

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING AN APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 1993

ORDERED: That the following transfer be made in the General Fund to the School Stabilization Fund of the City of Cambridge:

FROM	AMOUNT	TO	AMOUNT
School Debt Service		School Stabilization Fund	\$564,097.00
Salary & Wages Account	\$262,164.00		
Travel & Training	\$301,933.00		

REASON (S) For the purposes of offsetting future costs related to the School Early Retirement Program.

In City Council June 20, 1994.
Adopted by a yeas and nays vote:-
Yeas 9; Nays 0; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy; *D. Margaret Drury*
ATTEST:- D. Margaret Drury
City Clerk



CAMBRIDGE SCHOOL DEPARTMENT

159 THORNDIKE STREET
CAMBRIDGE, MASSACHUSETTS 02141

June 14, 1994

To The Honorable Members of the School Committee:

Stabilization Fund for Teacher ERI Pension and Professional Development Fund:

Recommendation: That the School Committee request the City Manager to establish a School Stabilization Fund for the purpose of receiving and expending funds related to 1.) the Commonwealth of Massachusetts Teacher's Retirement Board Early Retirement Incentive (ERI) Program adopted by the School Committee and City Council in June of 1993, and 2.) Professional Development Funds to be paid to members of CTA Units A & B in accordance with the collective bargaining agreement and as approved in the FY94-95 Budget process.

Further, that the School Committee approve the transfer of the following amounts from the FY93-94 budget accounts for the above items to the School Stabilization Fund,

1. Early Retirement Incentive Program - \$262,164
2. Professional Development Fund - \$301,933

Description: When the ERI Program was approved by the School Committee, City Council and City Manager, it was determined to establish a stabilization fund to capture savings from the program that will be used to offset future pension costs. Similarly, when the state increased education aid by \$50/pupil in "Minimum Aid", it was determined to use a portion of the FY93-94 and FY94-95 monies to fund the (FY94 & FY95) Professional Development Day requirement in the contract, which is paid in a lump-sum payment in 1994-95. Attached are copies of supporting documents.

Supporting Data:

Respectfully submitted,

Mary Lou McGrath
Superintendent of Schools

MLM/tg

C 93 - 360

CHAIRMAN- CAMBRIDGE SCHOOL SCHOOL COMMITTEE
MAYOR KENNETH E. REEVES 456 BROADWAY
CAMBRIDGE, MASSACHUSETTS 02138

MEMBERS

HENRIETTA DAVIS
ALFRED B. FANTINI
DAVID P. MAHER
JAMES J. RAFFERTY
E. DENISE SIMMONS

VICE CHAIRMAN
LARRY WEINSTEIN

OFFICE OF THE SUPERINTENDENT
OFFICE OF THE SECRETARY
Tel: (617) 349-6620 • Fax: (617) 349-6624

--IN SCHOOL COMMITTEE--

June 22, 1993

ORDERED:

That Superintendent's Recommendation #93-110 be adopted as follows: that the School Committee approve and accept the provisions of the Education Reform Act of 1993, for participation of the Cambridge Public Schools in the Early Retirement Incentive Program for members of the Massachusetts Teachers' Retirement System, in the year 1993, with the provisions that: 1) there be no local limit on the number of participants and 2) participants be allowed a credit of up to five additional years of age, five additional years of service, or a combination of additional years of service and age, the sum of which shall not be greater than five. Further that the City Manager and City Council be requested to similarly approve and accept these provisions within no later than 30 days after the effective date of the Act, as required by the Act.

Additionally, that savings from participation in the Early Retirement Incentive Program be first allocated to an Early Retirement Incentive Stabilization Fund (or similar account) to cover the required 50% local share of the long-term actuarial cost of the increased benefits for the participants, and health insurance, and that any additional savings be allocated as determined by the School Committee.

A true copy:

Attest:

Claire E. Rodley
Claire E. Rodley

Secretary of the School Committee

cc School Committee Members
Superintendent
City Manager
City Council, c/o City Clerk
Executive Director of Management Services
President, C.T.A.



