



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES

January 21, 2025

Meeting:	School Committee
Date:	January 21, 2025
Location:	MERMHS Learning Commons
Attendees:	Pamela Beaudoin, Superintendent Michelle Cresta, Director of Finance & Operations Chris Reed, Chairperson John Binieris Jake Foster Kate Koch-Sundquist, Vice-Chair Anna Mitchell Erica Spencer Theresa Whitman
Absent:	
Guests:	Heather Leonard, Director Curriculum & Technology Julie Sgroi, Principal, MERHS
Recorded by:	Maria Schmidt
Link to Reports and Presentations	https://www.mersd.org/domain/785

A. Call to Order of – Mr. Reed called the School Committee Business meeting to order at 6:04 p.m.

B. Business Meeting Open Session

1) Public Comment (Guidelines for public comment can be found in sections BEDH and BEDH-E of the School Committee policy manual) –

Lindsay Banks, 40 Forest Street, Manchester – Ms. Banks thanked School Committee members for listening to stakeholders by engaging in the state district review, an outside evaluation, particularly as the DESE review incurs no cost to the district. Ms. Banks said that an audit would have come at unnecessary tax-payer expense, especially during this

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period of budget crunching. Ms. Banks also thanked district teachers and administrators for their work on behalf of students. Ms. Banks expressed the wish that the district would one day be able to frame a budget in terms of what could be gained rather than lost; what could be possible with and not without; and what is in the best interests of kids and how they learn instead of what can be trimmed or shaved. Ms. Banks recognized that, given the current budget crisis, these goals will not be realized this year. Ms. Banks said that public schools are only as great as the amount of time, energy, and resources invested by individual stakeholders and their communities. Ms. Banks urged School Committee members to do everything possible to work directly with town partners to get the district on the right path now and into the future. Ms. Banks called on town partners and the communities to reach back to the school district and support the school district in the current year and in the future.

2) Chairperson's Report – None

3) Consent Agenda –

- Acceptance of Warrants: AP Vouchers 1042-1044 and payroll warrant for January 16, 2025
- Minutes for approval: January 7, 2025
- Out of State Travel – Robotics. The high school Robotics Club is requesting approval from the SC for overnight and out-of-state travel on Saturday, February 15, to Merrimack, New Hampshire and Saturday & Sunday, March 22 and 23, to Durham, New Hampshire. Principal Sgroi explained that these are typical trips for the Robotics team. Participation at the second trip, and any additional trips, is dependent on the team's performance at each competition. An additional request may result if the club qualifies for the world championship.

Ms. Spencer moved to approve the Consent Agenda; Ms. Whitman seconded the motion.

The motion passed 6-0. Ms. Mitchell was not present for the vote.

4) Sub-Committee Reports

- **Elementary Facilities/MSBC Sub-Committee** (John Binieris/Theresa Whitman) – Ms. Whitman said that the subcommittee has not met since the last SC meeting. The School Building Committee will meet on Tuesday, January 28, 2025. The district has entered into OPM selection process and will have an interview night on February 26.
- **Finance Committee** (Jake Foster/Anna Mitchell) – No Report
- **Negotiation Team Sub-Committee** (Kate Koch-Sundquist/Chris Reed) – No Report
- **Policy/Communication Sub-Committee** (Kate Koch-Sundquist/Erica Spencer/Theresa Whitman) – Reserve Policy second reading. Vote to Adopt.

Ms. Koch-Sundquist stated that the policy subcommittee updated the Reserve Policy draft with the input of the full SC obtained at the last SC meeting and made some non-substantive changes to the document for grammatical reasons.

Ms. Koch-Sundquist moved to accept the reserve policy as written, including non-substantive grammatical updates. Mr. Foster seconded the motion.

The motion passed 7-0.

Mr. Reed and Mr. Foster expressed gratitude for the work of the current and previous policy subcommittees to complete the reserve policy.

- 5) Student Report** – Ms. Straub shared two topics of interest from the student body. Students feel that the proposed adoption of an art requirement for graduation would decrease opportunities for students to take classes in which they are interested. Ms. Straub said that students hope that the entire pathways for other coursework are considered. Ms. Straub said that the district may need to reexamine prerequisites for other classes. Students have strong emotions about the budget during this time. Ms. Straub said that students will be able to be understanding and engaged if they better understand the budget situation and reasoning behind the district's decisions.

Ms. Spencer asked how the School Committee can help the student body to understand its rationale. Ms. Straub asked that the SC explain in terms that students can understand. This includes the concepts of reserves and override. Ms. Straub said that students wonder why cuts are made in one area and would like to know why alternatives were not chosen.

