Consent Agenda # 31A

CITY COUNCIL
CITY OF CAMBRIDGE

June 19, 1995

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1994

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1994-95 the following sum is hereby appropriated in the School Debt Stabilization Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARY $ WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School					$367,116

BE IT FURTHER ORDERED: That the above appropriation in the School Debt Stabilization Fund to be financed by estimated revenues drawn from the following sources:

FINANCING PLAN	REVENUE
Medicaid Reimbursement	$367,116

In City Council June 19, 1995
Adopted by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1.
Attest:- D. Margaret Drury, City Clerk

A true copy; D. Margaret Drury

ATTEST:-
D. Margaret Drury, City Clerk

Consent Agenda # 31B

CITY COUNCIL
CITY OF CAMBRIDGE

June 19, 1995

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1994

ORDERED: That in addition to sums previously appropriated by the City Council for the fiscal period 1994-95 the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARY $ WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
Education	School		$64,785			$64,785

BE IT FURTHER ORDERED: That the above appropriation in the General Fund to be financed by estimated revenues drawn from the following sources:

FINANCING PLAN	REVENUE
Medicaid Reimbursement	$64,785

In City Council June 19, 1995
Adopted by a yea and nay vote:-
Yeas 8; Nays 0; Absent 1.
Attest:- D. Margaret Drury, City Clerk

A true copy; D. Margaret Drury

ATTEST:-
D. Margaret Drury, City Clerk

MEMORANDUM

TO: *Robert W. Healy, City Manager* DATE: *6/12/95*

FROM: *James McConry*, Executive Director for Management Services

SUBJECT: *Medicaid Reimbursement Revenue:*

Please be advised that the City has received the final FY95 Medicaid Reimbursement payment in the amount of $431,901. This payment was anticipated and was part of the expenditure plan approved by the School Committee but could not be appropriated by the City Council since the revenue had not yet been received by the City. The adopted plan is attached for your review (see Section B).

Therefore, I am requesting that this revenue be recommended for appropriation to the City Council before June 30, 1995. The specific allocation is as follows;

1.	School Debt Service Stabilization Fund	$367,116
2.	School General Fund Budget - This amount represents the contractor fee of 15% to be encumbered by 6/30/95.	64,785
	Total	$431,901

If you have any questions, please do not hesitate to call me.

Thank you for your cooperation in this matter.

JMC/tg

CAMBRIDGE SCHOOL DEPARTMENT

159 THORNDIKE STREET
CAMBRIDGE, MASSACHUSETTS 02141

April 11, 1995

TO THE HONORABLE MEMBERS OF THE SCHOOL COMMITTEE:

Recommended Budget Allocations for One-Time Retroactive Medicaid Reimbursement Revenues Received in FY 1994-95 and Not Yet Appropriated

Recommendation: That the School Committee approve the attached plan for allocation of One-Time Retroactive Medicaid Reimbursement revenues received in fiscal year 1994-95, which have not yet been appropriated for expenditure; and further, that the City Manager be requested to submit an appropriation request to the City Council for the following amounts based on such plan;

A. *Medicaid Reimbursement Revenues Received in City Treasury as of 4/1/95 - Total Amount - $618,099*;

1. Appropriate $287,715 to the FY 1994-95 General Fund Budget, Statutory Category 500/600 , Supplies, Services and Materials, for special education medical services, special education tuitions, and contractor fees for medicaid billing processing, in accordance with Attachment A, Section A.1.

2. Appropriate $330,384 to the FY 1994-95 Capital Projects Budget (Fund 395), Statutory Category 900, Equipment and Capital Projects, for one-time school furniture and equipment purchases, science lab renovations, technology infrastructure, and other capital facilities projects, in accordance with Attachment A, Section A.2.

B. *Medicaid Reimbursement Revenues Projected to be Received by June 30, 1995 - Estimated Amount - $375,000-400,000:*

1. Appropriate the full amount when received, less the 15 % contractor billing processing fee, to the School Debt Service Stabilization Fund, to partially offset projected future revenue shortfalls in the funding for school construction and renovation projects, in accordance with Attachment A, Section B.1.

