

Finance Committee Meeting

February 25, 2016

Present: Tom Burnell, Joe Phelan, Deirdre d'Albertis, Mark Fleischhauer, Deirdre Burns

1. Transportation update.

Tom updated the committee on the history of the very recent communications from Total Transportation to the District regarding their taking over bus contract management from Allways East. Allways East has notified the district that it can no longer meet the terms of the contract with RCSD. Tom met with the CFO of TT last Friday and he will be back again to meet with Joe. Tom and Joe are consulting with our legal counsel regarding the consequences and obligations resulting from this new arrangement. The BOE must soon act to engage TT for a 31 day emergency contract. Bids will then be requested for a transportation contract through the end of the school year. We anticipate an increase in our transportation costs as a result of this change. Tom shared his financial analysis of these increases. He and Joe are working with legal counsel on the mechanism to recoup increased costs from Allways East. We expect no interruption in service for the students of the district through this management changeover. Indeed, there has been no interruption in service thus far.

Documents are concurrently being prepared to bid out a multiyear contract for bus service starting in the 2016-17 school year. The timeline will have the bids back by the end of March in order to assess the impact on next year's budget. A 3 year contract will result in more bidders and more stability in bus service.

2. Cafeteria update.

The Committee did not have time for this discussion, but Tom briefly informed us that revenue has gone up, affirming his analysis that upfront costs account for less than robust savings early in the school year.

3. 2016-17 Budget update.

At this time there remains a gap of close to one million dollars between our budget and our expected revenues. There have been no retirements or significant changes in our special education budget that will meaningfully impact next year's budget, although the special education budget has some moving parts that could impact the budget positively or negatively. Tom is continuing to refine the Excess Cost Aid we can expect to receive next year (for this year's Spec Ed expenses). These reimbursements will shrink the budget gap, so it is important to have a solid estimate. Tom will report his best estimate at our next BOE meeting.

Administrators have been working on a list of potential budget cuts. The current lists were shared with the committee, although they have not yet been prioritized. Discussion about reducing major subject area teaching positions in 7th grade by .2FTE. The committee had a robust and difficult discussion about the impact of cuts on the academic program. Smaller class sizes are coming up through the middle school and the committee discussed whether reductions make sense due to enrollment, regardless of budget cutting. Joe reminded the committee that staff reductions impact teachers who have been most recently hired. Addressing declining enrollment through staff cuts may be a painful reality. Deirdre d'A. reminded the committee, however, that people are

the fundamental foundation of our school community. Should we look for cuts elsewhere? Will staff cuts compromise our educational program? Joe will be working with the administrators on prioritizing budget cuts from each building and department. These will be available to the full board for further discussion at our budget workshop on March 12.

Submitted by Deirdre Burns