Call to Order and Introduction of New Board Members

The Board Chair, Dan Hayes, called the meeting to order at 6:36 PM.

Dan informed the Board that we will do each vote by roll call. Sarah will call out names asking for votes.

Public Comment

Humera would love to hear how towns are handling not having a graduation. Bill offered for the Board to discuss this at the end during topics of Board interest.

Approve Minutes of March 25, 2020 Board Meeting and May 19, 2020 Finance Committee Meeting (votes required)

A copy of the minutes from the March 25th, 2020 Board of Directors meeting was included in the Board packet.

Mike Knapp moved that the Board approve the minutes from the March 25th, 2020 Board of Directors meeting. Jonathan Schmidt seconded the motion. None opposed and the motion passed.

A copy of the minutes from the May 19th, 2020 Finance Committee meeting was included in the Board packet.

Mike Knapp moved that the Board approve the minutes from the May 19th, 2020 Finance Committee meeting. Gene Stamell seconded the motion. None opposed and the motion passed.

New Hires and Separations March 16th-May 15th (vote required)

A list of the new hires and separations from March 16th – May 20th was included in the Board packet. Mike Knapp moved that the Board approve the hires and separations from March 16th-May 15th. Jonathan Schmidt seconded. Barbara pointed out that the agenda says May 15th, but the report is until May 20th. Mike Knapp amended his motion to move that the Board approve the hires and separations from March 16th – May 20th. Jonathan Schmidt seconded the motion. None opposed and the motion passed.

CES Financial Reports - B. Siegel (votes required)

The following documents were included in the Board packet:
Barbara walked the Board through the FY20 Changes in Fund Balance for the Period of 7/1/19 through 3/31/20 document and provided some background information.

Through March there is a slight increase in 1500, Operations & Business Development. Birth-22 is showing a deficit primarily made up of about $150,000 for HEC Academy. At the beginning of the year HEC Academy started with low enrollment, but at the time of closure due to COVID-19 they had full enrollment.

Related Services are in a deficit and that will likely get worse. The Board has discussed this before. We have highly seasoned staff and we are not covering our costs for the time in front of students. Karen Reuter added that we have to address the time that’s spent to support a case. We’re trying to find the balance so we can find a compromise.

The last component is for the deficit in Early Childhood. A part of that was planned and that 1500 was going to cover a portion of the director’s salary. The goal is to move all directors’ salaries to 1500, but that will take time. The idea is the directors are not out in the field. Another contributing factor to their deficit is they are developing a new Early Childhood professional development program and that takes time to get going so there is no revenue to offset that at this time.

The deficit for Professional Services is made up of about $105,000 for PD. Much of that will be made up by the end of the year. She wouldn’t be surprised if it goes away entirely since new contracts continue to come in for this year. Licensure is showing around $110,000 to the negative. That will not get better. The finance committee has discussed how we can revise the model so we can make it cover its costs.

Barbara then walked the Board through the FY20 Statement of Activities with Projections through 6/30/20 document, which has the same information as the previous document.

The “Period Budget vs Actual” percentages show that in most cases spending and revenue are neck in neck. The exceptions are in Birth-22, which is a little higher in the expenditures. The same thing is true in Professional Services. The three columns at the far right are where she attempted to do a projection through the end of the year. She’s made a lot of assumptions and she doesn’t have all of the information.

At the end of the year she thinks Operations and Business Development will double. She walked the Board through the numbers. She estimates we will end with a $437,000 deficit at the end of the year. What isn’t reflected on this page is the $300,000 the Board allowed CES to use this fiscal year. We had hoped to use them for special projects, but no large money has been spent there so we have this to help here.

The second column from the left is reflective of grants coming and going, any amendments and new projects.

Mike Knapp moved that the Board accept the financial report and the adjusted FY20 budget as presented. Jonathan Schmidt seconded the motion. None opposed and the motion passed.

Suzanne Crawford joined the meeting.
**Presentation and Discussion of 2020-2021 Budget**

The following documents were included in the Board packet:

- FY21 Mt. Tom Academy Budget & Tuition Rates
- FY21 HEC Academy Budget & Tuition Rates
- FY21 Operating Budget & Known Grants
- Adjusted Statement of Activities for the CES General Fund

Barbara noted that the Collaborative regulations from DESE and our articles of Agreement of the Collaborative for Ed Services require that the Board be presented with the full budget for the next fiscal year in May and then approved at a minimum of 10 business days after the presentation in May. We will be doing the vote in June.

