

FinCom notes March 2021

The March tuition check came in at \$259,979, reflecting 208 students. At press time our FY21 population is 213.

The DESE updated FY21 tuition:

Projected FY21 at 9/14/20 - \$3,386,711 (based on 222 students)
FY21 at 12/18/20 - \$3,186,245 (based on 208)
FY21 at 3/23/21 - \$3,183,944 (based on 208)

The difference of \$2,301 is negligible, so at this point we're in good shape.

There have been no updates from DESE on FY22 projections...Katherine projects 230 students for FY22 (at 4/9/21).

MCEF: Susan can update on the recent MCEF activities and development efforts.

FY22 updates after February finance discussion (below).

February 2021 notes

Revenue

We are awaiting details on a second round of ESSR grant funding in the amount of \$85,841, \$10,000 of which is earmarked for mental health services. The first round of this funding amounted to \$20K. **Update: We will be moving this grant into FY22**

As previously discussed I have been making journal entries to expense grants, thus reducing some budgeted expenses, especially in personnel. This process will continue as we are reimbursed thru the state grant system.

4080 - Reimbursements

You may recall we suffered water damage as a result of the new HVAC unit installation. I worked with our insurer (Hanover) and submitted a claim. The adjustor came back with damages totaling \$3,803.45, minus the deductible of \$2,500, netting a payment of \$1,303.45. We rec'd a separate check for \$607.72 for contents coverage.
Total = \$1,911.17.

To date we have spent \$1,521.81 on repairs. I have attached a copy of my discussion with Hanover regarding the deductible.

This revenue line includes an additional payment not related the insurance claim.

Expenses

5067 – Stipends: another round of Teaching Force stipends. These will be rolled into salaries as appropriate in FY22.

5170 – Substitute: reduction due to grant journal entry

5355 – Communications: the first appearance of the new phone bill (prorated for a month plus here). The regular monthly bill is \$1,109.78 of which \$146.68 is state and federal fees - which we can't avoid - that's almost 14% of the bill.

5330 – Custodial: we have replaced our janitorial service for the remainder of the school year. There will be a slight uptick in this expense for the final quarter. I will eventually pay the former service their final invoice.

The FY22 budget – much of this is a repeat from February

Work continues on the FY22 budget...a draft is included for discussion.

On 3 Feb the DESE published the first estimate of FY22 tuition. It has us listed for \$3,709,805 based on 230 students. Avg = \$16,129.59. While these numbers aren't worth the paper they are written on, the recent federal Covid bill should go a long way to limiting the financial impact of the pandemic. We are also waiting to see what grants come out of this legislation.

Peter can walk us through his vision for Personnel.

I will get our health insurance renewal the first week of April so I'm using the maximum expected increase of 8% in the budget. While Delta dental has not increased for 3 years but I'm projecting a 3% increase in the line item. These figures are also driven by actual enrollment. **Update: at 4/7/21 I was told by the rep that we'd have the Tufts number "early next week" (w/o 4/12). There will be no increase in the delta rates.**

Projecting an increase in utilities to account for the HVAC system running 24/7, new phone system

We expect to bring on a second shift, part time custodian and eliminate the Custodial Service line item.

We reduced the Marketing line item in anticipation of hiring a PT person

There is a new line for the replacement of the Admin HAVC unit

There is a new line item for Professional Services related to the renovation of the facility

Additional notes at the bottom of the worksheet

Good Morning John,

Now that you have resolved the above claim, I would like to check on the subrogation process against the HVAC contractor. Would you please let me know who at Hanover will be handling this.

Thank you,

Deanna M. Bullock, AIC, CSRM
Commercial Claims Manager
FRED C. CHURCH, INC.

The note from our subro department which is in the visible file notes,

“Insured sent an email to John expressing he wanted to be made whole with deductible. He submitted estimate of loss even lower than \$5K. I did forward to John Cronin advising with this amount, we cannot prove an HVAC defect without an expert being retained and it is not cost effective to do so. I also advised John that I closed subro.”

Feel free to reach out with any questions,

John Cronin
Field Adjuster Property Claims
The Hanover Insurance Group

OK, thanks.

So if our claim was larger in value, it'd be worth Hanover spending more to get 100% of the money from the contractor, but since it's a small claim I get to eat the deductible even though I'm the injured party?

Jeffrey Barry

Jeff,

Unfortunately your policy carries a deductible, and that must be applied to any claim you file under that policy.

Had you gone through the contractor's liability insurance, you would not have had a deductible, but a lot of times 3rd party claims are paid at ACV instead of RCV – so you'd be short in that regard as well.

If The Hanover (or any other carrier) spent money chasing subrogation on claims that are not cost effective, everyone's premiums would be higher than they already are to make up for those costs.

Thank you, I hope this helps.

John Cronin
Field Adjuster Property Claims