

Finance, Facilities, Technology Committee

Agenda

December 3, 2020

Board Members:

Thair Joshua – Finance Chair

Anthony Mazzocchi

Johanna Wright

Kamal Zubieta

Administration

Dr. Ronald Taylor, Superintendent

Paul Roth, Business Administrator

Keith Bonds, Technology Director

Discussion Items:

- Budget Surplus / Reserve Accounts
- Technology Distribution Update

Finance, Facilities, Technology Committee

Minutes

December 3, 2020

Members Present:

Kamal Zubieta, Anthony Mazzocchi, Johanna Wright, Dr. Ronald Taylor, Paul Roth, Keith Bonds

Budget Surplus / Reserve Accounts

The current estimated balance of the district's capital reserve and maintenance reserve accounts are \$3.8 million and \$0.7 million (\$2.4 million as of June 30th, \$1.0 million to fund the 2020-21 budget, and a mid year withdrawal of \$0.7 million to improve air quality in the schools) respectively.

The purpose of the reserve accounts is to fund future capital projects and facility repairs. When the capital plan was approved, the district identified \$200 million in repairs and received bonding to address \$90 million of health and safety issues. A promise was made to the community that the district would maintain sufficient funding to properly maintain district facilities. June 2020 the Board of Education authorized administration to move up to \$4 million in district surplus to the reserve accounts. It is critical that these accounts are funded to avoid additional bonding during the next 27 years.

During prior budget years, the district enacted mid-year spending freezes and designated funds from the maintenance reserve account to be used as revenue in the operating budget for the next fiscal year. The use of these funds was approved during the March budget approval process. In addition to these funds, remaining end of year surplus would be applied to the next fiscal year. For example the district had \$3.5 million in surplus, \$0.5 million generated from a spending freeze and \$1 million from the maintenance reserve account (a total of \$5 million) to be used as revenue for the 2020-21 school year. Please note that during the last few budget cycles, the district has been lowering the amount of funds needed from spending freezes to normalize budget cycles.

The 2019-2020 school year was obviously a very different year. The school district shut down during the fourth quarter, and as a result, expenses for overtime, class coverage, and various services such as transportation were lower than anticipated. The result was the district ending with about \$9.6 million in surplus.

The district is now in a unique situation. The local tax levy is increasing as result of the recently approved bond authorization to fund capital improvements. The estimated tax impact for the last

bond sale is about 1.6% before any consideration of tax levy associated with the operating budget, unemployment is higher as a result of the pandemic, future state aid is uncertain, the district is committed to redistricting which will most likely result in an increase in transportation costs, and arguably the district will need to maintain a higher level of custodial expenditures for the 2021-2022 school year. The essential question is determining the balance between the amount of funding to move to reserve accounts and to apply to the next school year budget.

Administration recommended moving \$3 million of surplus into the reserve accounts leaving about \$6.6 million as revenue for the 2021-22 fiscal year. This balances the need to build reserves for future facility maintenance projects, and provides flexibility for the Board of Education to determine tax levy impact for the next fiscal year. The end result of discussions was to move \$3 million into reserve accounts.

Technology Distribution Update

During the Finance, Facilities, and Technology committee meeting, board members were provided with an update to the district's Chromebook / Hotspot distribution efforts and device order status. Below is a recap of the conversation.

Chromebook Distribution Numbers

- 3,372 total Chromebooks given to students and staff during the COVID pandemic (as of 12/3/20).
- 996 Chromebooks distributed during the 2019 - 2020 school year (March 2020 - June 2020).
- 1,400 Chromebooks distributed during the 2020 - 2021 school year (July 2020 - December 2020).

Hotspot Distribution Number

- 172 total hotspots given out or assigned to families during the COVID-19 pandemic (as of 12/3/20).
- 97 Hotspots purchased by the achieve foundation during the 2019 - 2020 school year.
- 74 Hotspots purchased through various COVID-19 relief funds (CARES Act and Supplemental Grants).
- As of 12/3/20, a total of 11 families are on the district's waitlist for a mobile hotspot. At its peak, the waitlist was as high as 60 families. This delay was due to availability of hotspots being ordered but not delivered.
- If a family does not respond to the district's request to pick up a hotspot, the technology department holds the device for the family. The district makes multiple attempts to contact the family to pick up the hotspots.
- As families' connectivity circumstances change, hot spots are returned to the district. The returned devices are inspected and redistributed to families on the district's waitlist.

Chromebook Order Status As Of 12/3/20

Date Ordered	Chromebook	Total	Status	Total Cost	Fund	Source
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5/28/20	2,380 Delivered	\$434,373 Operating Funds
8/3/20	500 Back Ordered	\$104,005 Operating Funds
10/29/20	1,111 Back Ordered	\$315,957 COVID Relief Grants

Enrollment

The following chart shows the number of students leaving and entering the district between June 30, 2020 and Oct. 15, 2020. Please note this snapshot was taken a week prior to certifying the ASSA report on Dec. 2, 2020; therefore, this report will not match perfectly to the ASSA reports.

Very broad analysis shows:

- the percentage of economically disadvantaged students leaving the district is about 15%
- the number of students entering kindergarten is smaller than the number of seniors graduating.
- 55 students left for home instruction
- this chart shows district enrollment dropping by 364 students (991-627).

Reasons Leaving	# Students Leaving	# ED Leaving	# Students Entering
Expulsion by board of education	2	1	0
Not of legal school age	2		0
Dropout-new residence, school status unknown	22	8	0
Death of student	1		0
Graduation	460	85	0
Transfer to nonpublic school within the state	219	5	382
Transfer to another public school outside district	117	24	79
Transfer out of state or country	110	29	165
Transfer to parental instruction	55		1
Transfer to alternative Adult ED for HS diploma	2		0
Transfer to charter school	1		0
Total	991	152	627
Graduated / Kindergarten	460	85	429
Adjusted	531	67	198

FFT requested additional data for a year to year comparison.