



Natick Finance Committee

Pursuant to Chapter 40, Section 3 of the Town of Natick By-Laws, I attest that the attached copy is the approved copy of the minutes for the following Meeting:

Town of Natick Finance Committee

Meeting Date: date

The minutes were approved through the following action:

Motion: XXXX
Made by: xxxx
Seconded by: xxxx
Vote: x – x – x
Date: <date>, 2021

Respectfully submitted,
Bruce Evans
Clerk
Natick Finance Committee



TOWN OF NATICK

Meeting Notice

POSTED IN ACCORDANCE WITH THE PROVISIONS OF M.G.L. CHAPTER 30A, Sections
18-25

Natick Finance Committee

PLACE OF MEETING

Virtual Meeting accessed via Zoom:

DAY, DATE AND TIME

<https://us02web.zoom.us/j/85844305049>

Meeting ID: 858 4430 5049

Passcode: 409248

One tap mobile

+19292056099,,85844305049# US
(New York)

Dial by your location

+1 929 205 6099 US (New York)

January 7, 2021 at
7:00 PM

Notice to the Public: 1) Finance Committee meetings may be broadcast/recorded by Natick Pegasus. 2) The meeting is an open public meeting and interested parties can attend the meeting. 3) Those seeking to make public comments (for topics not on the agenda or for specific agenda items) are requested to submit their comments in advance, by 2:00 PM on the day of the meeting, to the Chair: phayes.fincom@natickma.org. Comments will be posted on NovusAgenda and read aloud for the proper agenda item. Please keep comments to 350-400 words. 4) The Chat function on Zoom Conferencing will be disabled.

Posted: January 12, 2021 10:46 AM

MEETING AGENDA

1. Call to Order
 - a. Pledge of Allegiance & Moment of Silence
 - b. Advisement of Pegasus Live Broadcast and Recording for On-Demand Viewing
 - c. Review of Meeting Agenda and Ordering of Items
2. Announcements
3. Public Comments
 - a. [Committee policy & procedures available via this link and also at the meeting location](#)
4. Meeting Minutes
 - a. Review & Approve Meeting Minutes for January 7, 2021

5. Town Administrator's FY2022 Budget - Public Hearing
 - a. Natick Public Schools Budget Overview Presentation (approx. 45 minutes)
 - b. Q&A from Committee (approx. 45 minutes)
 - c. Public Comments on FY2022 Budget Overview
 - d. Committee Discussion on Budget Overview (approx. 30 minutes)

6. Committee and Subcommittee Scheduling
 - a. Update on upcoming Committee and Subcommittee meetings
 - b. Subcommittee updates

7. Come on Adjourn

MEMBERS PRESENT:

Linda Wollschlager, Chairperson
Bruce Evans, Clerk
David Coffey, Member
Jeff DeLuca, Member (arrived 7:10 PM)
Mr. Todd Gillenwater, Vice-Chairman
Julien LaFleur, Member
Mike Linehan, Member
Richard Pope, Member
Chris Resmini, Member
Jim A. Scurlock, Member

MEMBERS ABSENT:

Dirk Coburn, Member
Jerry Pierce, Member
Bill Grome, Member
Philip Rooney, Member

Call to Order

Meeting called to order at 7:02 p.m. by Linda Wollschlager, Chairperson.

Announcements

Ms. Wollschlager read this announcement.

Safer Streets For All: A Community Forum

Tuesday, January 26, 2021 at 6:30 p.m. on Zoom

If you live or work in Natick, we want to hear from you! The Transportation Advisory Committee, the Natick Department of Public Works, and the Natick Department of Community & Economic Development invite people who live and work in Natick to **Safer Streets For All**, a community forum on Tuesday, January 26.

Learn more about Complete Streets projects that will help make our roads safer for all users, including pedestrians, cyclists, drivers, and transit riders. We will also share an online tool that will allow input about where these kinds of street improvements are needed.

In addition, there will be a discussion of a proposal to allow lower neighborhood speed limits.

Zoom information:

<https://zoom.us/j/95577034870?pwd=RzJZSzFuVXIyUUF0dGpEcURQMFIxZDZ09>

Meeting ID: 955 7703 4870

Passcode: 889704

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Mr. Linehan moved to open the public hearing on the Natick Public Schools budget, seconded by Mr. Scurlock, voted 9 – 0 – 0.

Roll-call vote:

Mr. Coffey = yes

Mr. Evans = yes

Mr. Gillenwater = yes`

Mr. LaFleur = yes

Mr. Linehan = yes

Mr. Pope = yes

Mr. Resmini = yes

Mr. Scurlock = yes

Ms. Wollschlager = yes

Natick Public Schools Budget

Presenters:

Dr. Anna Nolin, Superintendent, NPS

Dr. Peter Gray, Ass't Superintendent - Finance, NPS

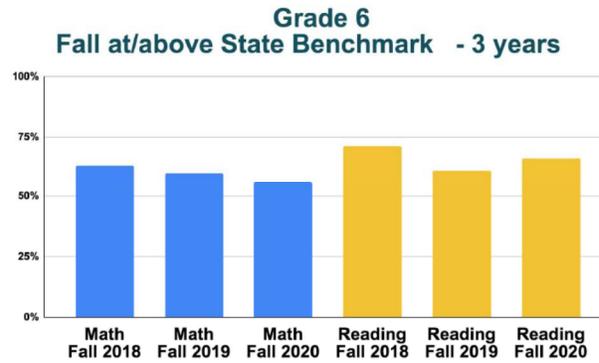
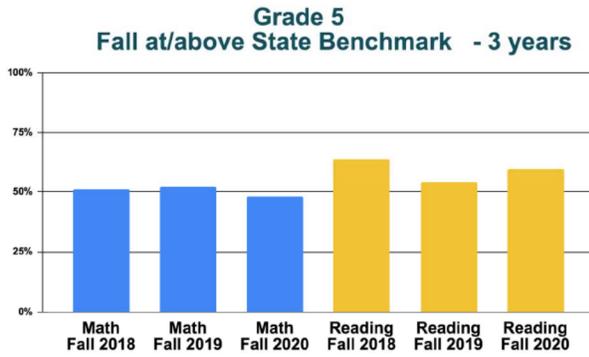
Mr. Tim Luff, Ass't Superintendent – Student Services, NPS

Mr. Kirk Downing, Ass't Superintendent – Teaching and Learning Innovation, NPS

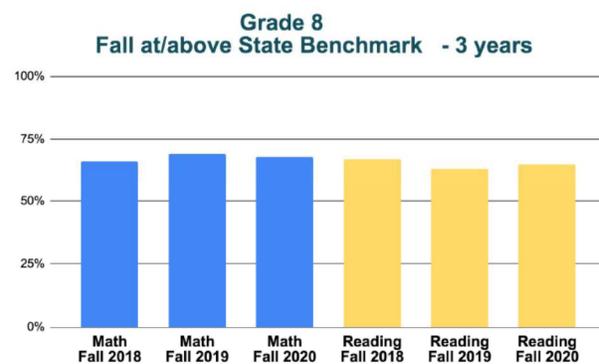
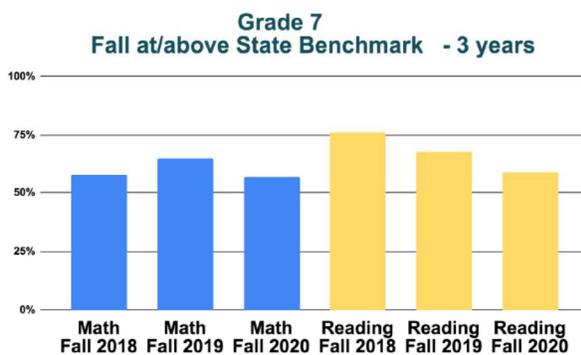
[Link to presentation](#)

Dr. Nolin stated this is the initial NPS FY22 budget and described the drivers impacting school finances and provided a historical analysis, how NPS used outside appropriations and creative management to withstand financial impacts to the NPS budget and the impact of a structural budget deficit on staffing and salaries for the school, as well as the town. We're working closely with the town Finance department working to balance the budget within these difficult times. NPS is consistently ranked in the top 20 in terms of local district ranking (tri-county schools that Natick is compared with each year and NPS is always in the top 50 in the national district rankings. Almost all of our students (93%) matriculate to competitive colleges and 4% land jobs or choose placement in the military, two students went on to our ACHIEVE program for SPED aged 18 to 22, and three students took a gap year at a prep school.

Dr. Nolin thanked the Finance Committee for being part of the team in this town that has allowed NPS to be a resilient and prepared school system in the year that we were a challenge but the COVID epidemic. The Natick town investment and your support, adequate technology and infrastructure has allowed us to adapt to remote learning and school closure in a way that other districts were not as readily able to do so. The town has invested in professional development over time for use of one-to-one technology in many budgets which allowed us to expand the expertise of the teacher to adapt to online teaching to create a school engagement system and attendance during a very difficult time. Your capital investment, over time, in our HVAC systems and new buildings have allowed us to have adequate airflow systems to adapt to hospital-grade expectations for public safety and many school systems could not do that. Your continued support for positions in guidance counseling and social work helped us to reduce abuse and neglect issues during closure and to help students withstand the social emotional trauma due to this epidemic.



