

## FINANCE MEETING MINUTES<sup>i</sup>

New Bedford Public Schools  
Paul Rodrigues Administration Building  
455 County Street, Room 224  
New Bedford, MA 02740  
**Also remote via New Bedford Public Schools (NBPS) website**

Finance Subcommittee Meeting  
December 9, 2021  
6:00 – 7:00 PM

Present: Mr. Bruce Oliveira, Ms. Colleen Dawicki, Mr. Joshua Amaral, Mr. Andrew O’Leary, Ms. Rachel Bento-Cunha, Ms. Melissa Costa

Absent: Mr. Thomas Anderson, Ms. Karen Treadup

The meeting commenced at 6:00 PM.

Minutes from the November 2021 meetings were reviewed. Voted unanimously on a motion by Ms. Dawicki and seconded by Mr. Oliveira to approve the minutes.

Mr. O’Leary presented and discussed the November 2021 Finance Reports. He explained a new cover page was added which explains the reports show our position, the function code meaning, and the policy. He indicated these reports show how much each school and department has spent and current year vs. past year comparison. Mr. O’Leary stated that this year we are about 84% spent or encumbered. Mr. Oliveira pointed out the Facilities Department’s encumbered figure and Mr. O’Leary indicated that the succeeding reports outlined the Facilities’ breakdown. Ms. Dawicki mentioned that Fine Arts is not quite 50% and questioned a recent NBHS Band fundraiser. Mr. O’Leary stated that he has addressed fundraising policy and the fundraiser in question was approved but a reminder has been sent that fundraising has a process and should be inquire if items desired can first be covered by budget funds. Mr. Oliveira pointed out the copier expense and Mr. O’Leary indicated there is an employee designated to handling the copier leases.

Mr. O’Leary presented the Health Insurance. He indicated that he is projecting this year’s figure to be \$25.5 million and a savings of about \$1 million with the grants coming in. He also indicating that the Transfers proposed \$100K to be transferred into Facilities.

Mr. O’Leary presented the Revolving Funds. He indicated that there is a healthy balance in the Rental Revolving Fund and that there was little revenue in FY21 due to Covid.

Mr. O’Leary presented and discussed the Special Education Stabilization Fund. He indicated that we would be looking into the Free Cash process to move the transportation savings from last year over to this account. He also indicated regarding School Choice, we would be getting revenue for students who are out of district. Mr. Amaral inquired as to where School Choice funds would be applied to, and Mr. O’Leary indicated that we would confirm with the Department of Elementary and Secondary Education as to where the funds can be applied to. Mr. O’Leary indicated that funds be spent in the same manner in which they were received (i.e. gym rental funds to be used to repair gyms).

Mr. O’Leary presented and discussed Circuit Breaker. He explained it is essentially a grant, used to fund all the excess out-of-district costs, that we submit expenses to the state and that it maintains our Special Education services. He indicated that Adult Education, a million-dollar program, is running a deficit, which is usually is about \$40K per year. He also mentioned that metals would get recycled to generate \$70K, and tuitions from Sea Lab will come later in the year.

Mr. O’Leary presented and discussed the Salary Reports. He indicated that our salary budget is \$125.5 million and that last week there was a \$1.1 million deficit and at the time of the meeting, it was \$741K, so it is about \$400K per month. Mr. O’Leary explained that if we do get a lot of salary surplus, the strategy would be to offset ESSER which would keep ESSER pure because it is carrying Special Education, class size reduction and maintenance salaries. Mr. O’Leary expounded that the salary strategy for this year was to be aggressive in comparison to being conservative in years past which resulted in good class sizes and that we have not been short-staffed.

Mr. O’Leary presented the Grant reports. Mr. O’Leary discussed the private Special Education Grant, IDEA and indicated that close to \$1 million left from last year was carried over to this year. He also indicated that we have not yet received the ESSER III grant for \$45 million. He also pointed out that there will be separate spending for ESSER II.

