

**City of Fall River**  
**Massachusetts**  
Office of the Mayor

**PAUL E. COOGAN**  
*Mayor*

RECEIVED

2022 APR 12 P 12:09

CITY CLERK \_\_\_\_\_  
FALL RIVER, MA

April 12, 2022

Madam President  
Members of the Honorable Council  
City of Fall River  
One Government Center  
Fall River, MA 02722

Dear Madam President and Members of the Honorable Council:

Please see the attached materials documenting the shortfall of \$2,298,381 in the net school spending amount for FY22. The transfer and appropriation of \$1,427,230 that will be proposed at the Tuesday, April 12, 2022 City Council meeting will enable the City to get closer to fulfilling their obligation of 100% of net school spending. The balance remaining to fulfill the 100% requirement is \$871,151.

Thank you for your every consideration with this request.

Sincerely,

Paul E. Coogan  
Mayor

PC/amos

# FALL RIVER PUBLIC SCHOOLS

*"The Scholarship City"*

417 Rock Street, Fall River, MA 02720

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*Maria Pontes, Superintendent*

To: Fall River School Committee

From: Maria Pontes, Interim Superintendent of Schools

Date: March 10, 2022

CC: Kevin Almeida, Chief Financial Officer

Re: The End of Year Report – March 14, 2022 School Committee Meeting

Please see the email from Superintendent Pontes on 3/3/2022. The email provided you with an explanation as to where the City stands with meeting the budgeted Net School Spending requirement for FY22. As of 3/3/2022, the shortfall is \$2,298,381. We have begun preliminary discussions with the City on the letter received from the DESE.

Another meeting is planned for Friday 3/11/22 with City Finance, to discuss this issue. We will have further updates as this item continues to be addressed.

MP/KA



Kevin Almeida &lt;kalmeida@fallriverschools.org&gt;

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## Budget Info

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Maria Pontes &lt;mpontes@fallriverschools.org&gt;

Thu, Mar 3, 2022 at 5:24 PM

To: Paul Coogan <Mayor.Coogan@fallriverma.org>, Paul Hart <hartbp@fallriverschools.org>, Kevin Aguiar <kaguiar@fallriverschools.org>, Mimi Larrivee <mlarrivee@fallriverschools.org>, Sara Rodrigues <sararodrigues@fallriverschools.org>, Shelli Pereira <spereira@fallriverschools.org>, Bobby Bailey <bbailey@fallriverschools.org>

Cc: Bruce Assad <baalawfirm@aol.com>, "Debra Cabral (School Committee)" <debracabral@fallriverschools.org>, Kevin Almeida <kalmeida@fallriverschools.org>

Good Afternoon,

Please see the attached Net School Spending update from Kevin Almeida.

Included are three attachments:

- 1) Net School Spending Letter from Jay Sullivan, Associate Commissioner, District and School Finance from MA DESE.
- 2) Net School Spending Compliance Report for Actual FY21 costs and Budgeted FY22 costs.
- 3) Kevin's analysis on where we currently stand based on what has happened since submission of the report through today.

Please note, based on the analysis Kevin has prepared, the amount owed to the Schools as of **3/3/2022 is \$2,298,381**. This shortfall is due to the prior year's health insurance difference as originally discussed back in November and is caused by the change in Charter School and School Choice Assessments.

- \$871,151 is attributed to the change in Charter School and School Choice Assessments.
- \$1,427,230 is attributed to the difference in Health Insurance as originally reported for FY2021.

Thank you. We will have further discussion at the March SC meeting on this matter.  
Maria


**Maria Pontes**  
Superintendent of Schools

Fall River Public Schools  
417 Rock St.  
Fall River, MA 02720  
508-675-8420  
mpontes@fallriverschools.org

*"Be the change you wish to see in the world" ~ Gandhi*

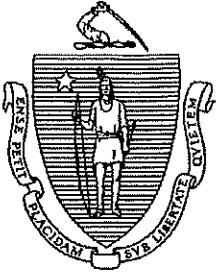
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### 3 attachments

 Fall River\_NSS\_Letter2122 (2) (1).pdf  
82K

 Fall River\_NSS\_ComplianceReport2122.pdf  
547K

 Projected Net School Spending with Updated Assessments - as of 3-3-2022.xlsx  
14K



