



**Rachel M. Miller**  
**Council President**  
Councilor – Ward 13

October 25, 2024

CC: President Pro Tempore Juan Pichardo  
Chairwoman Helen Anthony  
Deputy Superintendent Zack Scott  
Senior Director James Scott  
Deputy Commissioner Drew Echelson

Dear Superintendent Montañez,

Thank you for meeting with me on October 21 and for the follow-up meeting you held with the City Council Chief of Staff June Rose on October 22. I received a copy of the letter you sent to Chief Rose and wanted to respond directly.

The Providence City Council is deeply committed to students and their success, as evidenced by the historic budget appropriation this past year and our additional efforts to allocate funding even after the FY25 budget has been passed and is closed.

I am deeply disappointed in your characterization of recent conversations as insufficient and as a contentious negotiation. In fact, I have entered these conversations – and have asked leadership staff of the City Council to continue these conversations on my behalf – as a trusted partner working with you and your team to solve a problem we all face together.

Our students and families urgently need us to put aside the mentality that pits PPSD and the City as two sides fighting. Instead, we should go all in together for solutions that can help ameliorate the current financial issues and solve the long-term issues that find us in this and similar positions year after year.

I am further disappointed at your continued reference to the City's legal obligation, which you of course know is a current matter of dispute and in court. Providence has more than upheld our legal obligation in FY25. I'll note that the additional \$5.5M appropriated to PPSD represents greater increase than the percent increase PPSD received from the State. During the term of the intervention the City has contributed \$2.1M more than it was legally obligated to due to a settlement that was reached in FY23.

I have shared this with you each time we have spoken, and I have asked that you put aside this politicized opinion as we focus together on real gaps in the PPSD budget. That you have failed to do so, as recently as yesterday, gives me considerable concern that PPSD, under state authority, is focused on "winning" a political fight rather than uniting with the City of Providence to meet the needs of our students – which I'm sure you would agree – would be a win for all involved.

**Providence City Council**  
Providence City Hall, 25 Dorrance Street, Providence RI 02903



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Collectively, we have a moral and civic obligation to support our students and teachers, and despite the above-named disappointments, I believe we all share this conviction. To this end, the Providence City Council, working with the Mayor's administration, has identified additional funding that could be allocated immediately to stop cuts to student facing programming, namely athletics and transportation. To date, you have not accepted that offer of additional funding. It's unclear to us why.

The City can help the financial issues facing PPSD in multiple ways, but we are unable to do so if we do not understand the scope of the problem. By conditioning further funding on an agreement to undergo an independent third-party audit, we are not attempting to punish or belittle the efforts of PPSD but instead are asking for a path to understanding the scope of the financial issues impacting the department so that we can help financially, programmatically, and administratively as much as possible.

In your letter to Chief Rose, you referenced that you did not have a transparent understanding of city finances. I'd recommend you look to the fifteen City Council Committee on Finance meetings regarding the FY25 budget during which each City Department presented last year's passed budget, actual expenses, and proposed budget and to the two public hearings held on the FY25 budget. Minutes, accompanying documentation, audio recordings, and video recordings of each of those meetings can be found online. Chief Rose would be happy to share any documentation with you should you have trouble finding any item of interest.

Each year, the City is legally obligated to pass a balanced budget. After the City Council passes a budget, new budget books, which include line item budget details for every department, are printed and made available online. Since the state takeover, the school department has not done so. To date, the City of Providence does not have a line item budget book for PPSD. We do not know if PPSD is upholding our obligation to a balanced budget and we have no insight into financial choices the department is making or the rationale for those choices. While I thank you for ensuring that PPSD appeared before the Committee on Finance for the first time since 2019, an oral presentation and PowerPoint is not the same as a line item budget.

On August 14, leaders from RIDE and PPSD asked for an urgent meeting with me, Mayor Smiley, Chairwoman Helen Anthony and accompanying leadership staff of the City. During that meeting, you shared that the FY25 deficit was \$10.6 million, but that you had just finished FY24 with a \$20 million deficit and that this year's budget allocation was being used to pay last year's deficit. That raised alarm bells for me and other city leaders on multiple fronts, including basic financial best practices. It is an irresponsible and high-risk practice to finish a fiscal year with a deficit and then, to further increase risk, adopt an unbalanced budget the next fiscal year.



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Given these issues, and based on our obligation to the taxpayers and residents of the City of Providence, we are asking for a third-party review of the Providence Public School Department internal controls and budget processes. The goal of this review is to assess how the District is utilizing resources, managing expenses while at the same time determining if there are other ways the City could be financially supportive of the current budget.

In your letter to Chief Rose you asked for a description of how this audit differs from the yearly audit all City departments currently undergo. Please allow the following to inform you.

This review would include the following key areas:

1. Review of year over year spending trends and expenditure patterns, including understanding how FY 2024's deficit was closed.
2. Assessment of how resources are distributed between schools, programs and administrative costs.
3. Examination of cost control practices including medical, utility and other line item costs to ensure that funds allocated are used to maximum benefit.
4. Analysis of short and long term cash flow projections to ensure that key obligations, like pension payments, are met.

Importantly, it would be an *external* entity or firm that would conduct an operational and financial review that includes PPSD's financial health, budgetary practices, and resource allocation. This third-party would analyze key financial documents such as budgets, audits, and expenditure reports, while identifying areas of inefficiency or potential cost savings. The review should evaluate the alignment of financial resources with strategic goals in the Turnaround Action Plan, ensuring that funds are being used effectively to support student outcomes. The end goal would be to provide actionable recommendations that will enhance fiscal sustainability, operational efficiency, and long-term financial planning while assessing a current overview of the financial health and budget practices, which the city cannot currently see and are not reflected in the audit that is pursued annually.

I would also remind you that last year's regular audit included actionable findings for PPSD to pursue, unlike other city departments.

While disappointed, I continue to hold faith that we can work together as mutual partners in our students' and family success. But to be frank, I was appalled at the following two sentences in your letter to Chief Rose: "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."



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To portray the City of Providence as unwilling to work with or support our students is factually incorrect. The City is by no means wealthy or sitting on unnecessary funds. We are, as every local government must, making the best possible decisions we can to ensure the fiscal health of our city and the well-being of our residents. We are, still, offering an immediate allocation of funding that could stop some of the “difficult decisions” that would impact students – again, transportation and athletics. That offer doesn’t mean that we won’t continue to work together to find additional funding – it means, this is the funding that we have identified right now to meet this moment. The identified funding is time sensitive, and requires that a decision be made by Monday, October 28<sup>th</sup>.

If PPSD is earnestly working with us to solve this problem, no is not a conceivable answer. I look forward to hearing your positive response to this request as soon as possible.

Sincerely,

Rachel M. Miller  
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