

October 23, 2024

June Rose
Providence City Hall
25 Dorrance Street
Providence, Rhode Island, 02903

Dear June,

Thank you for meeting with us on Monday, October 21 and for your follow-up on Tuesday, October 22. We came to the table in good faith to reach a mutually agreeable solution in support of our students, families and educators. While we appreciated your personal commitment to respond to PPSD's critical need, our stance is the same as it was on Monday and Tuesday—your offer is insufficient, and we are gravely concerned about how far apart we are to adequately solve the crisis before us.

We thank you for sharing that you have identified an additional \$2.5 million for PPSD that you are confident could be provided on the condition that we agree to an audit of our finances. You've asked for a quick response and so I am responding to both parts of your offer.

Independent Audit

PPSD will agree to an independent audit on two conditions: 1) City leadership communicates in writing how the audit the City proposes differs from the yearly audit the City already commissions relative to PPSD finances, which are readily available on the City's website, and 2) the City also agrees to an audit.

As you know, the City already conducts an independent, third-party audit of PPSD finances that Providence's taxpayers fund. Are you proposing an audit of the City's audit? We appreciate that you've agreed to follow-up with the Mayor's Chief of Staff who you shared would know more about how this audit differs from the yearly audit the City just conducted.

For several years, we have been concerned that the City's leadership has been consistently notified by the Department of Revenue that its budget is not in compliance with its legal obligation, and yet continues to consistently finalize a budget that shortchanges Providence's children. As a reminder, throughout the intervention, the state's contribution to PPSD has increased by \$30 million while the city has increased theirs by just \$5.5 million.

We are aware that the City has at least \$29 million in a "rainy day fund," an amount that has grown by nearly \$10 million since the start of the intervention. We are also aware that the City maintains a separate medical fund that, based on the last fund balance shared with the District, stood at over \$16 million. We are similarly concerned that this fund has also grown by nearly \$10 million since the start of the intervention.

We believe our community would be better positioned to identify the root cause of the historical problem of underfunding PPSD if we had a more transparent and clear understanding of the City's finances. In particular, we are interested in understanding how the City has addressed its pension funding while increasing funding to non-PPSD departments by over \$88 million over the last 5 years.

\$2.5 million

ANGÉLICA INFANTE-GREEN
Commissioner

JAVIER MONTAÑEZ
Superintendent



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We appreciate your offer of \$2.5 million. As we've communicated to you, on both Monday and Tuesday, this offer falls way short of the PPSD budget gap of \$10.9 million and does not meet the needs of PPSD children, families or educators nor does it come close to the City's financial legal obligation. Most importantly, this offer is completely insufficient to meet the growing needs of PPSD.

The City has the money to make the District—and thus the student experience—whole but chooses not to do so. As a result, we will move forward with implementing the difficult decisions we have communicated to the City for months.

Our Request

We again renew our request \$10.9 million to close the FY 25 budget gap. While this does not meet the City's full legal obligation to PPSD, it will allow us to meet the dire needs of students and ensure continued operations of the District. We will fully agree to an audit so long as the City also agrees to an audit that will provide us with deeper insight into the rationale of the City's consistent underfunding of PPSD.

Thank you,

A handwritten signature in black ink, appearing to read "Javier Montañez".

Dr. Javier Montañez

Superintendent of Schools