

The following item will be discussed at the Public Hearing of the Standing Committee on Finance and Operations to be held on Monday, November 13, 2017 5:00 p.m. in Room 410 at the Durkin Administration Building:

gb #6-146 - Mr. O'Connell/Mr. Monfredo/Miss McCullough (April 4, 2016)

To consider adoption of Policy JJF of the Massachusetts Association of School Committees, regarding student activity accounts, to reflect the audit guidelines recently updated by the Massachusetts Department of Elementary and Secondary Education.

gb #6-294 - Administration (August 22, 2016)

To review the status of the FY17 Budget and make appropriate transfers as required.

gb #7-342 - Administration (September 29, 2017)

To review the status of the FY18 Budget and make appropriate transfers as required.

Committee Members

John L. Foley, Chairman
Molly O. McCullough, Vice-Chairman
Donna M. Colorio

Administrative
Representatives
Brian Allen

OFFICE OF THE
CLERK OF THE SCHOOL COMMITTEE
WORCESTER PUBLIC SCHOOLS
20 IRVING STREET
WORCESTER, MA 01609

AGENDA #4

The Standing Committee on FINANCE AND OPERATIONS will hold a meeting:

on: Monday, November 13, 2017
at: 5:00 p.m.
in: Room 410, Durkin Administration Building

ORDER OF BUSINESS

- I. CALL TO ORDER
- II. ROLL CALL
- III. GENERAL BUSINESS

ros #5-14 - Administration (December 9, 2015)

SCHOOL SAFETY AND SECURITY ASSESSMENT REPORT

gb #6-19 - Mr. O'Connell/Mr. Monfredo/Miss Biancheria (January 6, 2016)

To determine whether the Worcester Public Schools should nominate any additional buildings or sites for inclusion on the National Register of Historic Places.

gb #6-146 - Mr. O'Connell/Mr. Monfredo/Miss McCullough (April 4, 2016)

To consider adoption of Policy JJF of the Massachusetts Association of School Committees, regarding student activity accounts, to reflect the audit guidelines recently updated by the Massachusetts Department of Elementary and Secondary Education.

gb #6-203 - Mr. O'Connell/Ms. Colorio/Mr. Monfredo/Miss Biancheria (May 23, 2016)

To install welcoming messages at the main entrances of each of the Worcester Public Schools.

gb #6-281 - Mr. O'Connell/Mr. Monfredo/Miss McCullough/Miss Biancheria (August 10, 2016)

To implement the provisions of the November 1995 letter of the Commissioner of Education, and the Advisory on School Governance which accompanied it, that "the school committee remains the body responsible for approving and transmitting school department expenditures to the municipal accountant for the drawing of warrants. The Department of Revenue's Division of Local Services has advised that all school department bills must be approved by the school committee. When the superintendent, or principal and superintendent, have statutory authority to incur expense, the Department of Revenue advises that the bills must be approved by them as well as by the committee."

gb #6-294 - Administration (August 22, 2016)

To review the status of the FY17 Budget and make appropriate transfers as required.

gb #6-349 - Mr. O'Connell/ Mr. Foley/Mr. Monfredo (October 3, 2016)

To consider designing the next replacement schools to be built in Worcester so that their libraries can be utilized by the community as "satellite libraries" during non-school hours, wherever and whenever appropriate, in cooperation with the Worcester Public Library.

gb #6-411 - Miss Biancheria/Mr. O'Connell/Mr. Monfredo/Ms. Colorio (December 1, 2016)

Request that the Administration develop a process to address the issues of older school buildings to include examinations of:

- water systems
- foundations
- leaking roofs
- heating systems and
- wrapped pipes

gb #7-3 - Mr. O'Connell/Mr. Foley/Mr. Monfredo/Miss McCullough (December 16, 2016)

To review the 2016 Successor Settlement Agreement between the United States of America and the Worcester Public Schools, and to determine the programmatic requirements of implementing it in full.

ros #7-3 - Administration (January 25, 2017)

FY18 PRELIMINARY BUDGET ESTIMATE

gb #7-104 - Mr. O'Connell/Mr. Foley/Ms. Colorio/Mr. Monfredo/Miss Biancheria (March 10, 2017)

To consider recommending that the City Manager and City Council initiate a bond issue to permit completion of facilities work on school buildings which does not qualify for Massachusetts School Building Authority funding, or which would be completed much more rapidly through bond proceeds, prioritizing work which is particularly beneficial to the health, welfare and well-being of staff and students.

