

These comments have been compiled in response to the May 5, 2023 memo from SPSs to my questions compiled for the BFRB meeting dated April 19, 2023. Subsequently, I provided SPSs with a document using a Word template to respond to questions in the context of an outline. The responses were provided without question numbers to reference the original document. This document will attempt to reference the change in the organization of the questions versus responses. The SPS response and this document will be placed in the record for the BFRB's May 8 meeting.

Initial Questions

Question #1 – Details of Fund Balance

- 1) Responses to Questions – Full Response
 - a) The \$2.049M amended budget as outlined in the SPSs worksheet analysis.
 - State aid, etc. Thank you!
- 2) Responses Which Were Incomplete or Not Provided
 - a) Please explain the details of the increase in the process of adjustments.
 - SPSs appeared to use the amended budget as the denominator to determine the increase in funds and not the approved FY2023 budget.
 - b) Where were these funds expended?
 - No mention whether the \$2,000,000 was expended. Moving money to the general fund that is unexpended will effectively be moved back to the fund balance. The SPSs fund balance (cash) is maintained and held by the Town, not SPS. So this point is still unclear.
 - Were these funds requested by SPS to be transferred, in cash, to SPS for expenditure? For FY2023?

Question #2b/c – Request vs. Adjusted (J and K Columns)

- 1) Responses to Questions – Full Response
 - a) I believe the response is that there was a reduction in some FTEs which then corresponded to a reduction in benefits (premiums, claims, etc.) paid. Thank you!
- 2) Responses Which Were Incomplete or Not Provided
 - a) The interpretation of the response is that these positions will return and then be re-instituted into the budget. However, that is unclear.

Question #2d – Special Education

- 1) Responses to Questions – Full Response
 - a) Excellent explanation and details. Thank you!
- 2) Responses Which Were Incomplete or Not Provided
 - a) No details were provided on enrollment and/or assignment of students to this category. The drivers (enrollment, etc.) are crucial to a budget process. Otherwise, it is just an exercise in “summary” values. In addition, summary values that, under State law, can be transferred within the SPS budget (upon approval from the School Committee) without any oversight (drivers, factors, etc.) for the Town and budgetary processes.

Question #3a – ESSER Grant

- 1) Responses to Questions – Full Response
 - a) Responded to the air conditioning/ventilation. Thank you!
- 2) Responses Which Were Incomplete or Not Provided
 - a) The response included \$1.4M for infrastructure outlined above.
 - b) The response did not provide a response to the following questions:
 - The amount of money approved and granted to SPSs.

Question #3b – ESSER

- 1) Responses to Questions – Full Response
 - a) Appreciate the response – “This funding source has been concluded”. Thank you!
 - b) It should be noted that I applaud the SPS (and all educational institutions) to directly, appropriately, and completely address this issue which is plaguing the education system at all levels from K-18, including terminal degree programs (law, medical, etc.).
- 2) Responses Which Were Incomplete or Not Provided
 - a) The second response (noted as another question from SPS) discussed specific tactics and operational initiatives. However, after reading the response several times, there are no details to how much a) was received and b) how much (above \$1.4M) was received the other two objectives of the grant (addressing learning loss, assuring COVID safety) as outlined in the Federal legislation¹.
 - b) No response to the following questions:
 - Any of these funds received this year? Realize that grants can either receive the funds in full upon approval – or – upon documentation of expenditure. Not sure how ESSER is structured.
 - For FY2025?
 - When do these funds need to be used? Relates to previous questions.
 - The “catch up” question did not provide quantitative responses (relating to 2a above).

Specific Questions on Account Line-Items

Question #1 – Enrollment Numbers

- 1) Responses to Questions – Full Response
 - a) SPS provided excellent responses to various drivers associated with enrollment (homeless, home school, CTE Pathway (and outside district). Thanks!
- 2) Responses Which Were Incomplete or Not Provided
 - a) It is not clear that enrollment statistics have been provided to the following areas:
 - In-district residents; in-district, non-residents (this may be the outside district from above); paid, out-of-district (again may be counted above).
 - Maybe a table for the first two bullets of 1b would have helped clarify this.
 - b) No response to the enrollment drivers for FY2024. This question has been asked each year. Budget, through zero-based budgeting and careful planning, is driven by estimates of drivers. Enrollment being one of many drivers an entity such as SPSs has.
- 3) Objective Drivers (per DoE census)

- a) Enrollment has not “increased steadily” in SPSs (per DoE census numbers). It has increased and declined over the past 18 years.
- b) Since FY2005 ...
 - Lowest percent change (YoY): -2.4%
 - Highest percent change (YoY): 1.2%
 - Enrollment change (FY2005 – FY2023): -277 students
 - Enrollment percent change (FY2005 – FY2022): -10.4%

Question #2a – Contractual Increases (Instructional)

Since the template was not utilized to provide responses directly to the questions asked, some of the responses (and my thoughts) may be juxtaposed below in 2a/b.