Dr. Nolin stated that one of the concerns in the education community has been the decline of student’s skills related in to core competencies while we have been enclosure or increased remote schooling. No school system has escaped such an impact. However, NPS did a comparative analysis of our Fall 2020 English Language Arts (ELA) and Math benchmarks and compared it with 2018 and 2019. This assessment was completed for each grade, but I’m just showing grades five and six here to illustrate how we are using those metrics to inform how we intervene and close gaps for students, and remediate some of the issues that resulted from COVID. The data here is mixed with fifth-grade students making progress in reading. This is attributable to the four-year investment that we made in making a more rigorous and supportive literacy instruction program in grades K-4. This was a large investment of time, consultants and materials and it has yielded dividends. The results are similar in grade six, but are concerned about the declines in mathematics. We set mathematics teaching is very systematic in that you need to master prior concepts before moving on whereas language arts is what we call a more circular or spiral path where you revisit skills over and over again. As we go through the budget, you will be hearing from us on how we plan to address the deficits we have identified in math and the celebrations that we will make about literacy.



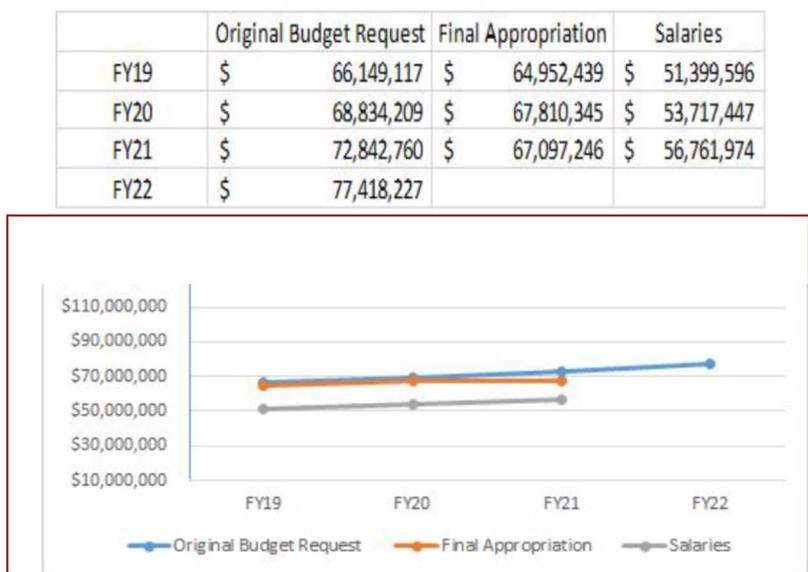
In seventh grade, however, we’ve seen reductions in reading and math skills so we have work to do here and we’ve built that into this budget. At the eighth grade level, we’re doing better in reading and math. We believe that the eighth-graders benefit from teacher’s experience teaching with technology and the expertise to keep students moving on a path towards mastery, despite this year’s challenges.

The budget as we develop it, is to take our strategic long range plan plus mandates that come from the federal government, state government and local needs attendant to our own enrollment, and then multiplied by emergencies, and that equals our budget development. Dr. Nolin said NPS has four strategic goals:

1. Excel in academic achievement and profile of the Natick graduate (POG) competencies for all groups and subgroups of students.
2. Develop a systematic, developmentally-appropriate, social-emotional learning (SEL) and healthy living framework for student learning and parent engagement and partnership.
3. Excel in strategic planning and financial management
4. establish communications procedures and philosophy that builds trust, transparency, and engagement with our community.

Dr. Gray provided an overview of the original budget requests in the final Town Administrator budget appropriation for FY19 – FY21 and the budget request for FY22.NPS budget process.

Figure 1



Dr. Gray noted that over 90% of NPS’ budget is salaries. We historically start out with a budget that is much higher than our final appropriation, but through negotiations and discussion with our town partners, we ultimately come back to the Finance Committee with a budget that we feel that we can live with.

Figure 2

**Natick Public Schools
Encumbrances/Turnbacks
FY18-FY20**

Encumbrances Turnback

| | | |
|------|-----------|-----------|
| FY18 | \$255,581 | \$79,937 |
| FY19 | \$393,858 | \$1,398 |
| FY20 | \$530,678 | \$256,536 |

Figure 2 (above) The above information includes the encumbrances and turn-backs from NPS to the town for FY18, 19, & 20. Note: Encumbrances are established for anticipated invoices received after the close of the fiscal year. The majority of these encumbrances relate to utilities, out-of-district tuitions and large monthly invoices. Any remaining balance is returned to free cash after another fiscal year is completed on June 30.

Typically, we do not receive some of these bills until July, August or September. To ensure that NPS would not have to come back to Fall Town Meeting to request additional funds to pay for the previous fiscal year bills, we encumber these funds and set them aside. We encumber these funds and if they are not required, they are returned to the town as free cash. In FY18, we had access to reports to help us identify the encumbrances. However, in FY19 and FY20, we did not have access to those reports, and we're still trying to work with the town to determine what the encumbrances were for those two fiscal years. Typically, the town Comptroller allows a couple fiscal years to elapse to ensure that all bills are paid for, and then they're closed out. But when the town Comptroller removes those from our encumbrances, she puts them in a general encumbrance for the whole town. So, part of what we're doing now is trying to determine how much of the money that we encumbered in FY19 and FY20 beyond what's shown here was turned back to the town as free cash. In FY20, the \$256,536 is the remaining bus subsidy that was not required due to closure and was returned to the town and that is why the number is larger than a typical year. Once we receive updated encumbrances and identify what the returns to the town were, I will update this chart.

Figure 3

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 |
|----------------------------|------------|------------|------------|--------------|--------------|------------|
| School Choice | \$ 385,089 | \$ 420,863 | \$ 309,427 | \$ 230,468 | \$ 204,468 | \$ 200,000 |
| Additional Circuit Breaker | \$ - | \$ 185,000 | \$ 70,000 | \$ 300,000 | \$ 712,000 | \$ - |
| Bus Fees | \$ 304,953 | \$ 321,000 | \$ 330,000 | \$ 430,000 | \$ 430,000 | \$ 215,000 |
| Instrumental Music | | | | \$ 100,000 | | |
| Technology | | | | \$ 179,997 | | |
| ASAP | | | | | \$ 200,000 | |
| Prepaid OOD SPED | | | | | \$ 1,903,709 | |
| Parking Fees - NHS | | | | \$ 70,000 | | |
| Totals | \$ 690,042 | \$ 926,863 | \$ 709,427 | \$ 1,310,465 | \$ 3,450,177 | \$ 415,000 |

Figure 3 shows the additional offsets, outside of the town appropriation, that help fund the budget.

- School choice is included to show that, by closing school choice, there has been a significant decrease in funds coming in to the district from a high and FY18 of \$420,863 to a projection of 200,000 and FY 22 because, as our School Choice students graduate, and we're not filling those slots that becomes part of what the general fund has to bear.
- On additional circuit breaker, Dr. Gray said this shows what NPS received for circuit breaker funds and show instances where we used additional circuit breaker funds above what our expenditures were.
- Over the course of the last few fiscal years, we have increased bus fees; However, as a result of COVID & the social distancing requirement on the buses, we anticipate receiving about half of what we received in bus fees during FY21 during FY22.
- Instrumental music and technology and increased parking fees were used to help offset FY20

budget.

- In FY 21, we added \$712,000 in additional circuit breaker fees and \$200,000 for ASAP, our after-school program.
- Pre-paid our out-of-district SPED of \$1,903,709.

NPS was able to meet its budget requirements by contributing a total of \$3,450,177 towards the final appropriation. As you can see in FY20, too many of these additional offsets do not exist because our revolving accounts now have been drained to the point where they are minimal amounts, and we don't have the ability to then use them to offset our FY22 budget.

Figure 4 – Historical enrollment, financial pressures, and audit requirements

| Impact Time | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-011 | 2011-12 | 2012-13 |
|---|-------------------------------------|---------|---|---------|-------------|-----------|-----------|----------------------------------|---------------------------------------|
| Student enrollment increases | 4,604 | 4,577 | 4,620 | 4,567 | 4,648 | 4,727 | 4,734 | 4,825 | 4,947 |
| Financial shift / /emergencies unanticipated | First year of WMS impact | | | | | NHS begun | NHS opens | First full year of NHS utilities | ADA-compliance bleachers |
| DESE Audit requirements | ELA grade 3, 5, 7; Supplement to MA | | New HS standards SpEd Program Review | | K standards | | | Math update | Kindergarten Teaching Strategies Gold |
| Internal audit findings | ELA | Math | World language | STEM | Reading | Reading | | Math | |

The Education subcommittee suggested that we try to show the budget impacts over time to give an idea of what some of the financial pressures might be. For example, as we are opening a new Kennedy MS, we know there will be increased energy cost to run that building because we saw those increases when Wilson MS and the High School of opened, as well as additional ADA compliance needs for the bleachers at the High School.

