

**Salem Public Schools
Salem School Committee
FINANCE SUBCOMMITTEE
Meeting Minutes
December 15, 2020**

On December 15, 2020, the Finance Subcommittee for Salem Public Schools met at 4:45 p.m. using the Zoom platform.

Members Present: Mary Manning, Chair, Amanda Campbell, Ana Nuncio

Members Absent: None

Others in Attendance: Superintendent Steve Zrike; Mary DeLai, Interim School Business Administrator, Salem Public Schools; Andrew Michael Benitez, Harvard University School of Education

Call of Meeting to Order

Ms. Manning called the meeting to order at 4:49 p.m. Mr. Andrew Benitez introduced himself, explaining that he was shadowing Supt. Zrike and attending various meetings as recommended by Dr. Zrike. Mr. Benitez is currently participating in a program at Harvard University that prepares future superintendents for service in urban school districts.

The purpose of the meeting was to share everyone's understanding of the Salem school district's budget process. Ms. DeLai added that because she was new to the school district, she appreciated the guidance of committee members and others involved in this process before she joined the district as Interim School Business Administrator. She asked about what had historically been the role of the Finance Subcommittee in the budget process.

Dr. Zrike stated that the budget was driven by our priorities in the school system, as determined by findings about the district which were then linked to themes. He added that these themes would be part of a "State of the Schools" report that he would provide.

Ms. Manning provided some historical context of the budget process, noting the different styles and approaches of the two previous superintendents, as well as the disruptive effect of the Covid 19 pandemic on Interim Superintendent Smith's attempt to hold more discussions about the budget.

Ms. Campbell noted that typically the Finance Subcommittee only meets about the budget, and that there needs to be a clearer process to explain how resources are distributed equitably to the schools, as well as open discussions.

Ms. Manning noted that a shift had happened recently in thinking about distributing resources to schools that had larger numbers of socio-economically disadvantaged students, or schools with higher needs. She also mentioned that at times the Finance Subcommittee had some overlap and interaction with the Buildings & Grounds Subcommittee; for example, when there was concern about replacing the flooring in the Salem High School Field House.

Dr. Zrike asked about whether the Finance Subcommittee gets a lot of questions or comments from staff about personnel issues, for example, whether there's a perception that the number of kids divided by the teacher ratio is not right, or when there's a perception that there is inequitable resource distribution.

He also asked whether the Finance Subcommittee receives letters from parents from one school asking "why do some kids at that other school have this, when the school that my kids attend is not getting or maintaining resources."

Ms. Manning noted that there have been drastic changes in the way that personnel is represented in the budget.

Ms. Nuncio observed that previously there had been complaints regarding the size of the Administrative staff relative to a city the size of Salem, that there had been comments about too many "Chiefs" of departments. She added that there had been non-equitable representation of Latino parents at School Committee meetings to advocate for their children's schools regarding the budget.

Ms. Manning asked Ms. DeLai to clarify what was meant by "budget". Ms. DeLai stated that in her view, the ideal role for the Finance Subcommittee was based on the Business Administrator providing a budget calendar or timeline to the Finance Subcommittee to inform the members of the budget process from December to June.

She added that the Finance Subcommittee needs to put forward what they think are the school improvement goals based on the district's Strategic Plan and high-level priorities, as well as the district improvement goals. (Ms. Manning noted an example being recent attempts from the finance committee and Ms. Carbone to reinstate school library staff. Another would be recent attempts to reorganize IT dept.)Ms. DeLai would then provide information to the subcommittee about the Governor's budget which was issued in January, as well as provide the Mayor's input on the money available to the district.

Ms. DeLai continued describing that she would share a preliminary budget that shows allowances for various kinds of increases related to COLA, Step increases, known contract-related increases, and the costs accrued when students are placed out-of-district. She stated that there would be a meeting in January with all the budget managers or principals. It was noted that sometimes the principals decided to roll forward information related to their budgets from the previous year. In any case, she explained that during these meetings principals get educated on the "nitty-gritty" details of the budget so that the entire School Committee doesn't need to get into this level of detail.

Ms. DeLai further noted that it doesn't make sense for principals/business managers to put forward an aspirational budget that clearly isn't going to be acceptable given existing financial constraints. She noted that the Foundation Budget requires weighted student adjustments. She stated that if we applied the Foundation Budget to the district's own budget for our own schools, we'd be using the equity lens used by the creators of the Foundation Budget. She noted that sometimes schools with more veteran teachers had higher budgets.

