

Town of Williamsburg

Minutes of the Finance Committee Williamsburg Town Offices 23 January 2019

Members Present: Paul Wetzel, Linda Rowley, Richard Kisloski, Charles Dudek, Gil Loud, Jacqueline Dufresne, Eric Cerreta

Town Administrator, Charlene Nardi was also present.
Member absent: Charlie Heath, Linda Kisloski

The meeting was called to order by co-chair Paul Wetzel at 5:03 p.m.

During the last meeting, R. Kisloski felt that the Select Board should investigate how the Town bills the Water Department for work on the water and sewer lines. P. Wetzel wrote the Select Board and requested that the Highway Department record the hours that the Town works for the Water Department for at least a year. C. Nardi told the Committee that Bill Turner will begin tracking time contracted to the Sewer and Water Department.

During the last meeting, R. Kisloski questioned whether the transfer station revenue covers the cost of the transfer station operations. E. Cerreta agreed to collect data to investigate this question with the help of C. Nardi. E. Cerreta will report back to the Committee.

P. Wetzel gave a brief report on the progress of the OPM committee. He also gave a brief report of the Highland Ambulance assessment, which is \$122,476 for FY 2020 down from \$124,851 in FY2019. The decrease was due to a decrease in Town population.

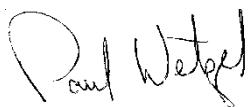
Kristen Smidy, principal of Hampshire Regional High School sent P. Wetzel a quarterly budget report (ending December 2018—attached). The Committee reviewed and discussed the report.

Minutes from the last meeting were considered. E. Cerreta moved to accept the minutes. L. Rowley seconded the motion. E. Cerreta abstained; all other members voted yes, the motion passed.

The next meeting of the Finance Committee will be held 20 February 2019 at 5:00.

There being no further business before the Committee, C. Dudek moved to adjourn the meeting and the motion was seconded by J. Dufresne. The motion passed unanimously and the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul Wetzel". The signature is written in a cursive, flowing style.

Paul R. Wetzel

Hampshire Regional High School Quarterly Budget Report – December 2018

FY19 Updates

Since the last quarterly report in September, there have been no significant changes to the Hampshire Regional High School FY19 Budget.

There was one major maintenance issue where the heating system malfunction causing a coil to freeze and a pipe to burst in the third floor guidance suite. Due to the damage, new flooring, equipment, and furniture needed to be purchased for the suite; however, our Business Manager expects most of the cost to be covered by insurance. The Head Custodian is checking the equipment to assess functionality, and Administration needs to explore some long-term solutions for this issue, as it has happened in different parts of the building over the past three years. Some possible solutions include:

- Contracting with the company that runs our automated system and the maintenance company to work in tandem to go room by room to assess the operations of the current equipment. This would result in recommendations for upgrades to keep the heating system in good working condition. The cost for this is about \$25,000 for the actual service and then additional costs for the upgrades. Some parts are no longer available, so this could be costly.
- Adding antifreeze to the current system so if it malfunctions, the current equipment is less likely to freeze. This was quoted out to be around \$30,000 for this service, and it is not a guarantee that it will prevent all damage.
- Exploring new companies to completely overhaul our current heating system. The technology is currently controlled by one company and the parts and equipment are maintained by another. Perhaps a new company that did both or even replacing one company would have other recommendations or upgrades to suggest that would help this ongoing maintenance issue. Cost is unknown.

Additionally, there have been changes to the out of district special education costs due to student needs and students coming into the district. These costs are not associated with changes to the FY19 budget, but may have implications in future years.

FY20 Updates

Hampshire Regional plans to present a level service budget for the FY20 budget.

There will be some increases in the budget to maintain a level service budget including:

- Staff salaries: percentage TBD based on contract negotiations
- The transportation contract is up this year, so a new contract will need to be agreed upon for the next three to five years. Looking at trends of costs going up and ensuring that the transportation company is in compliance with all regulations, this is estimated to increase.

- Hampshire County Retirement contribution is estimated to increase approximately \$50,000.
- Health insurance is estimated to increase, but an analysis will be done using current enrollments. A meeting with Hampshire County Group Insurance is scheduled for January 23rd so more information will be available after that.
- Graduation costs have increased about \$3,000 due to sound requirements and ensuring ADA access.
- Sick Buy Back will increase about \$2,000.
- Teacher retirement benefits will increase about \$3,000.
- Software fees will increase about \$500.
- Out of district costs may increase based on student special education individualized programs.

Transportation Analysis

For the FY20 school year, van transportation for out of district students will cost approximately \$105,185 in contracted services from Hampshire Regional's budget.

This year, HRHS saved \$36,000 (minus the driver's salary) by hiring our own van driver and using a van we currently own to transport students. Additionally, the new van driver completes two routes for in-district towns/schools, reducing these routes from approximately \$17,000 to \$6,300.