Department of Secondary Education (DESE) requirements - these are mandates that come from the federal government through DESE to the district and these reflect when those major hits have come. For instance, in my first year as Assistant Superintendent, Teaching Strategies, Gold was a major overhaul of kindergarten reading programs that required a deployment of a particular technology and a particular type of software and, and a lot of very expensive training and difficult intervention, and we must comply with these to receive the state kindergarten grant, so that was another mandated cost we had to absorb into our budget to keep our kindergarten program in in good standing with the state.

NPS conducts regular internal audits to ensure that our curriculum is functioning at the highest possible level and serving the needs of our students.

| Impact Time | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|--|---------|--|---|---|---|--|---|
| Student enrollment increases | 5,065 | 5,285 | 5,368 | 5,434 | 5,472 | 5,507 | 5,540 | 5,529 |
| Financial shift / /emergencies unanticipated | | | Nursing and Guidance Ratios, PACE Mental Health grant discontinued, added to operating | “Hey NHS Where are You” grant discontinued , added to operating Mental Health Need Spikes,Nursing and Guidance Ratios | legal challenges SpEd Federal and other personnel, ELL Regulation Change to add 4-year monitor, Nursing Ratios/Visits | 1st amendment case/ METCO settlement, SpEd 1st Circuit, ELL Population Increase & PrK Screening, MV Grant Shift | Medicaid Shift, Reduction in Title I, SpEd Supreme Court, SpEd Federal quadruple | COVID, Reduced transportation revenue, increased staffing, energy needs KMS Opens |
| DESE Audit requirements | revised ELA curriculum, ELL Inst. Hours, SpEd Staffing | | SpEd Mid-Cycle Review-IEP Facilitation | Revision to ELA Curric; Added Comp Sci Curric, | Civics Standards, STEM overhaul | STEM overhaul ELL Audit-Staffing Sp/Ed Review | Social Studies (delayed by COVID) | Disproportionate racial imbalance:SPED |
| Internal audit findings | | | | | | | World Language, Literacy | Proposed Math, Literacy |

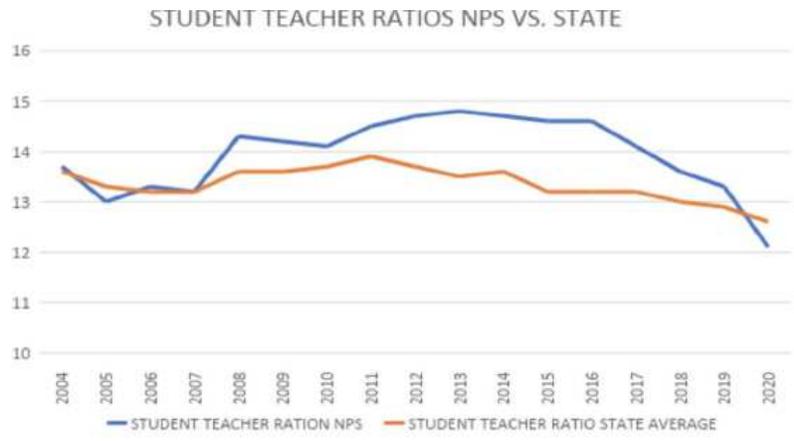
Dr. Nolin reviewed the most recent eight years and outlined the different financial shifts that affected the operating budget while school enrollment continued to rise, and includes grant funding obtained under previous administrations that help close funding gaps required from the addition of those services to our operating budget. These factors increase the funding required by NPS. Every year, we get more DESE audit requirements and noted:

- NPS needed to hire several staff to meet the needs of the most recent DLL audit due to the higher number of students in our ELL program.
- Complete overhaul of Social Studies Program
- A complete sea change in the way we've taught STEM

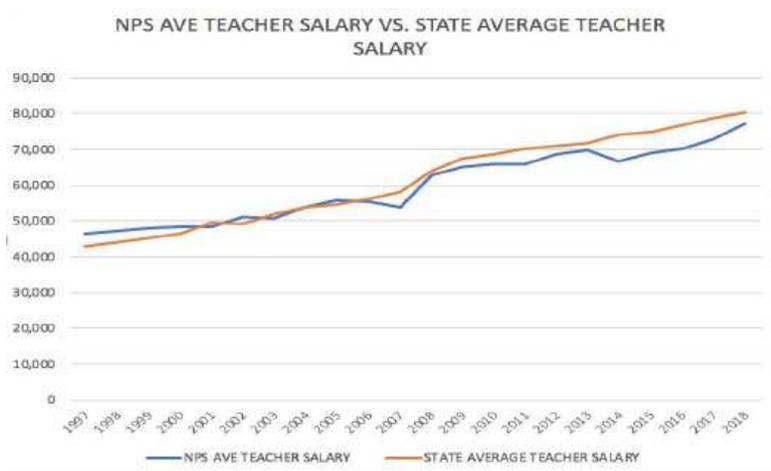
Enrollment has steadily moved upwards through FY 22 and we are not sure yet where that's heading and are waiting to hear this year. Lots of students did not matriculate to kindergarten across the state. The state does not feel that those students are going to stay out of school this coming year and are waiting for the COVID crisis to subside to return to public schools. For that reason, DESE have held us harmless for any changes in enrollment as all districts in the state are experiencing this. Dr. Nolin said NPS may be seeing a possible leveling-off of enrollment, but with the COVID crisis and closure, a baby boom may be coming.

Data on Enrollment, Staffing, and Salaries

Staffing has not kept the same steady pace, but NPS has made good progress over the years and is working very hard to ensure that we have sufficient staff to meet the needs of our students. Last year we talked about the effect of all the DESE which create a more complex classroom to meet the challenges and the severity of needs of students who come to our classes now who may not have come to public school in previous generations.



In looking at student-to-teacher ratios, NPS is in blue, and the State average is in the yellow, you can see that we have had a period of time where we were slightly higher than the state average. However, we are now below the state average. This shows that while we have increased FTEs, we are still not keeping up with the state average.



At the same time, Dr. Nolin said the above slide shows that NPS teacher salaries have not kept pace with the state average. While we were able to add staff over the years to stay level with the state average for student-to-teacher ratio by reducing the overall average teacher salary in Natick in order to pay for additional staff.



I also wanted to share with you there's there has been discussion about how Natick spends total dollars in district and how other districts might do that. Dr. Nolin explained how different towns arrange their categories differently where they have their budget but also have a contingency fund for SPED or they'll have some other town fund for energy spending, those types of things, so when you analyze their operating budget, it doesn't tell the whole story. With the exception of this special town meeting that occurred for COVID costs, Natick has two municipal funding sources – the Town Administrator appropriation for NPS and the school bus subsidy. Natick is in blue and orange and the state is in gray and yellow. Further, per-pupil expenditure includes things like legal costs, technology and the like. In Natick's case, our legal costs spike in 2017, but for the most part, our expenditures are below the state average in-district expenditures.

[Natick DART Comparison Data](#)

Dr. Nolin said this includes this comparison data in her annual report to the town. The DESE uses a DART tool that provides district analysis and review and NPS adds in the contiguous comparison towns and use these in our teacher negotiations and budgeting discussions because they are the ecosystem in the MetroWest area. These DART schools are defined by DESE as having similar demographics and trends. Each year, DESE places the town in a new DART - sometimes it's the same towns; sometimes it shifts by one or two towns. We add those contiguous towns to understand the landscape of what our teacher salaries look like and, and how the town school comparisons for value and achievement look.

Generally, with the exception of one category, Natick is generally in the middle of the pack among the towns in the DART which includes Arlington, Bridgewater-Raynham, Dedham, Dover-Sherborn, Framingham and Franklin.

