

**UP-ISLAND REGIONAL SCHOOL COMMITTEE
OF MARTHA'S VINEYARD
6:30PM, Friday, December 17, 2021
By Zoom Cloud Conference**

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Present: Chair – Alex Salop, Roxanne Ackerman, Kate DeVane, Robert Lionette, Skipper Manter,

Others: Supt's Shared Services Office: Matt D'Andrea, Mark Friedman, Ruda Stone, Richie Smith, Hope MacLeod,
Principals: Donna Lowell-Bettencourt, Mary Boyd, Susan Stevens,
Staff: Nicole Cabot
Towns: West Tisbury – Greg Orcutt,
Press: MV Times – Eunki Seonwoo, MVTV – Shavannae Anderson,
Recorder: Teresa Kruszewski (Marni Lipke)

Call to Order (Agenda Item #I)

The Up-Island Regional School Committee (UIRSC) meeting was called to order.

Public Comment – None (Agenda Item #II)

Fiscal Year 2023 (FY23) Budget Workshop (Agenda Item #III)

Possible Fiscal Year 2023 (FY23) Budget Certification (Agenda Item #IV)

(See documents on file & Minutes: 11/2/21, & 12/7/21 p.2-4 # III A, & 12/13/21 p.1-3 #VI.)

(Recorder's Note: This discussion has been grouped for clarity and brevity.)

- Martha's Vineyard Public Schools (MVPS) Business Administrator Mark Friedman submitted two new assessment options with the alternate requested Excess and Deficiency (E & D) offsets:
 - Version #6A with only the \$98,779 Contingency line offset for an assessed increase of 6.79%
 - Version #6B with the addition of West Tisbury School (WTS) \$10,000 one-time technology expense offset for a 6.71% increase.
 - the previous Version #5 included \$337,000 in E & D offset for an increase of 4.96%.
- There was confusion on why the technology offset did not include the Chilmark one-time fiber optic upgrade increase (see 10/25/21 Minutes p.3). Mark Friedman stated the one-time expense was included in the Computer line which had ongoing expenses and suggested the one-time portion was minimal.
- There was a repeat request to reduce the operating budget which drove the assessments, including the statement that the operating budget and percentage increase had not been presented. Operating cost increase narrative was reviewed as largely personnel driven:
 - inflation particularly salaries e.g. the substitute pay raise (see 10/25/21 Minutes p.1 #III), the current contract negotiations, and the Chilmark School nurse change (see 9/20/21 Minutes p.3 #IV A);
 - increased student population of the additional Chilmark School classroom and WTS growth (see Minutes: 8/25/21 p.2 #ii, & 9/20/21 p.6).
 - Technology increases were small in comparison.
 - An objection that the budget be comprehensively reviewed for cuts was again passed over when repeated requests did not elicit responses as to what such cuts might be.

The UIRSC repeated it's debate on the philosophy and specifics of E & D but were unable to come to consensus.

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- E & D was likely to be certified at ~ \$800,000 which was ~\$100,000 in excess of the 5% limit.
- The Version #5 proposed \$337,000 offset comprised 40% of the total, leaving \$475,000 to be rolled over or used in the future if nothing further occurred. (The \$337,000 offset included the Contingency line so that the UIRSC would be voting a \$238,000 E & D difference from normal years.)
- Mr. Friedman suggested that the \$337,000 offset be halved (\$168,500) for the FY24 budget, with the offset returning to the normal Contingency line offset (\$98,799) in FY25 for a “soft landing” approach.
- Superintendent’s Office research showed the following:

“Code of Massachusetts Regulations 41.06..3 A regional school committee may use all or part of the certified balance in the excess and deficiency fund as a revenue source for its proposed budget. If the certified balance exceeds five percent of the proposed budget, the regional school committee shall use the amount in excess of 5% as a revenue source for its proposed budget.”

Many other districts took advantage of E & D to offset their budgets in this way.

