



A Community of Learners

Information and Action Item: Finance Subcommittee Recommendations

TO: School Board
Trisha Kocanda

FROM: Brad Goldstein, CFO

April 21, 2020

Overview & Background

On March 12, 2020, the District took action to close schools through March 31st in coordination with other New Trier Feeder Districts in order to minimize the impact of COVID-19 on our student population and families. This action was later extended to fall in line with the stay-at-home order issued by the Governor of Illinois through the end of April. This has a financial impact on our District related to:

- Contracted vendors for transportation and food services
- Current District faculty and staff
- Substitute teachers
- Parent refunds
- Expenditure reductions

The Financial Subcommittee met on April 9th to discuss these issues, and came to a consensus on how to address these issues. The primary goals through this process were to:

- Avoid financially benefiting from COVID shutdown
- Strive for consistency in how we are handling our contracted services, being mindful of long-term goals and impact
- Be mindful of how other district are approaching these issues

Transportation Services

We have a current contract with North Shore Transit for transportation services for our District. This is an optional service that is funded through a combination of tax revenues and parent fees.

The contractor requested 80% payment of their regular routes in order to ensure continuity of service when the District resumes normal operations. There has been great difficulty in filling open driver positions, in addition to this, school bus drivers need to complete an intensive five-week training program before they can begin driving a bus for the District.

In analyzing the breakdown of costs submitted by the vendor the Administration determined that approximately 60% of the costs the requested were related to salary and benefits of drivers and support staff. The Financial Subcommittee recommended moving forward with this.

In the interim we have had a request from the vendor to allocate the 80%, as requested, so that all of their customers are aligned, and in turn they have offered to update our recently renewed contract to offset the variance between the 60% and 80%. We would see the benefit of approximately \$21,000 reflected in our contract for next year. The Administration recommends that the District amends the transportation contract to allow for payment to the contractor at the 80% threshold of the normal cost of service, and update our contract for school years 2020-2022 to reflect the variance between 60% and 80%. This action will allow the provider to resume operations upon reopening of the schools. The 80% payment will be offset by the transportation revenues allocated in through our levy, and we will see a deficit of \$17,600 when combined with parent refunds.

Food Services

We have a contract with Arbor Management Services to provide food services at Carleton Washburne. They have furloughed their hourly staff but have kept the Food Service Director in place. In order to ensure continuity of service, the Administration recommends an amendment to the contract with Arbor to pay the salary and benefits of the Food Service Director through April 30th. This cost will be approximately \$9,700. This is typically funded by fees related to food service, so this cost would be absorbed by the District.

Faculty and Staff

We have numerous extra duties that are covered by staff during the school day such as bus duty, lunch duty and crossing guard. There is guidance from the state that school districts should work with their union to keep these employees whole for the duties that they have committed to complete during the school year. Administration recommends continuing payments for the extra duties they have committed to for the remainder of the closure. There is no budgetary impact, as these items have been built into the budget.

Stipend work is also performed by the faculty as additional work outside of their normal job function. Some examples of this include; department chairs, athletic director, and mentors. Many of these are year-long commitments that continue through the closure, and are already factored into the budget, an exception to this is the Track and Field coaches. We had not yet begun the season for this sport, and the coaches have committed to offering a virtual program for this sport in lieu of the

regular season. Administration recommends that we waive our normal activity fee to cover the cost of this program, but do recommend payment to the coaches involved in the virtual program. The cost of this program is estimated to be \$9,600.

Our On-Deck staff provides an important service to our families before and after school. This program is staffed by our classroom associates as an extra duty that they have committed to performing for the school year. This is funded through fees, and it is recommended that we continue to pay these associates their normal rate. Administration will work with this staff to offer alternative services in lieu of this duty as needed to assist during the school closure. The cost of providing this payment is \$7,300.

Substitutes

Substitute teachers are critical staff in our District. When our teachers need to be out due to illness or attend IEP meetings or professional development, substitutes give our staff confidence that learning will continue during their absence. We have seen shortages of substitutes over the past several years, and it is imperative that we ensure this pool remains intact during this disruption. Administration is recommending that substitutes that have served our District for greater than five days during this school year receive a prorated payment of 50% of their normal daily rate for the prorated days they have subbed in our District for the remaining percentage of the school year as illustrated below.

Based on this criteria, each substitute will receive an amount reflective of the time they spent substituting in the District so far this year. A number of neighboring districts are providing similar forms of compensation for their daily substitutes as a means of maintaining substitute pools for the coming school year. Given the assumption that COVID-19 will continue to present a risk of absenteeism until a vaccine is available, it will be critical to maintain a strong substitute pool for the benefit of our teachers and students.

Name	Days worked	% worked YTD	Equivalent % of 55 remaining days	Total
Doe, John	13.00	11.02%	6.06	\$363.56

The total cost of this recommendation is \$48,400, but the net effect on the budget would be a reduction in overall cost of \$47,000 due to the fact that we are not utilizing subs as budgeted for the remainder of the year.

Expenditure Offsets

There are several areas in which the District will see savings due to the school closure. Approximately \$50,700 in savings will be realized by elimination of cabs for special education, savings from in-house substitutes and hospitality for school functions.

Parent Refunds

There are several user fees that parents pay for on an as-needed basis during the school year. These include Extended Play, On-Deck, transportation. Extended play and transportation are paid on a yearly basis, while On-Deck is paid monthly. It is recommended that the District process refunds based on a prorated basis during the closure. Parents that are affected have already received notice via email that this is being considered by the Board. These refunds will total \$84,700. Approximately \$48,400 of this cost will be offset by savings related to transportation costs that have been reduced through an amendment to our contract.

In addition to these items, the fourth grade annual student fee includes a portion that is allocated for an outdoor education experience. This amounts to \$75 of the \$275 that is charged for this program at each school. Greeley students were able to participate in this program prior to the closure, but students at Crow Island and Hubbard Woods were unable to participate. Administration recommends refunding these families the \$75 that was paid towards this experience in the amount of \$10,100.

Compensatory Services

Compensatory services to make up for special education services not received during the year is an area that the District is awaiting guidance on from the state and federal government. These entities have not yet made a determination on how this will be addressed. We will follow guidance once a determination has been made regarding this. It is estimated that there could be a cost of approximately \$50,000 for summer services, but this is truly a best guess at this time. State and Federal guidance is expected to be forthcoming and will better inform our planning and related costs.

Overview

The primary goal of the Administration is to ensure the continuity of services when we resume school, whether that is this year or in the fall. Exclusive of compensatory services, the overall net positive effect on the FY20 budget is expected to be \$6,500, with an additional benefit to next year's budget of \$21,000 related to the updated transportation contract. The District is also tracking unanticipated expenditures related to COVID-19 for record-keeping and for strategic future financial planning.

Recommendation

In alignment with the subcommittee's feedback, the Administration recommends that the Board approve payments to On-Deck associates, substitutes, staff assigned extra duties, stipends, and parent refunds as referenced above.

Administration recommends that the Board approve the amendment to the transportation contract with North Shore Transit for the remainder of the 2020-2021 school year.

Administration recommends that the Board approve the amendment to the food service contract with Arbor Management, Inc. through April 30, 2020.

Attachment

[North Shore Transit Amendment](#)

[Arbor Food Service Amendment](#)

North Shore Transit SY20-22 Contract Amendment