# Massachusetts Department of Elementary and Secondary Education

75 Pleasant Street, Malden, Massachusetts 02148-4906

Telephone: (781) 338-3000  
TTY: N.E.T. Relay 1-800-439-2370

Jeffrey C. Riley  
Commissioner

February 28, 2022

Maria F. Pontes, Superintendent  
Fall River Public Schools  
417 Rock Street  
Fall River, MA 02720

Dear Superintendent Pontes:

As you know, the Commonwealth's school finance statute, Chapter 70 of the General Laws, establishes an annual minimum local contribution requirement for each Massachusetts school district. This local contribution, when added to a district's Chapter 70 aid, equals its net school spending requirement. Failure to comply with this requirement may result in the loss of Chapter 70 aid, delays in the approval of your municipal tax rate by the Department of Revenue, and/or enforcement action by the Attorney General.

Fall River's End of Year Financial Report shows that the district **did not** meet its spending requirement in FY21. Its required net school spending was \$172,964,683. Reported net school spending was \$169,734,637 which was \$3,230,046 below the required amount. This shortfall falls within the five percent range allowed by law and will be added to the district's FY22 spending requirement.

Fall River's FY22 requirement, including the \$3,230,046 carryover, is \$182,699,137. Schedule 19 budget data show that the district plans to spend \$179,233,143, which represents a shortfall of **\$3,465,994**. By law, districts are required to appropriate sufficient funds to meet their net school spending requirements, G.L. c. 70, § 6. Please work with your local officials to appropriate these funds to the school budget by May 13, 2022 and submit the necessary amendments to your FY21 End of Year Report.

If you have any questions concerning this information, please contact Rob O'Donnell in the School Finance unit at (781) 338-6512 or [Robert.F.O'Donnell@mass.gov](mailto:Robert.F.O'Donnell@mass.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Sullivan".

Jay Sullivan  
Associate Commissioner, District and School Finance

Cc: Paul E. Coogan, Mayor  
Kevin M. Almeida, School Business Official

Enclosure: Two

Massachusetts Department of Elementary and Secondary Education  
Office of School Finance  
Chapter 70 Net School Spending Compliance, FY21

Fall River

	School Committee	City/Town	Total
1 Administration (1000)	3,300,981	1,371,029 *	4,672,010
2 Instruction (2000)	83,489,269	0 *	83,489,269
3 Attendance-Health (3100, 3200)	2,604,160	0 *	2,604,160
4 Food Services (3400)	0	0	0
5 Athletics/Student Activities/Security (3500, 3600)	2,169,581	0	2,169,581
6 Maintenance (4000)	16,996,668	100,000 *	17,096,668
7 Employer Retirement Contributions (5100)	234,134	6,483,952	6,718,086
8 Insurance (5200)	1,889,517	18,171,203	20,060,720
9 Retired Employee Insurance (5250)	0	5,206,419	5,206,419
10 Rentals (5300)	94,755	0 *	94,755
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	5,640,829	23,880,217	29,521,046
13 Total School Spending (lines 1 through 12)	116,419,894	55,212,820	171,632,714
14 FY20 School Revenues			
14a) FY21 School Revenues *	67,929	0	67,929
14b) FY21 Charter Reimbursement	0	1,830,148	1,830,148
14c) Subtotal, School Revenues (14a + 14b)	67,929	1,830,148	1,898,077
15 FY21 Net School Spending (13 - 14)	116,351,965	53,382,672	169,734,637
16 FY21 Chapter 70 Required Net School Spending			169,922,796
17 Carryover from FY20			3,041,887
18 Total FY21 Net School Spending Requirement (16 + 17)			172,964,683
19 Shortfall in Net School Spending (15 - 18)			-3,230,046
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			-1.9%
21 FY21 Carry-Over into FY22 (Line 19 or 5% of line 16)			3,230,046
22 Penalty (19 - 21)			0

\* Budgeted amounts as reported on FY20 End of Year Pupil and Financial Report, Schedule 19

**Massachusetts Department of Elementary and Secondary Education  
Office of School Finance  
Chapter 70 Net School Spending Compliance, Budgeted FY22**

