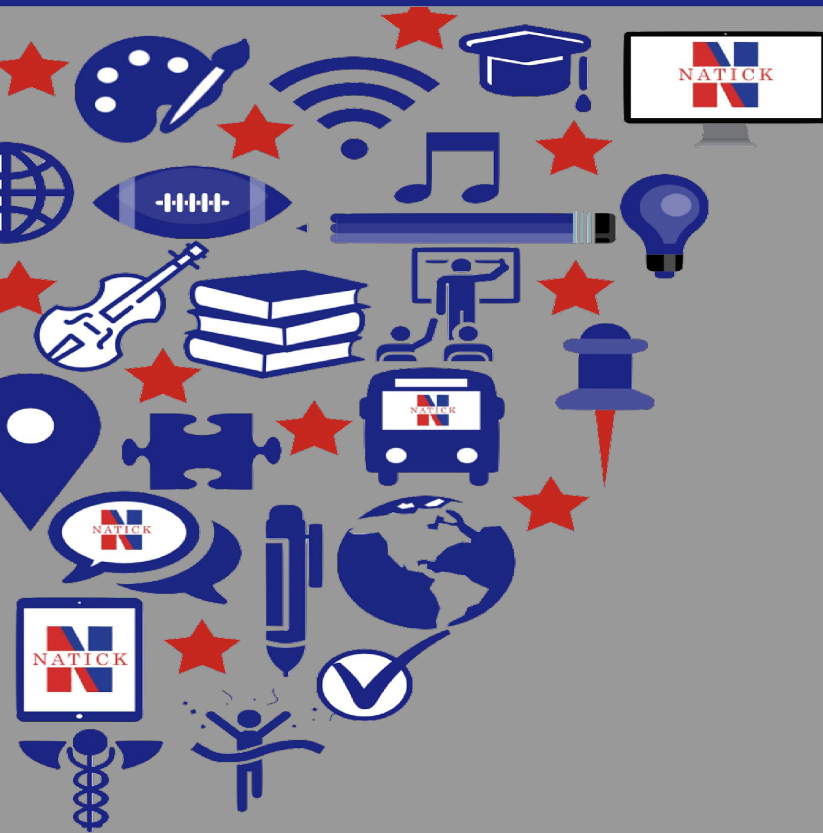




NATICK PUBLIC SCHOOLS



FINANCE COMMITTEE

OCTOBER 6, 2020

*Ed Sub Committee -
September 16, 2020*



COVID

[COVID Costs \\$1.137 Million Dollars to Date](#) (detail and narrative)

adjusted since September 28 to reflect reductions in unemployment costs and real numbers for bus fees (down from \$1.4 million)

[Spreadsheet version of this memo](#) (picture of summary on next slide)

Town collaborative discussion continue to occur looking for the most advantageous manner to address these needs and the needs of the town as a whole. Review of use of CARES, FEMA, CVFR etc. and square that with strategic use of capital stabilization is needed on ongoing basis to turn the town to best strategic advantage financially.



SUMMARY DETAIL, TIMING OF SPENDING

	Spent	Sept-Dec	Jan-Jun		Grants	Overage (Shortage)		
Human Resources	\$302,111.88	\$856,838.00	?	\$1,158,949.88				
Transport/Fees	\$0.00	\$353,404.00	?	\$353,404.00				
COVID Tracking	\$30,000.00	\$0	?	\$30,000.00				
Teaching & Learning	\$286,000.00	\$48,000.00	?	\$334,000.00				
Special Education	\$26,625.00	\$250,173.00	?	\$276,798.00			GRANTS OBTAINED SINCE JUNE 2020	
Energy	\$0	\$187,500	\$187,500	\$375,000.00				
Custodial Supplies		\$101,778.29	\$152,667.43					
Total NPS	\$644,736.88	\$0.00	\$340,167.43	\$2,781,597.60	\$1,449,500.00	(\$1,332,097.60)		
Facilities	\$2,330,863.00	\$269,708.91	\$13,440.00	\$2,614,011.91	\$2,809,209.72	\$195,197.81		
GRAND TOTAL	\$2,975,599.88	\$1,879,902.20	\$353,607.43	\$5,395,609.51	\$4,258,709.72	(\$1,136,899.79)		\$1,449,500.00
					Circuit Breaker	\$276,798		
					TOTAL NEED	(\$860,101.79)		
					Article I add 500K to Emergency Fund	300,101.79		
					MOTION TOTAL	300.000		