Ms. Koch-Sundquist asked for clarification regarding concern about prerequisite requirements. Ms. Straub said that this is mostly an issue for AP classes. AP classes have prerequisites so that students don't jump right into a subject without a foundation. For instance, AP Computer Science requires Python. Ms. Straub said that it is already difficult to get all of the courses a student wants. Student often do not get exactly the schedule that they planned and may need to delay a needed prerequisite.

6) Superintendent's Report – Superintendent Beaudoin

- a. **Leadership Team – Observing and Analyzing Teaching.** In collaboration with Research for Better Teaching, district administrators (including principals, directors, and deans) have worked together throughout the year to improve their skills around observing and analyzing teaching during instructional observations and evaluations. They are developing commonality in best practices in preparation to adopt the Department of Education's new rubric. The rubric provides guidance in analyzing what is seen in the classroom and setting expectations.

- b. MHS Scheduling Alignment Study – Narrowing Down Options. The team is looking at solutions that might have minimal contractual impact but will result in efficient utilization of staff between the middle and high school buildings.
- c. Library Task Force – Survey Development. The task force is preparing to release the survey to the community in the next week to gather input on what the community would like to see in the library program. At the end of the month, the group will convene to review the survey results and hold focus groups with teachers and students.
- d. DESE District Review – On Site Next Week. The district review is an evidence-based assessment carried out by DESE in collaboration with the American Institute for Research (AIR). Its primary purpose is to evaluate the systems, policies, and practices that guide the daily operations of MERSD. The review will focus on the District Standards and Indicators, which define the characteristics of effective school district systems. The district has provided extensive documentation to reviewers, including evaluation records, curriculum records, and org charts. Onsite visits will include class observations and focus groups. The district is seeking additional community participation.
- e. Essex Elementary Building Project – OPM Request for Services opens January 22, 2025. The district will have on-site visits through January 26 for OPM candidates. This position is the project manager and will work on behalf of the district to ensure that appropriate people are hired, MSBA guidelines are met, and the district receives the expected level of service from the building contractor. The goal is for the district building project to yield the most cost-effective, educationally appropriate solution possible. The Essex Building Project Committee will go through OPM candidate applications using a rubric put forward in the RFS (request for service) and create a short-list of firms that will come in on January 26 for public interviews. From there, candidates will be graded by the Essex SBC, using another rubric aligned with the RFS, to arrive at a preferred choice. Then the district will embark on negotiations. It is hoped that negotiations will commence in the beginning of March and come before the School Committee in early April. The final selection will need to go before the MSBA for approval.
- f. Middle School Principal Retirement – Principal Maino has announced her retirement at the end of this school year. Superintendent Beaudoin expressed appreciation for Ms. Maino's dedication to the middle school. The superintendent addressed the deduction of the middle school principal from the current proposed budget. The district will not look to fill the vacancy for the coming fiscal year. Superintendent Beaudoin emphasized that the district is pursuing this course because it must. However, the superintendent said that the district is in position to do it well. Oversight of both the middle and high schools will fall to one principal. No instructional change is planned for either school. During the coming school year, the district will review how other

districts have worked under this oversight model. The district will also explore the merits of keeping the schools separate or merging them into one instructional model. In addition, the district will look at maintaining the grade 6-12 model or switching to a grade 7-12 model (with grade 6 at the elementary level). Other models will be considered, as well. Next year, the deans will be retained at both levels with one principal providing oversight for both schools. In the future, the superintendent said that support could be restructured to facilitate the single principal approach. The district would need to determine if additional administrative support would be required from an assistant. Superintendent Beaudoin stated that the district has previously received feedback directing it to look into administrative costs. Taking advantage of the retirement of the middle school principal allows the district to seek efficiencies in administration.

Discussion: Ms. Spencer clarified that the district would not be pursuing this tact if not for budget concerns. Superintendent Beaudoin said that the budget is driving this decision, but she believes the district can find opportunities on this path. Ms. Spencer observed that the current structure of the middle school was intentional and based on meeting the needs of middle school students, as understood by educators. Ms. Spencer questioned how the district has shifted philosophically from that perspective. Superintendent Beaudoin recounted how the middle school was placed at the new building when it opened and went through two cycles of principals before Ms. Maino was hired to the position. Ms. Maino has been very successful in the role. The superintendent said that she believes the district can maintain and support the two school models under one principal by restructuring the role of the deans and putting other supports in place. Superintendent Beaudoin said that the district is fortunate to have the support of three administrators with middle school and high school experience. The superintendent reiterated that this change is budget-driven but said that the current talent can yield a successful outcome.