Description:

During the FY1994-95 Budget process, the School Committee considered options for use of potential revenues from retroactive medicaid reimbursenebts, based on a new state-initiated program to partially reimburse local communities for amounts expended from local budgets for medical expenses related to medicaid-eligible special education students. Because of the newness of the program and uncertainty over revenue estimates, the Committee prudently allocated only $95,000 from this source, for the CDC contract services indicated in attachment A.

The Committee also authorized a contract with Public Consulting Group Inc. for medicaid data collection, processing, and billing services, with fees to be paid based on revenues received. For the first year of processing, the fee rate is 15%, based on substantial data-gathering and start-up costs, and is 10% thereafter. The fee amount for revenues received to-date is $92,715.

The 1994-95 special education accounts for outside tuition costs are projected to be overexpended by approximately $250,000-300,000. This is due to substantial unexpected increases in the number of tuitioned-out students. This account has experienced a smaller level of increase over the past several years. We are projecting that we can cover approximately $150,000-200,000 of this cost increase from savings generated in other School Department operating budget accounts in FY95.

The one-time capital requests for school furniture and equipment, science lab renovations, technology infrastructure, and other facilities projects were extracted primarily from budget requests received from school and program administrators in the FY 1995-96 budget process. As described in Attachment A, these are not operating budget items and are appropriate items to be funded from the one-time medicaid retroactive reimbursements.

The School Debt Service Stabilization Fund was established by the School Committee, City Manager, and City Council in 1993-94. It's purpose is to help stabilize the impact of fluctuating debt service costs for long-term school capital projects, reduce the impact of school projects on the property tax levy, and provide a stable future funding source for essential school facilities capital projects, including major renovations such as the Fitzgerald and Morse school projects. The new Agassiz and Haggerty schools are included in this funding plan, which includes 90% state reimbursement from SBAB.

<u>It should be noted that Medicaid Revenues for FY 1995-96 are already included in the General Fund Budget funding plan, and are therefore not available for one-time expenditures such as the above</u>.

Respectfully Submitted,

Mary Lou McGrath

Mary Lou McGrath,
Superintendent of Schools

Attachments

Attachment A: FY 1994-95 Medicaid Revenues - Proposed Budget Allocations

Section A - $618,099 in Revenues Received as of 4/1/95

These revenues represent reimbursements for medical services provided for medicaid-eligible special education students retroactive to FY93. The payments from the state have already been deposited with the City Treasury. The proposed allocations are as follows;

1. 1994-95 Expense Items:	Amount
a. Special Education medical/psychological evaluation services provided under contract by the Children's Developmental Clinic at Cambridge Hospital (adopted in FY 1994-95 Budget, page II-5, item 8, attached).	$ 95,000
b. Medicaid processing fees, as per contract	92,715
c. Special Education tuitioned-out student costs	100,000
Sub-total:	$287,715

2. One-time Capital Items (FY 1995-96 Requests):	
a. Matching funds for library book purchases, in accordance with DeWitt-Wallace/Readers'Digest grant program.	$ 45,000
b. Elementary Science Lab renovations, in accordance with phase two of elementary science curriculum implementation plan, for science labs at Longfellow and Peabody schools. (Kennedy, Harrington, Fletcher, King done in 1994-95 in phase one of plan).	55,000
c. Secondary Science Lab renovations, as phase one of secondary science curriculum implementation plan, for science labs at CRLS.	80,000
d. Fletcher School furniture - first year of a three-year plan to update classroom furniture for students and teachers. When the Fletcher was renovated in the early 1980's, there was very little money for furniture and equipment and little was replaced.	15,000
e. Technology Plan - allocation of $33,500 for software service and hardware for initial installation and implementation of Internet access service that will be available to all schools through telephone service connections, pending installation of the Citywide fiberoptic wide area network (WAN). (See Curriculum Implementation Plans.)	33,500

f. Technology Plan - allocation of $45,000 to fund initial phase of local area network (LAN) installation at Tobin School (see Curriculum Implementation Plan).	45,000
g. Facilities Planning - allocation of $25,000 to fund facilities planning consultant in accordance with School Committee Order C95-093.	25,000
h. Facilities projects - allocate remaining balance to one-time facilities projects to supplement summer maintenance projects budget which has historically been funded at 25% of request levels.	31,884
Sub-total:	$330,384
Total Section A:	$618,099

Section B - Estimated $375,000 - 400,000 in Additional One-Time Revenues to be Received by June 30, 1995.

