

COVID-19 Related Financial Matters

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Topics

- Bus contract amendment status
- Pay continuity information and recommendation

Bus Contract Amendment

- Negotiations are ongoing between AA Transportation and a group of area school districts to reach a contract amendment agreement to:
 - Provide a modified and adequate contract payment for each day school is closed ensuring AA's continued operational viability and "on call" status to resume full operations upon schools re-opening
- The contract amendment or a new contract will be brought to the School Committee for a vote once it is in its final form and received legal review

Hourly Staff Pay Continuity Framework

		Decision Options and Impacts			
Category/Dimension	Decision-making Criteria	Furlough	Layoff	Keep on Payroll	Notes
Financial	Cost %	50% of wages	50% of wages	100% of wages	
Financial	Cost \$\$\$	See separate data slides			
Financial	Who Pays	Town budget responsible for reimbursing state unemployment system	Town budget responsible for reimbursing state unemployment system	School budget/special revenue funds	
Financial	Negative FY21 Impact [Longer term]	Medium	Medium	High	
Financial	Negative macro-economic benefit, big-picture	Med/High	High	None	Intent of federal and state guidance is to keep staff on payroll and contributing to consumer economy
Mission Fulfillment	Employee Productivity/Work Level	None	None	Some-varies by group	Paraprofessionals, Clerical, Food Service, Extended School Care
Mission Fulfillment	Continuity of Educational/Operational Services when we re-open	Med	Low	High	

Hourly Staff Pay Continuity Framework

		Decision Options and Impacts			
Category/Dimension	Decision-making Criteria	Furlough	Layoff	Keep on Payroll	Notes
Valuing our Workforce	Employee Disruption	Med/High	Very High	None	Furlough or layoff causes loss of income, Must file for UI, must pay benefits via personal check, job continuity unclear, if laid off then could jeopardize EE membership in Town Retirement system if re-hired
Valuing our Workforce	Employee Loyalty	Med	Low	High	
Org. Management	Administrative Burden	High	Very High	None	Communication to impacted staff, termination in Personnel and Payroll systems, respond to state with data for each EE who claims UI, communication of re-activation for furlough, potential re-hire process for all layoffs, benefits administration cumbersome-already
Societal Viewpoint/Political	Taxpayer Sentiment	??	??	??	

Hourly Staff Pay Continuity Decision-making Schedule

School Cmtee Vote	Time Period	Pay Dates	Action
March 18	March 17-April 6	April 1 & April 15	Approved
April 1	April 7-17	April 29	Approved
April 15	April 20-May 1	May 13	TBD

If school closure is extended beyond May 1st, then we would need another vote on pay continuity no later than April 29th.

Paraprofessionals and Clerical Workers

- Payroll for these groups of employees is funded primarily via the town-appropriated budget.
- Because our overall annual FY20 town appropriation remains intact, funding for paraprofessionals and clerical workers is available.

Food Service Workers

- Payroll for this group of employees is funded exclusively via the Food Service Revolving Fund by receipts from sales of breakfasts, lunches, a la carte items, and government reimbursement from the United States Department of Agriculture “School Lunch” Program.
- There is sufficient funding in that account to fund payroll cost through the school closure period-now up to May 1st.

Extended School Care Workers

- Payroll for this group of employees is funded exclusively via the Extended School Care Revolving Fund by parent paid tuitions to that program.
- There is **not** sufficient funding in that account to fund payroll cost through the school closure period-now up to May 1st.
- A \$110,000 deficit will be created for continuing pay for this group up through May 1st and funding would need to come from the town-appropriated budget to cover this shortfall.

COVID-19 Estimated Budget Savings-Preliminary

	March -13-31	April	May	June		Totals	
CATEGORY	Est. "Savings"	Est. "Savings"	Est. "Savings"	Est. "Savings"		Est. "Savings"	Notes
Day-to-Day Substitutes**	\$ 16,500	\$ 60,000	\$ 75,000	\$ 57,000		\$ 208,500	Based on payout dates
Spring Athletic Transpo		\$ 15,000	\$ 15,000	\$ 15,000		\$ 45,000	Assumes loss/decrease of Spring Season
Spring Athletic Officials		\$ 5,000	\$ 5,000	\$ 5,000		\$ 15,000	Assumes loss/decrease of Spring Season
General and Educational Supplies	\$ 4,000	\$ 8,000	\$ 8,000	\$ 8,000		\$ 28,000	
Totals	\$ 20,500	\$ 88,000	\$ 103,000	\$ 85,000		\$ 296,500	
Accumulated Totals		\$ 108,500	\$ 211,500	\$ 296,500			

**Decreased costs for day-to-day substitutes in March and April might be surpassed by additional costs for substitutes in May and June upon re-opening due to staff illness or quarantining. Thus, that category may not net out at year-end as any savings.

Extended School Care Workers

- Operating savings from March and April school closures could cover the deficit created by pay continuity through May 1st for ESC workers

Recommendation

- The district administration recommends that the School Committee vote to continue pay for all SPS employees through Friday, May 1.
- We will continue to evaluate our options and the overall budget situation and make another recommendation at your next meeting about pay continuity beyond May 1st
- A separate School Committee meeting prior to May 1st will need to be scheduled