GRANTS OBTAINED AND APPLIED SINCE JUNE 2020

Grants Obtained by NPS since June

CVRF	\$1,237,500
DESE Technology	\$116,000
Reallocation of PD from Title IIA	\$60,000
Vacation & Weekend Grant	\$36,000
	\$1,449,500



THREE SCHOOL MODELS SIMULTANEOUSLY

50 medically remote students are also special education students

	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Hybrid	234	291	284	304	285	313	313	339	334	336	344	350	373	4100
	1398					1299					1403			
Remote	76	75	85	77	65	59	70	35	49	39	36	24	18	708
	378					213					117			
Full	33	32	50	36	66	51	49	40	19	9	10	12	17	424
	217					159					48			
Total	343	398	419	417	416	423	432	414	402	384	390	386	408	5232
	1993					1671					1568			

75 students are not medically remote, but chose it and receive special education services.

Learning Model Type	Human Resource Needed	Human Resource Description	Materials and Supply Needs
Hybrid Model (live 50%/remote 50%)	Cohort Subs Cohort Monitors Additional teachers	substitutes cannot be shared across all school buildings as before or they cross-contaminate cohorts. In addition, with so many types of schooling and services being provided, added monitors must be present to supervise students while medically compromised staff are on remote assignment	Examples: chromebooks for many students K-6 added digital supports for remote week instruction
100% Live Return to School SPED/Teacher Children	Additional teachers monitors instructional tutors	more instructional tutors to oversee students as they take virtual courses from various instructors (specials and co-taught) and oversee interactive learning centers where students receive services	Examples: no shared manipulatives, additional texts
Remote Learning Academy	Staff to replace those required or transferred to teacher remotely	teachers from the regular buildings assigned to new positions and then hired subs to back fill	Edgenuity



STAFF ADDITIONS AS OF 9/28/20

NOTE: enrollments are fluctuating as parents change their minds.

Level	Long Term Subs/Replacement for Remote Learning**	Paras	Cohort Subs	Cohort Monitors**
Preschool (1)	.9	0	0	0
Elementary (5 schools)	19	7	12	7
Middle (2 schools)	9	5	7	5
High School (1 School)	7 added .4 adjustment counselor	0	5	8
Special Education Included In the above numbers... **see next slide for further detail				



