



October 30, 2016

Dear Fellow East Siders:

I hope you are getting ready for tomorrow night's invasion of small ghosts, goblins and zombie bonds. This week's letter discusses the planned expansion of the Achievement First Mayoral Academy and an opportunity to apply prudent fiscal practices to the City Council budget.

The Achievement First Mayoral Academy opened in Providence in 2012, and has grown to 912 students. The school accepts students from four communities, but 84% of the enrollment currently comes from Providence. The school has submitted an application to the State's Council on Elementary and Secondary Education to expand by 2,200 students over the next 10 years. In connection with its 2012 opening, the Internal Auditor prepared a report estimating that the new school would cost the School Department more than \$10,000 per student in budgetary losses, even after accounting for savings from fewer teachers. The reason for the net loss was an inability to reduce overhead, including physical plant, central office, special education programs, and the like. The Mayor, who is a member of the school's board of directors, has conditioned his support for the expansion upon the State making the School Department "whole" for the loss, but the current application is being reviewed by the State without any clear commitments or plans concerning the impact on the Providence Public Schools. With that in mind, Councilman Principe and I have asked the Internal Auditor to prepare a fiscal impact study for the proposed expansion, and I have introduced a [Resolution](#) asking the Council on Elementary and Secondary Education to perform its own impact study, as required under State law.

On October 18, the City Council majority held a press conference stating that the City could not afford an infrastructure bond. They did not inform other City Council members of this conference, perhaps because we would have told the press we disagree with the conclusion; instead, the City's professional financial advisor informed the Finance Committee that the issuance of a \$40 million infrastructure bond would maintain the City's current credit rating, and a failure to maintain the City's infrastructure could lead to a credit downgrade. With that said, I seen an opportunity to work the majority to advance their stated commitment to fiscal prudence. More specifically, the majority has approved two consecutive City Council budgets that contain unprecedented increases that exceed 40% over that period. What is more, the process has not been transparent, as neither increase was vetted, and portions each year were added by the Finance Committee on the last night without prior notice. Had the budget increased at a more sustainable 3% annual rate, the City would achieve \$1.38 million in annual savings, enough to support by itself a \$16 million infrastructure bond (at 5% over 20 years). With that mind, I am introducing this week an [Ordinance](#) requiring the Finance Committee to review the City Council budget for a minimum of 30 consecutive minutes each year, and a [Resolution](#) committing the City Council to reduce next year's City Council budget by a minimum of \$1 million. By removing the "nice to have" expenditures and limiting the budget to "must have" items in its own budget, the City Council can develop a source of bond financing and begin to address the atmosphere of dysfunctionality surrounding its cancellation of the infrastructure bond.

Sincerely,