

May 17, 2020

TO: Committee of Ways & Means

FROM: Dr. Frank Hackett, Superintendent of Schools

**RE: FY21 Budget Questions**

Thank you for your questions regarding the FY21 budget for the Braintree Public Schools (BPS), which was unanimously approved for recommendation to Mayor Kokoros on April 27th, 2020.

**Historical BPS Budgets & Funding Source**

FISCAL YEAR	Chapter 70 Funding	Change \$	Change %	School budget	Change \$	Change %	Town Allocation	Change \$	Change %
FY14	\$13,863,901	\$317,002	2.34%	\$54,780,737	\$2,880,491	5.55%	\$40,916,836	\$2,563,489	6.68%
FY15	\$14,627,262	\$763,361	5.51%	\$57,698,512	\$2,917,775	5.33%	\$43,071,250	\$2,154,414	5.27%
FY16	\$15,291,040	\$663,778	4.54%	\$59,508,827	\$1,810,315	3.14%	\$44,217,787	\$1,146,537	2.66%
FY17	\$16,589,497	\$1,298,457	8.49%	\$62,108,827	\$2,600,000	4.37%	\$45,519,330	\$1,301,543	2.94%
FY18	\$17,201,085	\$611,588	3.69%	\$64,709,631	\$2,600,804	4.19%	\$47,508,546	\$1,989,216	4.37%
FY19	\$17,817,105	\$616,020	3.58%	\$67,321,556	\$2,611,925	4.04%	\$49,504,451	\$1,995,905	4.20%
FY20	\$18,297,651	\$480,546	2.70%	\$70,628,795	\$3,307,239	4.91%	\$52,331,144	\$2,826,693	5.71%
FY21*	\$18,781,860	\$484,209	2.65%	\$73,218,902	\$2,590,107	3.67%	\$54,437,042	\$2,105,898	4.02%

\*PROPOSED

**General Overview**

As there were some common threads running through your questions, I would like to share a couple of points:

- A. We continue to work on our year-end projections to include savings that we will realize from the early closure of school. As part of that reconciliation, and as we do every year, we will be factoring any unanticipated expenditures that were made during the course of the year. Savings generated from the closure of our facilities will be relatively limited (see below), but we will realize savings from staff furloughs/reduced hours and other staffing related expenditures.
- B. Part of the year-end projections will include additional costs that we have realized due to school closure. For example, at the initial onset of the virus we purchased specific cleaning products on the recommendation of state and local public health officials, and incurred overtime costs for additional cleaning. Upon school closure, we began the distribution of what would eventually be over 300 Chromebooks and approximately 50 mobile hotspot devices for students without internet access. We have invested in other technologies in order to provide secure staff-to-student communications for one-on-one

and small group services as required by student IEP plans and other student-based needs. Currently, we are preparing for the implementation of a fully online registration process in order to manage the remote onboarding of new students who will continue to flow into our schools over the course of the summer. I can speak in more detail regarding these issues Tuesday night, if you would like.

- C. The BPS has not submitted supplemental budget requests for at least the last five years, meaning that the final approved budget is the budget we have worked within regardless of unanticipated costs. Every year we are faced with students who move in during the year needing additional services, who are already in collaborative placements, etc. Additionally, we make regular adjustments to manage emergency facility issues such as steam pipe repairs, roof leaks and other items. While we generally focus our capital funding on planned projects, we have needed to shift priorities when unanticipated issues strike, or when projects become more expensive due to unforeseen conditions.
- D. We all need to be concerned about the economic impact of the health crisis in both the short and longer term. Since the outbreak and subsequent federal and state response, major portions of the economy have been significantly impacted - none more so than the service sector. With FY20 state revenue projections estimated to be \$3.3 billion to \$3.9 billion lower than FY19, it is critically important that we continue to look for efficiencies and maintain as much flexibility as possible, which is difficult given that the overwhelming majority of our budget is dedicated to staffing and fixed costs.

Like us, local governments across the Commonwealth are faced with the impossible challenge of setting budgets for FY21 in the face of an unpredictable future. According to an analysis conducted by the *New England Public Policy Center (NEPPC)* in April, "The full extent of the economic damage...cannot be known with certainty at this point. It will depend on the course the spread of the virus takes as well as the offsetting effects of the major economic stimulus efforts that have been undertaken and those that are under consideration."<sup>1</sup> With such a high level of uncertainty, it is necessary for us to have a range of options that can be deployed as quickly as possible when conditions change. What those options look like will depend upon the challenge we are trying to solve - reducing our budget by \$100,000 brings a different set of choices than if the number were \$1mil. One level might be accomplished by implementing multiple cuts that are as far from the classroom as possible, while the other might necessitate the wholesale elimination of programs and/or a complete restructuring of the system.

