

As of June 1, 2010 Mayor Scott Avedisian's recommendation to the Warwick City Council is to reduce the local appropriation to the school department 7.4% or \$8,591,436 below the prior fiscal year's appropriation.

The FY 2009 and FY 2010 local appropriation to the school department has remained at \$123,968,068 based on state statute that municipal governments cannot reduce the local appropriation (known as Maintenance of Effort or MOE) from one year to the next. The FY 2011 school committee budget proposal requested that the local appropriation be increased \$2,814,466 to \$126,782,534 in order to meet all contractual obligations and sufficiently fund the state required Basic Education Program. The Mayor's proposal would provide no increase in funding next year. This, coupled with the elimination of the School Committee's requested \$2,814,466 increase in the local appropriation, would require the School Committee to cut \$11,405,902 from the proposed FY 2011 budget.

There is proposed legislation before the Rhode Island General Assembly, as recommended by the House Finance Committee, which would allow the Warwick City Council to decrease the municipal Maintenance of Effort (MOE) up to 5%. If the City Council took action to reduce the MOE by 5%, it would result up to a \$6,198,403 loss in local aid to the school department. This, coupled with the elimination of the School Committee's requested \$2,814,466 increase in the local appropriation, would require the School Committee to cut the proposed FYE 2011 budget by \$9,012,869.

In review, the various scenarios facing the Warwick City Council for funding the FY 2011 School Department are as follows:

1. Fund the School Committee's \$126,782,534 local appropriation request (which is an increase of \$2,814,466 over the FY 2010 appropriation), thus assuring all contractual obligations and BEP requirements will be met.
2. Level fund the local appropriation \$123,968,068 (Zero increase over FY 2010 which is \$2,814,466 below the school committee request).
3. Reduce the local appropriation up to 5% as proposed in pending state legislation. (The maximum reduction which can be imposed is -\$6,198,403)
4. Do not act on the budget, there by allowing the Mayor's proposal to reduce the local appropriation to the school department by \$8,591,436. This would require the school department to eliminate \$11,405,902 in expenses, although its total FY 2011 proposed budget is \$3,923,902 less than the FY 2010 total budget based on reductions in state aid, consolidation of classes where feasible, and other opportunities to operate cost effectively.

There are only a limited number of discretionary budget expenditures left to consider for reduction. Unfortunately, almost all will have a direct effect on programs and services for students. The impact would be to offer only the Basic Education Program and to close down all school facilities at 4:00 pm on school days. It would also mean that school facilities will remain closed on weekends, holidays and during vacation periods.

Remaining Discretionary Expenditures to

Dollar Value of Expenditure

Consider for reduction

Athletic and co-curricular activities	\$1,214,833.00
2.5 Advanced Learning Activities Program (ALAP) Teachers	\$ 264,910.00
Student Mentor Program	\$ 76,000.00
Student Assistant Program	\$ 138,786.00
Marine Environmental Science Program	\$ 5,042.00
Student Field Trips (transportation & substitutes to cover classes)	\$ 20,000.00
Six (6) custodians	\$ 322,006.00
Six (6) library clerks	\$ 266,577.00
All Professional Development funding in the General Fund	\$ 161,475.00
Volunteers of Warwick (VOWS)	\$ 5,497.00

Total: \$2,475,126.00

As noted above, \$2,475,126 further reductions in expenses does not even cover the \$2,814,466 additional funding requested in the school committee proposed FY 2011 budget, let alone account for reductions below the Maintenance of Effort level.

Any further reductions will require negotiation of concessions from the two school department collective bargaining units.

Please direct all inquiries regarding this memorandum to the Office of the Superintendent.

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Superintendent