



Office of Business, Finance and Planning
100 Walnut Street
Newton, MA 02460
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TO: Kathleen Smith, Interim Superintendent

FROM: Amy Mistrot, Director of Business Operations

DATE: April 18, 2023

RE: FY23 Scovell Fund Transfer

The Office of Business, Finance, and Planning is requesting School Committee approval to transfer funds from the Scovell Trust to provide scholarships for the 2023 graduates of both Newton North and Newton South high school.

The Scovell Trust of the City of Newton, created through the will of Clinton H. Scovell, founding partner of the Boston accounting firm of Scovell Wellington, was funded in 1967 “to establish a trust fund, the income of which shall be used for prizes for distinguished scholarship in the high schools of said city upon such terms and provisions as the School Committee shall from time to time determine.”

The funds are managed by BNY Mellon under the stewardship of the City Treasurer. As of 3/31, the available fund balance was \$1,711,465.69, with an average rate of return of 5.59% for the period between FY17 and FY23-YTD. Ron Mendes, City Treasurer, has confirmed that the non-expendable principal balance is \$472,500, which leaves \$1,287,965.69 for possible use to fund scholarships.

The history of scholarships that have been paid is as follows; however, it appears that approximately 33 scholarships have been awarded per year reflecting a lower use than award ratio.

FY17 = \$22,000
FY18 = \$25,000
FY19 = \$23,000
FY20 = \$26,000
FY21 = \$20,000
FY22 = \$28,000
FY23 = \$33,000 awarded, \$20,000 paid YTD

For context, the fund has made awards of \$1,000 to graduating seniors based upon both low-income status and academic promise.

Periodic transfers have been made from the Scovell Trust to the Newton Public Schools, but the last transfer was made on 6/30/21 for only \$28,500. For the two high schools to award Scovell scholarships this year, a transfer of funds is required. It is the recommendation of both the City Treasurer and me to transfer approximately 4% of the 3/31 fund balance - \$70,000 – for immediate award to qualifying 2023 graduates following the current award criteria.

Later this spring, another recommendation will be made to School Committee to address a process for an annual review of fund performance and award amount that should be scheduled for January each year in advance of the high schools' scholarship application process.

The immediate request is for a motion to approve a single-year transfer from the Scovell Trust for award to the 2023 graduates of both Newton North and South.