



**NORTHSHORE  
EDUCATION  
CONSORTIUM**

**Board of Directors Minutes  
March 03, 2021**

<b>PRESENT:</b>	Beverly:	Dr. Charochak
	Danvers:	Dr. Dana
	Ipswich:	Dr. Blake
	Lynn:	Dr. Tutwiler
	Lynnfield:	Ms. Vogel
	Manchester-Essex	Ms. Beaudoin
	Marblehead:	Dr. John Buckley
	Masconomet:	Dr. Harvey
	North Reading:	Dr. Daly
	Pentucket:	Dr. Bartholomew
	Reading:	Dr. Doherty
	Rockport:	Mr. Liebow
	Salem:	Dr. Zrike
	Swampscott:	Ms. Angelakis
	Triton:	Mr. Forget
Tri-Town:	Dr. Morrison	
<b>NEC:</b>	F. Rosenberg	G. Bergevin
	Ms. Mahoney	K. Mahoney, NEC Treasurer
<b>ABSENT:</b>	Gloucester:	Mr. Lummis
	Hamilton Wenham:	Ms. Banios
	Nahant:	Dr. Pierantozzi
	Peabody:	Dr. Vadala

- I. **Call to Order:** Dr. Morrison called the meeting to order at 8:02 and stated that the Open Meeting of the NEC Board of Directors was being conducted remotely consistent with Governor Baker's Executive Order of March 12, 2020, due to the current State of Emergency in the Commonwealth related to the outbreak of the COVID19 Virus. Dr. Morrison asked that Kathy Mahoney conduct a roll call to record attendance as well as to vote on the Consent Agenda. Roll call was done with 12 members present.
- II. **Remarks from the Public** - none
- III. **Roll Call Attendance and Approval of Consent Agenda**  
**MOTION:** A motion was made by Dr. Morrison to accept the consent agenda. Roll call was done with 12 members to approve February 03, 2021 BOD Minutes, March 2021 Appointments as presented.  
**VOTE:** The motion was moved unanimously
- IV. **Executive Director's Report:** Ms. Rosenberg's full report is attached. She gave updates regarding NEC's COVID response and plans to increase day/hours of in-person learning in April. She also spoke

about the mental health supports that NEC can provide to assist districts with re-entry planning, and suggested that districts consider using the \$10,000 of ESSERS money dedicated to student mental health to purchase Connections/Wraparound services.

Dr. Charochak, Dr. Tutwiler, Dr. Harvey and Dr. Zrike joined the meeting during this report.

**V. Finance Report:** Brian Forget, Glenn Bergevin and Kevin Mahoney

**Treasurer's Report:** Mr. Mahoney reviewed the January 2021 Treasurer's Report (attached). There were no questions.

**Budget for FY22:**

Ms. Rosenberg prefaced the budget presentation with a reminder that NEC had frozen tuitions for FY21 and that the board had a number of options for how to bring us back to a positive position over the next few years.

Mr. Forget stated that the Finance Committee had met and supported a plan to take a multi-year approach to returning to a balanced budget.

Mr. Bergevin reviewed his working assumptions in planning for FY22, with the premise that we would be gradually returning to a "pre-COVID" level of enrollment, staffing, and programming. He reviewed that in February 2020, the Board had approved a preliminary budget calling for a 5% tuition increase for the KOG School, to correct historic issues with the KOG budget and a 2% increase for all other programs. In June, the Board voted to hold all tuition flat and not implement these increases. Although our goal has been not to exceed a 3% increase in any one year, higher increases over the next several years will be necessary for NEC to continue to get back to a breakeven level.

Using an across the board placeholder increase in rates of 5% generates a negative bottom line of negative \$479,000, which will necessitate another year of draw on the cumulative surplus. If we considered raising most programs by 5%, but KOG by 7%, for the reasons discussed last year, the negative impact would be reduced by \$221,000. Ms. Rosenberg reviewed some of the details about the population served by the KOG program and why it is such an expensive program. The larger increase for KOG tuition approved last year was to bring tuition up to where it belongs.

