

SAM ZURIER

December 19, 2011

Dear Fellow East Siders:

The Education Subcommittee completed its review of the Achievement First charter school application. Its final report is at this link:

<http://www.samzurier.com/images/stories/issues/af%20education%20subcommittee%20report%20final.pdf>

After analyzing the proposal, the Subcommittee made three principal recommendations. First, the application is unclear about how children from the four host districts (Cranston, North Providence, Providence and Warwick) will be represented in the new school – e.g., will it be equal 25% shares for each district, proportionate based on enrollment (which will result in approximately 49% Providence children, with a preference for children in poverty (71.1% of whom live in Providence) or some other way. The impacts on the Providence Public Schools vary widely, and it is important to know before the application is reviewed. Second, the Subcommittee recommends that only one of the two planned elementary schools open on schedule, with the other to wait for at least three years to assess the experience, performance and impacts of the first. Third, the Subcommittee recommends that the parties work to repeal Rhode Island law §16-13-6, which requires seniority based layoffs in the event of a decline in enrollment. The report will go to the Finance Committee to review, but in the meantime I plan to submit it to the Board of Regents for their consideration, as word is that they will meet in January to review the application. Interestingly enough, I had a meeting last week with representatives from Meeting Street School who will submit an application this week to open a different mayoral academy charter school in Providence. I told the representatives that my own assessment of their application will be affected by the State's review of Achievement First, as a decision to open a 920 student charter school will (in my opinion) constrain the District's ability to absorb additional mayoral academy charter schools.

In the meantime, the Nonprofit Subcommittee of the Revenue Study Commission completed its work last week. We have prepared a draft report, which we are forwarding to the entire Commission for approval. You can read it by clicking on this link:

<http://www.samzurier.com/images/stories/issues/nonprofit%20subcommittee%20reportt.pdf>

In the Report, we recommend that the City seek agreements with the major nonprofit institutions (colleges, universities and hospitals) to cover the fiscal impact the City sustains to provide services to these institutions. We calculate that impact at \$18 million (after accounting for State aid directed to offset these expenses), and we estimate that the major nonprofits could cover this expense if they agreed to pay between 16% and 22% of the amount they would pay were their real estate subject to the City tax. The Commission also has subcommittees working on the property tax and other sources of revenues. In short, property tax reform (especially to address the second highest commercial real estate tax rate in the country) requires additional revenues outside the property tax to balance the City's revenues and expenses, as further significant cuts in expenses would be painful if added to those made last year, and an increase in the homeowner's tax rate to fund commercial tax rate reform is not feasible. In the report, we point to examples in Boston and New Haven for how such agreements can be structured in a way that is acceptable to the affected institutions while addressing the City's needs. The entire Commission will be meeting in the coming weeks to adopt the Subcommittee's report into a broader Committee report.

I hope you all have a happy holiday and healthy New Year. I will be taking a brief hiatus from writing Ward letters, but I will be back at work sometime in January.

Sincerely,