Ms. Koch-Sundquist noted that one of the roles of the building principal is to guide and supervise teachers. Superintendent Beaudoin estimated that there are approximately 30 middle school teachers and 40 high school teachers. The superintendent stated that the district looked to the example of model districts, including Pentucket High School which has one principal and three assistant principals for 900 students. MERSD is within the 1:250 ratios of other comparable districts for administrators to students. Ms. Koch-Sundquist noted that evaluation would be spread much thinner. Superintendent Beaudoin elaborated that the district will have to develop a carefully constructed observation and evaluation list, distributing high-need cases to the principal and lower-need cases to the deans. Some observation support will come from the department chairs. The superintendent emphasized that to make the new model work, the middle/high school will have to reconstruct aspects of how things are done in order to support the administrators. Superintendent Beaudoin said that the schools can get through anything for one year. To

sustain this model long-term will require other changes that may necessitate negotiations at the bargaining table.

Mr. Foster asked how the SC could assist with moving the exploration forward. Superintendent Beaudoin asked that the SC remain open to potential outcomes. The superintendent said that if this approach is not adopted, something else will have to take its place in the budget conversation. The superintendent shared that the Triton district is also looking to move to this model. Superintendent Beaudoin cautioned that the first year may seem doable, but there could be an impact down the line.

Ms. Koch-Sundquist drew attention to the bubble of students who experienced COVID while learning to read and write. For those at Essex Elementary, they have had three principals. This group will be incoming grade six students next year and part of the one-principal model.

Ms. Spencer said that the impact of this change may be at the bargaining table as responsibilities are re-evaluated. If that is the case, Ms. Spencer asked how large the savings would likely be in the end. Superintendent Beaudoin said that the proposal would be a re-distribution, but that it is possible that META would not agree. The current proposal set aside some of the savings from this position to meet additional obligations. Superintendent Beaudoin said that there is both a positive and negative case to be made for this model. The situation is presenting as a timely opportunity given community interest in reducing administration costs. The superintendent commented that it would be difficult to bring someone new into the middle school principal roll given the tight labor market.

Ms. Mitchell wondered if this change could mitigate the tough transition between schools. Ms. Mitchell noted that next year this would add an additional \$200K to the gap.

7) Continued Business –

- a. SEPAC Update – No Report.
- b. Curriculum Update – Heather Leonard, Director Curriculum & Instructional Technology.
 - i. Professional Development – Ms. Leonard shared that teachers took a pause in their PD pathway during this month's extended day to focus on curriculum mapping at the elementary level and vertical alignment at the secondary level. Next month, teachers will complete the third step of their PD pathways. Ms. Leonard was excited to note that most of these have been led by teachers. The district has two book studies currently running. Two more book studies are coming on the topics of AI and personalized authentic learning. Last week, the elementary principals and Ms. Leonard joined the North Shore Curriculum Leader

Network in the Essex County Learning Cooperative. They were able to listen to speaker Julie Wilson on the topic of the human side of changing education. This also provided an opportunity for the group to connect with regional peers.

- ii. Curriculum Reviews – The science/technology/engineering review has had three meetings. The group is utilizing the text “Ambitious Science Teaching” as an anchor text and reviewing curriculum routines and instructional practices to determine what to preserve and what to update. The world language review is in its second year. This year the team is working collaboratively to identify vertical proficiency, reviewing downward from the AP level to the grade 7 level. This will ensure that the program is built out with intentionality based on the progression of skill development. The history/social science review is in year two. The K-2 team is analyzing the curriculum landscape and selecting from tools to do a deeper dive. Field testing of these tools will be in the spring. Implementation of “investigating history” continues. The high school team is working on mapping revisions, unit analysis, timing, and integrating work around the impending genocide education law. The arts council is in its second year and progressing to the action planning stage. This spring is the health and PE review.
- c. High School Program of Studies and Graduation Requirements – Julie Sgroi, Principal MERHS. Vote to Approve. Principal Sgroi came before the School Committee to request approval for the updated program of studies and graduation requirements.
 - i. Graduation Requirements –
 - 1. Arts and Technology – High school administration is proposing a 2.5-credit (one-semester) graduation requirement for visual and performing arts. Additionally, they propose rewording the requirement for civic action/digital literacy to combine digital/media literacy and technology. This will remain a 2.5-credit (one semester) requirement. Ms. Sgroi said this would make the course more encompassing of technology.
 - 2. MCAS Competency. Following recent legislature, the high school administration is proposing retaining the introductory language: “Successful completion of all areas of competency examinations required by the Commonwealth of Massachusetts.” However, the high school will remove the explicit listing of the MCAS as a graduation requirement: “State Competency Exams (successful completion of the ELA, Math, and Science exams).”
 - ii. Program of Studies - Several updates were included in the program of studies to better reflect current procedure or coursework. Course descriptions were updated to align with the current curriculum, course

descriptions were removed for courses no longer offered, new courses were added. At the grade nine and ten levels, honors music was added. For computer science, the pathway chart was removed and course offerings were updated.

Questions: Ms. Koch-Sundquist asked if any students had been unable to complete the authentic science research multiclass path because it was discontinued. Ms. Sgroi said that she does not believe that is the case.

