



DATE: September 24, 2020

TO: Transportation Authority of Marin Board of Commissioners

FROM: Anne Richman, Executive Director *Anne Richman*
Dan Cherrier, Principal Project Delivery Manager
James O'Brien, TAM Crossing Guard Coordinator

SUBJECT: Update on COVID-19 Impacts on Crossing Guard Program (Discussion), Agenda Item No. 9

RECOMMENDATION:

Discussion Item, review and consider the impacts of COVID-19 on the TAM Crossing Guard Program revenues, school operations and the administration of the contract with All City Management Services (ACMS), the company that provides the guard services. The Funding, Programs and Legislation Executive Committee reviewed and discussed this item and provided feedback at its September 14, 2020 meeting.

BACKGROUND:

The Crossing Guard Program provides trained crossing guards for critical intersections throughout Marin County. The 2020-21 school year is the fifteenth year during which crossing guards have been provided by the Crossing Guard Program. As stipulated in both the original (Measure A) and the renewed (Measure AA) ½-Cent Transportation Sales Tax Expenditure Plans, the Program provides trained crossing guards under contract with a professional company that specializes in crossing guard programs. Funding for the Crossing Guard Program received a significant boost by the passage of Measure AA in the November 2018 election.

Under contract with TAM, ACMS currently provides 99 guards funded by a mix of Measure A (through the release of reserves), Measure AA, and Measure B (Vehicle Registration Fee) funding. Additional guards are provided through the TAM contract with ACMS at the request of school districts or local agencies. The costs for the additional guards are reimbursed by the school districts or local agencies requesting the guard. The guard locations are determined by a technical “certification” process undertaken by TAM staff every four years. The last certification was completed in 2018, and the next one will be completed next year and will go into effect for the 2022-23 school year.

The impacts of COVID-19 on the Crossing Guard Program are three-fold. First, the pandemic has had an adverse impact on Measure AA revenues, and correspondingly the portion of Measure AA revenues available for the Crossing Guard Program as prescribed in the Measure AA Expenditure Plan. Second, the pandemic has also so far, significantly reduced the expenditures of the Crossing Guard Program due to the

closure of all schools’ physical sites. Third, the school operations have a direct effect on the annual cost of the Crossing Guard Programs since the number of hours paid for the crossing guards is tied to the bell schedules of the schools. Since the plans for reinstating in-person education during the current school year are still up in the air for most school districts throughout Marin County, the Crossing Guard Program cost for the current year could be greater or less than budgeted. Note, with the recent change to Tier 2 status, schools could start opening for limited in-person classes in early October.

In June 2020, the TAM Board approved assumptions about the impact of COVID-19 on Measure AA revenues for planning and forecasting purposes, and to serve as the basis for the Strategic Plan Update. The revenue scenario adopted by the TAM Board reflected a decline in revenues during FY 2019/20 followed by four years of negative growth.

The downturn has a significant effect on the long-term financial model for the Crossing Guard Program. The interruption to school operations has resulted in costs savings that offset the reduction in revenues for the near-term while schools are not open for in-person operations, but when in-person school operations resume, the cost savings will end.

DISCUSSION/ANALYSIS:

Revenues: The table below shows a 5-year comparison of the sales tax revenue forecast for the Crossing Guard Program adopted in June 2020 with last year’s Strategic Plan revenue forecast (adopted in June 2019). The cumulative reduction in revenues for the Crossing Guard Program at the end of the 5-year period is more than \$1.6 million.

Crossing Guard Program Revenues (Measure AA)					
	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Adopted June 2020	\$1,329,201	\$1,246,907	\$1,207,818	\$1,170,909	\$1,215,537
Adopted June 2019	\$1,459,139	\$1,503,534	\$1,549,039	\$1,595,682	\$1,752,389
Difference (2020 less 2019)	(\$129,938)	(\$256,627)	(\$341,221)	(\$424,773)	(\$536,852)

Measure B revenues are expected to remain fairly stable.

Cost Analysis: When schools shut down in-person classes in March 2020 due to the pandemic, the Crossing Guard Program realized a significant savings since guards were not needed for the last few months of the 2019/20 school year or for the summer term. The savings have continued this school year due to the delay to in-person operations, and it remains unclear when in-person operations will resume. There are also uncertainties about how in-person operations will be conducted, and whether they will vary from district to district, or school to school. A number of possible scenarios for reopening are being considered by schools and districts such as staggered start times, combinations of in-person and distance learning, and other approaches to comply with statewide requirements, all of which have various impacts on the cost of the Crossing Guard Program.

A range of scenarios for the return to in-person operations for the current school year have been analyzed by staff. Under all of the scenarios analyzed, under its current parameters the Program could maintain the current number of guards for the 2020/21 school year, but reductions could be needed for the next school year depending on what happens this year with school operations. The scenarios are further described below.