The part time van driver earns approximately \$17,000 a year. A new van costs approximately \$27,000. It may be in the school's and towns' best interest to hire an in-house van driver and purchase a new van to reduce the contracted service transportation costs. An in-house van driver is estimated to potentially reduce the cost of contracted services from \$105,185 to \$52,655 and also be available for additional routes for in-district schools and towns if available. Therefore, the overall savings for FY20 would be about \$8,530 (savings of contracted transportation minus the cost of the new van and salary of the van driver).

In future years, the ongoing cost would include van maintenance and insurance and the cost of the van driver salary. This would equate to one route for an out of district placement. Therefore, it is probable that this investment would result in significant savings after FY20.

School Choice

School Choice is a large and complex piece of the financial picture for any school district. This program, in its simplest form, provides a student and family with the ability to enroll in a public school in a different city or town from where they reside.

When families elect to participate in the inter-school choice program in Massachusetts, it has a domino effect on the sending and receiving school community. Financially, it costs the sending school \$5,000 per student while the receiving school gains \$5,000.

If the student requires special education services, the sending district could be required to pay more for the student based on the services required to educate that student. The final amount owed to the receiving district is determined through the same Circuit Breaker formula used to calculate state funding to schools for special education services; this is based on the services the student needs, the size of the group in which the student can be educated, and how long the student requires specialized services, plus any additional cost for specialized transportation and out of school services such as summer tutoring.

Because approximately one out of every five students require special education services and every student's services are individualized for that child, it is difficult to predict the total tuition amount for all students who participate in the school choice program. Additionally, billing for school choice occurs monthly, but it is based on data provided to the state four times a year aligned with the mandatory state reporting, so rates and amounts may change if a family decides to leave or return to a school mid-year. Some school choice programs cost districts over one million dollars, while other schools receive a similarly significant financial benefit from students received.

It is even more complicated to define the implications of school choice for a regional school. Regional schools are beneficial to smaller towns with limited budgets because towns are able to pool their resources to provide their students with more diverse opportunities than if towns were limited to their own individual assets. Western Massachusetts regional school district enrollments are seeing declining enrollment due to fewer families and children in the area, leading to more closely scrutinized budgets and often the loss of staff and programs. Because of this, school choice enrollment is especially volatile with families actively seeking different options for their children and thus, the movement around districts contributes greatly to a district's appeal or demise.

Looking at school choice data from the Massachusetts Department of Elementary and Secondary Education, the Adams/Cheshire School District received 38.6 full time students throughout their school year, grossing \$218,598 for tuition funds, but sent out 120 students to other districts via the school choice program, costing the district \$701,889 in the 2017-2018 school year ("FY18 Final School Choice Tuition," 2018). The loss of just under a half million dollars to the school district undoubtedly results in programs and staffing being lost or not available due to the school choice program. Alternatively, Frontier Regional School District

receives 165.1 students equating to \$1,508,899 and sending only 42 students or \$317,542 in 2017-2018 ("FY18 Final School Choice Tuition," 2018). The addition of over one million dollars to a school budget of \$19.7 million is significant.

Here is a chart of Hampshire Regional High School's school choice numbers in and out with the cost. The revenue in is not available for FY19 yet, but this year HRHS has 130 school choice students currently enrolled.

	School Choice IN	School Choice Revenue IN	School Choice OUT	School Choice Expenditure OUT
2017-2018	104	\$990,218	69	\$583,612
2016-2017	102	\$836,802	73	\$531,245
2015-2016	97	\$769,017	63	\$362,893

To summarize, school choice funds are extremely important to consider as part of the overall picture to a school's budget and programs. With our current culture of extreme competitiveness between students and between schools, it is vitally important for schools to maintain strong programs to support all students. With Hampshire's declining enrollment (a trend across Western Massachusetts), it would be necessary to cut staff and programs at HRHS. Regardless of what program is cut - be it special education, honors, extra curricular athletic, or college and career readiness - any reduction would certainly push families to seek other options for their students' education.

However, with the school choice revenue and student population, Hampshire is able to continue to offer competitive programs to support all students. In today's culture, students need to select a school that provides them with access and allows them to stand out in this competitive market. As an example of how competitive college and universities are becoming, the acceptance rate at UMass Amherst is currently 57% when it was 67.7% in 2010. In just eight years, the acceptance rate at a state university dropped over 10%. If HRHS cuts programs, then it is highly likely that students will choice out to attend schools with comprehensive programming that will make them more attractive to colleges. On the other hand, if schools maintain competitive programming as Hampshire is doing, they attract students from other districts bringing in additional revenue to support the school budget.

"FY18 Final School Choice Tuition, June 2018." *School Finance - Massachusetts Department of Elementary and Secondary Education*. 20 June 2018. Accessed on 27 December 2018.
<http://www.doe.mass.edu/finance/schoolchoice/choice18.html>