The caveat is we don’t have enough information to provide an entire budget. The other aspect the Board is responsible for is approving rates. The grants are those we are aware of at the time of the report. We will continue to get better and better information though. It is possible we will need a vote sometime in the summer and if not, then sometime in September. In her conversations with Bill and Dan they were clear to have a goal of not increasing rates. When she considers the budget, even though there is no COLA, there are steps and inflation so she couldn’t keep it completely the same, but she did try to keep the increase for members as low as possible. When the Collaborative Agreement was amended, we increased the amount we’re allowed to charge non-members over what members pay. The new maximum is 25% so she’s increased the non-member rate for Mt. Tom. This allows a $250 increase at Mt. Tom for members. It allows us to develop the program and staff in a way that meets the needs of the ever-changing population. We had to increase the clinicians hours and bring in another part-time assistant teacher into the classroom. By tightening all other expenditures we were able to keep the increase low. It went from $15,000 to $15,938 for non-members. Jenn Mallee added that her impression was that the superintendents in the Finance Committee meeting were okay with the increase.

For HEC Academy, on the first page what you see is the line item budget for the Academy. The budget for this school is as trim as it possibly could be. There are no extra positions or fluff. When presented with the step increases and inflation, she had to do a small increase in the rate. For members the rate is going up $300 (.55%), and for non-members it’s going up 5.12% ($3,075). The third page is a report of the costs of schools across the state that we can compare to. Most of them are from FY20 because the new rates haven’t been posted yet. DESE recommends we use an average of all of the day schools across the state. Our rates are below that, making us very competitive. We will be asking the Board to approve those votes at the next meeting.

Dan added that it’s important for him on the Finance Committee to have input from the superintendents. He thinks the important things to them is the quality of the programs and the suggestions of improvements coupled with what Barbara mentioned. Though he and Bill thought it was important to keep costs from rising, the superintendents thought the argument that was presented from Karen was compelling, coupled with the fact that we’re competitive cost-wise. They seemed to be fine with the increase. Jenn agreed and that they didn’t have an issue with the increase because the quality they were getting was important.
Dan noted that he appreciates Barbara has been so transparent, has been providing clear information, and answering questions. For himself he really appreciates everything she has done, especially in this time when all of us are feeling so much pressure and everything is so different.

Barbara said she is happy to answer any questions around the grants etc. She noted that member numbers are based on enrollment and grants and contracts are a result of indirect. The next couple of numbers are overhead – all departments with non-grant money (any general fund) contribute by also paying an indirect (12%). Marketing and technology is primarily representative of web hosting services. Rental income is HEC Academy paying their share of the mortgage. In 2012 we rolled the two mortgages into one and the 40% is their portion. We also have Cooperative Purchasing revenue. She didn’t change a thing from last year for expenses since we don’t know enough yet, but she wanted to give them something to grasp.

Bill added that CES is committed to our mission and our vision. We rely on the fact that our programs are excellent and we hold up our values. We put a big focus on developing a community of care at CES. We keep all of these things at the forefront of our mind when considering fiscal developments. We’re in unprecedented times and because we don’t know what our income and expenses are, we have nothing to rely on except really good research and guessing. There is a lot we don’t know right now. For instance, will the pandemic lead us to greater or lesser needs for programs? Will districts need more or less SPED services? We do know how it will be different and we will have to pivot. We also don’t know what the fiscal realities are for the districts. The commissioner said the budgets for districts aren’t out yet. We’re also expecting a $6 billion deficit at the state level. We met with our legislators and the main point was that investing in education is good for the economy as in many towns, education is the main employer. We don’t know what will happen with that deficit or how school will be conducted. There are so many different possible scenarios for school next year, each with their own problems. There will be more guidance from the commissioner, but it may be a local decision. We also don’t know where we’ll have more expenses. The commissioner talked about the need for schools to have PPE. The state may provide some of it, but it’s the school’s responsibility to provide it. We have a bunch of unfunded mandates like this. Because of that, Bill recommends we have a special meeting at the end of July, at least with the executive committee because we’ll have more information by then so we can provide a revised budget. Some districts are going 1/12 budget. There are already new things coming in as well. For instance, we got the SEIS contract and we’re currently in negotiation. It’s going to be more but we didn’t know that when Barbara put together the budget. For DYS we know we’re going to have a one year extension, but we don’t know how much. DESE has also asked us to take more projects. We also want to have time before July to do a more careful analysis of our departments, where we can cut costs while continuing to have quality programming. After Barbara’s report there was a one-pager for adjusted statement of activities. This is an important development. Bill added that we would rather predict conservatively.