gb #7-136 - Ms. Colorio/Mr. O'Connell/Mr. Monfredo/Miss Biancheria (March 23, 2017)

Request that the Administration study the feasibility of establishing a Hotel and Restaurant within a vacant Worcester public school and authorize the electrical, plumbing and other appropriate divisions of Worcester Technical High School to rehabilitate the property and then realize the profit from this enterprise.

gb #7-280 - Mr. O'Connell/Mr. Monfredo/Miss Biancheria/Ms. Colorio (August 1, 2017)

To request energy audits of the facilities which are used but not owned by the Worcester Public Schools.

gb #7-342 - Administration (September 29, 2017)

To review the status of the FY18 Budget and make appropriate transfers as required.

gb #7-343 - Administration (October 2, 2017)

To consider an update to the Building Use Fee Schedule for the rental of space within the Worcester Public Schools.

gb #7-364 - Mr. Monfredo (October 20, 2017)

Request that the Administration consider changing the pay scale for day-by-day substitutes in the Worcester Public Schools.

motion - (gb #4-198) - Mr. Foley (November 19, 2015)

Request that the Administration consider working with the WEDF on a pilot program for placing potential black and white ads on some of the school buses as a way of increasing revenue for our student programs and for teacher initiated programs.

motion - (gb #7-148.2) - Mr. Monfredo/Mr. Foley (June 15, 2017)

Request that the Administration provide a report on the individuals that are provided with cell phones.

IV. ADJOURNMENT

Helen A. Friel, Ed.D.
Clerk of the School Committee

ITEM: gb #6-146

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, November 13, 2017

ITEM: Mr. O'Connell/Mr. Foley/Mr. Monfredo/Miss McCullough/Mayor Petty
(April 4, 2016)

To consider adoption of Policy JJF of the Massachusetts Association of School Committees, regarding student activity accounts, to reflect the audit guidelines recently updated by the Massachusetts Department of Elementary and Secondary Education.

PRIOR ACTION:

4-28-16 - Referred to the Standing Committee on Finance and Operations.

BACKUP:

Since this item was approved in the Policy Manual, the Administration recommends that the item be filed.

**WORCESTER PUBLIC SCHOOLS
 2016-2017 BUDGET
 ACCOUNT SUMMARY
 FINAL REPORT**

<u>Account</u>	<u>Account Title</u>	<u>Adopted</u>	<u>Expended</u>	<u>Balance</u>
500-91110	Administration Salaries	\$12,130,258	\$12,015,238	\$115,020
500-91111	Teacher Salaries	\$156,412,847	\$156,390,653	\$22,194
500-91112	School Committee Salaries	\$89,445	\$74,944	\$14,501
500-91114	Day by Day Substitutes Salaries	\$871,200	\$1,036,954	-\$165,754
500-91115	Instructional Assistants Salaries	\$9,691,973	\$10,567,286	-\$875,313
500-91116	Coach Salaries	\$524,427	\$515,966	\$8,461
540-91117	Transportation Salaries	\$2,564,061	\$2,395,347	\$168,714
500-91118	Supplemental Program Salaries	\$1,371,001	\$1,506,991	-\$135,990
500-91119	Custodial Salaries	\$6,668,155	\$6,412,636	\$255,519
500-91120	Maintenance Service Salaries	\$2,060,730	\$1,768,825	\$291,905
500-91121	Administrative Clerical Salaries	\$3,065,868	\$2,984,844	\$81,024
500-91122	School Clerical Salaries	\$2,066,749	\$1,963,659	\$103,090
500-91123	Non Instructional Salaries	\$2,202,195	\$2,137,921	\$64,274
540-91124	Crossing Guard Salaries	\$543,346	\$463,307	\$80,039
500-91133	School Nurse Salaries	\$4,043,775	\$3,993,103	\$50,672
500-91134	Educational Support Salaries	\$2,449,106	\$2,007,072	\$442,034
540-97201	Transportation Overtime Salaries	\$473,736	\$505,546	-\$31,810
500-97203	Custodial Overtime Salaries	\$1,046,865	\$1,363,741	-\$316,876
500-97204	Maintenance Overtime Salaries	\$150,797	\$160,000	-\$9,203
500-97205	Support Overtime Salaries	\$68,837	\$80,350	-\$11,513
	Salary Total	\$208,495,371	\$208,344,383	\$150,988
500101-96000	Retirement	\$16,751,681	\$16,733,322	\$18,359
540103-92000	Transportation	\$14,389,893	\$14,669,247	-\$279,354
500105-92000	Out-of-State Travel	\$5,000	\$0	\$5,000
500122-92000	Athletic Ordinary Maintenance	\$92,820	\$84,672	\$8,148
500123-96000	Health Insurance	\$44,806,753	\$45,054,704	-\$247,951
500125-92000	Other Insurance Programs	\$53,491	\$55,743	-\$2,252
500129-96000	Workers Compensation	\$1,352,305	\$1,648,444	-\$296,139
500130-92000	Personal Services	\$2,932,305	\$2,566,815	\$365,490
500132-92000	Special Education Tuition	\$17,451,366	\$18,376,730	-\$925,364
500133-92000	Printing & Postage	\$224,595	\$266,573	-\$41,978
500-92204	Instructional Materials	\$3,243,810	\$2,506,673	\$737,137
500136-92000	Miscellaneous Educational OM	\$3,109,542	\$3,068,409	\$41,133
500137-96000	Unemployment Compensation	\$318,226	\$349,894	-\$31,668
500138-92000	In-State Travel	\$81,000	\$60,106	\$20,894
500141-92000	Vehicle Maintenance	\$505,601	\$463,039	\$42,562
500146-92000	Building Utilities	\$6,456,119	\$6,022,160	\$433,959
500152-92000	Facilities Ordinary Maintenance	\$2,695,925	\$2,691,396	\$4,529
	Non Salary Total	\$114,470,432	\$114,617,927	-\$147,495
	Total General Fund Budget	\$322,965,803	\$322,962,310	\$3,493