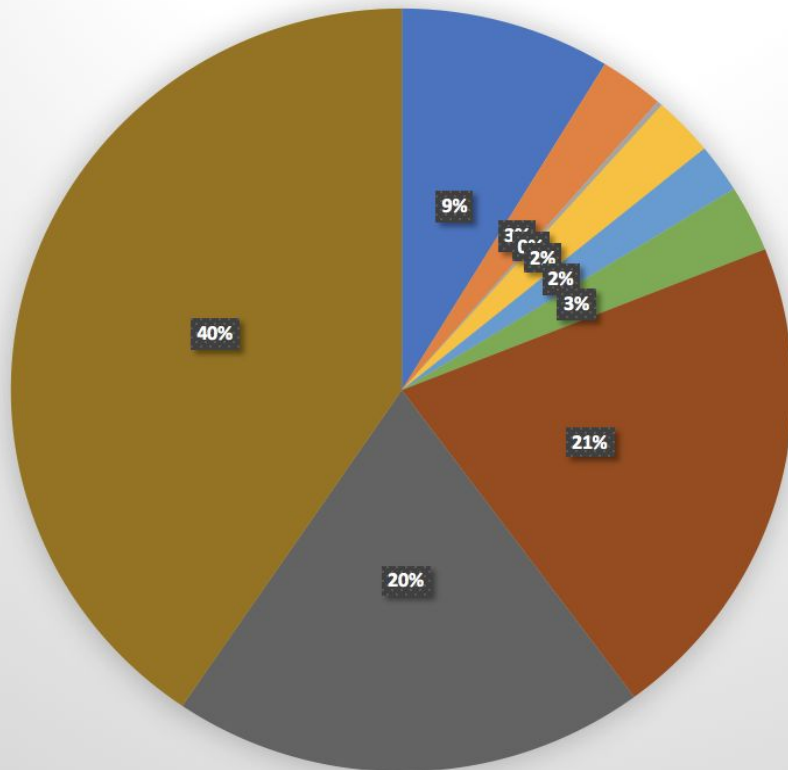
LONG TERM SUBS/MONITORS** AND STAFF TEACHING REMOTELY

43 staffers have medical excuses with Dr. notes for accommodations to teach remotely, verified under the Americans with Disabilities Act, or to care for a family member.

Thus, we need the Long Term Subs for them (if they cannot teach at all) or a Cohort Sub for them (if they can video teach from their home into school, another adult must monitor the live classroom of children)