The two things that are at play is the $300,000 that the Board approved to spend on things that we delayed due to budget situations. The good news is we didn’t spend it yet. This will help us mitigate some of the deficit we have this year. The more important part is the Payroll Protection Plan loan. We were able to get $5,825,000 in payroll protection program funds. It’s a loan, but some or all of it will be forgiven. Whatever isn’t forgiven is a 1% loan. Barbara added that new guidance was issued yesterday, we can included accrued expenses within the 8 week period. She anticipates we will be able to have most of the loan forgiven. The point of this document [Adjusted Statement of Activities for the CES
General Fund, which was included in the Board packet, is to illustrate that we have things in place to mitigate the deficit. We will be able to come back to the Board with more of how we’ll use this in July.

Approve the Payroll Protection Plan loan (vote required)

Barbara informed the Board that when the Payroll Protection Plan loan was announced, it wasn’t clear who was allowed to apply for it and there was a lot of chatter among collaboratives. There are three collaboratives who applied for and received funding. We have just under 500 employees (based on calendar year 2019 payroll records). The calculation was based on calendar 2019 payroll expenses. When she first contacted People's Bank they were not doing it themselves – they farmed it out to a company called Kabbage. She uploaded all the documents and within 48 hours received an email. Two things had happened by then - they capped all loans at $2.5 million and they wanted another document that she didn’t have. As she was trying to put that document together the money was gone. Then, several days later, there was more money. At that point Peoples Bank decided to do it themselves and had no cap - 100% of the loan can be forgiven. You are required to spend at least 75% on personnel costs (ex. gross salary, insurance expenses, retirement) and the other 25% you are allowed to use for those same costs or for other operating costs. If they’re not part of the original set of requirements, then that part would turn into a loan. It would be a 2 year loan with 1% interest. We are also allowed to include mortgage interest, rent, utilities. She predicts that with the new guidance that we’re allowed to use accruals we’ll be able to have it all forgiven. She will work with our auditors to see if we can do anything to recognize the revenue over multiple years, but she doesn’t know if it’s possible. If it’s not, then we will likely go over the cumulative surplus. She added that anything not spent by June 29th has to be returned.

Barbara clarified we’ve already received the money and that it’s from May 5th to June 29th. Bill added that this is not part of the CARES Act. This is aimed towards small business and small nonprofits. We will not receive any CARES funds directly. Barbara also clarified that because the $5.825M is on the books as a loan, if it’s forgiven it has to be an adjusted journal entry as revenue. So that would put us at a surplus. For her it was all about cash flow. Summer is not the best time for us in regards to revenue. Things start up in September but don’t get up and running really until October.

Dan asked if there is anything we can do to be proactive to protect the money. Barbara responded that she will talk to our auditors and investigate what we can do to protect the money. She doesn’t know if we have time to start a capital plan, which is one option. The worst case is we exceed the surplus and districts get a credit.

Barbara answered that this loan came from the federal government and is managed through the Small Business Administration. Bill added that it buys us time to look at new programs/services and how we might be able to serve our districts better. This will help us with the short and the long game.

It was noted that now, at this time, we have no need for layoffs on July 1st.

Mike Knapp added that what schools look like and what children need come the Fall will probably look different and we may need to use employees differently. Bill added that we hope to have a better sense of that in July. Barbara added that 85% of our budget is supported by grants and contracts. A very small portion is those not covered by grants and some are covered by both tuition and grants. It’s really going to come down to if we get the grant. If we don’t get the grant we’ll have to look to see if there is another area of work for that person.
Gene asked what happens if we get a grant and can’t spend it how we wanted to at first. Barbara said it depends on the funder. DESE has allowed us to pivot during the pandemic. The same is true for the federal grants. We had one grant (United Way) where they paused their monthly contributions and stopped for April, May and June. She hopes they will be able to pick payments back up in July. Ordinarily if we can’t provide the deliverables we won’t get paid. We’ve been lucky that we’ve been able to negotiate with funders to tweak the deliverables.