- E. We are in the early stages of planning for the 2020-2021 school year at the administrative level, and we will continue to work closely with the School Committee,

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<sup>1</sup> Source: <https://www.bostonfed.org/news-and-events/news/2020/04/neppc-covid-analysis.aspx>

the Mayor's Office, and the Braintree Health Department as we consider how and when to open our schools. There are many unanswered questions that will have to be answered by others in the weeks and months to come, including state health officials and the Department of Elementary and Secondary Education (DESE): the Commissioner of Education has indicated that school leaders can expect to have recommendations on how to plan for a safe return to school by the end of June.

We are already exploring what a safe return to school might look like next year based on what we believe to be some reasonable planning assumptions. Some of our assumptions are based on commonsense, while others are informed by emerging research and planning that is taking place in other states. The Missouri School Boards' Association may be the first U.S. based educational organization to release guidance for school system reopening. In Massachusetts, various task forces have been assembled and more resources are becoming available, including, "COVID-19: A Path Forward," published by the Harvard T.H. Chan School of Public Health. First-hand accounts are also emerging from countries like Germany and Australia as they begin to open their schools (NY Times article).

#### **Questions Submitted by Ways & Means Members**

- 1. Are we going to recognize any savings from FY20 due to the shutdown? Any savings in building costs – heating, lighting, summer usage, etc. – that we can/will roll into FY21?***

Energy savings will be relatively minimal given the time of the year, but there will be some. A few points:

- There have been some energy savings due to the mild winter we experienced. We are working to quantify the savings across all utility accounts, and will have a better year-end projection within the next two weeks. We generally stop heating the buildings somewhere between April 15th and May 1st, depending upon the weather.
- Our summer programming will be done remotely, which will generate some savings in transportation; however, the majority of those funds will be realized in fiscal year 2021. Additionally, the programs normally operate in only two of our buildings.
- Transportation fees will need to be reimbursed for the pro-rated period of March 13, 2020 to June 30, 2020. The revenue from these fees go directly to the Town.

**2. Have we accounted for needing increase in custodians and/or cleaning supplies as a result of Covid-19? If not, why not?**

We purchased specialized cleaning solution known to be effective on Coronavirus at the outbreak of the virus that is sprayed and wiped by our custodial staff. This product has been applied to high touch services as part of our regular cleaning routine. We will be purchasing atomizers for the schools, but we may not find them until the summer. A dozen will probably cost between \$8,000 - \$12,000.

**3. Do we need to think about budgeting for disbursement of masks for students?**

We will look to the Town Health Department for guidance on masks and other PPE for students and staff. Our initial thinking is that if students are required to wear masks, they would be expected to bring them from home as they do other personal supplies. We would provide for those who are unable to and/or forgotten.

**4. If remote learning must continue, do we need to fund additional Chromebooks or other sources of technology? We can use capital for this.**

Yes, and our capital request includes funding for devices. Additionally, we will also benefit from the devices that will be purchased for East Middle School as part of the MSBA project.

**5. Have we included the Zoom account in the FY21 budget? If so, will this continue to be a shared resource with the Mayor's Office and Town Council? If not, should we?**

Zoom is part of non-instructional software and will be split with the Town. Our current subscription for public meetings allows for 500 participants and costs \$339/mo. We will be switching to a yearly subscription for 100 participants that will cost \$1100 total for the year to be split between the Town and BPS. If needed, the account can be upgraded to include more participants on a month-by-month basis.

**6. What about the need for additional classroom space and/or teachers if we must implement social distancing within classrooms and on school busses? What is the plan and how is that going to impact the budget? I'm not sure what this will look like. Each teacher gets two rooms for a day and only half the students can be in the building? Do we look at morning and afternoon classes so teachers can get in front of the students every day cleaning the spaces between the secessions? Could work at the elementary level, but perhaps not at middle and high school.**

Please see "E" on page 3.

**7. Salaries +/- what is the reasoning – is it teachers leaving or being replaced with lower step people or are we eliminating positions (Kindergarten at Liberty School for example)?**

The salary line item +/- are a combination of teachers leaving and being replaced with someone on a lower step, position eliminations, staffing movements, new positions needed for EMS opening in September, as well as contractual obligations. The grade 3 position at Liberty is a position reduction, but nobody is losing their job due to other movement within the system.