Ms. Spencer asked for the rationale behind the addition of an arts requirement. Ms. Sgroi said that the district looked at what local high schools are doing, and about 90% of them have an arts requirement. The requirement is a way to broaden student horizons rather than facilitating pushing them into a single track when they enter high school at age fourteen. Ms. Sgroi said that many colleges have an arts requirement and are increasingly using this as a way to distinguish students now that standardized tests are used less. Ms. Spencer noted that the program of studies highlights college requirements of which students should be aware. Ms. Spencer also said that she believes students are naturally encouraged to take classes in the arts because the offerings are very attractive. Ms. Spencer stated that high school presents students with their first opportunity for choice. The addition of an arts requirement reduces the opportunity for them to choose and raises concerns about students being able to fit other classes into their schedule. Principal Sgroi replied that there would have to be further discussion on the topic. However, Ms. Sgroi does not think that there is a course path that would be prohibited by the proposed arts requirement. Ms. Sgroi said that the requirement would affirm to students and the community that an exploration of the arts is an important part of their high school experience. In this area, only Ipswich High does not have an arts requirement. Ms. Sgroi said that they have a very strong arts program. Of the top ten rated schools in Massachusetts, only Wellesley lacks an arts requirement, and they also have a strong performing arts program.

Ms. Whitman confirmed that this requirement would be implemented for incoming ninth grade students, and they will have four years to fulfill it. Ms. Whitman noted that ninth graders have to take the digital literacy class and asked about the MCAS requirement after the last vote. Superintendent Beaudoin said that the requirement is gone. The program of studies requires students to meet state guidelines, but there is no longer a state MCAS requirement order to graduate. Principal Sgroi noted that there are still scholarship opportunities available for MCAS performance. The superintendent said that the state of Massachusetts still requires that schools administer the MCAS. It

counts toward the district's accountability ratings. However, a student cannot be prevented from graduating for failure to pass the MCAS.

Mr. Foster questioned retention of the MCAS in the language of the program of studies introduction. Mr. Foster noted that the MCAS was the only performance-based requirement for graduation. Without it, Mr. Foster asked if the district would employ a different performance-based option, stating that other requirements reflect time in the high school program only. Superintendent Beaudoin confirmed that Mr. Foster was asking whether the district would implement a student portfolio or alternative assessment. The superintendent said that the purpose of removing the MCAS requirement was to eliminate the high pressure test. What remains is about time and effort. Superintendent Beaudoin said the district is waiting for additional guidance from the state about potential culminating activities. Mr. Foster noted that 110 credits are required to graduate, and the arts requirement would increase mandated coursework to 105 credits. Principal Sgroi said that, with seven classes taken per semester, students regularly complete 140 credits by graduation, well beyond the 110 minimum.

Mr. Foster commented on the civic action requirement, stating that what he has personally seen in the class does not meet what he understood the intent of the requirement to be. Mr. Foster said that he worries that removing the term "civic" from the course title would further weaken the work done. Mr. Foster wants to make sure that the requirement is being met. Principal Sgroi clarified that the requirement is that a project must be completed during the four years of high school. Ms. Sgroi noted that there is currently some redundancy following the work done in grade eight. The intent of changing the requirement is to provide better options for this work. The high school will explore whether this requirement could live in an interdisciplinary class. Ms. Sgroi said that she would like to see it leave the walls of the building and could see it becoming part of the SCORE project. The digital learning change is to address a perceived lack in the area of digital literacy. Ms. Sgroi said that she wants time to work with the departmental chairs to determine how best to tackle these issues. The principal noted that there is not another single course required in the program of studies. This limits opportunities. The principal said that the state requirement for a civic action project can be offered elsewhere. Ms. Spencer expressed her support for utilizing the SCORE project for this. Ms. Spencer, said that the requirement language would have to be updated for grade nine students and asked if completion of the project would be tracked for students through the four years. Principal Sgroi said that the district requirement would be updated and noted that the language of the requirement from the state is that the civic action project must be offered. Mr. Foster stated that the School Committee voted in the course with the project. Ms. Sgroi

said that she would like to see all grade nine students enroll in the course. Last year, fourteen students did not enroll in the course due to scheduling conflicts.

Mr. Foster stated that changes to graduation requirements are the purview of the School Committee. Mr. Foster said that the SC agreed to consider any proposed changes to graduation requirements as a first read, then put them out for public feedback before having a second read and vote by the SC. He said this is crucial because graduation requirements impact all students and families.

Superintendent Beaudoin provided the School Committee with a summary of Policy Adoption as outlined in section BGB of the District Policy Manual, available on the district website:

Adoption of new policies or changing existing policies is solely the responsibility of the School Committee. Policies will be adopted and/or amended only by the affirmative vote of a majority of the members of the School Committee when such action has been scheduled on the agenda of a regular or special meeting.