**FY18
 BUDGET STATUS
 First Quarter Report**

The status of all Salary and Ordinary Maintenance accounts as of September 30, 2017 are shown in Annex B. Presented for each account is the amount budgeted for the current fiscal year, the amount expended or committed as of September 30th, and the projected balance at the closing on June 30, 2018. Salary and Ordinary Maintenance Account totals are:

<u>Budget Title</u>	<u>Budget Amount</u>	<u>Expended or Encumbered 09/30/17</u>	<u>Projected Balance 06/30/18</u>
Salaries	\$215,152,058	\$42,008,303	-\$3,724,266
Ordinary Maintenance	<u>\$119,118,437</u>	<u>\$71,882,189</u>	<u>\$2,099,614</u>
Total General Fund	<u>\$334,270,495</u>	<u>\$113,890,492</u>	<u>-\$1,624,652</u>

At this point in the fiscal year, a total of \$113,890,492 (34%) has been expended or committed. A description of the projected balances is as follows:

Budget Impacts:

Teacher Salaries (-\$3,798,489): The projected deficit in this account represents the recently negotiated collective bargaining agreement with corresponding savings within the Health Insurance Account (500123-96000). This account also includes five added teaching positions (3/secondary, 2/elementary) that were added for class size purposes; three of these positions were converted from tutor positions.

Tuition (-\$731,817): The tuition account reflects unanticipated and unbudgeted out-of-district tuition costs for eight new student placements to the district that have occurred since the budget was approved in June.

Workers Compensation (-\$323,695): The current deficit is based on actual or known expenditures, as well as projections through the end of the year. The weekly salary includes an average of approximately forty-five staff collecting weekly benefits since July, as well as medical bills and settlements are included in this projection.

Personal Services (-\$177,350): This account includes the projected increase to the district's legal consultation (-\$80,000) for special education services of the State's IDEA funding requirements, as well as ongoing contract negotiations and labor relations for the district. Also, the increase of security guard hours at the Durkin Administrative Building (-\$25,000) and nursing service requirements (-\$61,000) and two unbudgeted settlement agreements (-\$11,350).

Non Instructional Salaries (-\$98,714): The current deficit includes the restructuring of positions at the Parent Information Center. One parent liaison position was increased to full-year, as well as the conversion of an instructional assistant position to a full-year parent liaison to provide necessary coverage during the summer months and vacation weeks. This has allowed for better access of services

for parents. In addition, the account reflects costs associated with approved cost of living salary increases.

Utilities (-\$70,000): Nelson Place Elementary School was built with the expectation of net zero cost for electricity due to the solar panels that have been installed with the new building. However, there has been some delay with the solar panels being fully operational and providing all necessary electricity coverage for the building. Also, the City is still working to finalize the process of the net metering credits being provided from the landfill, therefore there is no additional information at this time regarding projections.