**8. Asbestos Management (p26): why are we only budgeting \$20K when we have been routinely above that amount? What has changed?**

A lot of asbestos was removed during the ESCO project (insulated pipe, boilers). The \$20,000 in the operating budget is for smaller issues that arise such as removing a small number of floor tiles or cleaning off a valve that we need to replace. Large scale asbestos projects have been paid for from capital funds in years past, and while a few floor projects remain, we have made significant progress in the last few years. Remaining asbestos has been identified, mapped, assessed and documented in our AHERA reports.

**9. Can we get reporting out of FacilitiesDude to see what the recommended building maintenance would be for all schools and other town-owned buildings? The answer was yes, but I never actually got any kind of reporting, so the follow-up question is: if funding was not a limiting factor, what are the capital needs of the school system for FY21 (or 5 years would be even better). It does not have to be a report out of FacilitiesDude.**

On May 15, I provided the following answer:

The School Department currently uses the program for its buildings and HVAC equipment and anticipates maximum use for preventative maintenance by January 2021 and full implementation within the next 1-2 years. Currently, the program is used to track work orders, including entering them into the system, assigning the work, tracking length of time to complete and final outcome. The long term use of the program includes inputting all buildings and equipment into the system so that a staff member can scan a barcode in any facility and obtain information about the equipment in each room, including any maintenance needs. The program does include large scale capital projects (e.g., roofs).

Reporting features will be utilized as we get deeper into implementation. I will provide additional information regarding capital priorities for the Wednesday night meeting.

**10. I did not get an answer to this question:**

**Can you please explain the ESCO project and how it is affecting the budget. Generally, any information would be helpful.**

**Specifically, my basic understanding and my questions are:**

- funding of \$8.9M or 10.3M was approved in 2018**
- \$8.9M of short-term Bond Anticipation Notes due June 2019 were issued at the time**
- \$8.75M in bonds were issued to retire the BANs in 2019**
- 2021 debt service cost is probably about \$325K**

**Mr. Spellman can speak to the above questions.**

- Guaranteed annual savings are \$464K annually**

Yes, but please note that the guaranteed savings are in useage, so depending upon unit cost this dollar amount will fluctuate.

- Is the annual savings stepped up from 0 to something higher as the project progresses?**

Yes, and it will be audited by Noresco annually to make sure the guaranteed savings materialize. Savings are based on usage not costs. Our first audit will be conducted this summer.

- If the cost savings in the current year were \$100K then the School would transfer \$225K to the general fund to pay the bonds, is that right?**

That is theoretically true. I will explain in more detail tomorrow night.

- Is there a schedule of work to be done and estimated savings by year?**

The work is complete except for some punch list items. I will provide more detail tomorrow night.

**11. Can we get a breakout of the \$5,160,631 in "Building and Grounds Maintenance and Utilities" expense?**

Custodial Services      \$2,672,020

Maintenance	\$1,022,948
Utilities	\$1,465,663

**12. Paving/Landscaping-\$100K: does the DPW do the work? If so how do the chargebacks work? If not, why not and is it being done as cost-effectively as if the DPW did it?**

The town goes out to bid for a paving contractor and we occasionally use that contractor unless we feel we can get a better price by putting together our own Invitation For Bid. We sometimes request the DPW to do pothole repair and pay them at a time and a half rate.

**13. Technology Upgrade-\$350K: what happens to the old Chromebooks. Can they be given to low-income students?**

Some have reached the end of their useful life and will not work with the next Chrome update. Those that are still functional are loaned to students in need. Once the BPS can no longer use them, we must offer them to the Town and then vote to surplus them (this is true for all equipment).

**14. As we work through this budget, we do so knowing that the ground is shifting beneath our feet. As we look at today's numbers, we know the probability that our revenues will drop is very high.**

*No one is certain the extent of the cuts we are likely to see with state funding. No one knows how much Federal funding we'll see. At present, the likelihood that a new (4th?) stimulus package will be passed is looking low. Braintree's budget is additionally difficult to envision because we have not yet been able to hold the Debt Exclusion vote.*

*So the biggest question on my mind today is, do we have a budget Plan B or Plan C?*

*In particular, do we have a budget in mind to cover costs if we find ourselves in a position this fall where we are not able to attend school as we are accustomed to?*

*Do we have a budget for a scenario in which we are still forced to follow a remote learning model? Do we have a budget scenario in which we move to some kind of blended learning model? This seem to me to be the most expensive option, as it seems like we would have to pay to retrofit classrooms, accommodate rotating schedules, fund additional cleaning, etc.*

Please see the General Overview beginning on page one. I'm happy to discuss this in more detail tomorrow night.

**15. What is a career award?**

In recognition of dedicated service to the children of Braintree, any employee covered by this Agreement who has been employed for ten (10) consecutive years in the Braintree School System shall be eligible for a "Retirement Notification Incentive" in the form of an increase in compensation in the final year of employment by following the established procedure. For reporting purposes sick leave buy back is also paid from this line per the Collective Bargaining Agreement, upon retirement.