Comparison of teacher salaries:

As an example in this comparison data, I have used a teacher with Master's degree plus step one, an example of a teacher who is not too far into their career (maybe their fifth year), but far enough to require a Master's degree. The data shows that the salary that NPS offers is in the lower part of our DART and the region. NPS is in the middle of the pack in student-teacher ratio, per-pupil spending, single family tax rate, SAT scores. We are well above the pack (#19 in the region and in the to 50 in the state)

Dr. Nolin emphasized that provides the same kind of product and value that we see in other DART and contiguous communities. That is the result of the quality of teachers we can attract and retain in terms of how well our district functions and how well education is supported.

| Median Percentile | This is the method used during 2019 negotiations | | | | | | | | 18.3% | 40.8% | 25.8% | 15.0% | | | | |
|--------------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|-------|------|------|------|------|
| Average Percentile | | | | | | | | | | | | | | | | |
| Lane Codes | 1 | 10 | 15 | 30 | 45 | 60 | 75 | 100 | | | | | | | | |
| Step | BA | MA | MA+15 | MA+30 | MA+45 | MA+60 | MA+75 | Doc | Med/Avg | Med/Avg | | | | | | |
| 1 | 33% | 42% | 75% | 67% | 75% | 67% | 75% | 92% | | | | | | | | |
| 2 | 33% | 50% | 75% | 67% | 75% | 67% | 75% | 92% | 70.9 | 66.3 | | | | | | |
| 3 | 33% | 50% | 75% | 75% | 67% | 67% | 75% | 92% | | | 66.7 | 65.2 | | | | |
| 4 | 25% | 58% | 83% | 67% | 67% | 67% | 75% | 83% | | | | | | | | |
| 5 | 33% | 33% | 75% | 58% | 67% | 67% | 75% | 83% | 66.7 | 62.2 | | | | | | |
| 6 | 33% | 42% | 67% | 58% | 67% | 58% | 67% | 83% | | | | | | | | |
| 7 | 25% | 33% | 50% | 58% | 67% | 50% | 58% | 75% | | | | | | | | |
| 8 | 8% | 25% | 50% | 58% | 58% | 58% | 58% | 75% | 54.2 | 48.3 | 54.2 | 49.4 | | | | |
| 9 | 8% | 17% | 42% | 58% | 50% | 58% | 50% | 67% | | | | | | | | |
| 10 | 8% | 17% | 42% | 58% | 50% | 50% | 50% | 67% | | | | | | | | |
| 11 | 8% | 8% | 42% | 50% | 33% | 42% | 50% | 58% | 37.5 | 34.7 | | | | | | |
| 12 | 8% | 0% | 17% | 33% | 25% | 33% | 33% | 50% | | | | | | | | |
| 13 | 0% | 0% | 8% | 17% | 25% | 33% | 42% | 42% | | | 33.3 | 31.7 | | | | |
| 14 | 0% | 0% | 17% | 8% | 33% | 42% | 42% | 67% | 33.3 | 32.3 | | | | | | |
| 15 | 25% | 25% | 42% | 58% | 50% | 58% | 67% | 75% | | | | | | | | |
| | Med/Avg | Med/Avg | Med/Avg | Med/Avg | Med/Avg | Med/Avg | Med/Avg | Med/Avg | | | | 33.3 | 36.0 | | | |
| | 25.0 | 18.9 | 25.0 | 26.7 | 50.0 | 50.6 | 58.3 | 52.8 | 58.3 | 53.9 | 58.3 | 54.4 | 58.3 | 59.4 | 75.0 | 73.3 |

We use this DART data dashboard and analyze the teacher pay scales to provide a ratio that highlights our competitiveness or lack of competitiveness, the cells in green are good and those in red are not competitive (with shading signifying to a lesser degree). As a district, were trying to be in the middle of the pack to remain competitive. We have negotiated for the FY22 and this is the final year of the contract. Our pay scale is very attractive for teachers in their first five years. But as you get into the later parts of your career and the bulk of our teaching staff that have stayed with us are in this area, it becomes less advantageous to remain in NPS as you become more experienced later in your career. So, when our teachers hit the sweet spot of instructional capacity, teachers look around and ask whether they could do better in other towns. So if you have your master's degree, and you've been teaching in Natick for about eight years, you can look in neighboring communities and find a much better salary. NPS doesn't want to be known as a district where you come to train and then you leave for your long-term financial stability.

I talked to you about the COVID impact on schools nationally, McKinsey and Company just released a report that indicates that the average learning loss nationally, over the 1.5 years of COVID closure and COVID learning predicts 6-9 months of lost progress for students and students of color and other vulnerable subgroups are impacted more. The early tests in Natick indicate less impact but we will continue to look to address this loss. This budget strives to strike that balance of COVID recovery and normal budgeting while we open the new KMS. We know that COVID recovery for academic and social needs will be a multiyear project - we'll need to continue to assess the impact and the needs student-by-

student and grade-by-grade to repair what has been lost. The secret sauce on doing that is strong teachers. Thus far, they have helped us weather this change to remote and hybrid learning quite well.

Each sector of the budget, as you know will be presented in a deep dive fashion over the next few months. And funding and spending will be refined and conversations with our town partners will occur. There has been a lot of support and sharing and NPS is in a very good place with the town.

Dr. Nolin said NPS is having a very productive set of conversations with our town Finance team with a lot of open dialogue and idea sharing and we're confident that we will bring you a balanced budget by March. We spend most of the day together on Tuesdays now, in various meetings, whether it's Facilities Management, or it's the Facilities team coming together or the Finance team.

Collaboration with town partners – these items is still estimates or unknowns

Dr Gray added that the discussions will continue for the next few weeks since there are so many remaining unknowns. This budget is an early snapshot of where we see our budget and there are additional things that we continue to discuss as we go through the budget path.

- Additional CARES and federal relief monies
- Healthcare estimates: As you know, health care insurance for all town employees is usually something that we hear about in late February/early March, so Mr. Townsend has estimated the cost of health insurance and is monitoring it and will give us updates.

COVID needs – Additional state funding for schools to handle COVID. Vaccination is beginning and not yet knows how long it will take for vaccines to provide herd immunity to reduce/eliminate the need for social distancing. Right now we have to assume that we will continue to have a hybrid learning situation but are monitoring this closely.

Chapter 70 funding – The town conservatively estimates a 10% reduction in Chapter 70 monies.

Snow and Ice scenarios for the town (if unspent by town, falls to Free Cash)

FEMA reimbursements to the town (General Fund)

Title I Funding may be reduced. Title I is a federal aid program for schools to ensure a high-quality education for every child, by providing extra help to students who need it most. Title 1 funds are distributed to districts and individual school based on the number of low-income families served. However, once a school qualifies for Title 1 funds, academic need, not economic status, determines which students receive extra services. Title 1 funds are intended to supplement (add to), not replace, state and federal funds. Natick is growing in wealth, and that reduces the money it receives for Title I funding. Right now, we're on the cusp of receiving the same share of Title I monies as last year or having another reduction.

New KMS actual energy use – We've gone from an 80,000 sq. ft. facility to 106,000 sq. ft. facility with many new modern conveniences that were not present in the old Kennedy Middle School and that equates to energy use. Now that KMS is open, we're monitoring the energy use and see how that goes as we develop this budget.

New transportation contract: We're in the final year of our bus contracts, both for SPED in-district as well as our regular bus transportation. We have issued an RFP for bids on our regular egg education transportation. As you may know, the transportation market has completely evolved. Historically, Bus companies have bid their transportation contracts in a much different fashion than they are now and I'll speak about this when we get to the transportation slides.

Primary Budget and Program Drivers

- 94% of our budget is fixed, legally mandated or fixed on a contract complexity of programming required by public schools (vs prior decades) mandates/ regulatory and audits. The complexity of programs required all by all public schools is very different as compared to previous years. Public schools now are constantly changing and adapting to 21st century knowledge and learning requirements. There are a number of mandates, regulatory requirements and audits that Dr. Nolin spoke about earlier.
- COVID and recovery and public health dictates pupil population changes/keeping reasonable student teacher ratios teacher compensation with rising complexity
- Critical investments for the long-term (programs and capital): Teacher compensation is a critical investment for the long term, whether it's capital investments in our buildings, or how we are going to construct our next curriculum making sure that we continue to lead when we put together our programs.
- Circuit breaker diminished means a greater burden on regular education minimum revolving account balances (reduced funds). Mr. Luff will discuss this in detail later. There is a reduction in our circuit breaker this FY which means it puts a greater burden on the general fund in FY22 because we don't have the funds available if we had the past to offset certain out-of-district costs. Revolving accounts have been pretty much drained and there are minimum balances that need to be retained in those accounts which mean that those funds are not available to be used for this fiscal year or future fiscal years.
- Investment money from KMS and fire station (reduced funds) changes to school choice policy (reduced revenue): The investment money from a couple fiscal years ago when we had some additional funds, and the town invested that both for funds from the Kennedy Middle School and the fire station, those were one-time funds.
- School Choice – As stated earlier, changes to our School Choice policy means that we've gone from a high of \$420,000 in School Choice revenue now to a FY22 projection of \$200,000, which means more reliance on the general fund operating budget.

FY22 Budget Mandates And Pressures

Contractual/Inflationary

- 3% COLA per EAN contracts, Support staff contracts: NPS is in the third year of our contract with all of our unions and had a 3% COLA increase this year. Support staff contracts are also the equivalent. FY20 COLA was 2% and FY21 was 1% COLA.
- Increase in utilities/expenses for KMS for a full school year
- Regular and SPED School Bus transportation will both require a RFP in FY21 resulting in potential additional costs in FY22
- Normal inflationary costs: DOR estimates that inflationary costs in the Commonwealth are approximately 2.23% (December 2020 estimate).
- Kennedy Final Phase-In
- Final positions for KMS to create parity in middle school programming: Teaching positions are required to create program parity so regardless of which middle school you attend; students will receive comparable education opportunities in both settings.