To permit time for study of all policies or amendments to policies and to provide an opportunity for interested parties to react, proposed policies or amendments will be presented as an agenda item to the Committee in the following sequence:

1. Information item - distribution with agenda
2. Discussion item - reading of the proposed policy or policies; response from Superintendent; report from any advisory Committee assigned responsibility in the area; Committee discussion and directions for any redrafting
3. Action item - discussion, adoption or rejection.

Amendments to the policy at the action stage will not require repetition of the sequence, unless the Committee so directs.

The School Committee may dispense with the above sequence to meet emergency conditions.

Policies will be effective upon the date set by the School Committee. This date will ensure that affected persons have an opportunity to become familiar with the requirements of the new policy prior to its implementation.

SOURCE: MASC

Superintendent Beaudoin stated that the high school needs to have the updated program of studies by February 3 for scheduling purposes. The superintendent recommended that the SC vote on the program of studies at the current meeting and pursue public input about graduation requirement changes.

Mr. Reed moved to approve the program of studies. Ms. Koch-Sundquist seconded the motion.

The motion passed 6-0. Mr. Binieris was not present for the vote.

Principal Sgroi stated that she will amend the language under the civic action requirement before the final read and vote by the School Committee. Ms. Sgroi read the state requirement that the district “shall provide” one student-led, non-partisan civics project for each student. Superintendent Beaudoin said that, if the district shifts to a middle/high school model, the requirement may be met by the current grade eight course. Ms. Koch-Sundquist confirmed that students are not required by the state to complete the project; it is only the district that must provide the opportunity. Mr. Foster stated that the SC voted

to make the grade nine class a requirement. Ms. Spencer said that, at the time of the vote, she thought that the state required student completion of a project. Superintendent Beaudoin clarified that the district is required to offer the project but not to make every student take it each year. Other courses, like physical education, have the same stipulations.

Ms. Whitman moved to adopt the graduation requirement changes as presented in the program of studies as a first read. Mr. Foster seconded the motion.

The motion passed 6-0. Mr. Binieris was not present for the vote.

Mr. Foster asked for clarification about the requirement that a student pass a class that has been designated as required. Principal Sgroi noted that the original memo for the Civic Action requirement was proposing the course, not the project, as required. Superintendent Beaudoin confirmed that currently there is a civic action progress requirement that students must either pass or have waived by the principal. The superintendent said that, over time, the course has become synonymous with the project, and the two names have been used interchangeably leading to some of the current confusion.

The SC will vote to update the wording in the requirement. The superintendent asked how the SC would like to structure solicitation of public input, in addition to placement in minutes for the current meeting. Ms. Whitman proposed sending to district families via email, with a link to the proposal. Superintendent Beaudoin cautioned against setting a precedent that may require the SC to send direct communication for input on all policy updates. This has not previously been done. Mr. Foster approved of reaching out to all families because it affects all families. Superintendent Beaudoin said that there is a difference between public input and a public hearing. Mr. Foster said that the input level fulfills the perceived need. Ms. Whitman asked that additional information about the 2.5 credit digital/media literacy and technology course be available for the second read at the February 4 School Committee meeting. Superintendent Beaudoin said that putting out the proposed policy update puts it into the realm of a public hearing but committed to posting it.

- d. FY26 Budget – Superintendent Beaudoin distributed the FY26 Proposed Budget
 - i. Proposed Budget – Superintendent Beaudoin stated that due to the combined multi-year impact of reserve use to offset the growth rate, inflation, and contractual obligations, the district is unable to propose a carry forward/level service budget for FY26. The superintendent said that the current budget is termed “proposed” rather than “recommended,” and it strives to make the best of a bad situation. The superintendent stated that the district is out of common-sense solutions to the budget crisis. Recent healthcare estimates are an accelerant on the structural problem that has led the district to this point.

FY26 Proposed Budget

FY26 Proposed Budget = \$32,397,588 million

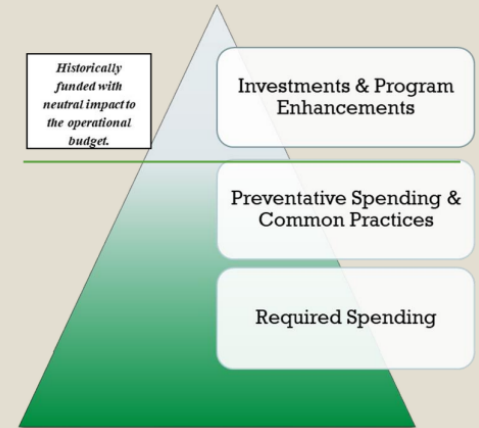
- 5.42% increase from FY25 budget

FY26 Operating Assessment = 4.93 %

- Manchester: 4.48% / \$731,623 apportioned growth
- Essex: 5.68% / \$561,395 apportioned growth