**Fall River**

	School Committee	City/Town	Total
1 Administration (1000)	5,463,391	1,369,660	6,833,051
2 Instruction (2000)	88,509,181	0	88,509,181
3 Attendance-Health (3100, 3200)	2,705,541	0	2,705,541
4 Food Services (3400)	0	0	0
5 Athletics/Student Activities/Security (3500, 3600)	2,787,502	0	2,787,502
6 Maintenance (4000)	13,477,489	100,000	13,577,489
7 Employer Retirement Contributions (5100)	220,000	7,059,098	7,279,098
8 Insurance (5200)	1,905,000	19,412,558	21,317,558
9 Retired Employee Insurance (5250)	0	6,159,237	6,159,237
10 Rentals (5300)	76,190	0	76,190
11 Short Term Interest (5400)	0	0	0
12 Tuition (9000)	6,984,022	25,137,931	32,121,953
13 FY20 Budgeted School Spending (lines 1 through 12)	122,128,316	59,238,484	181,366,800
14 FY21 Budgeted School Revenues			
14a) FY22 Budgeted School Revenues	0	0	0
14b) FY22 Charter Reimb (local districts)	0	2,133,657	2,133,657
14c) Subtotal, NSS Revenues (36a + 36b)	0	2,133,657	2,133,657
<b>15 FY22 Net School Spending (13 - 14)</b>	<b>122,128,316</b>	<b>57,104,827</b>	<b>179,233,143</b>
16 FY22 Chapter 70 Required Net School Spending			179,469,091
17 Carryover from FY20			3,230,046
<b>18 Total FY22 Requirement (16 + 17)</b>			<b>182,699,137</b>
19 Shortfall in Budgeted FY22 Net School Spending (15 - 18)			-3,465,994
20 Carryover/Penalty Calculation, Percent Unexpended (19 / 16)			-1.9%

FALL RIVER PUBLIC SCHOOLS  
AS OF 11/08/2021 - END OF YEAR REPORT - PROJECTED NET SCHOOL SPENDING SHORTFALL

Most Recently Updated Figures:  
Preliminary Cherry Sheet: Division of Local Services

	Originally Reported Out As of 10/28/2020	3/3/2022	Change
Net School Spending Shortfall	2,594,843.00	3,465,994.00	871,151.00
Assessments:			
SPED Assessment	67,434.00	67,434.00	
School Choice	1,237,390.00	1,220,864.00	16,526.00
Charter School	25,769,634.00	23,849,633.00	1,920,001.00
<b>Total Assessments, (Tuition 9000)</b>	<b>27,074,458.00</b>	<b>25,137,931.00</b>	<b>1,936,527.00</b>
Charter Tuition Reimbursement	(3,199,033.00)	(2,133,657.00)	(1,065,376.00)
<b>Total Budgeted School Revenues</b>	<b>(3,199,033.00)</b>	<b>(2,133,657.00)</b>	<b>(1,065,376.00)</b>
Assessments, Net Revenue (15)	23,875,425.00	23,004,274.00	871,151.00
<b>Total Change</b>			<b>871,151.00</b>

The above analysis explains what has changed since the submission of the End of Year report back on 10/30/2021 to the State through the date of the Certification letter which was received this week. The Charter School Tuition assessment and School Choice Assessments have changed. The net effect is \$871,151 less in expenditures, which means the City is now required to provide this difference to the Fall River Public Schools to meet its net School Spending obligation.

Current shortfall in Budgeted FY22 Net School Spending per State letter	3,465,994.00
City Council Transfer - 11/16/2021 - #5 - \$1,167,613 to School Appropriation	(1,167,613.00)
<b>Current projected balances - as of 3/3/2022</b>	<b>2,298,381.00</b>

The above figure represents the most up to date balance on what is owed to the School Department. Currently not reflected in the certification by the State is the fact that the City Council took a vote on 11/16/2021 to provide additional funding to the Schools. With this figure, the adjusted figured owed to the Schools as of 3/3/2022 is \$2,298,381.

$$\begin{array}{r}
 2,298,381 \\
 \underline{571,151} \\
 1,427,230 \text{ Transfer}
 \end{array}$$