These revenues have not yet been received but have been filed for and are subject to verification and adjustment by the state processing agency. The amount is therefore an estimate.

1. School Debt Service Stabilization Fund - allocate full amount received to Debt Service Stabilization Fund, less contractor fee of 15%, to partially offset projected revenue shortfall in FY 1996-97 (see FY 1995-96 Proposed Budget, page I-9, Table 3b).	$375,000-400,000

- End -

Secondary Sub - Total ($ 230,750)

ITEM	PROGRAM / DESCRIPTION	POSITIONS	AMOUNT
6.	**Program 274 - RSTA Carpentry:** Reduce 1.0 Teacher position (vacancy).	(1.0) Tchr. benefits	($38,350) ($8,650) ($47,000)
	RSTA Sub - Total		**($47,000)**
7.	**Program 330 - Special Education Learning Disabilities:** Reduce 1.33 FTE Learning Disabilities teacher positions by assigning corresponding caseload of approximately 35 students to Early Childhood Specialists at the primary grade level.	(1.33) Tchrs. Benefits	($49,875) ($11,505) ($61,380)
8.	**Program 355 - Special Education Central Medical Services:** Eliminate general fund support for services provided to the Bureau of Pupil Services by the Childrens Development Clinic at the Cambridge Hospital. Use Medicaid reimbursements to purchase the services instead. Agreement to appropriate Medicaid reimbursements to the School Department in FY'95 must be approved by the City Manager.	Services	($95,000)
9.	**Program 325 - Special Education Emotionally Disturbed:** Reduce 1.0 Primary Support Teacher position at the Fletcher School from the Welcome/Monitor Grant and move a general fund position to this grant.	(1.0) Tchr. benefits	($37,500) ($8,650) ($46,150)
10.	**Program 345 - Special Education Substantially Delayed:** Reduce 1.0 teacher position and 1.0 aide-6 hr. position at the secondary level due to low enrollment. Reassign Teacher and aide to other vacant positions based on service needs.	(1.0) Tchr. (1.0) Aide - 6 benefits	($37,500) ($14,185) ($17,300) ($68,985)
11.	**Program 372 - Special Education Tuitions:** Reduce increase for day and residential tuitions based upon revised current year expenditure levels.	Tuitions	($100,000)
	Special Education Sub - Total		**($371,515)**
12.	**Program 132 - Bilingual Education:** Reduce 1.0 ESL teacher at the Morse School. Services to be provided by two 15 hour/week tutors which will be funded by the FY'95 Emergency Immigrant Grant.	(1.0) Tchr. benefits	($37,500) ($8,650) ($46,150)
	Bilingual Education Sub - Total		**($46,150)**

The method for managing fluctuations in debt service is to establish a Debt Service Stabilization Fund. Such a fund will allow state reimbursements (School Building Assistance) and local appropriations to be transferred in and out in order to match the timing of bond issues and avoid large fluctuations that will draw resources away from the operating budget. It will also provide a stable stream of revenues for new planned projects, contingent upon state reimbursement approvals.

The following chart provides an estimate of 10-year revenues, expenditures, and Debt Stabilization Fund impact. Current projects are those identified in FY'96 on the preceding page. Projects in the planning process include;

- Renovation/addition projects at the Fitzgerald and Morse, estimated at $13.5 million and $9.6 million, respectively, may be eligible for state reimbursement at 90%.

