



TOWN OF NORWELL
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2022 MAY 23 PM 12:23

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**Norwell Advisory Board Meeting Minutes
March 15, 2022**

The Advisory Board was called to order by Chair Jesse McSweeney at 7:00 PM. Also present were Town Administrator Peter Morin and Board Members Mark Cleveland, Bob Perniola, Susan Darnell, Brian D'Souza, Elizabeth Hibbard, Peter Leppanen, Ned Maguire, and Dane Hutchison. Brian D'Souza arrived at 7:30 PM.

ADMINISTRATIVE MATTERS

Shortly after the meeting opened, Mr. McSweeney advised that the Zoom feed was not working and Ms. Darnell was currently attending by phone. No votes could be taken until this issue was resolved.

Minutes – Tabled

Bills – None

Reserve Fund Transfer Requests – None

Correspondence/Notices – None

Action Items / Discussions – None

FY 2023 BUDGET OVERVIEW

South Shore Votech

Norwell VoTech liaison Robert Molla present along with SSVT Superintendent Tom Hickey.

Mr. Morin noted in opening that he appreciated receiving early warning on a \$109,436 increase in the Town's assessment, which was attributed to increased enrollment from Norwell and the state funding formula. There is nothing he can do about the increase; even if Mr. Molla voted against it, the Town would still have to pay it if a majority of the other town representatives voted in favor of the assessment. That being said, Mr. Morin noted for the record that he did not believe the increase was fair when other communities that had similar increases in enrollment received a decreased assessment. Norwell is bearing 41% of the overall increased assessment to towns this FY but is only responsible for 13% of the increase in enrollment - just six students. Other towns have received a much smaller increase or even saw a decreased assessment.

Mr. Morin further opines that as a regional school, Votech should strive to think more regionally rather than treating each town and its contingent of students individually, and thinks it reasonable to ask that the assessment increase be spread out more evenly between the towns. Votech has retained earnings which make this possible, but they have shown no interest in doing so, and Mr.

Morin objects to what he characterizes as a “tough luck” attitude with which his objections have been met.

Mr. McSweeney agrees with everything Mr. Morin has said but is doubtful the Board can do anything about the assessment. Mr. Cleveland asked for more information about how the assessment is calculated. Mr. Hickey indicated that about 70% of the assessment was driven by a Chapter 70 formula based on “ability to pay”; the remainder comes from a combination of debt service and capital expenses based on student headcount. He is aware of Mr. Morin’s objections, having communicated with him early on in the process, and understands his point of view.

Mr. Hickey goes on to say that the biggest change for FY 23 has to do with a reduction in the Capital budget from 890K in FY 22 to 250K. The communities that absorbed the largest amount of the capital expenses, based on student population, saw the largest drop-off this year, which he characterized as a one-year anomaly. The minimum assessment increase under the State formula is about \$107,822, and Norwell’s \$109,436 increase is just slightly larger, reflecting the slightly increased enrollment (23 to 29 students) from Norwell.

Mr. Hickey noted that the school has been invited into the MSBA pipeline for school building construction; this will likely increase the reimbursement they will receive for anticipated building updates, reducing debt service expenses for the towns.

Ms. Hibbard noted that the disproportionate assessment increase may require the Town to make cuts in other areas of the budget, and asked if there is some flexibility regarding the part of the assessment beyond the Chapter 70 formula. Mr. Hickey reiterated that the bulk of the assessment is based on “ability to pay” as determined by average income and property values; it is the areas such as capital and debt, based on student population, that somewhat even out the burden for towns like Norwell. Mr. Molla added that changing the Chapter 70 formula would require a nearly unanimous effort from the legislature. Ms. Hibbard understands that the formula is the primary cost driver and isn’t necessarily in favor of changing it, but would like more details as to (1) how it works so the Board can explain the increase better to the town residents, and (2) whether the Town needs to plan for similar increases in the future.

