



Portsmouth Concerned Citizens

NEWSLETTER

“Information is the currency of Democracy”

- Thomas Jefferson

Editor: Joe Robicheau

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From the President (Larry Fitzmorris) Just when we taxpayers of Portsmouth thought that this year’s budget debate was behind us, we were presented with two budget shocks. The PCC has been active in studying the problems that led us into back-to-back deficits, and remain greatly concerned about this serious trend. The PCC has advocated before the Council for an effective performance audit to identify errors and accountability in this financial debacle.

Voter Initiative Alliance - The Alliance has collected approximately 11,000 signatures to date. If you are interested in helping advance this important task please contact either myself at 683-6127, or any other member of the Executive Committee.

Are you interested in joining the PCC? We are always looking for new members that see the need to improve our Town’s government. If you are interested, contact Drena Robicheau at 847-1098 or fill out the application form at the end of this newsletter.

In This Issue

What I Want for Portsmouth Students – In this issue we are pleased to present a guest editorial written by Portsmouth’s new Superintendent of Schools, Dr. Susan Lusi. In her article Dr. Lusi puts aside the budget issues for a moment to present her education goals, outlining how she intends to advance the academic standards of our schools. Her article is presented unedited and in its entirety.

PCC Affiliation with RISC – The PCC formally affiliates with the Rhode Island Shoreline Coalition.

The Cost of the Future – Joe Matais warns readers that resident complaisance and inattention to Portsmouth town government may be dangerous to their financial future.

Education Information Resource – Jeff Richard discusses and encourages the use of education reform sources available to school officials and citizens. These resources offer support to those interested in reformulating our approach to public education.

Twin Deficits -- A chronology of School Department budget deficit events is presented with an analysis of some of the causes that led us into this situation.

Gym Project Update -- An update is provided on the gymnasium project, outlining recent decisions by the Council.

What I Want for Portsmouth Students

(Susan F. Lusi, Ph.D.) When I was hired as Portsmouth’s superintendent in June, the search committee, as well as others in the community, told me that I was being brought in to bring the Portsmouth Public Schools to the “next level.” Visions of slogans such as “from good to great” and “from first class to world class” danced in my head.

When I envisioned my superintendency here, I thought I would be spending the first few months of my tenure engaging educators, students, parents, the community, and the School Committee in discussions of what implementing these slogans might mean concretely – what they wanted to see for the students in Portsmouth Schools. Unfortunately, events have transpired somewhat differently than I foresaw, and these discussions have as yet to take place in any kind of broad-based, let alone systematic, fashion.

But the discussion of what we want for the students of Portsmouth cannot wait, and in fact may be more important now than ever, given that we are facing fiscal difficulties that may force us to make choices that have important implications for the kind of education our students have in the future. For this reason, I would like to start this conversation by putting forward some images of what realizing slogans such as “from first class to world class” mean to me in the Portsmouth context.

Everything I want for the students of Portsmouth focuses around providing them with rigorous, high quality learning opportunities and the supports they need to take advantage of them. Starting at the top of our K-12 system, no student should be able to choose less than an academic program of studies that enables him/her to access higher education and/or meaningful employment – the kind that leads to a career path and an income that can substantially contribute to supporting a family.

Graduating with this level of skills and abilities is more important now than ever before. The American Diploma Project (ADP) – a joint effort of Achieve, Inc., the Education Trust, and the Fordham Foundation – found that the

knowledge and skills required both by higher education and by employers is converging. ADP recommends that all students meet standards requiring content in Algebra I and II, Geometry, and Data Analysis and Statistics, as well as strong oral and written communication skills, and the kind of analytic and reasoning skills that have historically been associated with advanced or honors courses. ADP recommends these high-level skills because both higher education and employers that offer economically promising jobs see them as essential.

What would providing this level of academic rigor for students mean at Portsmouth High School? It might mean getting rid of “basic” classes, so that no student could choose to pursue anything below an academic level of preparation. This would mean that the current spectrum of basic, academic, honors, and advanced placement (AP) classes would be narrowed by leveling up. As this leveling up occurred, additional learning supports would be needed for some students, particularly additional supports in reading, because low levels of reading often push students into less demanding classes. Increased academic rigor might also mean that we would see a greater proportion of our students choose the challenge of the honors and AP courses over time.

