs are included. Revamping simplified the formula. The Governor is aggressively pursuing the full phase in and the legislature has a less aggressive approach and hopefully they will meet somewhere in the middle. He reviewed the House 1 FY14 proposed.

Mr. Hatch then reviewed the second part; the equity component of formula, and the effort goal for Weymouth; to determine the ability to pay in FY14- aggregate wealth (fixed percentage property value – fixed percentage resident income yields local effort) .3952% of property value and fixed percent of income, they yield local effort; in Weymouth the two measures are almost equal. When used statewide they will yield half from property and half from income. The values differ year to year. The combined effort yield is the total and compared to the town's foundation budget. Across the state there are much wealthier communities that are capped because the state has the responsibility to share the aid. The majority that are far below their targets have been shortchanged over the years. These targets weren't identified until 2007. Foundation budget divided by combined effort yield in Weymouth = 68% which is the target aid Weymouth is able to raise to spend on its schools; thus the target share is 42%. Mr. Hatch reviewed how the Governor's budget is working to getting the municipal growth factor closer to the target share.

(During this discussion, Diana Flemer arrived)

He continued and reviewed the factors that are included in municipal growth factor of \$42 million: 3.13% from DOR (prop 2.5 increase, and unrestricted receipts, nonrecurring receipts). Councilor Hackett asked if the 3.13% is Weymouth specific. Mr. Hatch responded in the affirmative and noted that it is based on trend of new growth and is slightly below the state average. It's applied to last year's and becomes the preliminary target, and is below the target. Anyone short got a bump up in the Governor's budget – Weymouth by 3% and added to the preliminary contribution. It must be allocated between Weymouth and Norfolk County. Chairman Lacey asked if the number is partially a result of not meeting NSS in past years. Mr. Hatch responded no; it is simply a result of the Governor's accelerated plan. Mr. Hatch provided a list of several communities that are in similar straits.

There are 23 students enrolled at Norfolk County. The aid calculation was reviewed; the prior year amount exceeds the prior year target, therefore the increase is much less this year. It was noted that the foundation budget didn't increase as much this year (due to a lower rate of inflation). The town didn't need as much aid as last year. Mr. Guilfoyle noted that this is technically a penalty for not reaching the goal. Mr. Hatch noted that penalty is incorrect; it is added increment. There was no change in the formula but the added increment hadn't been implemented and the percentage range wasn't as high. Weymouth falls within those aggrieved communities which are required to contribute more than their share to meet their target.

Mr. Hatch then reviewed the trends. There were a few years where the gap was narrowed, but more that are not, and this is a much harder goal for communities to meet the target, due to Prop 2 ½. Hopefully communities will get closer to their targets. This year the growth factor is ahead of inflation and they are seeing some growth. Aid shows a similar pattern of progress and the gap between target and aid is lessening. Equity-wise the formula is getting closer. Stephen Ford asked for clarification of the required contribution and the formula amount. He asked how the figure relates to the required local contribution and Mr. Hatch reviewed. Mr. Ford noted the town is penalized because of the way the formula is written. Councilor Hackett also asked for a redress of the formula- the contribution does not depend on what was expended or not expended in the previous year.

Actual Net School Spending was then reviewed. The numbers are taken from the End of Year report from FY12. Functional categories from appropriation (and not including transportation, community activities or capital purchases) and on the town side the schedule 19 budgeted amounts and not actual spending: active employees insurance (nothing for retired employees insurance). Mr. Hatch reviewed why Weymouth is one of 123 communities who did not count retired employees insurance from the beginning in 1997 and now cannot include it to meet compliance with NSS. Those numbers were the basis for future years. There has been much discussion about removing the requirement as there are several communities where this is a big issue. There should be a way to phase this out but it is difficult. The carry-over from the previous year is

used to determine the year's legal requirement; it is a carryover that can keep going indefinitely. Several communities legally budget less than the requirement and some have been penalized for not meeting the 95% mark. Many ask why the DOE allows communities to not meet NSS as it is the law. There are mitigating factors. Not having to penalize many communities means the 95% is a strong requirement.

He then reviewed FY13, which has a similar shortfall. In both cases, Weymouth has not met its legal requirement, but is not alone. The Chapter 70 Trend Report indicates the legal not the formula requirement; what the district is actually spending and the amount over and below the requirement. Weymouth has not met the requirement for 5 years, and once in this position, it is difficult to recover. Chairman Guilfoyle asked if the number reflects the amount that the town had to correct by an act of legislature. Mr. Hatch responded that it was a correction because of an error; Ms. Belmarsh responded that the act of legislation was to extend the amount of time the district was allowed to correct its report. Mr. Hatch noted the number in the report reflects the change. Mr. Guilfoyle asked if it is a matter of semantics for not meeting the legal requirement. Mr. Hatch responded that the legal requirement is the legal requirement. Mr. Guilfoyle asked if the NSS number is the goal or the starting point? Mr. Hatch pointed out that in many years the NSS requirement is the same as the foundation budget and noted that if a community is falling short, then you are not providing adequate resources for your students. Chairman Guilfoyle noted the legal contribution has been reduced to some communities as an equity issue; the state has an obligation. Mr. Hatch agreed. There are six factors: enrollment, inflation, wage adjustment, growth factor, property value and income. Some of the wealthier communities combined factors are driving their aid up.

Councilor Burke asked if the town's total shortfall will be adjusted to include capital projects which are currently under consideration. Councilor Hackett asked what the town's net school spending requirement for FY14 will be. Mr. Hatch responded the requirement is \$70,062,405 with no carry-over added. Councilor Hackett asked if they are projecting a shortfall. They reviewed the numbers; based on the budgeted shortfall, the town is at 1.5% short, less than the 5% that would either trigger a penalty or impact aid. Mr. Hatch responded that Councilor Hackett is correct. Chairman Lacey noted Councilor Hackett has condensed it perfectly.

Chairman Lacey thanked Mr. Hatch for the presentation. He asked when the accelerator number would be available. Mr. Hatch responded that it will require either a joint resolution, or wait for the final state budget sometime in June. Tracy Nardone asked if there is a penalty to keep missing the requirement. Mr. Hatch responded that there is no penalty.

Mr. Hatch reviewed the districts in FY13 that budgeted less than their legal requirement, and indicated those that are not allowed to use their retired teacher insurance as part of their compliance--Weymouth ranks 223rd. The communities that are marked will likely have an impact on their school budget and this is a problem.

He then reviewed the per pupil expenditures. Weymouth is spending \$12,125 in FY12 and is ranked 230th out of the state districts.

Chairman Guilfoyle thanked Mr. Hatch for his attendance. It is clear the issue will not be solved overnight--noting that including the retired teacher contribution will cripple the school department. Chairman Lacey responded that it would be better to have a number to achieve that is based fairly across the system. He thanked Mr. Hatch for the assistance in figuring on where Weymouth sits and what it needs to do.

ADJOURNMENT

At 7:34PM, there being no further business, a motion was made by Councilor Hackett to adjourn the meeting and was seconded by Councilor Burke. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Thomas J. Lacey as Education Chairman