



Central Massachusetts Collaborative
Board of Directors, Finance Subcommittee Meeting
Friday, March 1, 2019, at 1:00 p.m.
CMC, Conference Room 1021
14 New Bond Street, Worcester, MA 01606

Meeting Minutes

Board Members present: Maureen Binienda, Chair, Worcester Superintendent of Schools
Ruthann Goguen, Webster Superintendent of Schools

Also Present: Michael Tempesta, Executive Director, CMC
Beverly Tefft, Director of Finance, CMC
Brian Allen, Chief Financial and Operations Officer, Worcester Public Schools
Kay Seale, Manager of Special Education & Intervention Services, Worcester Public Schools
Monique Pierangeli, Business Manager, Webster Public Schools
Kathleen Baris, Director of Student Support Services, Webster Public Schools
Dr. Jean Lindquist-Grady, Clinical Director, CMC
Dan Smachetti, Program Director, Central MA Prep
Jessica Pitsillides, Program Director, Hartwell Learning Center
Michael Kelly, Program Director, Robert H. Goddard Academy

The meeting was called to order at 1:15 p.m.

1. Approval of the January 31, 2019 Finance Subcommittee meeting minutes (voting item)
Superintendent Goguen made a MOTION to approve the January 31, 2019 meeting minutes.
Superintendent Binienda seconds the MOTION.
2. FY20 Program Rate calculations per Program

Mr. Tempesta presented a spreadsheet providing the FY20 member and non-member per pupil rates per programs. Mr. Allen questioned why all members would be receiving a volume rate. Mr. Allen's understanding from the DESE was to have comparable per pupil rate for Webster and Worcester Public School, and that volume discount rates could be offered based on student enrollment. Mrs. Tefft provided the subcommittee with Mr. Tempesta's updated capacity numbers for each program based on the conversations with Program Directors, Kay Seale (Worcester) and Kathy Baris (Webster).

Program	Capacity per classroom	Updated Capacity
Central MA Academy	10	90
Central MA Prep	10	90
Hartwell Learning Center	9	72
Robert Goddard Academy	10	110
THRIVE Program	8	56

Mrs. Tefft advised that these updated numbers do not include the summer school program or any other self-funded CMC programs. Mr. Tempesta recalculated the numbers per program to be able to provide the per-pupil rate per program as indicated below.

Program	Capacity	Updated Capacity	FY20 Member Rate	FY20 Non-Member Rate
Central MA Academy	10	90	\$31,500	\$51,975
Central MA Prep	10	90	\$31,500	\$51,975
Hartwell Learning Center	9	72	\$41,000	\$53,300
Robert Goddard Academy	10	110	\$31,500	\$51,975
THRIVE Program	8	56	\$41,000	\$71,750

Mr. Tempesta stated that the CMC is unique amongst Massachusetts Collaboratives in their budget process, most collaborative budgets are based primarily on the incoming member tuitions and the non-member tuitions usually result in additional revenue for the surplus fund. The reverse process is used at CMC, member districts revenue the projected revenue coming in from non-member districts as part of the calculation of what the overall assessment from members districts, primarily Worcester, will be for CMC in relation to other factors as well such as the Governor's

budget and the inflation index. The DESE informed the board that they have never allowed more than a 25% differential in tuition rates for members vs. non-members and the differential in rates for member and non-member rates at CMC has always been more than double that rate, at least 60%, for many years.

Ms. Seale reminded the board that the circuit breaker funding for the THRIVE Program needs to be in line with what Worcester Public School is submitting for the circuit breaker funding. Ms. Seale stated that Worcester Public Schools pays a bundle rate for the circuit breaker funding.

Mrs. Tefft showed the board that the projected FY20 operating expenses are \$19,209,847, which is a 2.2% increase over FY19. In the provided spreadsheet the green boxes indicated the per-pupil cost per program.

Program	Capacity	Updated Capacity	“Tuitionable” Program Cost (Program expenses divided by the projected number of students)	FY20 Member Rate	FY20 Non-Member Rate
Central MA Academy	10	90	\$35,554	\$31,500	\$51,975
Central MA Prep	10	90	\$27,767	\$31,500	\$51,975
Hartwell Learning Center	9	72	\$41,630	\$41,000	\$53,300
Robert Goddard Academy	10	110	\$34,604	\$31,500	\$51,975
THRIVE Program	8	56	\$42,845	\$41,000	\$71,750

Mr. Allen explained that the Chapter 70 foundation inflation factor for FY20 is 3.75%. Mr. Allen believes that the gap in the FY19 budget is due to the decrease in student enrollment.