**16. What is driving up the cost of custodial differentials? (In 1-5, 6-8 & 9-12) What is driving up the cost of custodial bldg cks?**

Increases are due to contractual obligations (ex: percentage increase and newly negotiated building check process and rates). Past practice was also changed on building checks, which I can speak to tomorrow evening.

**17. What accounts for the large increase in Supplies English DW?**

The Directors are allocated \$550k to divvy up amongst their programmatic departments for the year. You will typically see increases/decreases between the programs.

The increase is for *Foundations* materials, which we piloted in first grade last year and will be using throughout first grade in 20-21. We will also be piloting in 2nd grade in 20-21 (one class in each school). These supplies are all reusable. It is a one time cost, but it will also be in place next year as we move the pilot to Kindergarten. We are also purchasing additional supplies around the workshop model as we move into full implementation.

**18. Why does the budget for standardized testing seem so far out of alignment with expenditures?**

There was a purchase for approximately \$18k in FY20 for a nationally normed assessment for mathematics. Funding to cover the expense came from another account line in FY20.

**19. Why is the budget for intramurals at East and South so far above actuals?**

The amount we actually spend depends on the number of programs offered and the cost of those programs. Our offerings are student driven and we do not offer the same sports every year. Intramurals is moving into the Athletics program under the new COA for Munis.



**20. Can you explain the rationale for moving around the librarian positions?**

Need clarification of the question. Staff in this role are at different step/lanes which results in the difference in salaries at each site. Additionally, there is one specialist that was reduced from .8 to .6

**21. How have you reduced rubbish collection so much?**

When MSKC came online the town had already gone out to bid for rubbish removal, so we had to absorb the cost of their rubbish removal in our operating budget. The town has since rebid rubbish removal to include MSKC, so it is no longer in our budget.

**22. Have you added a facilities manager position?**

Yes, during the current fiscal year (FY20) several positions were restructured due to a retirement and other employee action to create the funding for this position. The restructure resulted in a net cost reduction.

**23. How are we able to manage such a steep reduction in heating/ventilation supplies?**

Most of the money we spent from this line was for boiler repair. We had only one boiler operating in each of our buildings (except HS and South) so any repair was an emergency. We now have 2 new operating boilers in each of the schools due to the ESCO project, which not only gave us savings from utility usage but also from maintenance.

**24. Several line items (plumbing supplies, asbestos management, fire extinguishers, time clocks/PA systems & carpeting) are all budgeted far below expenditures. Can you explain why?**

What we budget is what we start the year with, however, if we expect savings in a line and an unexpected repair is needed then we pay for the repair and expense it to the proper line.

**25. Did you cut a math specialist from Hollis?**

There was a math specialist retirement that will be replaced at a lower step.

**26. Why is the budget for postage so far above actuals?**

In reviewing the 3 year average, the budgets are in line with average expenditures. FY19 was an anomaly.

**27. Overall, the Music Department has a 12.71% increase. Can you describe the staffing changes (or redistributions) that largely account for the increase? Also, can you explain what the supplies will be spent on?**

There will be a new .4 music teacher with the opening of East in September to accommodate for higher enrollment. The changes in salaries account for contractual percentage, step and lane changes. Additionally, we will be purchasing SmartMusic, which is a web-based suite of music education tools that support efficient practice.

Here are four years of history on the total music budget:

MUSIC DEPT	FY18	FY19	FY20	FY21
Total Allocation	\$25,600.00	\$19,700.00	\$15,661.50	\$16,954.00

**28. Is now the time to be hiring a new Elementary Curriculum Coordinator?**

This is not a new position. It has been moved to a newly created line. The role is included within an existing elementary principalship.

**29. Why is no money budgeted for classroom coverage or custodial substitutes, when historically, there are always expenditures?**

Custodial substitutes are offset with custodial savings (ex: employee on WC). We don't have a bank of custodial subs to fill in if someone is out for a few days - we sub only if someone is going to be out long term and we will have savings from their being out long term. Classroom coverage is offset with short term substitute funds. Both of these are unknowns, so if we have to draw against them we do so from an existing category.

**30. Finally, I am wondering if you can comment on the widely varying costs associated with Instructional Software or Non-Instructional Software?**

Non-instructional software covers districtwide expenditures for the delivery of programming, and the operations of the District. Examples of non-instructional software are Microsoft licensing, Aspen, TalentEd, amongst other programs. Instructional software is allocated across many program budgets, not embedded within the Tech budget line.