Mr. Molla opines that Norwell is likely to pay more as long as it is considered to be “an affluent community,” noting that its cost per student is around \$18K compared to Rockland’s cost of \$12K per student. The school committee has no say over the minimum assessment set by the state and has limited ability to negotiate amounts around the edges. Mr. Morin agrees this was the case until Votech asked the towns for the ability to retain earnings, which the towns granted; these retained funds, Morin contends, gives Votech the ability to smooth out some of this increase but it is choosing not to do so. Messrs. Molla and Morin disagree as to ability to use the retained earnings for this purpose. Mr. Morin reiterates that Votech needs to take a more regional approach to the distribution of costs, as Norwell does within its own school district. Ms. Hibbard points out that the FY 23 assessment amounts to a 26% increase, the largest such increase the Board has seen of any of the budgets presented this year. Mr. Hickey understands these concerns and agrees there have been a few years where there have been spikes out of proportion to enrollment increases.

Mr. Perniola asked what out-of-district towns such as Pembroke get charged per enrolled student, and if it makes sense to add them to the district to share the burden. The state sets a per-pupil non-resident tuition rate that is not to exceed 125% of the foundation per-pupil budget of around \$18K; these funds are collected and used to offset assessments. The school must accept every eligible

and interested in-district student before taking non-resident students. Marshfield has some interest in joining the district, but it can be a lengthy process requiring agreement of the other towns. Mr. Perniola also asked about the relative benefit of being “in district” beyond the discount in per-student cost; the two major benefits are representation on the school committee and reduced transportation cost.

Mr. McSweeney asked for more information on retained earnings and how they work. Mr. Hickey states they are able to keep a stabilization fund of no greater than 5% of the previous aggregate assessment to all towns. Currently they have about \$2.1 million in the fund, which they are going to use to pay for a feasibility study of an MSBA project for their building improvements; Mr. Hickey expects this will cost about \$900K, and will save him from having to ask the Towns for additional funds to pay for the study. Mr. Hickey further states the only mechanism they have to reduce assessments is an across-the board decrease; they do not have the ability to make carve-outs for specific communities.

Mr. Leppanen asked if a mechanism could be created to pull all town assessments closer to the median. Mr. Hickey indicated this may be possible if all towns in the District were to renegotiate the Regional Agreement. Mr. McSweeney asked if the Town will see a similar assessment increases next if its enrollment continues to increase. Mr. Hickey estimates a net enrollment increase next year of about 4 students, to 33; if there is an increase in enrollment, there will likely be an increase in the minimum local contribution, but Mr. Hickey anticipates no major increases in capital, transportation, or debt service. Mr. McSweeney asked for some assurance there will not be a similar increase in assessment next year. Mr. Hickey points out that even if next year’s budget had no increases, individual town assessments would still change based on enrollment trends, but believes that the budget elements beyond the minimum assessments are “likely to not see major changes” in FY 24, and any increases will be more reflective of enrollment increases or decreases rather than another spike.

Ms. Hibbard asked if a town has ever had to cap Votech enrollments based on what it can afford; this has not happened, as it would raise public school access issues. Mr. McSweeney inquired what would happen if Town Meeting did not approve the proposed budget; Mr. Morin indicated the Town would still be assessed if six out of the eight communities voted to approve the budget.

All parties further discussed how the assessment formula works plus additional impacting factors including inflation. Mr. Hickey indicated that “above the minimum” assessment is based on operating costs above the state minimum, and are apportioned based on student population, making Norwell’s piece relatively low given its smaller student population. Mr. Hutchison asked for the per-student cost of a student in the Norwell school system for comparison; Mr. Morin believes it to be about \$16K compared to \$18K for Votech.

Regarding individual programs and line items, Mr. McSweeney asked about a reduction in the transportation line item; this is due to an anticipated increase in the state reimbursement rate. Mr. Leppanen asked if the school offers any technology curriculum; they have a program in computer information technology, offering co-op and postsecondary placements. Mr. Molla suggests this may be a driver of increased enrollment rates, as students generally have jobs lined up, upon graduation, debt-free.

Mr. Hickey invites Board members to visit or to contact him with any follow-up questions. Ms. Hibbard noted, assessment issues notwithstanding, that Votech is a valuable resource meeting a growing need.