Dan added that Barbara, he and Bill have discussed this, that there are a lot of variables, including looking at the solvency of the agency, making sure student needs are served, and how to best utilize resources including human resources. Nothing is taken for granted or business as usual. There is a lot of latitude they need to have in order to maintain the solvency of the agency. Anything of a bigger impact or substantial the Board will be informed, but they have a lot of latitude of what’s necessary.

Mike Knapp moved that the Board approve the acquisition of a Payroll Protection Plan loan in the amount of $5,825,000 at a rate of 1% for two years, of which up to 100% may be forgiven based on the allowable expenditures during the 8 week period of May 5, 2020 to June 29, 2020. Jonathan Schmidt seconded the motion. None opposed and the motion passed.

Update on Evaluation of Treasurer and Director of Finance & Operations

Bill said that two of the responsibilities of the Board are to contribute to the evaluation of the Director of Finance & Operations and that they do an evaluation of the treasurer. Last year we brought a questionnaire to the June Board meeting. This year we can send something out ahead of time. For Barbara’s evaluation, it helps inform his evaluation of her. For the treasurer, Barbara created and completed a review sheet and presented the sheet to the Board. We will do this in June.

Executive Director Evaluation Committee presents findings and recommendations (vote required)

Dan noted that this was a complicated year. He believes we received 13 responses from Board members. He believes it was low for a number of reasons, including vacancies, the fact that everyone’s lives are in turmoil, and technology is difficult. It’s also been a difficult year in terms of measuring things we normally do, such as goals, since goals were obviously interrupted with the pandemic. There really wasn’t anything in there for how Bill led the agency in a pandemic, in a situation we haven’t seen before. That is difficult to evaluate. That said, we had the information from the Board members, the 360 evaluation (which were responses from CES staff), and a superintendent survey. All of that is looked at in a Board subcommittee and then presented.

Sarah shared her screen to show the Board the summative evaluation. Dan informed them that they will get a copy of this, the comments, and all of the evaluations to look over after the Board meeting. The next piece is discussion. He noted that the evaluation is a very important tool to recognize Bill for accomplishments, for performance, and is also a tool to recognize areas of strengths and perhaps areas that need improvement.

Dan added that he always says you shouldn’t wait until the end of year if you have issues or praise. It should be an ongoing thing. He invited anyone and everyone to say what they’d like to say.

Mike Knapp said it’s nice to see the consistency of all of the evaluations cited in the summative and that the Board has a strong appreciation for what Bill’s doing and feels he’s doing an excellent job.
Dan added that as chair, he works pretty closely with Bill, on the committees, at events, etc. Bill makes sure he is transparent and that information flows to the Board. He thinks he’s done a terrific job. He tried to be very careful in reflecting the thoughts of the Board in the summative evaluation. He could really praise Bill a lot more. Bill works hard, he cares about the students, the employees and does everything in his power. He’s working with a great team, with staff and teachers. He knows how much he appreciates all of them.

Suzanne Crawford echoes the same compliments – Bill really exemplifies what it means to care deeply about every child, staff person, and school district. She loves how he incorporates time in every meeting for them to share thoughts with each other. She also appreciates the free PD for paras during the school closure. She also gave a shout out to the committee for compiling all of this since this is a busy time for people.

Gene Stamell echoes these same things. From his limited time on the Board he can’t imagine a more competent educational leader.

Michael Merrit added that he’s continually amazed by the scope of the Collaborative. To oversee all of that is a tremendous undertaking. It’s hard for him to envision Massachusetts without their collaborative so he thanks Bill for being at the helm.

Mike Knapp moved that the Board approve the FY20 summative evaluation for Bill Diehl. Gene Stamell seconded the motion. None opposed and the motion passed.

Dan appreciates the recognition and also wants to say that he works with collaboratives across the Commonwealth and this is the best Board in the commonwealth due to the dedication and the fact that we almost always have a quorum. He added that you’re very supportive and active in the districts and our superintendents are the same way. Everyone cooperates and communicates and works together. We have an amazing collaboration on all levels and that will really help us get through this pandemic.

Dan added that we are not only the best Board for collaboratives in Massachusetts, but also the country. Having been at conferences, when he speaks with other members about 36 members making decisions, they think it’s amazing we can do anything. He feels fortunate. Structurally having school committee members being on the Board is phenomenal. They are local, focused on students, and part of the community.

Bill added that he would also like to compliment Dan and Mike for their work on the Board.

Executive Director’s Report, focusing on response to the pandemic

A copy of the Executive Director’s report was included in the Board packet.

