

2020 FEB 13 AM 9:03

**Warrant Committee Education Subcommittee
Joint Meeting with the School Committee Finance Subcommittee
November 5, 2019 8:00 AM
School Administration Building Conference Room**

Meeting Minutes

Members in Attendance

Warrant Committee Education Subcommittee: Anne Helgen, Geoff Lubien, Paul Rickter, Jack Weis

School Committee: Kate Bowen, Susan Burgess-Cox, Amy Checkoway, Mike Crowley, Andrea Prestwich, Superintendent John Phelan, Finance Director Tony DiCologero

Others: Town Administrator Patrice Garvin, Assistant Town Administrator Jon Marshall

Call to Order

The meeting was called to order at 8:20 AM

Approval of Minutes

Minutes from the October 15, 2019 meeting were approved.

Review of Out-of-District Special Education Costs and Funding Options

The discussion centered on how the School Department could help offset some of the projected FY 21 town budget deficit by potentially increasing the amount of accumulated special education reserves to fund FY 21 out-of-district special education costs, thereby commensurately reducing the amount of funding required in FY 21 from the town's General Fund. John began the discussion by noting that Patrice Garvin had requested that the School Department try to find a way to close the overall budget deficit by between \$2.0 - \$2.7 million, using various reserve funds and other budget cuts.

To help frame the discussion, Tony distributed a spreadsheet showing the anticipated funding of FY 20 out-of-district tuitions from the various funding sources available to the School Department, as well as a variety of options for using various levels of the state Circuit Breaker reserves to fund those costs in FY 21 and the impact that the use of those Circuit Breaker reserves might have on the FY 22 budget. (As noted on the spreadsheet, actual out-of-district tuition expenses between FY 13 and FY 19 have been growing at a rate of 6.76%.)

John and Tony noted that the state recommends that towns keep a Circuit Breaker reserve balance equal to at least one year's worth of Circuit Breaker reimbursement as a cushion to deal with unanticipated special education expenses. In Belmont's case, that would represent a Circuit Breaker reserve balance of approximately \$1.8 million. The group agreed that the state's guidance is conservative. John and Tony noted that the largest negative variance in out-of-district tuition over the past half dozen or so years has been about \$750,000. They felt that a more realistic minimum reserve to plan for would be about \$1,000,000. As Tony's spreadsheet demonstrated, using any more than about \$750,000 of additional Circuit Breaker reserves in FY 21 runs the risk of the Circuit Breaker reserve balance dropping below \$1,000,000 in FY 22 and beyond. Nevertheless, John and Tony felt that using something on the order of \$1.3 - \$1.5

million in Circuit Breaker reserves as a one-time funding source to help close the anticipated FY 21 shortfall would be manageable – provided that the town recognized that, given the one-time reduction in General Fund contributions toward special ed costs, given the 7% actual annual increases in out-of-district tuitions over the past few years, and in order to leave a reasonable reserve balance to insulate the town’s General Fund from unanticipated future negative variances in out-of-district tuition costs, the School Department would need a future General Fund make-up allocation in excess of a 7% increase over the then-reduced FY 21 General Fund contribution. John and Tony planned to discuss these general parameters with the full School Committee later that night.

Adjournment

The meeting was adjourned at 9:55 AM.