

Warrant Committee Education Subcommittee
Joint Meeting with the School Committee Finance Subcommittee
May 14, 2020 3:00 PM
Remote Meeting via Zoom

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BELMONT, MA

DATE: June 4, 2020
TIME: 2:44 PM

Meeting Minutes

Members in Attendance

Warrant Committee Education Subcommittee: Anne Helgen, Geoff Lubien, Paul Rickter, Jack Weis

School Committee: Kate Bowen, Amy Checkoway, Mike Crowley, Tara Donner, Andrea Prestwich, Superintendent John Phelan, Finance Director Tony DiCologero, Assistant Superintendent Janice Darias, Chenery Principal Mike McAllister

Call to Order

The meeting was called to order at 3:03 PM.

FY 21 Budget Discussion

John began the meeting by asking for a quick recap of the FY 21 budget discussion that took place at the prior night's Warrant Committee meeting. Mike Crowley provided a summary.

John then shared a discussion that he had had earlier that morning with Patrice Garvin, in which he offered to have the School Department reduce their budget by an additional \$100,000. John and Tony showed a revised budget reduction spreadsheet which indicated that this \$100,000 in additional cuts would come from as-yet unspecified additional salary reductions.

There was then a discussion regarding the purchase of electronic notepad devices. The administration noted that, during the current school year, they had been able to procure and distribute at least one electronic device for every household/family in the district. However, because it is sometimes difficult for more than one student to share a device within a home because of overlapping and competing remote learning demands, the department is planning on purchasing enough devices to ensure that there is one device for every student in the district. John indicated that this topic will be discussed further at Monday's (May 18th) upcoming joint meeting between the Select Board, School Committee, and Warrant Committee.

Out-of-District Tuitions

John began the discussion on special education out-of-district tuitions by noting, and reminding people that the administration had previously forewarned, that the significant reduction in the General Fund contribution towards special education expenses in FY 21, undertaken as a result of an attempt to help meet the town's revenue and expenditure targets in FY 21, combined with DESE's policy decision in FY 20 that LABBB credits must be used in the year they are created, potentially creates a risk that the School Department might be out of compliance with a federal requirement called "Maintenance of Effort". Maintenance of Effort is a federal requirement that towns and school districts contribute at least a minimum level towards supporting special education in order to be eligible to continue to receive federal IDEA grants. Specifically, towns and school districts must have the contributions towards special education from state and local revenue sources be at least the same as they were the prior year (measured on either an aggregated basis or on a per-pupil basis). If the funding level falls short of the prior year

expenditures, the town can see its federal IDEA grants reduced by the equivalent amount as the reduction in state and local spending on special education.

In order to avoid falling short of the “Maintenance of Effort” threshold, John and Tony presented a plan to divert about \$670,000 in General Fund monies that would otherwise directly cover special education costs and use those funds to capitalize the town’s previously-established but as-yet unfunded special education reserve fund by about \$670,000. That would leave the General Fund’s FY 20 contribution towards direct out-of-district tuition costs slightly above the FY 19 General Fund expenditure. It would also leave the town’s total FY 20 expenditures to the School Department unchanged from the original budget, with the difference used to capitalize the special education reserve fund. However, from the federal government’s standpoint, directing funds to a special education reserve fund would not be considered special education expenditures for the Maintenance of Effort calculation, thereby lowering the town’s FY 20 expenditures and allowing the district to avoid falling below the Maintenance of Effort threshold in FY 21. The reduced General Fund contributions to direct special education costs in FY 20 are made possible by lower out-of-district tuition expenses in FY 20 versus those that were originally projected in the FY 20 budget, as well as somewhat higher LABBB credits that must be utilized in FY 20.

Tony presented an updated three-year OOD tuition sources and uses spreadsheet, showing how the capitalization of the reserve fund would work, as well as how updated estimates for both FY 20 and FY 21 out-of-district tuitions, and the associated utilization of the various state and federal grants and reserve funds, will flow. That revised spreadsheet also showed that the projected OOD tuition Circuit Breaker carry-forward reserve balance at FY 21 year-end could be \$1.35 million, up from \$1.02 million projected in the original FY 21 School Department budget.

No specific decision was made during the meeting regarding the capitalization of the special education reserve fund. The School Committee will address the issue at a later date.

Adjournment

The meeting was adjourned at 5:08 PM.