FY26 Draft Capital Budget = \$3,955,014 million

- Debt service for MSHS and MMES approved by voters when projects began
- \$107,749 decrease (2.7%) vs. prior year
- BAN Renewal in February will impact final capital budget number



Superintendent Beaudoin said that the budget strives to minimize program implications. Tentative budget assumptions have been refined based on information available as of January 15, 2025. The projected 24% increase in healthcare costs has been partially addressed by budgeting for a 10% increase, representing a high typical year of growth. The remaining 14% increase is isolated for separate consideration, in response to discussion at the School Committee meeting on January 7, 2025. A best-case renewal rate of 15% would still require an additional funding allocation of \$205,585. The SC packet contains a chart which outlines funding needs at various renewal rates. Any amount over the included 10% increase would need to come from program cuts or a pass-through to the towns.

The proposed budget includes: \$150,000 additional E&D reserves over FY25 (Total: \$500K); \$100,000 additional choice revenue over FY25; and \$150,000 carryforward implementation of OPEB offsets to reduce the cost of retiree health care. There is a total of \$750K in un-recurring, one-time contributions that equates to \$600K in unresolved liability.

Superintendent Beaudoin stated that the Proposed Budget includes two administrative reductions. In addition to the elimination of the middle school principal position, the district is reorganizing facilities

administration to eliminate the position of facilities manager. Ms. Cresta will assume responsibilities of this role.

Staffing Allocations: The reduction of two administrative positions will allow the preservation of two full-time teaching positions which will be reallocated from the high school to high-need areas. The superintendent proposed that these two positions address Memorial School class sizes and the Middle school world language programs. These positions at the high school will come from one retiring high school teacher and the reallocation of one additional position. Staffing reallocations assumed will result in a reduction of 9-12 sections at the high school which will impact scheduling and high school class size. Achieving an aligned Middle/High School schedule will mitigate this slightly, allowing the principal to share world language staff between levels. Superintendent Beaudoin cautioned that these proposed positions may be cut altogether before conclusion of the budget process.

Superintendent Beaudoin stated that it is hard to project what to contribute from reserves each year without knowing the end point for these contributions.

It is possible that the Essex building project could be a future source of income from interest, but this will depend on how the debt is structured.

Problem That the District is Trying to Solve: Superintendent Beaudoin broke down the challenges facing the district:

- The cost of level services grows at an average 3.5-4% which is faster than 2.5%.
- Perpetual and Structural Challenge – not a function of any single budget year
- Level Service growth rate is suppressed annually in recognition of fiscal constraints
- Creates a cycle of cutting to meet a specified budget number
- Cumulative level services deficit grows over time
- Every 7-10 years MERSD faces a financial crossroads of significant program reduction or need for an override
- Structural Problem Continues
- Expanded Obligations in Health Insurance & Out of District Placements
- Enrollment Shift Causing Apportionment Imbalance
- Inflation & Contractual Obligations

Superintendent Beaudoin said that the district must determine the direction it will take to balance the budget – reserve use versus reserves plus program cuts versus all program cuts. Any decision must consider the impact of the final healthcare renewal amount. (The final health care renewal is expected in early March). Use of reserves creates a funding cliff and increases the amount needed for a correction. The 2024 EQV (Equalized Valuation) values are not yet available, which may impact apportionment. Finally, the district must consider the impact and timing of the Essex Elementary building project on financial planning. Continued staffing cuts will degrade the program and reduce student offerings and opportunities.

Ms. Cresta, Director of Finance and Operations, completed a walk through of the proposed FY26 budget, highlighting items of note. Ms. Cresta said that there has been some re-categorization of line items following the shift in business manager staffing. Other changes are because of increases to expense. Ms. Cresta said that the current budget is reflective of actual costs. Ms. Cresta expressed dismay at the amount of reserves utilized in the budget and said that the proposed budget does not deliver a program at the level the community is currently receiving. Ms. Cresta also said that the proposed FY26 budget does not address problem issues.

The proposed FY26 budget has a 5.42% increase in spending over last year. It includes reduction of two administrative positions. There is also a shift of four prekindergarten teacher aides from the PK revolving fund to the operating budget because that fund has been exhausted. The total cost is \$145K. The increased student need for teacher aides is due to special education enrollees in the program and is not because of peer pals. Ms. Cresta cautioned that the district does not believe its final healthcare increase will be 10%. If they are able to get a quote at 15%, the district will need an additional \$205K to meet that gap. The district has recently joined a collaboration group for out of district transportation. This is projected to save the district \$34K. Technology software costs have increased markedly. Many services are now cloud-based rather than server-based. In addition, costs for student assessments have now moved to the operational budget because there are no longer COVID grant funds to cover them.