School Department

Superintendent Matthew Keegan present along with School Committee Chair Alison Link, several of the school Principals, and Kiersten Warendorf and Kristen McEachern of the budget subcommittee. Mr. Morin noted that the Board's budget book references a 3.6% increase, but the School Committee is going to be asking for additional funds in the Special Town Meeting to offset Special Ed increases. SPED costs are an important need to address, and they are generally beyond the Department's ability to control.

Mr. Morin noted that the Department's presentation is very lengthy, and he feels the Board should have had more time to review it, but he has a good working relationship with Mr. Keegan and thinks the School Committee has shown "exemplary fiscal discipline" during his tenure.

Mr. Keegan opened with a brief discussion of the annual budgeting process, which takes almost the full year. In September/October, they work with students, faculty, and staff to develop priorities and needs. This information is used first by Mr. Keegan and the Principals to develop an executive budget, which the School Committee then analyzes and refines prior to its presentation to Mr. Morin, Advisory Board, and ultimately Town Meeting.

The Department's FY 23 budget proposes a 3.6% increase to a total of \$31,170,000. Budget additions include a district-wide Inclusion Specialist to address the cost of out-of-district special education tuitions, High School music teacher, Elementary technology teacher, facilities planning scheduler, four Kindergarten aides, Middle and High School math tutor aides. These additions are offset by the elimination of one specialist position and four faculty retirements, resulting in a net add of two FTEs. Initiatives are ongoing concerning Covid 19 recovery, strategic planning, capital projects, and the Clipper Community Complex.

The Inclusion Specialist is a new position to support the development of programs that would allow more students to remain in-district. The cost of out of district Special Education tuitions is an ongoing concern, and are difficult to estimate or control. The Department started a stabilization fund in 2016 to help address these costs, and Town Meeting added \$50K to the fund both in FY 17 and 18. The Department also receives "Circuit Breaker extraordinary relief" from the state for Special Education expenses, but these reserves are highly strained currently. The Department will be asking the Town to increase the stabilization fund by \$300K at the Special Town Meeting and authorize the use of \$395K out of the fund for out-of-district SPED tuitions for FY 23 at the Annual Town Meeting. They are projecting a \$528K gap between their circuit breaker aid receipts and yearly rollover.

The additional High School music teacher position was funded in FY 22 by an ESSER III grant; the teacher and additional course offerings have increased student interest and engagement in the music programs, and they would like to add the position to the operating budget, as all ESSER grant funds have to be used by September 2024. Mr. McSweeney asked about the rationale for funding an ongoing cost through a one-time grant. The additional music teacher has been a priority since before the pandemic, and the Department utilized the grant funds to ensure it could go forward in the face of uncertainty around Chapter 70 funding during the pandemic; they now have sufficient funding to add the position to the operating budget.

The addition of the Elementary technology teacher will meet a long-term objective of having one technology teacher in each elementary school, and will provide direction instruction to all students to help them to meet the state Digital Literacy Standards and better develop keyboarding skills. The Facilities Planning Scheduler will be "created" by reallocating a custodial position added during the pandemic, and will manage state inspections, vendor inspections, work bids, and capital projects. It is hoped this will allow for a greater reliance on in-house repairs, thus saving costs.

Mr. Keegan noted that the Department added four Kindergarten aides to the budget last year and are seeking to do the same this year. Like last year, two will be added to the operating budget and two will be paid for by the full-day Kindergarten fee. Most area districts have an aide for each kindergarten classroom, and parent availability to volunteer in class has decreased. The additional aides will provide additional classroom supervision and allow the Department to meet the changing state academic requirements. At this point, the majority of parents are choosing full-day Kindergarten.

Mr. McSweeney asked why the aides are funded as proposed; the funding is structured this way due to the requirement that the Town provide half-day Kindergarten at no charge but can charge tuition to offset the cost of the full-day program, the majority of which are salary costs. The full-day Kindergarten tuition is currently \$3500 and may have to be raised; this figure is comparable to what other public schools charge and less than private Kindergartens. One year, they were able to lower tuition due to increased enrollment.