City of Cambridge

Agenda Item No. 26

IN CITY COUNCIL

June 28, 1993

ORDERED: That the City Council approve and accept the provisions of the Education Reform Act of 1993, Section 83, for participation of the Cambridge Public Schools in the Early Retirement Incentive Program for members of the Massachusetts Teachers' Retirement System, in the year 1993 with the provisions that: 1.) There be no local limit on the number of participants; and 2.) participants be allowed a credit of up to five additional years of age, five additional years of service, or a combination of additional years of service and age, the sum of which shall not be greater than five.

In City Council June 28, 1993.

Adopted by a yeas and nays vote:-

Yeas 8; Nays 0; Absent 1.

Attest:- D. Margaret Drury, City Clerk.

A true copy; *D. Margaret Drury*

ATTEST:-

D. Margaret Drury
City Clerk



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 28, 1993

To The Honorable, The City Council:

RECOMMENDATION:

That the City Council approve and accept the provisions of the Education Reform Act of 1993, for participation of the Cambridge Public Schools in the Early Retirement Incentive Program for members of the Massachusetts Teachers' Retirement System, in the year 1993, with the provisions that; 1.) there be no local limit on the number of participants and 2.) participants be allowed a credit of up to five additional years of age, five additional years of services, or a combination of additional years of service and age, the sum of which shall not be greater than five.

Additionally, that savings from participation in the Early Retirement Incentive Program be first allocated to an Early Retirement Incentive Stabilization Fund (or similar account) to cover the required 50% local share of the long-term actuarial cost of the increased benefits for the participants, and health insurance, and that any additional savings be allocated as determined by the School Committee.

I concur with the School Committees acceptance of the ERI Program and recommend City Council approval for the following reasons:

1. Retirements will generate staff turnover that will allow an infusion of new teachers to the system;
2. Cost of additional retirement benefit is offset by salary savings generated through lower salaries for new hires; and
3. Vacancies provides opportunity for restructuring and budget savings.

348 4007 CITY MANAGER
The Honorable, The City Council
June 28, 1993
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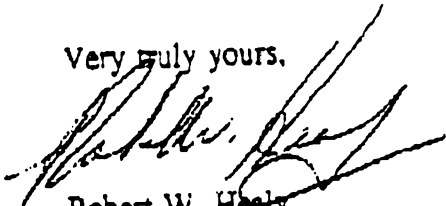
FISCAL IMPACT:

When the City Council accepted an early retirement option for City employees last fall, the option was restricted to only 75 employees and offered only 3 additional years of either service or age. These limits were placed on the program because of my concerns of creating double costs, that is, having to budget pension costs as well as replacement costs. Unlike City employee pensions which are City funded, teacher pensions are funded by the Commonwealth of Massachusetts. The local cost under this plan is only the incremental gain given to each teacher opting to accept the early retirement plus health insurance. Thus, unlike the City's early retirement plan, the more City teachers who select this option the greater the potential savings. The School Department estimates a \$67,000 to \$73,000 cost per employee including health insurance over a fifteen year period, while the savings per employee over a 15 year period would be approximately \$75,000.

In September when final numbers are known, I will come back to the City Council to transfer FY1994 savings to a stabilization account to assist in covering future incremental pensions and health insurance costs.

Attached please find supporting documentation from the School Department.

Very truly yours,



Robert W. Healy
City Manager

RWH/mev
attachment



CAMBRIDGE SCHOOL DEPARTMENT

159 THORNDIKE STREET
CAMBRIDGE, MASSACHUSETTS 02141

March 28, 1994

To The Honorable Members of the School Committee:

FY94-95 Budget - Curriculum Frameworks Implementation Plan:
Recommended Budget Allocations

Please Be Notified That; the following pages provide a FY94-95 funding plan to support implementation of the three curriculum areas approved by the School Committee as priorities in the five-phase curriculum development cycle. These curriculum areas are;

1. Mathematics K-12
2. Elementary Science
3. Elementary Technology

In addition to the above, a fourth curriculum area, Health Education has already been implemented over the past three years, with significant budget support for staff development and materials. It will be moving into the Evaluation phase of the curriculum cycle in 1995-96, and will require a relatively small allocation of funds for this purpose.