Bill mentioned that he wanted to focus on the response to the pandemic for his report this month. Everyone has put in a lot of time in figuring out how to support staff and students. We’ve been conducting education for all young people remotely, including those incarcerated, those in mental health facilities, and special education students. There are a lot of challenges involved in this and we’ve been very creative. We were on a sprint initially and then transitioned into a long distance run, which is where we’re at now. The question is how do we keep the momentum going, particularly when we don’t know where the finish line is. One way is through important avenues of communication. Below are some examples of this:
- We’ve had monthly meetings of superintendents. They’ve always been good meetings, but since the schools were closed they’ve been meeting once to twice a week. The Easthampton superintendent facilitates it. They discuss all sorts of things, such as parent surveys, so they don’t reinvent the wheel and so they can use each other’s good ideas. One example was turning to collaboratives to do cooperative purchasing for PPE. We have to get on this quickly. We figure there is a 60 day turnaround for when we order and get it. The commissioner said we should have 3 months worth of supplies. We’re reaching out to business managers as we speak.
- They also convened a meeting with superintendents and Westen Mass delegation. Bill then talked about this meeting and what they discussed.
- Using Zoom has opened up the meetings with the principals and has increased attendance to these weekly meetings. They are very similar to the superintendent meetings. We have done the same things for other directors, such curriculum directors, tech directos SPED directors, etc.
- We have also done a lot of PLC meetings (Professional Learning Communities) on Zoom and have been getting good attendance on those.
- We have continued our online learning. The free paraprofessional learning was very well attended and we received a lot of positive responses from this.
- We have a Pandemic Emergency Response Planning team. It’s very active and helpful in making the transition into remote education and remote working. It’s now working on gradually returning to the building. We will follow guidance and take a cautious approach. We will also encourage staff to continue working from home if it works for them. In regards to programs, it’s information we don’t know. We don’t have the summer program guidance yet and we don’t want to get ahead of that. The commissioner also said there will be guidance on opening for the fall in June.
- We also have two other groups going. One of them is the Operational Continuity team and working in terms of how we meet some of the upcoming challenges. There is also a group looking at future plans and looking at what are the opportunities are coming, what are the challenges, and what would we do differently.
- We’ve also stepped up our internal communications. He has been doing video chats, HR is doing weekly emails, Dan did a video, and the pandemic response team is working on a video. We are careful not to present things we don’t know.
- Our tech department has done a lot of work in supporting our staff working remotely.
- We are doing remote weekly meeting of ETL’s. Laurel Peltier set this up and Russel Johnston supports this. The meetings are to talk about sticky problems, such as how to do IEPS remotely.
- We received permission to do the SEI work remotely.

A couple of things not in the report he wanted to mention are:
- Our Healthy Families & Communities group had funding from Blue Cross Blue Shield to do mobile markets. They did this last year as well. The idea is to bring fresh produce at affordable places nearer to them. With the pandemic the problem is how to do this in a safe way. They are working on this and have come up with some ideas.
- We did a couple of webinars aimed at parents, such as asking questions of mental health experts how to help care for their kids.
- Karen Reuter has been working on determining SPED needs.
We’re very happy with how we’ve been able to pivot and been able to continue to support our districts.

Karen added that following his lead and being responsible and being good listeners for our member districts is key. We’ve been trying hard to answer their questions and help meet their needs.

Suzanne asked how DYS, SEIS, and OTC and similar programs do remote learning. Bill talked to DYS and SEIS, such as dropping off packets, using online systems, etc. Karen spoke to OTC. Some services are direct to students and some are consulting with providers. What’s key is parent participation, being agile, and being responsive.

**New Business & Topics of Board Interest**

The Board discussed the loss of learning and reduced reading skills, lack of adequate resources, including internet access in rural areas, all of which is especially affecting lower income and ESL students.

The Board then discussed graduation ceremonies, how their school committees have managed this, and liability around holding ceremonies and when.

Barbara mentioned that a superintendent asked in the Finance Committee meeting if they can prepay for services so Barbara wanted to let them know you can prepay and count it as an expenditure in FY20.

**2020-2021 Board Meeting Schedule**

A copy of the 2020-2021 Board Meeting Schedule was included in the Board packet.

Bill explained we usually do the last Wednesday of the month except for in November due to the Thanksgiving holiday. We do this partly because some school committees have meetings on the fourth wednesday.

**Adjournment (vote required)**

Dan adjourned the meeting at 8:45 PM.