At Portsmouth Middle School, increased academic rigor might mean that virtually every student completed Algebra I by the end of eighth grade. It might also mean that full-blown foreign language instruction would begin in the middle school (as opposed to the overview of language that we have now). And ideally, instruction in foreign language would begin even earlier. Increased academic rigor would undoubtedly mean additional supports for students with low reading levels, for the reasons described above. These supports would be provided in line with students’ Personal Literacy Plans – an initiative underway in Portsmouth, as well as across the state, that requires the creation of instructional plans for all students reading below grade level.

Increased academic rigor at the middle school, as well as in our elementary schools, would mean that all teachers would be supported in learning how to challenge more proficient students through their daily instruction, while continuing to meet the needs of students who require additional assistance. This type of support might be provided through instructional coaches – expert teachers who can assist their peers in extending their lessons to provide a combination of challenges and supports based on students’ needs, abilities and interests. Increased academic rigor at the elementary level might also mean that we implement full-day kindergarten for some or all students, as has been done for 45% of Rhode Island’s children and universally in 11 school districts in our state.

A world class system is also one that uses its resources extremely well. I think of three primary categories of resources in thinking about school systems – time, money, and staff. We – the school administration and the School Committee – have an obligation to squeeze every penny and get as much out of it in the service of students as possible. Some ideas for “squeezing our pennies” include: addressing student reading needs as soon as they are identified so that virtually all students can access the academic curriculum and

so that fewer students are referred to Special Education; exploring the ramifications of a 4-day school week both for student learning and for costs; scheduling schools so that time for student and teacher learning is maximized; and educating as many special needs students in district as possible.

The vision that I have begun to outline above may not completely align with that of the broader Portsmouth community – educators, students, parents, and citizens – and we will need to work to meld our visions. Some of the changes outlined above are more costly than others. My administration will be continually looking to improve our system even within its existing confines, as well as to make improvements that might require greater levels of change and investment over time.

The most important point, though, is that we need a vision of the kind of school system we want so that we move our system in the direction of achieving that vision. Sometimes school systems in fiscal difficulties enter a downward spiral. The people within them and the people served by them do not dare to articulate their vision of the future because they feel so hamstrung by their resource needs of the present. The spiral continues downward because people without a vision of the possibilities are less likely to invest in the future of any system. I invite all of you to join me in discussing what we want for our students in Portsmouth and in building the kind of system we need to support us in getting there.

PCC Affiliation with RISC

(Larry Fitzmorris) At our October meeting the membership of the PCC voted to formally affiliate with the Rhode Island Shoreline Coalition. While this will have little effect on our efforts in Portsmouth in the short term, it holds out the promise of a statewide organization that will effect systemic change at the state level. While we will retain our local autonomy, we specifically intend to join with other organizations to change the state laws that so powerfully drive the cost of local government. As I meet and talk with members of other citizen groups it strikes me that we all share a basic set of local problems. Often these are the truly intractable issues like the high basic cost structure in school department budgets, which require such large annual increases. What also is very clear is that the root cause of many of these local problems is often state special interest laws. Individual local organizations, such as the PCC, lack the political weight to effect change to these state laws. With a membership of approximately 4,000, RISC has the necessary weight.

The PCC will continue efforts to achieve open, responsive and affordable government locally, while helping create a statewide organization that possesses the clout to effect change at the state level.

One of the intangibles in this affiliation is the amount we learn from one another as the PCC and RISC begin to work in unison. The PCC is benefiting from lessons in organization

management, as well as learning how others are working much the same problems in their towns as we are in Portsmouth.

Our members will see tangible effects of this affiliation with RISC in the flow of information to the PCC. All PCC members will receive a copy of the RISC Newsletter in the mail shortly. Those PCC members who receive e-mail from the PCC have already noticed distribution of the daily news clipping service from RISC. We in the PCC have also begun submitting pertinent East Bay news articles and letters to the editor to the RISC Newsletter.

