



Central Massachusetts Collaborative
Board of Directors, Finance Subcommittee Meeting
Thursday, March 21, 2019, at 9:00 a.m.
14 New Bond Street, Worcester, MA 01606

Meeting Minutes

Board Members 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
Jessica Pitsillides, Program Director, Hartwell Learning Center

The meeting was called to order at 9:18 a.m.

1. FY20 Program Rate calculations per Program

Mrs. Tefft presented an FY20 Budget by Program spreadsheet dropping in the FY20 founding member and non-member tuition rates per program as discussed in previous Finance Committee meetings. Mrs. Tefft explained the tuition rates to be charged to Worcester, receiving a discounted founding member rate, was predicated on the maximum 3.75% inflation rate increase over their current FY19 assessment (also as discussed in previous Finance Committee meetings) in the aggregate to obtain a baseline from which to develop individual program assessments. This aggregate increase equates to a total FY20 Worcester assessment of \$11,261,885.

Mrs. Tefft highlighted adjustments to a handful of expenses on page two of the spreadsheet and shared some points of information:

- Health Insurance decreased by 2.0% for FY20
- An increase of 5 million in assessed value of New Bond Street. Therefore, the passthrough of real estate taxes from our landlord has increased significantly. The landlord's explanation is that CMC is designated as a special purpose school. Mr. Allen advised he will research.
- Salaries increase
- Technology increase

This leaves CMC with an approximate deficit of \$749,000 for FY20, which Mr. Tempesta believes CMC will make up with the New Bond re-organization and program effectiveness analysis being done with the May Institute.

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Mr. Allen asked the percentage of Worcester students attending our summer school program. Mrs. Tefft will endeavor to get this information.

Mrs. Tefft explained that CMC summer school is self-funding and there are many non-member students that utilize the summer school program. Summer program rates for Worcester have not yet to be determined.

Mr. Tempesta and Ms. Seale joined the meeting at 9:31 a.m.

Mr. Tempesta informed the subcommittee that he and Mrs. Tefft had a conference call with Ms. Hersh and Ms. Gaines, at the DESE, to review the proposed changes to the collaborative agreement. Mr. Tempesta stated that they did share the concern of some programs having a 75% rate difference for member vs. non-members.

Mr. Allen asked Mrs. Tefft to review the Woodward Day School Administrative overhead cost, the budget is \$3,590,761 and the salaries are \$1,674,875. Woodward Day School is not following the suggested inflation rate increase of 3.75%. Worcester will pay for the entire program. Mrs. Tefft will complete an analysis of the programs and the rates to reflect the adjustment in administrative overhead costs and present at the next FC meeting.

Mr. Tempesta reviewed and spoke to his methodology in determining all FY20 program rates.

Ms. Pierangeli questioned OXFORD Public Schools FY21 tuitions rates, receiving the memorialized FY19 CMC member rates as suggested in the language in the Collaborative Agreement. Mr. Tempesta will confirm.

Ms. Seale reviewed the THRIVE and Hartwell circuit breaker tuition costs, Worcester and Webster Public Schools are currently paying \$48,652 and the FY20 proposed rate is \$35,000.00.

Mr. Tempesta will realign the tuition numbers.

Mr. Allen asked how CMC is going to address the \$750,000.00 deficit through the program reviews and re-organization. Mr. Tempesta stated he is still working on this information.

Ms. Seale explained that CMC needs to identify a circuit breaker tuition rate for Hartwell Learning Center. What came out of May Institute is that based on the student's current enrollment, and claiming those students for the circuit breaker.

Ms. Seale verified that Worcester Public Schools has 38 students attending the THRIVE Program and 57 Students attending Hartwell Learning Center.

Mr. Tempesta stated that he will update the spreadsheet with the founding member rate to be at 48,000 for THRIVE.

Mr. Allen questioned what actions are planned to address the deficit of \$750,000.00?

Mr. Tempesta is going to look at the program administrative overhead at CMC 14 New Bond Street.

Mr. Allen inquired as to what the May Institute recommends.

Ms. Seale explained that Mr. Martin is not addressing recommendations on the re-organizational changes at CMC. Mr. Martin will be presenting recommendations on efficiencies in each program and to answers any questions with the understanding of performing a full collaborative review. The mental health of our students is significant. Collaborative programs must be restructured in order to meet the needs of its member school districts. Ms. Seale advised that Mr. Martin will be presenting his findings at the CMC board meeting next Thursday, March 28, 2019.

2. Member Requests/New Business

There were no new member requests or any new business discussed by the subcommittee.

3. Adjournment

The meeting adjourned at 10:03 a.m.

Respectfully submitted,
Joanna Bilotta