Table 3b
Future Debt Service Costs & Revenue Sources
(in $ Millions)

Description		Budget FY'94	FY'95	FY'96	FY'97	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03	FY'04
1. Revenues												
- SBAB Reimb (Old)	$	1.73	1.35	.34	.35	.14	.08	0	0	0	0	0
- SBAB Hagg/Agassiz		.88	2.19	2.20	2.19	2.19	2.19	2.19	2.19	2.19	2.19	1.32
- Local Tax Levy		1.23	1.26	1.30	1.34	1.38	1.42	1.46	1.51	1.55	1.60	1.64
Total	$	3.84	4.80	3.84	3.88	3.71	3.69	3.65	3.70	3.74	3.79	2.96
2. Expenditures												
- Pre-1995 Debt	$	3.31	2.04	1.95	1.85	1.28	0	0	0	0	0	0
- Haggerty Proj. $9.1M			1.12	1.10	1.07	1.04	1.01	1.27	1.23	1.19	1.14	1.10
- Agassiz Proj. $12.1 M			.34	1.75	1.69	1.63	1.57	1.50	1.66	1.59	1.52	1.44
- Agassiz Proj. $.64 M				.10	.10	.09	.09	.09	.08	.08	.08	.07
- Ag, Hagg, Morse $2.4 M		—	—	.38	.37	.36	.34	.33	.32	.30	.28	.24
Total	$	3.31	3.50	5.28	5.08	4.40	3.01	3.19	3.29	3.16	3.02	2.85
3. Difference Between Revenues & Expenditures	$	.53	1.30	(1.44)	(1.20)	(.69)	.68	.46	.41	.58	.77	.11
4. Impact of Debt Stabilization Fund												
- Beginning Balance	$	0	.53	1.83	.39	0	0	.68	1.14	1.55	2.13	2.90
- Transfer In		.53	1.30	-	-	-	.68	.46	.41	.58	.77	.11
- Transfer Out		—	—	(1.44)	(.39)	-	-	-	-	-	-	-
- Amount Available	$	.53	1.83	.39	0	0	.68	1.14	1.55	2.13	2.90	3.01
5. Increase in Property Tax Required	$	0	0	0	.81	.69	0	0	0	0	0	0

ATTACHMENT D

C95- 093

CHAIRMAN
MAYOR KENNETH E. REEVES

VICE CHAIRMAN
DAVID P. MAHER

SCHOOL COMMITTEE
456 BROADWAY
CAMBRIDGE, MASSACHUSETTS 02138

OFFICE OF THE SECRETARY
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MEMBERS
HENRIETTA DAVIS
ALFRED B. FANTINI
JOSEPH G. GRASSI
ROBIN A. HARRIS
E. DENISE SIMMONS

---IN SCHOOL COMMITTEE---

March 7, 1995

ORDERED:

That the following item be removed from the Calendar and adopted as amended: #12, that the School Committee initiate a process to hire a facilities space planner to work with the School Committee, administrators, and schools around the issues concerning space both for the short term and long term. The individual will report directly to the School Committee and the Superintendent and will address both short and long term planning issues. Further, that Mayor Reeves work with the School Committee and city agencies to develop a community facilities plan with the Department of Human Service Programs, the City Manager, the Community Development Department and the School Department.

A true copy:
Attest: Claire E. Rodley
Claire E. Rodley
Secretary of the School Committee

cc School Committee Members
Superintendent
City Manager
Executive Director of Management Services

CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139
TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 19, 1995

To the Honorable, the City Council:

Attached please find a request for two appropriations related to the School Department. The first would appropriate $367,116 to the School Debt Stabilization Fund. Funds will partially offset projected future shortfalls in the funding for school construction and renovation projects.

The second request would appropriate $64,785 to the School Department General Fund Other Ordinary Maintenance Account which represents the contract fee of 15%.

This appropriation along with the May 15, 1995 appropriation total $1,050,000 in medicaid reimbursements. The School Committee approved the request for this appropriation at the time of this budget process.

Very truly yours,

Robert W. Healy
City Manager

Consent Agenda # 31 F-140

31A. Appropriation of $367,116 to the School Dept.

31B. Appropriation of $64,785 to the School Dept.

In City Council,

June 19, 1995

31A. Order Adopted

31B. Order Adopted