Ms. Cresta reviewed the healthcare issue. In addition to issues already covered, Ms. Cresta said that there is a small buffer in the estimate to accommodate three additional family plans and three additional individual plans. Open enrollment is not until later in the year, and the district does not want to fail to account for potential additions.

Capital Budget – The capital budget includes voter approved debt service for middle/high school and Memorial building projects. The

debt has decreased \$107K since last year. Ms. Cresta noted that there is a BAN renewal in February that will impact the final capital budget number. This is a temporary one-year note to carry the district until it receives the final MSBA vote and reimbursement of \$1.1M.

Superintendent Beaudoin asked the School Committee for direction as the district looks at its next budget steps and attempts to solve its budget problems.

ii. Discussion –

Ms. Koch-Sundquist said that she went through the budget line by line and is convinced that it represents a minimum budget. Ms. Koch-Sundquist stated that the MASC says that the School Committee must be responsive to its constituency while also serving as a vigorous ambassador of education. Ms. Koch-Sundquist pointed to constituent input and said that residents have been largely silent. Essex voted down the previous override, and Essex town leaders have been clear that the district should limit growth to 2.5%. Ms. Koch-Sundquist said that the message is to cut and that she feels obligated to send a slash budget to a vote as requested.

Ms. Whitman stated that she is struggling with the same disconnect in input from community members. Ms. Whitman said that by choosing to cut the budget to meet financial constraints the SC would be making a choice to deviate from areas in which it intentionally chose to invest, for example the middle school model. Ms. Whitman pointed out that the facilities manager position was created to monitor safety issues and stay on top of maintenance. She said that investing in this way saves money in the long-term. Eliminating the position is intentionally choosing short-term savings over long-term investment. Ms. Whitman stated that the district's Strategic Plan has four components, and this budget is prioritizing the fourth over all the others. Ms. Whitman said that she needs to hear from the community. Ms. Whitman expressed her appreciation for removing the bulk of the healthcare increase out of the budget proposal and said that the additional cost may need to be passed on to the towns. Superintendent Beaudoin replied that the healthcare increase is a permanent increase that will come back to the operational budget in future years, regardless of how it is handled this year.

Mr. Foster said that he does not see any way around triggering an override in Essex and that it is imperative that the School Committee start the conversation with the town partners. To be successful, Mr. Foster said the district must demonstrate that it has done all that it can. Mr. Foster expressed appreciation for the work of district administrators to rethink administration. Mr. Foster stated that he is not sure that this is the right year to return the foreign language program to grade six. He

noted that we are not in a position to cut enough staff positions to bring the budget to the town's requested percentage. Mr. Foster said that he does not like the artificially low number that is included in the budget for healthcare and that the money is coming from the same place. Ms. Foster stated that, in looking at the multi-year projections, the district's reserves cannot last past the Essex building project. Therefore, Mr. Foster believes the correction ask of the towns should happen sooner. Mr. Foster stressed the need for a multi-year plan.

Ms. Mitchell suggested that any possible capital expenditures be minimized. Ms. Cresta confirmed that all possible measures have been taken and said that things are starting to break. However, any future expenses out of the stabilization fund would come before the SC separately for a vote. Superintendent Beaudoin said that only the expenses for the feasibility study have not been deferred. Ms. Mitchell pointed to the potential return to E&D of \$200K at the end of the year and suggested that future healthcare increases could be offset by potential E&D gains. Ms. Cresta said that the historical trend has been about \$110K for E&D yearly but did not think those numbers would hold with the tightening budget. Ms. Mitchell said that the proposed budget shows that the district has done all it can and echoed the need for long term planning. Superintendent Beaudoin stated that she does not believe the answer rests with the district or its ability to plan out multi-year. With a few unknowns, like extreme increases in healthcare, the district can provide budget numbers for years to come. Without a revenue correction, the district's multi-year plan is to meet the growth using reserves for as long as possible and off-set with low impact cuts. This is what the district has been doing. Ms. Mitchell stated that the plan needs to be with the towns, since the district is currently barely getting by, and it is not sustainable.

Ms. Spencer pointed to the need to balance responsibility to students with responsibility to constituents requesting efficiencies. Ms. Spencer said that the proposed budget is less than students deserve and that asking one person to do the job of two will impact students and other educators. Ms. Spencer characterized the elimination of the middle school principal as a deviation from intentionally created structure meant to address pedagogical differences in the way students learn. It may necessitate aligning the middle and high school schedules to facilitate one principal overseeing both schools. Ms. Spencer said that the low healthcare increase estimate used in the proposed budget makes no sense because it will lead to confusion, particularly next year when healthcare will include this year's increase. Superintendent Beaudoin said that the healthcare renewal final number will be available at the end of January for the current provider. This number could be used to update the budget figures. Ms. Spencer said that the proposed loss of 9-10 class sections at the high school is meaningful. There are already frequent scheduling

conflicts because it is a small school. The loss of these class sections will further reduce choice. Ms. Spencer said that the current struggles should not be allowed to continue while waiting for the building project. Ms. Spencer said that the time for a correction is now.