The Cost of the Future

(Joe Matais) Recent Portsmouth government snafus make it abundantly clear that our town government is eminently fallible. It is for this reason that town officials must not be left to operate without observation and input from those of us who pay the bills. The problems of late are highly visible, but there are others that are not so obvious.

It is difficult to encourage one and all to extend their consideration of Portsmouth Government operations beyond the current year, or even a single month. There are major issues in the town's financial future, which ought to serve as an imposing backdrop for today and tomorrow's events. Advocates for any activity requiring town funding will be concerned, solely with their proposal. Typically, these proposals are projected onto obligations already in place, while ignoring those lying just over the horizon. These, just out of sight, obligations constitute real, but not yet levied debt. How often have we been subjected to the proven sales gambit of "For only the cost of a breakfast a week, you can have a new gym?" Unfortunately, scant attention is directed to the unhealthy accumulation of public debt; all public debt. One of the many loud and troubling examples is the unsustainable State public employees' retirement program. Despite the first very small steps taken toward pension reform, the fund is not out of the woods. The State's ultimate resolution will most likely take the form of very large increases in City/Town contributions to the system. Combined with current and future Portsmouth needs, the tax burden will increase markedly and onerously. When faced with the "hard sell," of an "affordable" project, consideration must include current and future obligations.

It is in the Town's interest to balance wants with the need for revenue. Surely there are few residents who do not wish to retain aspects of a lightly settled if not rural community. However, when a parcel is dedicated to open space or land conservancy, it is forever removed as a future source of increased tax revenue. Conversely, commercial development usually holds the promise of increased tax revenue. Why not apply equal vigor to pursuit of light industry to offset the effects of land conservancy? Thus, the future would not consist solely of higher taxation of existing homes.

Tax revenues will always remain fraught with "watch-outs". The most troubling, to me, is the old favorite of confusing the

public with tax increases masked by property revaluations. How often have we heard or read the comment "The recent revaluation will cause many tax bills to increase." Only increased government spending causes taxes to increase. Certainly there are some equitability issues which give rise to adjustments, but these are singular incidents. Too often the property revaluation serves as a smokescreen, masking the fact that spending increases, and only spending increases, cause tax increases.

Lastly, there is a need to relentlessly question Town spending requests; the budgets. The pages of figures, listed in the budget while pretending to explain, simply do not. What is invisible, are the answers to simple questions, such as how was the need for "X" specialists in "Y" discipline derived? You won't find the answer in the budget. And, without sound management, an approved budget is no guarantee of controlled spending. Only tireless questioning of those responsible will peel back the veil of obfuscation. It's hard work, but necessary. We must persevere. Failure to be vigilant will result in runaway property taxes. And, for many of us, property taxes are the most significant threat to our financial future.

Education Information Resource

(Jeff Richard) The Portsmouth School Committee is made up of volunteers who must decide how to spend their time doing the "public's" work. Lately they seem to be spending most of their time discussing what went wrong with finances. While important to be sure, the issue of money as it relates to budgeting is but a part of the essential work we need our School Committee to be doing. How can we get to discussion of teaching methodologies that will help our children achieve the highest possible standard? How can we find the time to access good information we can understand and work with? Where do we get impartial discussion on issues we know are important to our success? Seeking answers to these and other related questions is where the School Committee should be spending their time.

Public education failure has spawned a host of interested organizations. We have mentioned The Education Partnership here in Rhode Island as a source of information. Another excellent source of current thinking is The Teaching Commission. The website for this group is located at www.theTeachingCommission.org. This group has published a study entitled "Teaching at Risk. A Call to Action," which can be found on its web site. Browsing the site provides insight into the complex issues of public education and presents specific recommendations of which all School Committees should be aware. Recalling the need to find time to focus on the larger issue of student performance, resources provided by websites, such as this one, make the job a bit easier.