Mr. Hutchison asked about making full-day Kindergarten universal and part of the budget. Mr. Keegan indicated this would be about a 500K increase to the operating budget; Chapter 70 aid currently treats kindergarteners as "half-day" students and would only reimburse for about \$123K of the cost. Lower-income communities have been able to receive grant funding for full-day Kindergarten that is not available to Norwell.

The Middle and High School math tutor aides were funded in FY 22 through ESSER III grant funds and will be funded through ESSER II funds in FY 23; the aides help address learning loss and lack of repetition due to the pandemic or other illnesses. They will reassess the need for these positions next year.

The Elementary schools are also seeking to pilot five activity programs similar to the program at the Middle School; the programs would run for six weeks and pay a \$300 stipend for the five overseeing teachers. The activities will include enrichment and leadership activities.

Mr. Keegan noted that projected Chapter 70 state aid came in at \$659,529, higher than expected, but there may be a need to further increase the budget by up to 5% next year to keep up with out-of-district SPED tuitions. In addition to providing aid, Chapter 70 establishes minimum spending and "cost-share" requirements for school districts. This year's aid is significantly higher than last year's allocation of \$80,674 in FY 22 and \$257,652 in FY 20 (the Town received no Chapter 70 aid in FY 21), but next year's amount is difficult to forecast. Ms. Hibbard asked if this funding is split between the Department and Votech; Mr. Morin advises that Chapter 70 aid is for the Department only, and noted that increases in Chapter 70 aid may be offset by increases in assessment for charter schools or teacher retirements; these assessments vary from year to year. The Chapter 70 aid number has not been finalized yet, but the Legislature is unlikely to decrease the Governor's proposal.

Mr. Keegan also noted that Special Education is considered an entitlement that the Town must offer to students aged 3–21 with disabilities. The Town's first dollars must be applied to these expenses, and the Town must reduce its budget if it cannot meet its SPED obligations. Currently, there are 29 students with out-of-district special education placements, this has ranged between the mid-twenties to mid-thirties recently. Options for such placements include "collaborative" programs formed by local school districts to save costs and state-approved private and/or residential schools. Students on a SPED placement can participate in Norwell extracurriculars, and their progress is monitored by the Department. The proposed Inclusion Specialist will attempt to meet student needs in-district, and the Department may look to hire a full-time out-of-district coordinator next year. Ms. Warendorf added that there has been a growing need for Special Education services across all school districts, and Norwell has run leaner, administratively than most of its neighbors. Ms. Hibbard agrees that additional staff could represent a cost savings if they can reduce the number of out-of-district placements. Mr. Keegan added it is difficult to control the cost of out-of-district placements, and the pandemic caused faculty departures at such institutions that resulted in some changed placements.

Internally, the Department offers certain Special Education services to about 360 students. Assistant Principals chair about 100 eligibility meetings per year to identify the need for services. Each student has a case manager and Special Education teacher who help develop and modify IEPs. The school system currently has 2,195 students, and this number has been fairly consistent in recent years.

Between FY 16 and FY 21, the Department's budget has increased by 18.6%; SPED tuitions budget has increased by 49% and total expenditure on SPED tuitions has gone up by 35% over that time. The pandemic increased costs in this area. The Department started a stabilization fund in 2016 to help address these costs, and Town Meeting added \$50K to the fund both in FY 17 and 18; the Department needed to apply for "Circuit Breaker extraordinary relief" from the state in those years due to SPED costs increasing by greater than 25%. They are looking at applying for similar relief this year. Mr. Keegan briefly discusses the Circuit breaker funding program, which was started in 2004, and how the funding formula works; the Department's qualification for funding and the funds available from the state vary from year to year.

Ms. Hibbard asked how the Department tries to budget for SPED costs; Mr. Morin noted the Town and Department keep track of funding discussions at the state level; Mr. Morin also takes these costs into consideration in forming the Town budget. SPED costs are a challenge both locally and nationally and will require funding from all levels of government. The state is looking at additional solutions. Reimbursement for SPED transportation cost has increased, but so has the cost.