TOTAL COVID COSTS

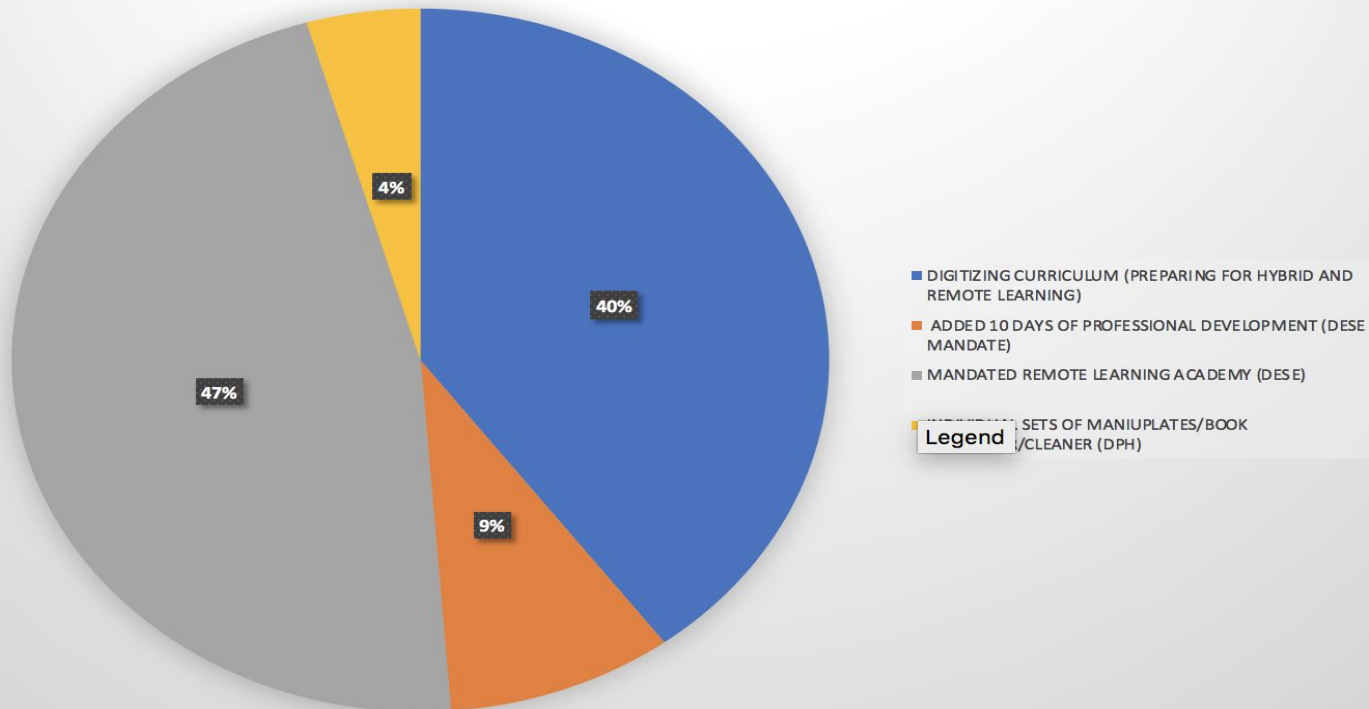
Total Costs = \$5,396,609



- Human Resources
- Transport/Fees
- COVID Tracking
- Teaching & Learning
- Special Education
- Energy
- Custodial Supplies
- Total NPS
- Facilities
- GRAND TOTAL