Ms. Manning added that the district had a long history of not putting a cap on the salary level of potential professional employees., i.e. principals were not instructed to only hire low. They were instructed to hire the best, and only in the case of two equally qualified candidates to consider salary.

Discussion followed about the various kinds of budget managers in the district besides school principals, such as the Facilities, IT/Technology Dept., Athletics, Marketing, Special Education, and EL Services.

Ms. Campbell explained further that the budget managers in departments that are under the supervision of Asst. Superintendent Kate Carbone was a realistic number of staff that were required to meet district needs.

Ms. Manning asked Ms. DeLai how she would be getting input from principals about the budget. She wants to make sure the overall approach is not intimidating.

Dr. Zrike noted that he sees the role of principals as being the “CEOs” of their buildings. He also noted that the longest-tenured principal has served for four years, and that most are receptive to input and guidance.

Ms. Campbell said she loved the point about coaching principals, encouraging them to make “strategic swaps” as they reviewed their budgets. She asked whether there are positions that are considered to be controlled by the district. She noted that the district has historically controlled coaching allocations, and that although we don’t know enough yet about the budget, she generally favors giving principals more choice. She said that principals don’t have a ton of leeway to make decisions.

Ms. DeLai replied that we need to “coach up” principals so that they have knowledge about what resources are brought to bear to run each of their buildings, and that they have the demographic information for their schools. She added that it’s also helpful for teachers to know which positions can’t be eliminated by principals.

Dr. Zrike observed that innovation schools are interesting to him. He said that in some cases, the decision to become an innovation school offers a way for some schools to be strategic about getting more resources.

He noted that Carlton and Saltonstall schools both get a lot more money per pupil than other schools. Ms. Campbell noted that initially the School Committee had been lukewarm to the school assignment policy.

Ms. Manning stated that Carlton was a true innovation school, and with regard to test scores, the most successful in the city. She observed that “the demographics changed on them,” and the best community school became the place parents wanted to get their kids into: “It did so well, that it changed itself.”

Dr. Zrike stated that he didn’t want to limit other schools to not have those things that successful schools have; he added that allowing them to limit themselves was like “bowling with bumpers”. He also said that he wanted to foster the philosophy of essential schools, and to provide the resources. He added that he believed we’d “lost our way as far as having school identities”.

Ms. DeLai said she would work with Ms. Manning in February to approve the budget process, and in March offer a preliminary budget and invite business managers to provide their input.

Discussion then turned to selecting a day for the Finance Subcommittee meetings. It was determined to schedule the 2nd and 4th Thursdays starting in February after 4:30 p.m. for these meetings.

Ms. DeLai then proposed presentations of the budget report in the January meetings, on January 4 and January 19, and said that she would present a one- or two-page report to the Finance Subcommittee.

Ms. Manning asked whether the district was up for a bus contract, and Ms. DeLai responded that it was.

Ms. DeLai then asked about budget transfers, whether every single transfer has to be reviewed by the School Committee. She noted that in other districts, there's a process in place so that most transfers can occur within departments (cost centers) without involving the School Committee.

Ms. Campbell replied that not having oversight for all transfers will make some people in the School Committee nervous.

Ms. Manning asked Ms. DeLai for an example of what she meant. Ms. DeLai replied with this example: a transfer of money for custodial supplies to maintenance equipment vs. a transfer of money from contract services to stipends.

Ms. Campbell noted that having too many small "buckets" or categories might be a drawback, while having too big of a bucket could be problematic, too.

Ms. Manning asked whether there was a way to decide about such transfers by setting a financial cap. Ms. DeLai replied that a **Budget Transfer Policy** was needed to establish a dollar amount cap on transfers.

Ms. Campbell noted that the right size bucket allows the School Committee to more easily approve transfers, and that we should all raise a question when a transfer doesn't seem appropriate.

Ms. Campbell made a motion to adjourn the meeting at 6:15 pm.. Ms. Nuncio seconded. A roll call vote was made.

Ms. Campbell	Yes
Ms. Nuncio	Yes
Ms. Manning	Yes
Motion carries 3-0	

Respectfully submitted by,

Nancy A. Weiss

Executive Assistant to the School Committee