This year the Portsmouth School system endorsed a contract with the National Association of Educators (NEA). It is a status quo contract that will take us through the 2006 – 2007 school year. Between now and then an effort must be made to

craft a “new” contract that brings to education in Portsmouth the lessons learned by growing numbers of organizations believing that public education needs rehabilitation. A consensus is building that concludes, “what’s in the way” of student achievement is “the contract.” The Teaching Commission and the Education Partnership suggest many reforms to the management of teachers. Recruitment standards, performance standards, retention, evaluation, and salary are the important issues that our School Committee should be discussing now – not two years from now while sitting at a negotiating table.

It is a challenge to find the right people who are willing to spend quality time and ask quality questions while serving the “public good” on the School Committee. We need thoughtful people who plan for the long term. People who are willing to challenge the “bureaucracy”; search for better ways to educate; be aware of and utilize informational resources; and acknowledge that status quo is unacceptable.

Twin Deficits

(Larry Fitzmorris) Portsmouth taxpayers suffered double budget blows recently when a deficit in the School Department’s 2004 – 2005 operating budget was identified in August and a projected deficit for the 2005 – 2006 fiscal year was announced in early October. Not in recent memory, if ever, has the school department announced a deficit. The problems were a considerable surprise to the School Committee. The Committee conducted an immediate review of the budget to determine the cause. The result, while identifying a number of accounting practices that should be changed or adopted, declared the root causes beyond the control of both the administration and the Committee.

The Council has voted to cover both deficits with withdrawals from the Capital Reserve Fund, a decision that will lead to future *tax increases* to restore the funds. A failure to replace the money would violate municipal reserve standards, damage the Town’s bond rating, and substantially limit the Town’s ability to meet future financial crises.

While no formal audit has been completed for either budget year, it is clear that at the very basis of this problem are issues of transparency and accountability.

The 2004 – 2005 Deficit

This deficit came as a rude surprise to most elected officials and was not announced until a month after the fiscal year was completed. The School Department ended the fiscal year with approximately \$514,800 in unpaid bills. An unanticipated Federal payment was combined by the Council with a balance carryover from the previous year’s budget to reduce the deficit to \$321,982. The Federal payment and the budget surplus would normally have been applied to the next fiscal year. Faced with a large list of unpaid bills, and the inability to reduce a deficit in a closed budget, the Council voted to pay the remaining expenditures from the Capital Reserve Fund.

The causes appear, pending an effective audit, to have been of three types: intentional under-budgeting, unanticipated cost increases and overestimated revenue. More specifically, the Substitute Teacher line was budgeted way below reasonable expectation; there were significant cost increases in fuels; services provided by outside agencies, such as special education and the vocational school in Newport; and overestimated revenue for Little Compton high school students.

The 2005 – 2006 Projected Deficit

In early October the new superintendent, Dr. Lusi, announced that she projected a \$1,329,000 operating budget deficit in the current school year. Concurrently, she recommended a series of deficit reduction measures and a deferred payment that would reduce the deficit to approximately \$808,000. The Committee adopted her recommendations. In her presentation she identified, as the primary contributing cause, a ‘constructive deficit’ that resulted from a number of years of under-funding the department. The Council declined to fund the entire remaining deficit at its November 14 meeting, but did vote to increase the school department budget by \$600,000. Councilman Canario courageously voted against the measure expressing opposition to any budget increase due to its impact on taxes.

Assessment

The School Committee and School Department have rejected direct responsibility for the deficits that occurred on their watch. They conducted an informal investigation to identify causes of the 2004 – 2005 budget deficit, but continue to oppose a multi-year performance audit. It is their official position that, while procedural improvements can be made, anticipation and remedy of last year’s deficit was essentially beyond their control. It is likely that they are attempting to screen those responsible, but that is not yet clear. The PCC formally requested the Council, which holds investigative powers in this area, to conduct a multi-year performance audit. The Council voted to explore costs of an audit before deciding to conduct one. It certainly would be very difficult to correct system deficiencies without detailed knowledge of what actually happened.