Mr. Bergevin continued with a discussion of anticipated expenses. Payroll rates are increasing as this is the third year of the three-year union contract. A comparison to projected FY2021 payroll shows an increase of 4.6%. However, FY2021 payroll is depressed by remote learning factors: less staff, particularly paraprofessionals and staff on leave. NEC billed for all services including 1:1 aides for FY20, but stopped billing for 1:1 aides in September for any students who were fully remote

Benefits are projected to be 6.25% greater than FY2021. A medical insurance rate, the largest item, has a 10% placeholder, as the exact amount won't be known until April. Non-staff expense is projected to increase by \$244,000 due to a return to in-person learning.

Program directors have begun to brainstorm options for additional revenue during ESY by offering clinical groups, wraparound supports, and other services for students in need of compensatory special education services or general education recovery support. NEC receives no direct ESSERs funding. The only public funding we have received related to COVID is \$15,888 from the Special Education Program Improvement Grant and \$27,000 from the recent Coronavirus Prevention Fund per pupil allocation. We did not ask districts for any additional support during FY20 or FY21 (\$225.00 per student) but relied on philanthropic support and utilization of cumulative surplus funds.

The Finance Committee recommended that we consider a one-time assessment of \$5,000 per member district, which would bring in an additional \$100,000.

The budget considerations are: The proposed budget of 5% rate increase for all programs yielding a negative \$479,000. The proposed budget of 7% rate increase for KOG and 5% for other programs yielding negative \$258,000. The proposed budget plus a one-time assessment yielding negative \$379,000. At some point, Kevin O'Grady tuition does need to be adjusted, but the Board will need to decide whether this is the time to make that adjustment.

After 5 years with a year-end surplus, FY2021 and FY2022 are projected to end in a deficit position and the need to utilize the cumulative surplus to balance the budget. Mr. Bergevin reviewed a plan to get back to a positive position by FY25.

Mr. Bergevin stated that this year we will not meet all bank covenants. He stated that the bank has been very cooperative during COVID, but we need to show them a plan to return to a positive number.

Mr. Bergevin demonstrated that even with the need to go into our surplus, we would continue to have 3 months of payroll on hand - \$3,600,000. With a return to positive by FY2025 NEC should be able to avoid tight cash and consider capital needs and other considerations such as an OPEB trust. We will be maintaining a cumulative surplus of about 12% of the total budget, with a goal of getting back closer to 20%. Collaboratives may not maintain a cumulative surplus over 25%.

Dr. Dana and Dr. Tutwiler left to attend meeting within their districts.

Board Discussion:

Dr. Blake supported the idea of a one-time assessment to cover covid-related expenses. He asked if this would need School Committee approval.

Dr. Forget stated that this would be a superintendent decision, but that it would need to be clear that the money was for one-time expenses if the districts were going to utilize ESSERs funds. He asked whether the gap would "reappear" in FY23.

Dr. Morrison inquired about health insurance rates. Several districts reported having received a quote of less than the 10% placeholder.

Ms. Beaudoin said that she would support taking all of the steps to “go to the number you need to set you on the right course.”

Dr. Zrike and Dr. Charochak, representing larger districts with more KOG students asked to see the direct impact on Salem & Beverly before making a final decision, but indicated their support for the proposed plan. Mr. Bergevin said he would supply that information.

**Motion:** A motion was made by Mr. Forget and seconded by Dr. Morrison to prepare the next draft of the budget (for review in April) that assumes a seven percent increase for Kevin O’Grady School and a five percent increase for all other programs. Roll call was taken.

**VOTE:** The motion was moved unanimously

Dr. Buckey needed to leave the meeting.