<sup>1</sup> The **Open Meeting Law** requires public bodies to create and approve minutes in a timely manner. A “timely manner” is considered to be within the next three public body meetings or 30 days from the date of the meeting, whichever is later, unless the public body can show good cause for further delay

Mr. O'Leary presented and discussed the Transfers. He indicated that the goal is spending health insurance savings now, such as on maintenance projects and needs, and that there is a need to reach 100% of Net School Spending. Mr. Oliveira inquired as to the \$40K spent on Ashley security. Mr. O'Leary clarified that the expense is for police detail for traffic issues at various schools and the total amount, which was taken out of utility savings, was set aside for the year. Mr. Oliveira inquired about the Vehicles Purchase – Facilities listed on the Transfers, and Mr. O'Leary indicated it was coming from the Charter School Transportation and instead of turning it into Net School Spending, we are purchasing the vehicles. Voted unanimously on a motion by Mr. Oliveira and seconded by Mr. Amaral to approve the transfers.

Mr. O'Leary presented the October 2021 Surplus Report and Donation Acceptance Request Form. Voted unanimously on a motion by Mr. Oliveira and seconded by Ms. Dawicki to approve the surplus as Excess Surplus for disposal and to accept the donation. Mr. Oliveira mentioned seeing NBHS apparel at drugstores and Mr. O'Leary explained that NBHS received royalty payments from the company selling the apparel which is then deposited into their Principal Donation Account.

Mr. O'Leary presented and discussed the 2021 Capital Needs Assessment. Mr. O'Leary explained that we pay insurance for Massachusetts School Building Authority (MSBA) projects which require us to insure the building being worked on. Mr. Oliveira asked for clarification. Mr. O'Leary stated that, in order for us to enter into a Project Funding Agreement with the MSBA, we are required to have building insurance and indicated that we spend about a quarter million every year on this insurance and that current projects include: Keith, Lincoln, Jacobs, Taylor, and New Bedford High School. Mr. O'Leary questioned if all New Bedford Public Schools building be insured, as not all of them are insured at present, and if so, should they come out of the School Committee budget. Mr. O'Leary also discussed new hire, Grant Facilitator Earl Metzler, whose charge was to implement a district Facilities team to audit each school for Facilities projects, and as a result, a detailed list of schools' Facilities-related needs was created of which we can prioritize to complete.

Mr. O'Leary presented and discussed the Bristol County Agricultural FY22 invoice. Mr. O'Leary explained that because Bristol County Agricultural High School offers specialized vocation, the surrounding cities and towns are required to pay tuition. He expounded that the Department of Elementary and Secondary Education allows Bristol County Agricultural High School to charge \$2K more per student and send a bill to the surrounding school districts. Mr. O'Leary indicated that for about the past 5 years, we have been paying about \$90-\$100K per year in tuition for 30 students to attend this school. Mr. O'Leary expounded that the school is now building a \$100 million facility through the MSBA, that will pay for about half of it, but the remainder will be billed to the surrounding cities and towns by way of increased tuition, as a law recently passed that allows for the building debt to be included in tuition costs. He further explained that the increase in the number of students will result in double or triple tuition. Mr. O'Leary explained that he compared past years' invoices and found that we were normally paying \$2,800 per student and now we will pay over \$8,000 per student. He indicated that he asked the school for a copy of their debt schedule, however, the school has not issued a bond but will use our bill as collection of funds to downsize the finance (a down payment).

Mr. O'Leary presented and discussed the Alma del Mar Acushnet tuition billing and Innovators Charter School. Mr. O'Leary reviewed Innovators Charter School's budget and revised it with missing information. He indicated that there will be 235 students from New Bedford attending Innovators Charter School, and projects \$3.4 million will be garnished from the district for next year. Mr. O'Leary further explained that the charter schools get Chapter 70, a maintenance add-on, and transportation that when fully billed out will be close to \$10 million. Mr. O'Leary indicated that the State of Massachusetts gives charter reimbursement but it is not guaranteed; it is at the will of the legislature, it gets cut constantly, and the other garnishments get taken out of it before we get it. Mr. O'Leary projects that next year, at best we will get \$2.8 million in charter reimbursement, which would still result in a \$1 million net cost to the district. For Innovators Charter School, Mr. O'Leary explained that the difference between charter schools and the district is the obligations. The district's obligations are spread across the entire district and every student is essentially garnished for that. He expounded that charter is an opportunity to take a cohort of students and to engage in some innovative popular reform that can be rewarded which are unencumbered by legacy cost and that all the underfunding mandates stay with the district.

Voted unanimously on a motion by Mr. Oliveira and seconded by Mr. Amaral to adjourn.

The meeting adjourned at 7:00 PM.



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Andrew B. O'Leary  
Assistant Superintendent of Finance & Operations

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