Other FY22 Budget Mandates And Pressures

- No SPED prepayment (\$1,903,780)
- Reduction of circuit breaker reimbursement (\$1.3 million less to utilize in FY22)
- Title I funding reduction
- SPED increases of \$551,042 (tuition composes approx. \$450,000 of this)
- ELL positions/Audit, Student Opportunities Act expectations for achievement of subgroups

- Finish STEM implementation, Social Studies Implementation
- COVID and Recovery**
- Potential additional COVID/Cohort costs in Fall 2021(not in this budget at this time)
 - Compensatory services for regular education students who may not have mastered grade level material
 - Math and English skill recovery services for all students

The chart below shows how NPS funded the NPS Operating Budget.

| | |
|--|---------------------|
| FY20 Town appropriations for schools (\$67,810,346 (budget) + (\$410,137 (bus subsidy)) | \$68,220,443 |
| NPS added \$829,997 to meet operating costs (NHS parking fee, bus fee, revolving accounts) | \$829,997 |
| Actual Total FY20 NPS budget (\$67,810,346+\$410,137+\$829,997) LEVEL FUNDING | \$69,050,480 |
| March 2020: FY21 Total Operating Budget (including \$100,000 reduction in Technology) | |
| \$72,815,695 | |
| Less: Additional Circuit Breaker offset to Out of District Tuition | (\$ 500,000) |
| Less: Additional Revenue | (\$150,000) |
| ASAP Allocation Agreement | (\$ 212,000) |
| Add 2 Preschool programs (Lilja & Memorial) | (\$ 212,000) |
| Total FY21 funding needed from Town to run the district | \$71,953,695 |
| FY21 Bus Transportation Subsidy Article | (\$ 421,416) |
| FY21 NPS operating budget appropriation request | \$71,532,279 |

The next two charts summarize how NPS arrived at the FY21 revised operating budget request. Notably, the technology budget increases were eliminated as well as new district positions; 5.6 FTEs were filled through transfers and 7 FTE decrease resulted from retirements, resignations or now-renewals.

| | |
|---|-------------------------|
| Prepaid SPED | (\$1,903,789) |
| Bus Subsidy | <u>\$ 421,416</u> |
| FY21 Spring Town Meeting Appropriation | \$67,518,662 |
| 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 14.6 positions) | |
| FY21 Special Town Meeting Additional Appropriation (restore COLA) | |
| \$1,308,000 | |
| FY21 Special Town Meeting Additional Appropriation (facilities support) | <u>\$ 300,000</u> |
| New FY21 Town Meeting Appropriation | \$69,126,662 |

| | |
|--|-------------------|
| Prepaid SPED | (\$1,903,789) |
| Bus Subsidy | <u>\$ 421,416</u> |
| FY21 Spring Town Meeting Appropriation | \$67,518,662 |

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 14.6 positions)

FY21 Special Town Meeting Additional Appropriation (restore COLA)
 \$1,308,000

| | |
|---|-------------------|
| FY21 Special Town Meeting Additional Appropriation (facilities support) | <u>\$ 300,000</u> |
|---|-------------------|

| | |
|--|-------------------------|
| New FY21 Town Meeting Appropriation | \$69,126,662 |
|--|-------------------------|

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| | |
|---|----------------------------|
| FY21 NPS operating budget appropriation request (March 9,2020) | <u>\$71,532,279</u> |
|---|----------------------------|

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) | <u>\$69,001,035</u> |
|--|----------------------------|

Draft of Proposed FY22 budget – January 14, 2021

| | FY21 Pre-COVID Budget | FY21 Appropriation | Funds In addition to appropriation added by NPS | Explanation | Actual FY21 Operating Budget | FY22 | % Change from FY21 Actual Budget |
|---|--------------------------|-----------------------|--|---------------------------|---------------------------------|---------------------|--|
| Compensation | | | | | | | |
| Salary Base | \$ 54,206,222 | \$ 53,472,816 | \$ 212,000 | Add'l preschool income | \$ 53,684,816 | \$57,193,448 | |
| Steps, COLA, & Merit Adjustments/Lanes | \$ 3,527,124 | \$ 3,527,124 | | | \$ 3,527,124 | \$ 3,564,842 | |
| Staff Additions | \$ 960,278 | \$203,104 | | | \$ 203,104 | \$ 735,301 | |
| Retirements and Turnover | \$ (200,000) | \$ (441,070) | | | \$ (441,070) | \$ (200,000) | |
| Compensation | \$ 58,493,624 | \$ 56,761,974 | \$ 212,000 | | \$ 56,973,974 | \$61,293,591 | 7.58% |
| Expenses | | | | | | | |
| Admin | \$ 459,440 | \$ 459,440 | | | \$ 459,440 | \$ 465,350 | |
| Technology | \$ 1,686,779 | \$ 1,611,779 | | | \$ 1,611,779 | \$ 1,691,735 | |
| Curriculum | \$ 1,112,548 | \$ 1,112,548 | | | \$ 1,112,548 | \$ 1,005,183 | |
| Online Learning | \$ 167,000 | \$ 167,000 | | | \$ 167,000 | \$ 171,342 | |
| Pupil Services | \$ 4,493,091 | \$ 2,089,302 | \$ 2,403,789 | Circuit | \$ 4,493,091 | \$ 5,694,133 | |
| Transportation | \$ 2,894,157 | \$ 3,315,563 | \$ 430,000 | Bus Fees | \$ 3,745,563 | \$ 3,219,405 | |
| Building Op & Maint | \$ 2,249,395 | \$ 2,349,395 | \$ 200,000 | ASAP Offset | \$ 2,549,395 | \$ 2,648,395 | |
| NPS Schools | \$ 1,179,982 | \$ 1,179,982 | | | \$ 1,179,982 | \$ 1,149,414 | |
| Athletics & Activities | \$ 79,679 | \$ 79,679 | | | \$ 79,679 | \$ 79,679 | |
| Total Exp | \$ 14,322,071 | \$ 12,364,688 | \$ 3,033,789 | | \$ 15,398,477 | \$16,124,636 | 4.72% |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total Budget Request | \$ 72,815,695 | \$ 69,126,662 | \$ 3,245,789 | | \$ 72,372,451 | \$77,418,227 | 6.97% |

This budget was developed using zero-based budgeting and we worked extensively with our administrators and principals and spent a lot of time discussing what our needs were vs. what we could afford. Key factors driving this budget include:

Increase in utilities for KMS in FY22 for a full school year

3% COLA in FY22

FY22 Contractual Obligation - Note: school bus transportation will require an RFP in FY21

SPED Tuition increases of \$551,042

No SPED Prepayment in FY22 (\$1,903,789) which increases the budget requirement as it is not available for FY22 and the SPED reserve account is below the threshold of \$800K that is needed to handle potential SPED issues that often occur during the school year), plus reduced circuit breaker reimbursement (- \$1.3 m)