- 1) Responses to Questions – Full Response
 - a) Appreciate the additional information associated with the contractual increases and in the future. Thanks!
 - b) Appreciate the narrative on replacement in the budget. Appreciate the details on the educational initiatives, which is important because it provides a) a connection of resources to expenses and b) details on the educational delivery for the funds provided. I never heard about Food Science ... maybe because of my age, it may have been named something else when I was in high school (Home Economics?).
- 2) Responses Which Were Incomplete or Not Provided
 - a) No details provided on the categories of educational instruction.
 - b) In relation to 1a above, the details (drivers by category, etc.) help provide a narrative to the budgeting and oversight process. As we did with the Public Works last year, there was a direct and detailed analysis that provided us with the knowledge to analyze and recommend the additional expenditures. Objective quantitative details are the best method for transparency and analysis to gain an objective recommendation.

Question #2b – Other Contractual (Union) Labor Categories

- 1) Responses to Questions – Full Response
- 2) Responses Which Were Incomplete or Not Provided
 - a) No responses were provided to other union contracts. They may have been integrated in a previous response.

Question #3 – Transportation

- 1) Responses to Questions – Full Response
 - a) Appreciate the details and timeframe regarding this question. Thanks!
 - b) The statewide transportation vendor topic is interesting and look forward to hearing any new details on the status of this as it relates to SPS. Thank you!
- 2) Responses Which Were Incomplete or Not Provided
 - a) In reading the response, savings may not be realized if the final cost is lower than the budgeted amount. Since this is a significant budget item with potentially significant variation (low or high), I would recommend that SPS inform the BFRB and Town Council with the outcome of the approved and accepted bid.

- b) Upon further reading of the response, SPS discussed the impact associated with the completion of the BAC. If events are required to be moved from Smithfield, then additional costs could be incurred. Did this occur in FY2023? If so, how much was the increase? If there is a delay in the completion of BAC, then the additional cost would be incurred in FY2024. Without knowing the design, RFP, bid opening and negotiation timeframe, it seems likely (at minimum that the complex may not be completed by September 2023. If this assumption is incorrect, would appreciate knowledge of the savings to transportation. In addition, this FY2024 data should be available as it relates to the FY2025 budget process.

Question #4a – Program Management

- 1) Responses to Questions – Full Response
a) Thank you for that definition.

Question #4a –

- 1) Responses to Questions – Full Response
a) Thanks for the response.
2) Responses Which Were Incomplete or Not Provided
a) No drivers or additional was provided to explain the 45% increase.

Question #5 – Therapists, Psychologists, Evaluators, etc.

- 1) Responses to Questions – Full Response
a) I appreciate the time necessary to provide this information. A performance audit of SPS will be completed (by Charter) in about three years. I would highly suggest that SPS being the process of logging data such as this in order to provide the necessary details for the completion of a quality performance audit.
b) Thank you for the chart provided. That data is invaluable.
2) Responses Which Were Incomplete or Not Provided
a) The chart depicts the values associated with these important services for our students. The increase was approximately 5% in five fiscal years.
b) What is the structure of these costs?
 - Are these professionals employees of SPS? Sub-contractors?
 - If contractors, are they on retainer? Or paid on a per-case basis?
 - These are important drivers. If no drivers exist, then it is unclear how accurate budgeting forecasting can be completed.

Question #7 – CTEs, RICAS Initiatives, Other Initiatives

- 1) Responses to Questions – Full Response
a) I remain thankful and hopeful that CTEs will be supported and expanded. The culinary arts program is a winner. While this is not for FY2024, I look forward to the advice that I provided that would justify this new program and the associated funds required.
2) Responses Which Were Incomplete or Not Provided
a) Details on the educational initiatives which will reverse the assessment scores. These were not discussed in the meeting. A thorough analysis was completed on SPS including a peer analysis.

- b) No details on future CTE.
- c) I realize that the future is the future.

Final Thoughts

However, based on the wonderful conversation we had earlier this year, open discussions (as the BFRB members have had with other Town departments) would be welcomed. The “time” for the budget season is very intense for the BFRB members who are volunteers.

Budget “season” should not be the only and primary forum to work with these issues. They are complex and under very ambitious time frames; again, especially for volunteers.

Lastly, there are processes and structures for “connecting” resources with outcomes. Resources being labor, capital budgets, and operational budgets. Resources need to be “adjusted” to priority and availability of those resources. This process is a common process completed by business and educational entities whose leaders and senior management plan accordingly. With resources that are always fixed and limited. Again, adjustments have need to be planned (approved) according to resource limitations.

Additionally, all resources need to be connected to mission and outcomes. Otherwise, if resources (as outlined above) are not connected to outcomes, then the budgetary process and outcomes fail. The current approach in conventional practices is ...

CRITICAL SUCCESS FACTORS → KEY PERFORMANCE INDICATORS → RECOMMENDATIONS (BUDGET, STRATEGY, ETC).

KPIs also include benchmarks that can be gained from the industry in many areas. It would be amazing and exceptional if both the Town and SPS would lead the government and education “industries” in Rhode Island with this common strategic mindset.

This document and the SPS response will be placed in the record for the BFRB May 8th meeting.

I appreciate the time and effort of the Superintendent and her staff to respond to my important questions. To provide the most cost-efficient, effective, and quality education that I know everyone desires to achieve and provide.

Thank you for your service to our students and community.

Respectfully,
Kenneth J. Sousa, PhD
Budget and Financial Review Board, Vice Chair

Footnote

1 – <https://www.sourcewell-mn.gov/esser-information>