The FY95 funding for curriculum development and implementation is recommended from the following sources;

<u>Description</u>	<u>Amount</u>
1. <u>AU56 - Curriculum Implementation Project</u> : This budget was newly established in FY93-94 to fund the initial stage of development of the Mathematics, Science, & Technology curriculum initiatives.	\$ 160,000
2. <u>AU 99 - Systemwide Reserves</u> : This budget contains the \$50/pupil in "Minimum Aid" received from the state in FY94. These funds were earmarked to fund the \$100/teacher in professional development materials and \$400/teacher for the added "Professional Development Day" in the teacher contract in 1993-94 and 1994-95. Since both of these costs are one-time, there is an amount of \$338,266 available in this budget. We are proposing \$238,266 be utilized for curriculum implementation and staff development priorities in FY94-95, and \$100,000 be utilized for other supplemental budget requests. This is outlined as follows;	238,266

- a.  b. Less: Expenditures (\$100/teacher)
c. Balance to be carried over to FY95
(Stabilization Fund)
d. Plus: FY95 "Present Level" budget
e. Equals: Total "Prof. Dev." funding in FY95
f. Less: FY95 Expenditures (\$400/teacher)
g. Equals: Available "Present Level" funds for
Curriculum Implementation Priorities and other
supplemental budget requests.

	Actual
\$ 381,633	381,633
(85,000)	(79,700)
296,633	<u>301,933</u>

3. General Fund Operating Budgets & Grant Budgets: In addition to the above, there are FY94-95 budget resources in a number of existing program and school operating budgets or grant budgets that can be earmarked to support some components of these curriculum budgets; \$101,557

A. Mathematics

1. AU 48, Program 118 - Mathematics Gr. 7-8 - books and materials budget of \$14,077, earmark 50% 7,000
 2. Fund 531, Math/Science Training Project (entitlement grant) - training budget of approximately \$13,500, earmark 100%. 13,500
- Sub-total \$ 20,500

B. Elementary Science

1. AU42, Program 120 - Elementary Science: books and materials budget of \$15,897, earmark 100% 15,897
 2. AU42, Program 621 - Science Administration: workshop stipends budget of \$3,250, earmark 100% 3,250
 3. Fund 549 - Eisenhower Competitive Grant - Science Staff Development - staff training budget of \$9,950, earmark 100% 9,950
 4. Fund 531 - Math/Science Training Project (entitlement grant) - training budget of \$13,500, earmark 100% 13,500
- Sub-total \$ 42,597

C. Elementary Technology

1. Program 117, Elementary Computer Education:
 - Equipment maintenance and instructional materials budget of \$10,799, earmark 50% 5,400
 - Workshop budget of \$4,780, earmark 100% 4,780
 - Equipment budget of \$13,500, earmark 100% 13,500
2. Elementary School Base Rate Entitlements - Program 117 14,780
 - Software budgets of \$14,780 in schools, earmark 100%

Sub-Total \$ 38,460

Total \$101,557

Hand deliver

to: Mr. [unclear]

15.



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 20, 1994

To The Honorable, The City Council:

RECOMMENDATION: That the City Council transfer \$564,097.00 (\$262,164 from Salaries & Wages and \$301,933 from Travel & Training) from the School General Fund Budget to establish a School Stabilization Fund for the purposes of offsetting future costs related to the School Early Retirement Program adopted last year as well as professional development costs agreed to in the most recent collective bargaining agreement with the Cambridge Teacher's Association.

BACKGROUND: When the Teacher's Early Retirement Incentive (TERI) Program was adopted by the City Council and School Committee last year, it was determined to establish a stabilization fund to capture first year savings in the General Fund (Salaries) in order to utilize them to offset associated increased pension costs in future years. For FY94, the savings in salaries total \$262,164.00. Similarly, when the state increased education aid by \$50 per pupil (minimum aid) in the current year, it was determined by the School Committee to use FY94 minimum aid funds as well as FY95 funds to cover the costs of the FY95 Professional Development requirement in the current Teachers contract.

As with the School Debt Stabilization program, I strongly recommend passage of this request.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", is written over a horizontal line.

Robert W. Healy
City Manager

RWH/mev
attachment

Consent Agenda # 15

F-94

Transfer of \$564,067 in the School Dept.
General Fund Budget to establish a School
Stabilization Fund.

In City Council,

June 20, 1994

Order adapted

9-0-0