**Motion:** A motion was made by Dr. Morrison and seconded by Ms. Angelakis asking that Ms. Rosenberg and Mr. Bergevin identify the list of non-reoccurring expenses for the board to consider before approving a one-time assessment of \$5000 in April. Roll call was done with 13 members

**VOTE:** The motion was moved unanimously

**VI. Policy Update: Fran Rosenberg, Brian Blake**

**Revised Harassment/Title IX Policy:** Ms. Rosenberg, Dr. Blake and Dr. Morrison have reviewed the updated policy drafted by Attorney Justin Gomes of Stoneman, Chandler, and Miller, as well as the updated Anti-Discrimination Policy based on the MASC draft. Ms. Rosenberg stated that Attorney Gomes will be training her leadership team later this month

**Motion:** A motion was made by Dr. Blake and seconded by Dr. Bartholomew to approve the revised Harassment/Title IX policy and the revised Anti-Discrimination Policy as presented. Roll call was done with 13 members

**VOTE:** The motion was moved unanimously

**VII. Adjournment:**


**Motion:** A motion was made by Dr. Blake and seconded by Dr. Liebow to adjourn from the meeting at 8:51 am. Roll call was done with 13 members present.

**VOTE:** The motion was moved unanimously.



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Kathy Mahoney, Administrative Assistant to Executive Director



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Francine Rosenberg, NEC Executive Director

## **Executive Director Report March 2021**

### **COVID Updates:**

Since our last meeting on February 3<sup>rd</sup>, we have only had two positive cases....one paraprofessional and one custodian.

### **Covid Testing**

We are participating in the Pooled Testing sponsored by DESE, but have only offered this to staff. We have successfully run two tests. Last week all pools came back negative. We are waiting for this week's results. Only about 70 employees signed up to participate, so we are offering testing at two sites. The staff who are participating are very appreciative.

### **Plan for Expanding Hybrid in April**

We have begun to discuss expanding days/hours in April on a program specific basis.

KOG and RHS are currently in-person for 4 abbreviated days, and will likely expand to 5 days but maintain an abbreviated schedule. Lunch is the biggest concern.

All other programs are already doing in-person five days/week with abbreviated days, and are looking at what will be required to go back to a "normal" full time schedule.

### **ESY Planning**

We are planning for ESY with the assumption that we will be operating with a "normal" schedule but will still have some restrictions regarding off-grounds activities. We are also assuming that there might be a greater demand than usual for ESY services, and are discussing creative programming that we may be able to offer districts for general education and special education students in need of additional social-emotional programming over the summer.

### **Mental Health Supports**

We have capacity to offer consultation, supervision, and wraparound services to your districts. Please keep this in mind as you consider how to utilize your ESSERS money. More information will be sent in a separate flier.

### **Regional Support**

We started a job-alike for school psychologists this year. Tim Potts from Salem volunteered to co-facilitate. Eight districts have participated and seem very interested in continuing.

I continue to meet twice/month with SPED administrators, which has provided a great deal of collegial support during this difficult year. In addition, we continue to offer monthly job-alike/PD for Team Chair-people and Out-of-District Coordinators.

### **Issues Raised by the Closing of EDCO Collaborative**

As I have communicated to you, the Board of EDCO Collaborative has voted to initiate dissolution of their Collaborative due to financial concerns about the organization's viability.

This highlights the critical importance of our shared roles in fiduciary responsibility, and making sure that our “checks and balances” are working in terms of financial oversight and decision making.

If this information raises concern for you or your school committee, please remember the following:

- Over the past seven years, the NEC board and administration have developed robust policies and procedures for financial oversight, including the creation of a new and more active Treasurer position. The Finance Committee is regularly appraised of the status of actual financial performance compared to budgets.
- Our audit has not flagged any concerns about viability or management oversight. Audit reports, going back many years, illustrate that we are a solvent organization and there have been no findings of deficiency of internal control.
- Our enrollment numbers remain strong and consistent, at or near capacity in all programs.
- We have over \$4,000,000 in cumulative surplus and \$220,000 in our capital fund.
- We have consistently met all bank covenants.

Glenn, Kevin, and I are always available to answer any questions that may arise.