Mr. Reed stated that he cannot support the proposed FY26 budget. Mr. Reed said that town partners have not shown interest in having a larger board meeting but have made their position clear. Mr. Reed said that the district approach is no longer tenable and the situation is now in override territory for at least one town. Mr. Reed said that the artificial limits of Prop 2 ½ are hard for a district like MERSD which receives little state aid. The challenge facing the district is not one year. The current budget requires an override and so will successive budgets going forward. Mr. Reed said that it would be possible to plan for small corrections each year, but that has not been the district strategy for the last five years. Mr. Reed said that the district has reached the limit of finagling the budget and warned that at some point there will not be a school district. Superintendent Beaudoin said that the district could probably only continue for two to three years with the kind of cuts required to bring the budget to the levy limit. The proposed FY26 budget has a projected shortfall of up to \$1M. This would require the elimination of 10-15 educators.

Ms. Mitchell stated that it is impossible to get to 3.5% growth but urged SC members to communicate with town partners before pushing for an override. Ms. Mitchell said that a multi-year plan needs to be crafted.

Ms. Spencer said that the district is sending on a budget that the towns cannot meet. If an override does not pass, everyone loses. Ms. Spencer emphasized the importance of approaching the correction better than in the past. Superintendent Beaudoin suggested creating a task force to explore an override with representatives from all parties. Ms. Foster commented that the Manchester Finance Committee is not currently planning for the district to have a large budget increase. Ms. Koch-Sundquist highlighted the difference between advocating for an override versus providing the towns with the budget they have requested and letting them vote. Ms. Spencer said that a 3.5% budget would create chaos. Ms. Koch-Sundquist said that she wants more information. Superintendent Beaudoin reminded the SC that Essex representatives shared at the last SC meeting that they have contracts that exceed their income. Ms. Koch-Sundquist said that community members concerned with the schools listen to the SC meetings, but they may not be monitoring the meetings of other town boards. Ms. Koch-Sundquist asked if pertinent town board information could be shared at SC meetings. Superintendent Beaudoin stated that the mechanism for sharing that information should be the budget public hearings. If the SC can get behind an approach to the budget, the superintendent said that

they could use the time period between February and April to publicize member viewpoints. The superintendent suggested forming a task force to crunch the numbers and begin work on a multi-year plan. Ms. Koch-Sundquist raised the question of public group meetings and said she has reached out to town leaders. Superintendent Beaudoin confirmed that the district can provide budget projections for a multi-year examination of a correction using established rates of increase for primary budget drivers. Models could be constructed for a full restorative override or a short term one. Then the models would go back to the individual groups for discussion. Superintendent Beaudoin recommended sending SC envoys to town partners to move the conversation forward.

Next Steps:

- February 4, 2025: Budget Hearing at Essex Elementary for public input
- March 4, 2025: February FY26 Budget Adoption at School Committee Meeting
- Annual Town Meetings:
 - April 28, 2025: Manchester
 - May 5, 2025: Essex

Ms. Koch-Sundquist worried about voter approval, stating that people feel detached. The superintendent suggested community engagement opportunities. Usually, once the SC has completed workshopping of the budget, the SC is able to use the February to April time period to get out its narrative. Ms. Koch-Sundquist questioned how to frame the discussion to enable the community to conceptualize what is at stake. Superintendent Beaudoin stated that it will be necessary to show what the next level of cuts will look like. Mr. Reed emphasized the importance of reaching a consensus as a committee. While Ms. Spencer noted that most SC members are not in favor of further reducing the budget, Ms. Koch-Sundquist clarified that she would go lower to meet the requested percentage and let the towns vote.

Superintendent Beaudoin stated that a task force could explore whether it is possible to pass a budget without a vote in the towns. Mr. Foster stated that the finance subcommittee members could be the SC representatives to a budget task force. Both Mr. Foster and Ms. Mitchell agreed to serve on the proposed budget task force. Superintendent Beaudoin will send an email to town partners to solicit participation.

8) School Committee Comment - None

C. Adjourn

Ms. Spencer moved to adjourn the School Committee business meeting; Mr. Foster seconded the motion.

The motion passed 5-0. Mr. Binieris and Ms. Whitman were not present for the vote.

Meeting Adjourned at 9:25 pm

School Committee Future Meetings

- February 4, 2025 Essex Elementary School
- March 4, 2025
- March 18, 2025