Instructional Materials (-217,772): The district has maintained funds for additional charter school or school choice assessment during the final state budget. The following is a comparison of the amounts included in the FY18 Budget (based upon the House of Representatives Budget) and the final state budget:

Budget Category	FY18 Adopted Budget	FY18 Final State Budget	Difference
Charter School Tuition	\$24,709,706	\$24,851,912	142,206
School Choice Tuition	\$2,848,508	\$2,795,409	(\$53,099)
Special Education Offset	\$248,565	\$259,131	\$10,566
Charter School Reimbursement	(\$1,897,848)	(\$1,779,749)	\$118,099
Total Assessment	\$25,908,931	\$26,126,703	\$217,772

It should be noted that the district also maintains \$10 per pupil of instructional supplies and materials spending to be allocated upon the status of the district budget following either the second or third quarter report.

Accounts with Projected Balances to Offset Deficit Accounts:

Health Insurance (\$3,625,689): The balance in this account represents the collective bargaining agreements that have been recently ratified with certain health insurance changes. These funds will be transferred to the respective salary lines to offset the cost of the negotiated increase.

Educational Support Salaries (\$320,714): The balance in this account represents the reallocation of ten tutor positions that were converted to three teaching positions to address increased class sizes. In addition, this projected amount also reflects other position vacancy savings.

Administration Salaries (\$125,515): The balance in this account represents a current vacant Turnaround Manager position that is being secured through contracted services for professional development. This account also represents the vacancy of a Manager of Instructional and School Leadership position, as well as the recently negotiated salary increases.

Transportation (\$53,700): Due to the current condition of the district's fleet and the issue with securing buses for the start of the school year, the district needed to add nine special education routes using Durham School Services through the second week of October. The district was also able to

consolidate routes to decrease the need for one large bus from Durham. This was able to offset the cost of the additional routes.

In order to provide funds necessary to reflect recent actions, the Administration recommends the following transfer of funds:

<u>Amount</u>	<u>From Account</u>	<u>Account Title</u>	<u>To Account</u>	<u>Account Title</u>
\$3,298,000	500123-96000	Health Insurance	500-91111	Teacher Salaries
\$78,500	500123-96000	Health Insurance	50013026-92000	Staff Development
\$74,145	500123-96000	Health Insurance	500J01SN-91133	Nurse Salaries
\$15,700	500123-96000	Health Insurance	500I01Q6-91123	Technology - Unit D
\$70,600	500123-96000	Health Insurance	500-92222	School Clerical

In addition, there have been changes to the FY18 Federal Grant Accounts from the amounts adopted in the FY19 budget. These changes and adjustments are as follows:

Grants	FY18 Adopted Budget	FY18 Actual Award	Difference
Title I	\$11,623,123	\$11,979,077	\$355,955
Title II Teacher Quality	\$1,807,310	\$1,484,093	-\$323,217
Title III	\$1,403,473	\$1,217,393	-\$186,080
Title IV	\$0	\$298,253	\$293,253
IDEA Special Entitlement	\$7,580,893	\$7,615,249	\$34,356
Perkins Secondary Allocation	\$467,758	\$483,401	\$15,643

From the additional funding of Title I, four middle school Focus Instructional Coaches and related health insurance expenses will be transferred from the Title II allocation due to the reduction of that award amount. Title I remains the primary funding source for all additional support positions and stipend pay of the previously designated Level 4 locations. Title II will maintain eleven Focus Instructional Coaches at the high schools, as well as the Manager of Curriculum & Learning, support staff and Non-Public school allocation requirements.

With the reduction of Title III funding, the district will restructure and eliminate two Focus Instructional Coach positions and corresponding health insurance expenses, as well as reduction of contractual services being utilized within the district.

The Every Student Succeeds Act (ESSA) authorizes significant funds to help increase the capacity of states, schools, and local communities to provide all students with access to a well-rounded education and to improve school conditions for student learning. The district was recently awarded Title IV funding to be utilized to provide Advanced Placement examination fees for students, as well as enhance school safety, academic enrichments and professional development for teaching staff.

The additional funding from the IDEA award will provide the necessary funds for Non-Public special education services known as Proportionate Share, this has become a new requirement for districts. This enables Non-Public schools located within the district to access these funds for students that require additional services. The new line item is based on a specific calculation determined by DESE and current required amount for FY18 is \$62,823. The additional funds needed for the Proportionate Share were also reallocated from the supplies & materials line item.

The Perkins Secondary Allocation provides administrative leadership, teaching staff, equipment, tutoring, after-school programs, student transportation and professional development of our high schools and alternative programs in career and vocational-technical education. The increase in funding will be reallocated to provide additional instructional technology and equipment for students.