A new attitude toward school budgeting has contributed to a climate of ‘anything goes.’ Mr. Seveney and Mr. West on the Council and Mrs. Wedge, Mrs. Cortvriend, Mr. Croston and Mr. Carpenter on the School Committee have advanced the concept that the School Committee and Department are the sole arbitrators of education costs in Portsmouth. This approach places total control of school department spending in the hands of the School establishment and rejects the authority of the Council and the people over the department’s total expenditure. This approach directly violates the Town Charter. However, it is partially supported by state law and, if the ruling were applied statewide, it is specifically supported by the recent Johnston decision in state court. Despite the insanity at the state level, the problem with the arrangement is clear. Those who are negotiating the labor contracts and writing the budget are completely detached from the resulting obligation to raise taxes to fund the expenditures. In fact the attitude is ‘anything goes,’ as long as the resulting tax increase

does not exceed the state mandated 5.5% cap. The floodgates are open.

The hands-off policy adopted in recent years by the School Committee has also contributed substantially to the two deficit surprises. In recent years the Finance Subcommittee Chairman and the department's Financial Director have developed the budget. In the last few years there has been no detailed budget review by the full Committee. This practice has led to a distancing of most Committee members from the budget and directly contributed to their lack of vigilance in the closing days of the last fiscal year. When the last two monthly financial reports were not provided as required, the School Committee took no action to obtain them. It is the primary task of the School Committee to conduct direct supervision of the budget process and this it broadly failed to do. Had the Committee been conducting the budget oversight required by the Town Charter, they might have been able to intervene in time to significantly reduce both deficits. In addition, the other members of the Committee walled-off Mrs. Gleason from most information, disabling the one member of the Committee that would have conducted due diligence. Lacking the monthly reports from the budget director and exercising the hands-off approach, most members of the Committee were in no position to identify the looming financial shortfall.

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Gym Update

(Larry Fitzmorris) The gymnasium project continues along its tortured path, substantially over-budget and now under the full control of the School Committee. While the construction contract has been signed and ground broken, the project remains deeply problematic.

The Council ended its involvement in the gym project by voting to approve a proposal by Mr. Seveney and Mr. Katzman to transfer \$140,000 from the Town's Impact Fund to the gym project. These funds were collected as taxes from those who purchased new homes in Portsmouth. This increased the official cost to \$3,640,000, although the eventual cost will be higher. The funds have been earmarked by the School Committee for purchasing skylights, roof dormers,

translucent window panels and, as yet unidentified, add alternates in the construction contract. All of these components, and a number of others, had been removed from the design before the primary contract was signed, to reduce construction costs to the level of available funds – \$3.1 million.

At its October 5 meeting the Council washed its hands of the whole gymnasium project, delegating to the School Committee all project management and contract signature authority. The decision was made at a time of considerable confusion within the project. Council President, Mrs. Edwards, abandoned her previous position in opposition to the School Committee's management approach and voted with the Council's majority. Mr. McIntyre and Mr. Canario voted against the proposal. This Council decision, in effect, gives the School Committee a blank check for the gym. Any future cost overruns will have to be funded by the Council without challenge. The eventual cost of actually completing the gym still lurks in Portsmouth's future.

In early October the School Committee awarded the gym construction contract to Advanced Building Concepts of Middletown. This contract award was done in the face of School Committee management changes in the project and without resolution of energy design flaws. When gym subcommittee chairman Mr. Kavanagh suddenly resigned in the face of these problems, Mr. Croston, who replaced him, pushed quickly to contract signature. Unfortunately, the gym contract will produce a facility that is incomplete. The locker rooms, staff offices and the entrance area will not be completed under this contract and will require future funding to complete. In order to save money, the connector to the main building has been completely eliminated, along with the foundation for the elevator.

Although determining expenses at such an early stage of construction is difficult, I estimate the approximate cost of the completed facility at about \$4.3 million dollars, barring significant cost overruns.

The fund raising effort, intended to make up the shortfall in the construction budget, approximately \$660,000, has failed to gain any momentum. The effort by Mr. Croston to attract a private organization to manage fund raising has been unsuccessful, and as a consequence, the School Committee will manage the effort directly. The wisdom of commingling public and private funds to complete the primary construction effort of a municipal building is questionable.

Now that construction has begun, we have entered the truly challenging phase of this project.

Portsmouth Concerned Citizens
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ANNUAL DUES: \$20 (Single) \$25 (Family) \$_____ (Other)

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