Additional funds for transportation – contract out for bidding

Increased utilities cost for increased size of new KMS

Additional Teacher Positions to handle KMS needs

| SCHOOL | POSITION | FTE | SALARY | RATIONALE | DETAILS | CATEGORY/REASON |
|---------------------------------|--|--------------|------------------|--|---|---|
| KENNEDY | Grade 8 Math/Science | | | Transfer from grade 5 WMS, redistricting, new team | 1/2 Team Grade 8 | enrollment/open KMS |
| KENNEDY | Grade 8 SS/L&L | | | Transfer from grade 5 WMS, redistricting, new team | 1/2 Team Grade 8 | enrollment/open KMS |
| KENNEDY | Grade 8 Special | 1.00 | \$63,640 | New Team/final additions due to redistricting | 1/2 Team Grade 8 | enrollment/open KMS |
| KENNEDY | Full time Art | 0.60 | \$38,184 | Expanding current part time to full time /enrollment | .4 to 1.0 | enrollment/open KMS |
| KENNEDY | Spanish Teacher | | | Final enrollment redistricting to KMS | .5 moved from wms | enrollment/open KMS |
| KENNEDY | Tech/Music/Vap | | | Part of VAMP special courses, making KMS parallel to WMS | .5 moved from wms | enrollment/open KMS |
| KENNEDY | ELL Teacher | 1.00 | \$63,640 | mandate from DESE audit and service requirements | | DESE audit mandate |
| WILSON | Drama Teacher | 1.00 | \$63,640 | part of equalizing of middle school special schedules | | strategic plan to equalize middle school programs |
| NHS | Math 1.0 | 1.00 | \$63,640 | enrollment/course selection needs | | enrollment NHS |
| KENNEDY | IT Technician | 1.00 | \$65,000 | Expansion of Kennedyand 1:21 program for middle schools warrants this position | | open KMS/COVID remote learning increased need |
| DISTRICT WIDE | Instructional Staff/Tech/Library/Tech Staff | 5.00 | \$318,200 | Early literacy investment, teacher support in instructional technology/library sciences, and media literacy. 1:1 program and remote learning accelerate the need for more skilled teachers and training for student safe and effective technology and media use. | requested since 2018 library audit/2013 elementary literacy curriculum overhaul | audit/strategic plan |
| NHS | 1.0 theater tech teacher and auditorium management district wide | 1.00 | \$63,640 | Care for investment in district auditoriums at NHS, WMS, KMS, audit indicates need for technical theater programming and classes (vs. informal club experience). Job market training opportunity. | requested since 2013 audit, affirmed after costly FCC capital upgrade | audit/strategic plan |
| NHS | 1.0 music orchestra arts audit | 1.00 | \$63,640 | Program pilot indicates need, student/family request | requested since 2013 audit | audit/strategic plan |
| DISTRICT WIDE | ELL Dept. Head Stipend @ HS | | \$9,357 | Supervision and Evaluation of ELL staff, tracking and ensuring services for expanding ELL service needs | requested since 2017 | enrollment/increase in ELL incidence |
| DISTRICT WIDE | Math Specialists | 5.00 | \$318,200 | Recovery and intervention needs due to COVID closure | requested since 2012 | COVID recovery |
| DISTRICT WIDE | BCBA Elementary | 1.00 | \$63,640 | Supervision and Evaluation of RBT Trained Paras and | | SPED |
| DISTRICT WIDE | Paraprofessionals | 3.00 | \$77,031 | School Specific Needs to Implement IEPs | | SPED |
| NHS | 2.0 workshop tutors | 2.00 | \$51,354 | recovery from closure, grade 9 and 10 pre-algebra identified | | COVID recovery |
| DISTRICT WIDE | Vocational Center Tutor--achieve and access | 1.00 | \$50,000 | Tutor/Manager for ACHIEVE Vocational | | SPED/COVID RECOVERY |
| 3.6 for KMS, 3.6 internal moves | | | | | | |
| Recommended | | 11.60 | \$735,301 | | | |

Position Requests

Dr. Nolin reviewed the FY 22 position requests with our principles and the positions highlighted in green are those positions that we are recommending for inclusion in the FY 22 budget. The other positions have been on the request list and are tied to either student achievement or the strategic plan. Not every row indicates a new FTE; we will re-purpose positions within the system either from the Wilson School or from positions within the district to address the final transition of staff and students from the Johnson School district who now matriculate to the Kennedy School. Previously, they all matriculated to Wilson and with the opening of the new KMS, can transfer there.

In summary, these include:

- All the personnel needed to address the additional students moving over to KMS and the SPED teachers required now to run the same program that is run at the Wilson MS. Previously, we had differing SPED classes for each for each school and Kennedy had 50% of the teaching staff required to run the same specials that the Wilson School runs. With the expanded facility, we can expand the program to meet what that is offered at Wilson.
- An additional math teacher at the NHS to fulfill all of the math course request needs and the math support needs. Oftentimes, I'm in discussion with Mr. Harrigan (principal, NHS) of having to take positions away in math support to make additional courses or removing additional courses in order to get math support. We are experiencing rising HS enrollments due to the bubble of big classes is at the middle school level right now and it is prudent to address those math deficits and add this position.
- We are using one-to-one computers in grades six through eight at both at both middle schools which adds an additional grade. Also, we've added a lot of technology to the district as a result of remote and hybrid learning. An additional IT technician | to address the increased needs and provide the technology Help Desk and Technology Services required.
- We have been requesting a stipend for the ELL department head for \$9,357. The ELL program is a very large program and needs leadership at the high school in order to supervise and evaluate ELL teachers more comprehensively. This involves tracking and ensuring quality of services and expanding the needs according to the expectations of DESE audits that have occurred now some

- years ago that we still are unable to address.
- Math specialists at the elementary level have been requested every budget season since 2012. Data that we are seeing now and the expected lift that we will have to have for math intervention and coaching of teachers in the best practices of math, it is imperative that we recover and intervene in math for the earliest grade levels. One of the Education subcommittee members asked whether this budget addresses the math deficit issue and this is why it is included in this budget.
 - This will also result in adjustments to the teaching and learning budget to enable these math specialists to have the tools to assist our students.
 - Vocational center tutor for the ACHIEVE program (18 to 22 year old SPED students). It is a very successful program. Students go out into the community and in a normal year and work in various businesses, and also take fitness classes at local fitness locations and learn self-care, life skills. Unfortunately, with the business closures due to COVID, we have been unable to provide those services as in prior years and need to re-create them in house. We've been exploring other systems that do this in a in a more robust and student-centered manner and propose a shift to create a vocational training center. Further, we believe that we can make this program an attractive placement for other outside districts to potentially join this program as tuition students. We can talk more about this proposal when Mr. Luff speaks about the SPED budget.
 - This budget requests 11.6 new FTEs requiring a total budget of \$735,301, & 3.6 FTEs will be transfers.

Potential budget for cohort COVID needs for Q1 2021-2022 (Sept. 2021 – Dec. 2021)

| School | Position | FTE | Sep-Dec 2021 |
|--|--|-------|--------------|
| Brown | Cohort Monitors | 1.00 | \$8,000 |
| Brown | Building Subs | 2.00 | \$16,000 |
| Lilja | Cohort Monitors | 2.00 | \$16,000 |
| Lilja | Building Subs | 2.00 | \$16,000 |
| Memorial | Cohort Monitors | 4.00 | \$32,000 |
| Memorial | Building Subs | 2.00 | \$16,000 |
| Johnson | Cohort Monitors | 2.00 | \$16,000 |
| Johnson | Building Subs | 2.00 | \$16,000 |
| Kennedy | Cohort Monitors | 7.00 | \$56,000 |
| Kennedy | Building Subs | 5.00 | \$40,000 |
| NHS | Building Subs | 15.00 | \$120,000 |
| Ben Hem | Cohort Monitors | 10.00 | \$80,000 |
| Wilson | Cohort Monitors | 4.00 | \$32,000 |
| Wilson | Building Subs | 8.00 | \$64,000 |
| Preschool | Building Subs | 2.00 | \$8,000 |
| Technology | Attestation Software (Ruvna) | | \$30,000 |
| Facilities | Utilities, General Maintenance | | \$140,758 |
| | Subtotal | 68.00 | \$706,758 |
| District Wide (deployed across system) | 14 building substitutes were employed in COVID school system | 14.00 | \$222,740 |

| | |
|--------------------|------------------|
| TOTAL COVID | \$929,498 |
|--------------------|------------------|

Dr. Nolin said that, while NPS is hopeful that the Public Health department can move very quickly to get vaccinations for our teachers and the community, we must plan for the possibility that we may not be able to back to normal in-person school in the fall. That will depend on herd immunity, vaccination rates and how quickly the entire region adapts to this part of the COVID crisis. Should we be unable to open school full time, we will need to continue the same types of programs that DESE required this year. Unfortunately, there's been no discussion about DESE's expectations for next year, which makes it more difficult to put together the budget, so we have identified the additional costs to create the parallel programming we created this year.

Transportation

| ACCOUNT DESCRIPTION | FY20 BUDGET | FY20 ACTUAL | FY21 BUDGET | FY22 REQUEST | FY 21 vs. FY 22 INC/ (DEC) |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|----------------------------|
| TRANSPORTATION - REGULAR | \$855,485 | \$853,474 | \$850,766 | \$1,455,308 | \$604,542 |
| TRANSPORTATION - MCKINNEY VENTO | \$130,540 | \$145,005 | \$165,000 | \$165,000 | \$0 |
| TRANSPORTATION - SPED | \$1,992,080 | \$1,547,787 | \$1,878,391 | \$1,878,391 | \$0 |
| SUB-TOTAL TRANSPORTATION | \$2,978,105 | \$2,546,266 | \$2,894,157 | \$3,498,699 | \$604,542 |
| OFFSETS TO REGULAR TRANSPORTATION: | | | | | |
| GROSS COSTS | \$1,695,622 | | \$1,699,106 | \$2,099,106 | \$400,000 |
| LESS: | | | | | |
| TOWN APPROPRIATION | -\$410,137 | | -\$418,340 | -\$428,799 | -\$10,458 |
| BUS FEES | -\$430,000 | | -\$430,000 | -\$215,000 | \$215,000 |
| NET SCHOOL APPROPRIATION | \$855,485 | | \$850,766 | \$1,455,308 | \$604,542 |

Dr. Gray noted the following:

Regular education busing contract (Connolly Bus) provides 24 routes and 7 late buses

Use JFK Transportation for SPED in-district transportation.

Natick has several out-of-district specialized transportations that are used on a case-by-case basis and ACCEPT Collaborative is our largest out-of-district provider.