**WORCESTER PUBLIC SCHOOLS
2017-2018 BUDGET
ACCOUNT SUMMARY
FIRST QUARTER REPORT**

<u>Account</u>	<u>Account Title</u>	<u>Adopted</u>	<u>Transfers</u>	<u>Budget</u>	<u>Expended</u>	<u>Projected</u>
500-91110	Administration Salaries	\$12,479,673		\$12,479,673	\$3,823,504	\$125,515
500-91111	Teacher Salaries	\$158,746,870		\$158,746,870	\$26,791,408	-\$3,798,489
500-91112	School Committee Salaries	\$82,195		\$82,195	\$24,981	\$0
500-91114	Teacher Substitutes Salaries	\$2,448,440		\$2,448,440	\$259,599	-\$228,000
500-91115	Instructional Assistants Salaries	\$9,922,823		\$9,922,823	\$2,406,076	\$11,073
500-91116	Coach Salaries	\$556,153		\$556,153	\$107,032	\$8,563
540-91117	Transportation Salaries	\$2,580,432		\$2,580,432	\$690,033	\$66,892
500-91118	Supplemental Program Salaries	\$1,600,286		\$1,600,286	\$730,519	\$25,454
500-91119	Custodial Salaries	\$6,775,066		\$6,775,066	\$2,042,859	\$100,784
500-91120	Maintenance Service Salaries	\$2,157,363		\$2,157,363	\$578,844	\$93,302
500-91121	Administrative Clerical Salaries	\$3,101,232		\$3,101,232	\$1,004,084	\$44,066
500-91122	School Clerical Salaries	\$2,116,156		\$2,116,156	\$571,322	\$5,209
500-91123	Non Instructional Salaries	\$2,188,539		\$2,188,539	\$840,157	-\$98,714
540-91124	Crossing Guard Salaries	\$552,934		\$552,934	\$96,946	\$21,979
500-91133	School Nurse Salaries	\$4,246,690		\$4,246,690	\$662,438	-\$71,780
500-91134	Educational Support Salaries	\$3,839,571		\$3,839,571	\$704,327	\$320,714
540-97201	Transportation Overtime Salaries	\$478,473		\$478,473	\$114,155	-\$8,208
500-97203	Custodial Overtime Salaries	\$1,057,334		\$1,057,334	\$446,566	-\$308,912
500-97204	Maintenance Overtime Salaries	\$152,305		\$152,305	\$75,250	-\$33,714
500-97205	Support Overtime Salaries	\$69,525		\$69,525	\$38,203	\$0
	Salary Total	\$215,152,058	\$0	\$215,152,058	\$42,008,303	-\$3,724,266
500101-96000	Retirement	\$17,022,698		\$17,022,698	\$17,808,019	\$0
540103-92000	Transportation	\$15,319,163		\$15,319,163	\$14,344,510	\$53,700
500122-92000	Athletic Ordinary Maintenance	\$105,494		\$105,494	\$146,785	\$0
500123-96000	Health Insurance	\$47,146,319		\$47,146,319	\$8,632,819	\$3,625,689
500125-92000	Other Insurance Programs	\$52,938		\$52,938	\$20,769	-\$4,022
500129-96000	Workers Compensation	\$1,452,305		\$1,452,305	\$481,123	-\$323,695
500130-92000	Personal Services	\$2,346,356		\$2,346,356	\$2,016,653	-\$177,350
500132-92000	Tuition	\$18,674,409		\$18,674,409	\$15,006,869	-\$731,817
500133-92000	Printing & Postage	\$256,654		\$256,654	\$218,907	\$0
500-92204	Instructional Materials	\$3,908,997		\$3,908,997	\$2,571,884	-\$217,772
500136-92000	Miscellaneous Educational OM	\$2,825,752		\$2,825,752	\$2,424,154	\$1,549
500137-96000	Unemployment Compensation	\$318,226		\$318,226	\$177,846	-\$56,668
500138-92000	In-State Travel	\$59,500		\$59,500	\$7,630	\$0
500141-92000	Vehicle Maintenance	\$430,513		\$430,513	\$220,759	\$0
500146-92000	Building Utilities	\$5,994,477		\$5,994,477	\$5,825,573	-\$70,000
500152-92000	Facilities Ordinary Maintenance	\$3,204,637		\$3,204,637	\$1,977,889	\$0
	Non Salary Total	\$119,118,437	\$0	\$119,118,437	\$71,882,189	\$2,099,614
	Total General Fund Budget	\$334,270,495	\$0	\$334,270,495	\$113,890,492	-\$1,624,652