Mr. Tempesta does not agree completely with Mr. Allen. It is true that CMC has not reached the historic high tuition revenues that the budget was based on of 3.7 million that CMC realized and set the budget on in June of 2018 (non-member tuition revenues are currently at 2.8 million), but CMC also has major budget drivers such as a new building for CMA (\$800,00.00 increase per year) as well as other new expenses from expansion (\$300k in capital expenses to open CMA).

Mr. Allen advised that the FY19 budget was set on the 3.7 million dollar revenues continuing, so

the gap is non-member tuitions.

Mrs. Tefft projects that CMC will have a loss of approximately \$400,000 for FY19. Which includes using surplus funds to offset the losses for Rockdale Recovery High School.

Superintendent Goguen reconfirmed that CMC needs to reorganize at the Program Administrative level. At the New Bond location, the Directors and Assistant Directors salaries are approximately \$800,000 for 294 students. The board needs to look at combining positions and programs.

Mr. Tempesta informed the board that CMC is looking at all available options. Combining Hartwell and THRIVE for reductions costs. Rockdale Recovery High School and Central MA Academy sharing space at 121 Higgins Street. Superintendent Binienda inquired about AIC income of \$12,500 a year. Mr. Tempesta stated it was for the use of approximately 7-9 classrooms every Wednesday from 4:30 - 9:15 p.m.

Mr. Allen stated that CMC can use additional surplus funds, reduce spending or Worcester may entertain a mid-year additional assessment FY20 to bridge any budget gap.

Mr. Tempesta suggested that one lease, at 11 McKeon Road, one of three WDS sites, was at a year to year renewal. If two WDS sites could be consolidated at 20 Rockdale, then this lease could be terminated for a substantial savings. There is also the option to ask the landlord at 20 Rockdale, Elias Hanna, to re submit his offer to reduce the rent at 20 Rockdale St by three dollars per square foot in exchange for an extension of the term (as was presented to the BoD last spring).

Superintendent Binienda shared that she and Mr. Allen are attending a meeting with the Worcester's City Manager on March 28, 2019, she will discuss the 20 Rockdale Street lease with him.

Mr. Allen stated that in running the numbers based on all current numbers, CMC is going to have a deficit of 1.1 million in the FY20 budget.

Superintendent Goguen, again, stated that CMC needs to deal with the program administration and efficiencies at 14 New Bond and make those decisions now.

Ms. Seale stated that they had discussed looking at the Assistant Directors job positions as a possible reduction.

Mr. Tempesta is confident that CMC will continue to increase non-member tuitions by enrolling more students, as they have each year, this spring but that these enrollments should be used to fund the surplus fund rather than as the foundation of the operational budget like last year.

Superintendent Goguen reiterated that the board needs to look at the reorganization of New Bond Street as she agreed that the current budgeting methodology and staffing levels are not sustainable.

Ms. Seale informed the board that Mr. Dan Martin did an initial Program Review of Hartwell Learning Center and the THRIVE Program. Mr. Martin will be invited to the March 28, 2019, CMC Board meeting to discuss his recommendation of the efficiencies and effectiveness, cost savings and continuum of program services between THRIVE and HLC for focus in FY20.

Mr. Tempesta will have a draft of the updated language based on DESE's recommendation and review for the collaborative agreement for the March 28th Board meeting.

3. Increase in FY20 Therapeutic Program Rates
The subcommittee recommended non-members rates for FY20.

Program	10-Month SY	Daily Rate	Summer Program
CMA	\$52,000	\$288.89	\$4,050
CMP	\$52,000	\$288.89	\$4,050
HLC	\$54,000	\$300.00	\$4,209
RGA	\$52,000	\$288.89	\$4,050
THRIVE	\$72,000	\$400.00	\$6,320

Superintendent Goguen made a MOTION to accept the CMC Non-member rates for FY20 as agreed upon during discussion.
Superintendent Binienda seconds the MOTION.

4. Member Requests/New Business
There were no new member requests or any new business discussed by the board.

The next finance subcommittee meeting will be held on Thursday, March 21, 2019, at 9:00 a.m., at CMC, 14 New Bond Street, Worcester, MA.

5. Adjournment
Superintendent Goguen made a MOTION to adjourn.
Superintendent Binienda seconds the MOTION.

The meeting adjourned at 3:20 p.m.

Respectfully submitted,
Joanna Bilotta