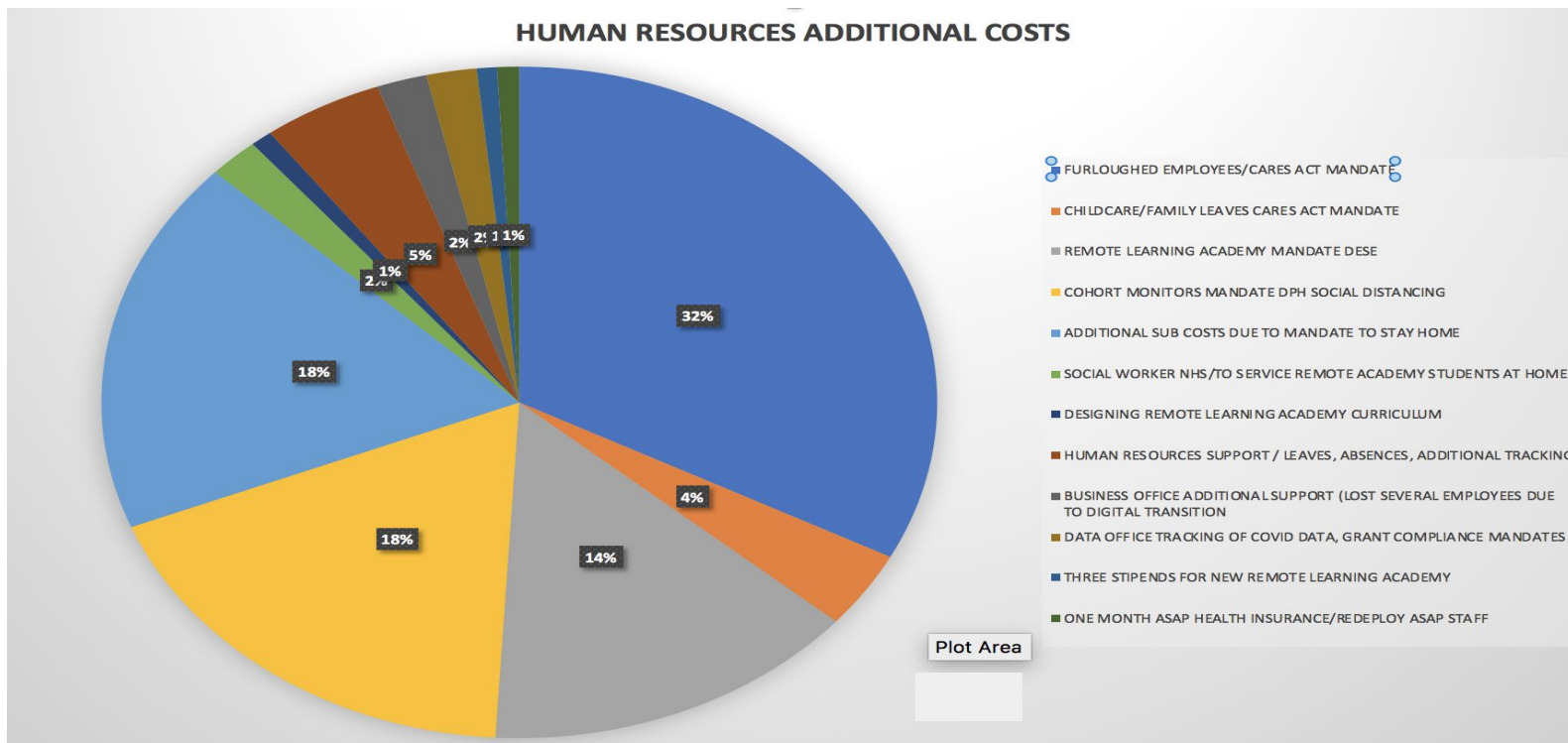
TEACHING & LEARNING

TEACHING
AND LEARNING EXPENSES \$334,000





HUMAN RESOURCES





OTHER TOWNS AND COVID COSTS

Town	Total Cost	FALL TM Request	Other Notes
Medway	\$2.3 million	All	(\$650K will be CARES)
Needham	\$5 million	\$2 million	embeds yearlong cost estimates
Ashland	\$2 million	All	\$700K from town grants, and this is only through 12/31, ½ the positions being hired still need funding and full year needs funding.
Wellesley	unshared	\$1.5 million	through January



POSSIBLE WAYS TO FUND REMAINING COVID COSTS

- Chapter 70 funds that have been kept level + plus 83K
 - other towns listed and in our DART cohort did not ask unions to take 0% so this does not take into account the recovery of those monies and the recovery of the positions cut to balance the budget last year
- Capital stabilization/facilities and modifications
- Free Cash
- Better than expected New Growth
- Emergency Stabilization
- FEMA/CARES redistribution
- Tax Levy



COVID FUNDING FROM SPECIAL TOWN MEETING

- What if not spent?
- What if not applied now?
- What if you go remote? after 30 days? 60 days?
- What if there is a surplus?



NPS BUDGET HISTORY

see next slide

FY21 NPS operating budget appropriation request (March 9,2020)**\$71,532,279**

June 2020 Budget Adjustments:

- Reduce ASAP revolving further \$ 50,000
- Reduce technology completely \$ 175,000
- Eliminate most new district positions, KMS compliance/new team maintained thru transfers, defer most student services until January (all dist - \$296,763) + (KMS - \$460,411) \$ 757,174
- 7 staff reductions due to retirements, resignations/non-renewals (\$200K savings already included in March budget) \$ 241,070
- 0% COLA--all staff/no merit--ALL UNIONS, ALL ADMINISTRATORS, SUPERINTENDENT/CENTRAL OFFICE \$1,308,000

FY21 revised operating budget request (June 2020)**\$69,001,035****Prepaid SPED****\$1,903,789**

FY21 Town Meeting Appropriation

\$67,097,246**Since Spring Town Meeting Additional Cuts**

7 unfilled positions originally cut from FY20 budget

- 5.6 positions transferred for SPED
- 2 positions (1.0 ELL, 1.0 KMS Para) still to be filled

(from staffing needed to run FY21 on a normal year, this was a net cut of 14.5 positions)



REVOLVING FUNDS ANALYSIS

Natick Public Schools has 34 revolving accounts totalling over \$4 million dollars

- 22 of these accounts have less than \$20,000 balances
- 5 of these accounts have balances between \$20,000 and \$100,000
- 7 of these accounts have balances greater than \$100,000
- 3 of these accounts are business accounts (ASAP, Food Services, Summer School)
- 4 of these accounts are educational accounts (Circuit Breaker, Bus Transportation, Foreign Student, School Choice)

The 5 largest accounts (Circuit Breaker, Bus Transportation, School Choice, ASAP and Food Services account for approximately 90% of the revolving account balance. The majority of these accounts can be only used one time. This cannot continue to be used in upcoming fiscal years as they have been reduced to minimal amounts necessary to operate the programs.