Both regular ED and SPED in-district contracts expired in June 2021. NPS is preparing IFP and RFP documents with the town Procurement Officer and we'll advertise in February. Hopefully we will get the bids back and have the final numbers before the April town meeting.

NPS has built in some additional funding that Dr. Gray cannot divulge because it would compromise the town's negotiating position. Traditionally, Dr. Gray noted that regular ED bus transportation providers would put in a rather lean bid for what they call regular ED bus transportation and would then cover a lot of their other costs through the specialized transportation that they provide, such as field trips and sporting events. In the era of COVID those are not occurring so these providers are ensuring that their regular ED transportation bids and budgets include many of those costs that were in the past recouped through other means. So other districts' experience has indicated that they're seeing pretty dramatic increases in the bids they have received, so we've set aside some additional funds in anticipation that this may occur.

Likewise, due to COVID requirements from DESE, we can utilize only 23 bench seats in any given bus. In the past, we could put 50 high school students, 60 Middle School students or 72 elementary school students on a bus. With the COVID requirements, we can only put 23 students on a bus unless they're from the same family. Right now, we averaged somewhere between 10 and 20 students on our bus routes. Obviously, with that reduced capacity, we're seeing a loss of almost 50% of bus fee revenues that can be

applied to the FY22 budget. So, we have to build this into the FY22 budget as well. As you know, families pay \$200 per student with a \$400 per family maximum.

The transportation rules are K-6, living over 2.01 miles from your school, transportation is free. For K-12 living less than 2.01 miles from your school, then you pay the above bus fee(s).

If you're in kindergarten through grade 12 and you live less than 2.01 miles in the town of Natick, then you pay the 200 or \$400 bus fee.

NPS has 66 routes in the morning and 66 routes in the afternoon and we anticipate that we're going to lose approximately half of our bus fees in FY22 until we're able to have those buses run at full capacity in the future.

Circuit Breaker

Presenter: Tim Luff

Preschool Update

Mr. Luff noted that preschool serves two purposes. The primary purpose is to serve our SPED students that aged 3-5 years old and are required, by law, to provide this at no charge. At the same time, we must ensure that our operating costs are within budget and they do that by opening up tuition-paying spots for other non-disabled preschool students. Last year we put \$212,000 of circuit breaker into the budget to add two additional preschool classrooms to support students with special education needs. We were considering one at Lilja as well as one at Memorial School and each would have to staff members and deal and work with 10 to 15 students. However, with COVID we did not have enough interest for the additional Lilja program, but were able to add one class to Memorial School. The cost to add that classroom was \$89,918 and the employees who came on board did not have any benefits, so the budget impact was \$95,000 and is in good shape because we are only servicing three SPED students in that program right now. We already have the waitlist going and already have interest for next year. We project adding three additional tuition-paying spots to that program, and two additional SPED spots.

Circuit Breaker Summary slide

- FY21 Anticipated Revenue: \$2,464,940
 - Reduced Reimbursement to 70% (anticipated 75%)
 - Delayed Transportation Reimbursement
- FY21 Actual Revenue: \$ 1,981,890.00
- FY21 Revenue Difference from Projection: \$483,050 FY21 C/B Budget Utilization: \$3,412,000
- FY22 Projected C/B Budget Utilization: \$1,900,000 FY22 Difference in C/B Budget Utilization: \$1,512,000
- Anticipated C/B Balance for Year End FY22: \$200K (Recommended \$800K)

Mr. Luff said that, briefly, circuit breaker is a reimbursement for out-of-district SPED students that we receive in the following year. In FY20, around this time, we were anticipating revenue of \$2,464,940 in reimbursement. We had averaged about \$2.5 million over the past few years. However the percentage reimbursement was reduced this year from 75% to 70%. There was also a delay in a new facet of the law that would have allowed us to be reimbursed for transportation, but that was delayed until at least FY 22 and possibly later. The actual revenue came in at \$1,981,890, a difference of \$483,050 over our revenue projection.

In FY21, we used circuit breaker in order to offset operating costs for out-of-district programming for SPED students of \$3,412,000. For FY22, based on the revenue that we receive and the circuit breaker account balance, we can only offset the operating cost by \$1,900,000 so we have a funding gap of \$1,512,000 that we need to meet the projected SPED out-of-district costs. Based on current numbers, this will leave about \$200,000 in the circuit breaker account which is about \$600,000 less of where we want to be positioned to handle unanticipated expenses that that are very likely to occur in SPED. The bottom line is our revenues are significantly lower and our ability then to offset the operating is also significantly lower. Mr. Luff added that if a SPED student or students came in that we did not anticipate in the budget, we would likely not have sufficient funds to meet these unanticipated costs and we need to come back to the town to request additional funds.

Dr. Nolin concluded that NPS will be meeting with the Education and Learning subcommittee to do a deeper dive into each of the budgets. The beat that Mr. Scurlock and I have created is that NPS presents it at the School Committee and then there's a deep dive with Ed subcommittee. We will then come back to full Finance Committee when this work is completed. Dr. Nolin added that March 8 is the target for NPS' final budget overview and School Committee final vote. This will be presented at the School Committee meeting on February 22. On February 25, we will have a municipal/school collective budget forum for the community.

Dr. Nolin pointed out that NPS has created a [budget transparency site](#), which contains a lot of key resources in it. It will have every presentation that we do, with all of the supporting resources, including a database that we have made for the Finance Committee's. As Finance Committee, it has the accumulated questions and answers for the past five or six years now for questions asked during Finance Committee meetings. It has all of NPS' budget books from FY19-FY21, School Committee budget timelines, transportation contracts, digital learning contracts, technology contracts, union contracts, administrative contracts. We will add additional information for all the items you need to help analyze the NPS budget, including DART comparison reports.

**NATICK PUBLIC SCHOOLS
FY23 - FY25 PROJECTED BUDGET FORECAST**

| | FY23 | % change | FY24 | % change | FY25 | % change |
|--|--------------|----------|--------------|----------|--------------|----------|
| Compensation | \$61,293,591 | | \$64,765,839 | | \$68,135,420 | |
| Steps, COLA, & Merit Adjustments/Lanes | \$3,422,248 | | \$3,319,581 | | \$3,286,385 | |
| Staff Additions | \$250,000 | | \$250,000 | | \$250,000 | |
| Retirements and Turnover | (\$200,000) | | (\$200,000) | | (\$200,000) | |
| Compensation | \$64,765,839 | 5.70% | \$68,135,420 | 5.20% | \$71,471,805 | 4.90% |
| Exoenses | | | | | | |
| Admin | \$474,657 | | \$484,150 | | \$493,833 | |
| Technology | \$1,725,570 | | \$1,760,081 | | \$1,795,283 | |
| Curriculum | \$1,025,287 | | \$1,045,792 | | \$1,066,708 | |
| Online Learning | \$174,769 | | \$178,264 | | \$181,830 | |
| Pupil Services | \$6,245,185 | | \$6,370,089 | | \$6,497,490 | |
| Transportation | \$3,283,793 | | \$3,349,469 | | \$3,416,458 | |
| Building Op & Maint | \$2,701,363 | | \$2,755,390 | | \$2,810,498 | |
| NPS Schools | \$1,172,402 | | \$1,195,850 | | \$1,219,767 | |
| Athletics & Act ivities | \$81,273 | | \$82,898 | | \$84,556 | |
| Total Exp | \$16,884,298 | 4.70% | \$17,221,984 | 2.00% | \$17,566,424 | 2.00% |
| Total Budget Request | \$81,650,137 | 5.50% | \$85,357,404 | 4.50% | \$89,038,229 | 4.30% |

Dr. Gray presented a projected budget forecast for FY23 to FY25 and pointed out that these are initial projections. He noted that NPS is very pleased with their initial conversation with our town partners. I know Finance Committee members were concerned about the initial gap between what the schools requested in the town provided and indicated that, together, they've already closed that gap significantly through their conversations and will continue to work towards reconciliation over the next couple of

weeks and months. These budget projections are our best estimate of what our needs will be during this period and were used as a way to further determine whether or not the town of data may need to take further action down the road. As you all know, we have a structural deficit. The FY22 numbers as well as these numbers will be fluid as we as learn more and we'll have a better understanding of our FY22 needs and longer-term needs are.

Questions from the Finance Committee

Mr. Evans asked for confirmation that the Transparency page is a public page. Dr. Nolin confirmed that it is.

Mr. Scurlock asked whether the math specialists were a short-term hire to address the math deficits caused by COVID or permanent positions, Dr. Nolin said that these positions have been requested since 2012 because we feel we need them for the regular program. However, their initial deployment will be around intervening with the students hardest hit by COVID needs.

Mr. DeLuca asked whether NPS intended to go back to accepting School Choice students. Dr. Nolin said the School Committee has consistently kept that program closed in light of the present enrollment trends.