- The current \$100,000 over the 5% limit was roughly equal to the Contingency line offset.
- E & D was generated through
 - E & D residuals rolled over from previous years,
 - unexpected revenues (State funds, grants, etc),
 - savings,
 - unused Contingency line residuals,
 - un-budgeted changes especially personnel changes (e.g. unpaid portions of maternity leave).
- It was possible the E & D would be replenished depending on the hiring market.
- Some maintained using E & D was fiscally irresponsible and showed poor fiscal planning.
- It obfuscated the actual increase in education costs.
- It was a signal that the UIRSD over-assessed its taxpayers.
- During the tenure of the UIRSC members the UIRSD budget had increased every year so that E & D offsets would result in 7, 8 or 9% increases in following years. There would always be another economic crisis.
- Although UIRSC intention assigned offsets to specific lines, it actually addressed the entire budget.
- Even “one-time” technology expenses could be repeated by the constant upgrades and changes.
- E & D levels were unpredictable and could not be counted as a stable resource.
- There was no consistent E & D methodology.
- Others argued that use of E & D was the responsible action to take.
- It was a 2-3 year approach to mitigate the 6.7% enrollment/inflation driven increase.
- It was completely appropriate to the difficult economic climate when families were struggling with financial insecurity.
- Reducing the UIRSD assessment in this accepted manner, would save the Towns from forced cuts in other departments to compensate for the high education budget.
- The funds had already been voted for education. If returned to the Towns it would revert to Town Free Cash to be used for roads or capital projects instead of its originally voted use. It would reduce the burden on the taxpayer just as effectively by mitigating education costs.
- Returning all E & D removed savings incentives by creating a use-it-or-lose-it atmosphere.
- E & D had accumulated because the UIRSC was blocked from using it appropriately.
- The debate also focused on E & D as the Other Post Employee Benefits (OPEB) line offset.
- The UIRSD paid ~\$1,000,000 in 3 OPEB line items: current retiree costs, the \$650,000 Dukes County OPEB Trust contribution, and new hire OPEB budgeting (see 10/17/16 Minutes p.2 # B).

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- In addition the UIRSC used to vote the E & D end-of-year residual into the Trust (see 4/4/16 Minutes p.2). However, this practice was discontinued when E & D procedures required 3 Town Select Board and/or Town Meeting approval (see 3/18/19 Minutes p.4 #E).
- Consequently, the UIRSD was well situated for its ~\$11,426,000 OPEB liability. The amount was 37.13% funded at \$4,242,464 and the annual commitment was above the Actuarially Determined Employer Contribution (ADEC) or Annual Required Contribution (ARC). In following budget contributions the liability would be 47% funded at \$5,349,000 and then over 50%, for complete pay down within ~ 7 years depending on actuarial variables.
- The Version #5 proposal was to offset the \$650,000 Trust line with \$237,000 E & D.
- A discussion conflated the \$237,000 offset with an additional \$337,000 E & D contribution to the Trust, which would not have to be repeated in subsequent years.
- There was some strong opposition arguing the offset was an unstable backwards step to paying off the debt which the UIRSD had worked hard to pay responsibly.
- Others felt the UIRSD could afford to flex its OPEB commitment in keeping with economic times.
- It was pointed out that this was an established UIRSD methodology for E & D use.

Chair Alex Salop remanded the UIRSC to the pragmatic task of certifying the FY23 Budget (requiring 4 yes votes) within the December 31st deadline. A straw poll found the following impasse:

- Kate DeVane refused to vote for a 6+% assessed increase when E & D relief was available;
- Skipper Manter would not vote for the operating budget without reductions;
- Robert Lionette would not vote any E & D offset other than for Contingency and one-time expenses.
- It was suggested the UIRSC certify a budget and then meet jointly with the three Towns' Finance Committees (FinComs) and Select Boards as to their input on assessment procedures, after which the budget could be re-certified accordingly.
- In view of the confusion over the one-time technology total,
ROBERT LIONETTE MOVED TO CERTIFY VERSION #6A OF THE UP ISLAND REGIONAL SCHOOL DISTRICT FISCAL YEAR 2023 OPERATING BUDGET AT \$13,902,739.93 OR 6.34% INCREASE AND TOTAL ASSESSED BUDGET AT \$13,902,554.93 OR 6.71% INCREASE; ROXANNE ACKERMAN SECONDED; MOTION FAILED: 3 AYES, 2 NAYS, 0 ABSTENTIONS: KATE DEVANE—NAY, SKIPPER MANTER—NAY, ROBERT LIONETTE—AYE, ROXANNE ACKERMAN—AYE, ALEX SALOP—AYE.
- *KATE DEVANE MOVED TO CERTIFY THE UP ISLAND REGIONAL SCHOOL DISTRICT FISCAL YEAR 2023 BUDGET VERSION #5 FOR AN OPERATING BUDGET AT \$13,902,739.93 OR 6.34% INCREASE, ASSESSED AT \$13,674,212.37 OR 4.96% INCREASE AND TO RENEGOTIATE THE ASSESSMENT WITH THE TOWN FINANCE COMMITTEES AND SELECT BOARDS; ROXANNE ACKERMAN SECONDED; MOTION FAILED: 3 AYES, 2 NAYS, 0 ABSTENTIONS: KATE DEVANE—AYE, SKIPPER MANTER—NAY, ROBERT LIONETTE—NAY, ROXANNE ACKERMAN—AYE, ALEX SALOP—AYE.*
- There was a suggestion to certify only the operating budget.
- Superintendent Matt D'Andrea proposed the UIRSC not certify the budget but present the situation to the Town FinComs and Select Boards in an early January joint meeting and then certified directly afterwards.

Topics Not Reasonably Anticipated by the Chair (Agenda Item #VIII)

A message from Nicole Cabot concerned the efficacy of the COVID testing program(s) and what parents could do to help. Supt. D'Andrea explained the current situation.

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- About 50% of Martha's Vineyard Public Schools (MVPS) families and about 70% of UIRSD families had signed consent forms. Administration continued to advocate for families to sign. The test-and-stay program helped increase participation.
- The test program was Department of Elementary and Secondary Education (DESE) funded subject to DESE regulations which required voluntary participation (i.e. no mandated testing).
- In order to enforce mandatory testing (like last school year) the MVPS would have to provide alternative (remote) education.
- Martha's Vineyard Regional High School (MVRHS) required testing consent for all extra-curricular activities and Administration was working to institute the same policy for elementary schools.
- Consultant Ben Miller considered the MVPS testing program to be effective if it was testing 600-800 individuals per week. The MVPS was testing 1,500 individuals per week including staff.
- DESE did not provide home tests for those returning from vacations.
- The advertising campaign, school nurses, excellent previous testing programs, Superintendent's Office and volunteers were commended for their hard work and good results.
- The UIRSC agreed to put the topic on the agenda.

Meetings/Events

- **UIRSC/Select Boards/FinComs – 6:30PM, Thursday, January 13, 2022 by Zoom**

Adjournment

Wishing everyone happy holidays,

- *SKIPPER MANTER MOVED TO ADJOURN AT 7:52PM; ROBERT LIONETTE SECONDED; MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS: SKIPPER MANTER—AYE, ROBERT LIONETTE—AYE, KATE DEVANE—AYE, ROXANNE ACKERMAN—AYE, ALEX SALOP—AYE.*

Documents on File:

- Agenda 12/17/21
- UIRSD FY2023 Assessment – V#5 12/13/21
- UIRSD FY2023 Assessment – V#6A 12/17/21
- UIRSD FY2023 Assessment – V#6B 12/17/21
- West Tisbury ESSER 3 Budget Worksheet 12/17/21
- Chilmark ESSER 3 Budget Worksheet 12/17/21
- Chilmark School Weekly Peek (4 p.) 12/17/21

Minutes approved 1/20/22