FY 20 BUDGET REVOLVING ACCOUNT OFFSETS

School Choice	\$100,000
Circuit Breaker	\$350,000
Instrumental Music	\$100,000
Transportation	\$100,000
Technology - Laptop Fees	<u>\$179,997</u>
Total	\$829,997



FY21 BUDGET REVOLVING ACCOUNT OFFSETS

FY21 (Pre-Covid)

Circuit Breaker	\$500,000 (additional funds used due to a deposit timing error)
School Bus	\$100,000 (due to fee increase)
ASAP	<u>\$150,000</u>
Subtotal	\$750,000

+

FY21 (Post-Covid)

Additional ASAP	\$ 50,000
Additional Circuit Breaker	<u>\$212,000</u> (to fund preschool kindergarten)
Subtotal	\$262,000

Total	\$1,012,000
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FY21 REVOLVING ACCOUNT BALANCES

Circuit Breaker - approximate balance - \$800,000 to \$1.2 million - (we maintain a minimum balance for potential student needs)

Program Description: State Reimbursement Program to cover the high cost of Special Education. Circuit breaker reimbursements are for the district's prior year's expenses. The threshold for eligibility is tied to four times the state average foundation budget per pupil as calculated under the chapter 70 program, with the state paying 75 percent of the costs above that threshold. A claim form is submitted to the DESE by the district each July for the prior year expenditures. Payments are received quarterly based on the prior year claim and the final quarter payment in July fully funds the prior year obligations.

Fee Structure: No fee – Reimbursement Program from the state.

Fund Restrictions: Compensation for employees, contracted services including payment for out of district tuition and payment for equipment and materials to run program.

ASAP - approximate balance - \$180,000 (we pay salaries/benefits and expenses for the program)

Program Description: The District offers an After School Enrichment Program for elementary students. Classes are designed and led by NPS staff and focus on hands-on exploration and collaborative fun! Programs include chess, arts, crafts, cooperative games, and other enrichment activities.

Fee Structure: per course charge

Fund Restrictions: Compensation of employees, contracted services and payment for equipment and materials to run program.



REVOLVING ACCOUNT BALANCES

School Choice - approximate balance - \$300,000 (we pay teachers from this account - enrollment is closed)

Program Description: The inter-district school choice program allows a parent to enroll his or her child in a school district that is not the child's home district. Because of space limitations, not all school districts accept out-of-district students under this program. Every year the school committee in each school district decides whether it will accept new enrollments under this program and, if so, in what grades. Once a child is accepted into another district under school choice, he or she is entitled to attend that district's schools until high school graduation. You do not have to reapply each year. Transportation is not provided for students attending another school district under this program.

Fee Structure: The State sets the rate and is currently \$5,000 per student with incremental increases for Special Education students.

Funds Restrictions: Compensation for employees, contracted services and payment for equipment and materials to run program.

Bus Transportation - approximate balance - \$126,000 (we offset bus expenses from this account)

Program Description: State law requires Natick provide transportation for K-6 students living in excess of two miles from their assigned school. The school district has chosen to offer all additional students fee-based bus transportation.

Fee Structure: Current fee is \$200 per rider with a \$400 family cap. The fee is waived for students eligible for Free or Reduced Lunch.

Fund Restrictions: Compensation for employees, contracted services and payment for equipment and materials to run program.



REVOLVING ACCOUNT BALANCES

Food Services- approximate balance - \$700,000 (we pay salaries/benefits and expenses for food services)

Program Description: Under the acts of 1948, chapter 548, the School Committee may operate or provide for the operation of school food service programs in schools under its jurisdiction. The School Committee through this act may receive disbursements from federal sources to support the School Lunch Program in addition to charge for meals. Funds are kept in a separate account and expended by the School Committee without appropriation. The Bureau of Nutrition Education sets regulations for accounting, audit and nutrition for the School Lunch Program.