Ms. Hibbard asked whether over-budgeting for SPED expenses might reduce the aid available from the state; Mr. Morin thinks the risk is minimal compared to the risk of not budgeting properly. Mr. Hutchison asked how potential placement costs are estimated; Mr. Keegan indicated there is a process parents must go through in order for the District to make a placement or start paying for a previous "self-paid" one; these costs are difficult to plan for beyond seeking a cushion for unexpected costs. Mr. Keegan notifies Mr. Morin when there is a change in the outside placement number.

All then review actual and projected SPED tuition expenditure and reimbursement carry-over. Carryover from prior year went from \$384K in FY 20 to \$832K in FY 21 and is currently projected

to be about \$952K in FY 22 and then drop in FY 23 and 24. All discuss future funding solutions. Mr. Morin anticipates a need for additional transfers into the stabilization fund in subsequent years. Ms. Warendorf noted that Messrs. Morin and Keegan work very well together to try to control expenses. Ms. Hibbard is glad the Town is proactively seeking to address the issue.

Mr. Keegan briefly discusses strategic plan priorities, including student socioemotional wellbeing and academic stamina, reporting and funding changes due to the 2019 Educational Opportunities Act. They are seeking a .9% increase in District Administration in the Executive Budget, and a 3.55% increase in the Instructional Services budget; they try to keep this increase to between 3% and 3.5%. Other School Services are up 4.76%, Medical Health Services are up 6%, Transportation is up 4%, Athletics and Other Activities is up 1%, and Operations is up 5%. They were able to save costs in the summer program and the Instructional Technology Hardware line using grants; the Medical/Therapeutic line is also down. Utilities are up but manageable.

The Department is moving away from computer labs in favor of technology carts that teachers can bring into the classroom, and iPads are widely available to students. There are ongoing cycles for technology upgrades and facilities maintenance; they try to maximize the maintenance work done in-house for cost savings. Capital Spending requests from the Department include requests for kitchen equipment, additional funds for the Vinal School HVAC upgrade and Sparrell generator, Sparrell elevator, and one custodial van.

Mr. Keegan noted that the Massachusetts School Building Authority provides up to 40% reimbursement for new buildings as well as certain projects that increase existing school building energy efficiency; they are looking at possible near-term projects. Ms. Warendorf added that a recent examination of the High School building found it to be in very good shape; proactive maintenance can extend the life of the buildings. The Department tries to coordinate the assumption of new debt with the retirement of old debt. Anticipated capital projects over the next three years eligible for MSBA reimbursement under their accelerated "green repairs" program include boiler replacements at the high school, middle school, and Cole schools; the new boilers would be significantly more efficient. They are also looking to replace the middle school roof under the program; total up front cost for these projects would be around \$6.41 million, 40% of which would be eligible for reimbursement.

Replacement of the track and two fields at the Clipper Community Complex will be needed over the next 2-6 years, at estimated total cost of \$1.3 million. The Complex has a stabilization account for repairs, funded by the Department and other users of the facilities, that is currently valued at around \$550,000. Ms. Hibbard asked if CPC funds can help with these expenses; they cannot be used to replace the turf fields but might be available for other aspects.

Mr. Leppanen asked about inflation impacts on budget projections; these are ongoing challenges that the Department will manage as best it can. Mr. McSweeney thanks Mr. Keegan for the detailed budget presentation but noted it would be helpful for the Board to get the information as far in advance as possible. Mr. Morin will keep this in mind for next year; he has asked this of the School Department for several years without success.

MISCELLANEOUS

The Board welcomed new member Ned Maguire, who is serving out Rick Goulding's term.

Mr. Hutchison expressed concern about the Board voting on zoning bylaw changes without having sufficient time to review. Mr. Leppanen suggests that the Board receive its information packet one meeting, or several days, in advance. Mr. Morin will provide the Board the information on next meeting's items tomorrow. Ms. Hibbard noted that the Board can always ask presenters to reappear at a future meeting if members don't feel comfortable taking a vote; this can help the presenters be better prepared for questions at Town Meeting.

FUTURE MEETINGS

March 22, 24, 29, 31

ADJOURNMENT

There being no further business, a motion was made to adjourn at 10:08 PM. Duly seconded and unanimously voted.

Jesse McSweeney, Chair