Mr. DeLuca asked whether there are any plans to increase NPS's participation in the Metco program. Dr. Nolin said, with respect to Metco, you have to weigh the benefits or risks relative to Metco. The Metco program starts in the fifth grade here and there is no desire to expand the number of Metco students in Natick, but will allow those students to start with us in kindergarten. The reason for that is that they don't have such an achievement gap or transition gap to make if they were to join us in the 5th grade. Many towns start their Metco programs in kindergarten and there is much merit to that in terms of seeing those students as needed people included in the community from the get go and not brought in at a very difficult transitional time in middle school. There are ongoing discussions about this, but no formal proposals. However, state funding of Metco is greater than it has been in prior years. In this year, towns are able to vie for a SPED services reimbursement and SPED transportation reimbursement for Metco students.

Mr. DeLuca expressed concern that the town is kicking the can down the road again on the BCBA position and the three paraprofessional positions for IEPs. Mr. DeLuca maintained that not hiring for these positions could end up costing exponentially more than the cost of these positions because, with early intervention, the district can take corrective action rather than delaying intervention that would result in much more expensive placements if NPS cannot handle it in house. Mr. Luff said that Special Services made shifts over last year to cover many of those positions that were not funded in the FY21 budget. This reorganization was designed to ensure that all services are being met for students. SPED students missing school last spring was a setback but NPS has been fortunate to have all of our SPED students in full-time this year. Mr. Luff said he is comfortable with these particular scenarios right now, but remains concerned about the low balance in the circuit breaker account and the ability to handle something not presently known.

Mr. Linehan asked whether NPS is in a position to accept new students into the ACHIEVE program. Dr. Nolin said NPS accepts tuition students from various programs now. For instance, the alternative high school we do have tuition students there and our other Access Programs at times. And our emotional-social behavior programs also have them. Dr. Nolin noted that NPS needs to weigh whether they can support additional students without requiring new staff. Mr. Luff added that they have accepted students into the ACHIEVE program in the past. Right now, the program is run out of East School and it's not as exciting to different districts to send kids there. But, when I can present more details on the Student Services budget, I'll review different possibilities of where we could be and how we could run this. The School Committee set a tuition rate of \$36,000 for each individual student that comes into those programs. Dr. Nolin added that if you want to get a sense of the vision that we have for the students who deserve the best type of programming possible to prepare them for their future, Westboro Public Schools

runs a program like this where the students run a business called the Westboro Sugar Shack. The business itself is not the thing - it's all that goes on behind the scenes to train those young people on the skills to be productive members of society. This is the most exciting, dynamic program that we have seen. We actually visited right before closure last year and we really want to put this idea forward because we could make it an amazing program.

Mr. Evans asked if, hypothetically, all things all fall into place and NPS can return to in-person classrooms in the fall. You mentioned that the contract is up for negotiation and, based on your discussions with other communities, are you finding that the transportation companies are trying to make up for lost ground this year and staging their recovery over multiple years. Dr. Gray said the bus companies were very hurt by COVID and NPS has an agreement through the end of this school year that, if we go into closure, NPS agrees, while we're closed, and there are no bus routes running that we would pay 58% of their fixed costs (capital investment) and aren't paying for gas or diesel. This compromise was reached as Natick is part of a collaborative group of 15 towns who are Connolly bus transportation users. Dr. Gray stated that he has heard from towns that are negotiating with Connolly and are going out to bid that Connolly is putting in certain caveats to protect themselves that, should closure occur over the next three years, their costs are covered. Further, we're hearing about some substantial increases in the bids and changes in the pricing structure to ensure that they are sustainable.

Dr. Nolin thanked Mr. John Townsend, Deputy Town Administrator – Finance for attending and for all the discussions we've had to date and for being here this evening to support us.

Mr. Linehan moved to close the public hearing, seconded by Mr. Evans, voted 10 – 0 – 0.

Roll-call vote:

| | |
|-----------------------|-----------------------|
| Mr. Coffey = yes | Mr. Linehan = yes |
| Mr. DeLuca = yes | Mr. Pope = yes |
| Mr. Evans = yes` | Mr. Resmini = yes |
| Mr. Gillenwater = yes | Mr. Scurlock = yes |
| Mr. LaFleur = yes | Ms. Wollschlager= yes |

Committee and Subcommittee Scheduling

Education and Learning (all at 5 – 7 PM)

| | |
|-------------|---------------------------------------|
| January | 14 NPS Teaching and Learning Budgets |
| January 26 | NPS Technology and Transportation |
| February 2 | Libraries (both) |
| February 9 | NPS Special Education/Circuit Breaker |
| February 16 | Keefe Tech Budget |

General Government

January 20 at 7 PM - Community Services, Council on Aging, Veterans Services, Natick Organic Farm

January 26 at 7 PM and 8:15 PM - Board of Health; Recreation and Parks

January 28 at 7 PM - Public Safety (Police and Fire)

February 23 NPS Capital updates/Budget Overview Discussion

Ms. Wollschlager said she has set up a Finance Committee calendar that will include all meetings, including subcommittee meetings, along with meeting links. Members should have received an invitation to this calendar. To access the calendar, click on the 9 dots at the upper right and select Calendar. Make sure you are logged in with your FinCom email. The Finance Committee calendar should be visible in the left under My Calendars - make sure it is checked. If you need help, let me know.

DPW Subcommittee

Mr. Evans said that DPW is a little preoccupied right now with fixing the water contamination problem and stated that Mr. LaFleur and he discussed the requirements for meeting with DPW and, based on Ms. Wollschlager's experience plan to set up two meetings and will let the Finance Committee know as soon as possible when these meetings are set up.

Committee Discussion

Ms. Wollschlager noted that several members have volunteered to be the Finance Committee representative to other committees and wanted to add this as a standard agenda item for meetings going forward to allow these members to update the full committee.

Town Administration Screening Committee,

Ms. Wollschlager said this Committee has had several meetings and noted that one of the things that we plan on doing differently is to have pairs of Committee members interview town officials, department heads, and others, probably at least 20 to 30 people to get their inputs and thoughts. That did not happen formally last time around sp. hopefully, we will get a good sense from the community about what people are looking for in a new Town Administrator. Meetings are at 4PM on Mondays in general.

REMAP

Mr. DeLuca and Mr. Pope are members on the REMAP team.

Kennedy Middle School Building Committee

Mr. Evans said Kennedy opened on schedule and noted that it took a great deal of effort by the project management team to make that happen as well as all the custodians who have participated in training that is ongoing this month. Everything looks very good – there were the usual hiccups, last-minute things that needed correction, but they're relatively minor. The next phase of this project will be the demolition of the former Kennedy School, which has already begun. The sequence is that the former KMS gets razed and they start construction of the new gymnasium which is supposed to be finished by the end of the summer. Following that, the turf field will be constructed and hopefully be ready by spring of 2022. Kudos to both the project management team and the construction team - it hasn't been the easiest of environments to work in and they've made it happen.

Mr. Coffey asked whether the Committee might be able to get an update from the West Natick Fire Station Committee next meeting.

Mr. DeLucas aid REMAP had their orientation meeting where they discussed of the players participating in the field, we have the Boston Federal Reserve, GAR, Metropolitan Area Planning Council (MAPC) and participating towns. We discussed the year-long program and the support system and available resources. There are paired towns/cities called orientation pairs that are working together. We listened to presentations from cities and towns, about their current structure, the current challenges around racial diversity and equity and inclusion. At this meeting, we listened to Bedford, Stoughton, Lynn, and Revere.

We're paired with Framingham and it will be our turn to present our view of the town, its diversity challenges and where we see things going forward. These are very broad brush areas, in terms of it can be everything from having appropriate representation in your government that matches your populace, making sure you have a diverse government, and in terms of both employed government and voluntary to housing issues or concerns, too. Our initial focus is housing, but we don't have to stick to that area throughout this study. The Federal Reserve is doing research around housing challenges and I'm involved in some of this in research projects around this in my day job. I've published articles covering minority depository institutions covering race, diversity, wealth, which is why this project is very exciting to me. Mr. DeLuca added that he was put on the space study and we had our first presentation on that for the Natick Public Schools and is excited to see a lot of the research there and will report out to the committee as things continue.

Mr. Pope said that he went to the first meeting, but I've been unable to go since and contacted Ms. Wollschlager and Mr. Townsend because his work schedule doesn't allow him to do two hour meetings in the middle of the day, so I was seeking to either reschedule or be able to make it up by watching videos of the meetings afterwards. Mr. Pope noted that if that will not work, he may need to be replaced on REMAP.

Mr. Evans moved to adjourn, seconded by Mr. Linehan, voted 10 – 0 – 0.

Roll-call vote:

Mr. Coffey = yes

Mr. DeLuca = yes

Mr. Evans = yes`

Mr. Gillenwater = yes

Mr. LaFleur = yes

Mr. Linehan = yes

Mr. Pope = yes

Mr. Resmini = yes

Mr. Scurlock = yes

Ms. Wollschlager= yes

Meeting adjourned 8:57 PM