Fee Schedule: Meal pricing is based on the projected cost of providing the program less any federal subsidies received for participating in the National School Lunch Program. Our current meal pricing is found here: www.natickps.org/departments/foodservices

Fund Restrictions: Use of funds is limited to compensation for employees, contracted services and payment for equipment and materials to run program. Does not include funds for major maintenance or kitchen renovations.

Due to the current closure, DESE and USDA are reimbursing only for the cost of the food, no other expenses such as employee costs, etc., as well as our contractual obligation to Aramark. Historically in the past we have used this account for purchasing small capital items such as new serving line equipment, point of sale technology/equipment, new freezers, and other small kitchen equipment purchases.



REVOLVING ACCOUNT REVIEW

Why is it essential to have adequate cash on hand?

Keeping the right amount of cash on hand is useful in a few key ways:

- It lets you keep paying your bills. You need adequate reserves to meet financial commitments to employees and vendors.
- It helps you weather good and bad business cycles.
- It can prepare you in the event of a natural disaster that keeps you from making revenue.

How many months of cash on hand are right for your business?

You should go with the three- or six-month rule (or somewhere between) depending the type of business you are in.



NPS FINANCIAL ANALYSIS

An analysis of the NPS Financial Statement as of April 30, 2020 without encumbrances
would show the following balances :

Salaries.....	\$40,219,633
Expenses.....	<u>\$10,894,095</u>
Total.....	\$51,113,728

Total FY20 Appropriation.....\$67,810,346

Balance.....\$16,696,618



NPS FINANCIAL ANALYSIS

When encumbrances are added into the calculations and spending occurs in May and June, the following balances are available :

Total Expenditures to Date.....	\$51,113,728
Encumbered Salaries.....	\$13,303,828
Encumbered Expenses.....	<u>\$ 1,895,973</u>
Subtotal including encumbrances.....	\$66,313,529
Total FY20 Appropriation.....	\$67,810,346
Balance as of April 30, 2020.....	\$ 1,496,817
Expenses May and June 2020.....	(\$ 1,240,282)
Ending Balance**	\$ 256,535
Returned to Town as free cash from bus transportation subsidy	(\$256,535)

Encumbered salaries include monies owed to all employees to the end of the fiscal year. Encumbered expenses include expenses such as out of district tuitions, contracted services, utilities and any other expense which we have a financial commitment to through the end of the fiscal year.

**unaudited



FY21 PROJECTED ANALYSIS OF SPENDING

Spending thru December 31, 2020			January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Salaries	\$	20,375,404	\$ 4,161,219	\$ 4,350,145	\$ 4,192,415	\$ 4,223,395	\$ 4,217,230	\$ 13,934,156
Expenses	\$	5,418,038	\$ 1,142,206	\$ 1,032,759	\$ 1,103,783	\$ 841,809	\$ 1,092,140	\$ 1,012,547
COVID Costs	\$	861,001	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500	\$ 62,500
	\$	26,654,443	\$ 5,365,925	\$ 5,445,404	\$ 5,358,698	\$ 5,127,705	\$ 5,371,870	\$ 15,009,203
YTD			\$ 32,020,368	\$ 37,465,771	\$ 42,824,470	\$ 47,952,175	\$ 53,324,045	\$ 68,333,247
FY21 Budget	\$	67,097,246	\$ 67,097,246	\$ 67,097,246	\$ 67,097,246	\$ 67,097,246	\$ 67,097,246	\$ 67,097,246
Remaining Balance	\$	40,442,803	\$ 35,076,878	\$ 29,631,475	\$ 24,272,776	\$ 19,145,071	\$ 13,773,201	\$ (1,236,001)
Salary Commitment for May and June						\$ (18,151,386)		
Available funds						\$ 993,685		
Encumbrances for May/June						\$ (1,900,000)	(includes contracts for out of district tuitions, bus transportation, utilities, etc.)	
*Spending is based on historical data from previous fiscal years								
**COVID costs from January thru June is anticipated energy costs								



SEMESTER 2 FORECASTS (JAN-JUNE 2021)

- We have shared with you costs for 40% of the school year with some projections for the remainder
 - Energy Unknowns
 - New Long-Term Substitutes/Monitors past December 31, 2020 become benefited after 6 mos of service
 - PPE, month to month
 - Some other mandate?
- If we are operating as we are today in January, there will be additional costs over and above what you see thus far.
- It is not prudent to wait to address this need when more needs will coincide with second semester needs AND the emergent needs of the FY 22 Budget.



WHAT WAS GIVEN UP?

- Communications director not replaced on leave
- Two central office positions not yet filled for first quarter
- Reduced three consultant contracts for early literacy training
- Not all courses were offered at NPS due to staff availability
- Latin, German and Mandarin class levels are condensed into one classroom/one teacher (reducing sections and levels)
- Reduced sections of physics, chemistry and some courses had to be moved totally online due to restrictions on teachers or demand
- Performance classes unable to be held in person (band, choir, music)
- PE classes not held live due to space issues
- Possible reduction of the financial literacy course



SILVER LININGS/LONG-TERM BENEFITS

- Air purifiers solve issues with asthma and other health problems
- All families have more access to hot-spots and laptops
- Staff expertise with digital teaching
- Cross-time zone and geographical collaboration for global education
- More parent access to meetings (public and conferences)
- Facilitates cross school conferences
- Assists more for students with social anxieties
- Public meetings are much better attended by working parents, women and people of color.



ARTICLE I ADJUSTMENTS MADE BY TA (10/8)

Fiscal 2021 Omnibus Budget (Town Administrator)

Move that the Town vote to increase the appropriation voted by the 2020 Spring Annual Town Meeting under Article 8 for the following budgets by the sum of \$751,093, said sum to be distributed as follows:

- To supplement the Shared Expenses budget as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$118,828 to the Debt Service budget.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$100,000 to the Employee Fringe budget for the benefits reserve line item.
- To supplement the Shared Expenses as voted under Article 8 Motion G of the 2020 Spring Annual Town Meeting by adding \$500,000 to the Reserve Fund – Finance Committee line item.
- To supplement the Public Safety Budget as voted under Article 8 Motion B1 of the 2020 Spring Annual Town Meeting by adding \$32,265 to the Police Department Budget for police salaries.

With the above Budget be raised from the following sources:

State Aid for Fiscal Year 2021 \$751,093



DRAFT MOTIONS CONTINGENT UPON AMENDMENT OF ARTICLE I (PRIOR SLIDE)

Article 19
COVID Expenses
(School Superintendent)

Motion Move that the Town vote to supplement the appropriation for the Natick Public Schools, voted under Article 8 - Motion A1 of the 2020 Spring Annual Town Meeting by adding \$300,000 for the purpose of addressing increased salaries and expenses related to the COVID-19 pandemic and that the above appropriation be raised from the following source.

2021 State Aid: \$300,000



DRAFT MOTION, IF ARTICLE I DOES NOT PASS

Article 19
COVID Expenses
(School Superintendent)

Motion Move that the Town vote to supplement the appropriation for the Natick Public Schools, voted under Article 8 - Motion A1 of the 2020 Spring Annual Town Meeting by adding \$860,101.79 for the purpose of addressing increased salaries and expenses related to the COVID-19 pandemic and that the above appropriation be raised from the following source.

2021 State Aid: \$860,101.79



FINANCE COMMITTEE EMERGENCY FUND

Projected Energy Costs

Unhired but projected need for cleaning services, weekend disinfection needs, and custodians

Substitutes

Transportation costs

Custodial supplies



THANK YOU FOR YOUR PARTNERSHIP!



STAY CONNECTED WITH US:

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Visit our site www.natickps.org or follow on
social media or connect using Let's Talk!