TAM Crossing Guard Program Operation Scenarios <i>Summary of Financial Implications for Current School Year</i>				
Scenarios	Number of Guard Days for 2020/21 Regular School Year	Number of Guard Hours Paid per Day This Yr./ Next Yr.	Ending Balance 2020/21 (\$)	Ending Balance 2021/22 (\$)
Baseline (Regular Full Year with 99 Guards)	180	4/4	456,498	(327,539)
Scenario 1 (Shortened Year with 99 Guards)	150	4/4	774,882	(9,155)
Scenario 2 (Shortened Year with 99 Guards and increased hours)	150	6/4	(21,078)	(805,115)
Scenario 3 (Shortened Year with 99 Guards)	120	4/4	1,093,266	309,229
Scenario 4 (Shortened Year with 99 Guards and increased hours)	120	6/4	456,498	(327,539)
Scenario 5 (Shortened Year with 99 Guards)	90	4/4	1,411,650	627,613
Scenario 6 (Shortened Year with 99 Guards and increased hours)	90	6/4	934,074	150,037

The current financial model for the Crossing Guard Program, with the revenue assumptions adopted in June 2020 incorporated, shows that if in-person operations were to resume soon with similar bell schedules as during pre-pandemic conditions, the Program would remain solvent through the 2021/22 school year without having to adjust the number of guards funded by the Program until the 2022/23 school year. At that time, however, program adjustments would be needed under the current revenue forecast.

If in-person operations are resumed soon, with bell schedules that require the crossing guards to work longer hours such as staggered start times, the current financial model shows that one of two measures, or a combination of the two, would have to be taken to keep the Program solvent through next school year: 1) a reduction in the number of guards for the 2021/22 school year; and/or 2) programming additional funds for the Crossing Guard Program during the 2021/22 school year (from a source yet to be determined).

The highest cost scenario analyzed is 99 guards for in-person operations for 150 days this school year with staggered start times that require TAM to pay for 6 hours of guard time per day (compared to the pre-pandemic 4 hours per day). Sufficient revenues would be expected to support the program for the current school year. However, this scenario would require an additional \$800,000 for the 2021/22 school year to maintain 99 guards. If these conditions exist for more than 150 school days this year (not likely since the earliest schools will open is September 29 after the recent change to Tier 2 status), the deficit will grow by approximately \$16,000 per school day.

Regardless of the reopening approach for this year, and assuming a return to pre-pandemic operations for the 2021/22 regular school year, the current financial model for the Crossing Guard Program shows that a significant reduction in the number of guards funded will be required at the beginning of the 2022/23 regular school year based on the long-term revenue forecast adopted in June 2020.

Reopening Readiness: TAM staff is working with MCOE to understand reopening plans, and with ACMS to get ready to deploy the same number of guards at the same locations as approved for the 2019/20 school year as schools reopen for in-person operations. Holding the number of guards at last year's level is consistent with the historical approach of maintaining the number of guards between recertification cycles. Reductions to the number of guards for the current school year due to COVID-19, if necessary, would be covered by the "changed conditions" policy adopted by the Board. Changes to the number of guards for next school year would be addressed in the Spring when the Board adopts the Crossing Guard Program for the next school year.

FISCAL CONSIDERATION:

Sufficient funds exist to maintain the Crossing Guard Program for the current school year. A budget amendment may be necessary if additional funds are required to meet the needs of the Program this year due to operational changes at school sites.

NEXT STEPS:

Monitor the reopening of the schools served by the Crossing Guard Program and deploy the guards at the same 99 locations as last year as schools reopen for in-person education. Update the Crossing Guard Program financial model with actual cost information once the guards are deployed and explore potential cost saving options as well. Staff will return to the Board with updates.

ATTACHMENTS:

Crossing Guard Program Update on COVID-19 Impacts Presentation



Marin County Crossing Guard Program Update on COVID-19 Impacts

TAM Board of Commissioners
September 24, 2020

Presentation Overview

- Program Summary
- COVID-19 Impacts
- Short-term Financial Impacts
- Long-term Financial Impacts



Program Summary

- Crossing Guard Program is part of the Measures A/AA Expenditure Plans, additional funding by Measure B
- Initial program (54 guards) in 2006/2007 School Year
- Measures A, AA, B currently fund 99 guards
- Program allows for additional guards on a cost-share or reimbursement basis
- Locations determined by Certification process
- Current provider is All City Management Services (ACMS)

COVID-19 Impacts

Three-Fold Impacts

- Decrease in Measure AA Revenues
- Short-term Cost Savings due to School Closures
- Changes to In-Person School Operations



Measure AA Revenues

- Revenue expectations reduced per Strategic Plan Update for FY20/21 and subsequent years due to COVID-19 economic impacts.
- ~\$1.6 M reduction over five years

Crossing Guard Program Revenues (Measure AA)					
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Short-term Financial Impacts

- Savings from 2019/20 Regular School Year and 2020 Summer Session
- Continued Savings from Closures during Current School Year
- Range of Scenarios for Reopening Schools during Current School Year. Cost determinants include:
 - Number of School Days (180 for Regular School Year)
 - Number of Schools that Reopen for In-Person Education
 - School operating times, i.e. Potential for Longer Guard Shifts to Cover Staggered Bell Times

Scenario Analysis

- Staff analyzed a variety of scenarios for school reopening to assess current and future program impacts
- All scenarios are based on current revenue estimate and current contract terms
- In all scenarios analyzed, program was sustainable for current school year
- Several scenarios result in program shortfalls next year – would need to reduce number of guards and/or secure additional funding for next year, or look at additional cost reductions

Financial Implications for Current School Year Scenarios

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Long-Term Financial Impacts

- Potential significant reduction in the number of guards funded for 2022-23 Regular School (next recertification cycle)
- Traditionally the number of guards has been adjusted in conjunction with the four-year recertification cycle based on the number of guards that can be maintained without a Program deficit throughout the 4-year horizon

Next Steps

- Continue to prepare for school reopening, working with MCOE and ACMS
- Monitor revenues and cost impacts over the Fall, make budget adjustments if needed
- Review additional revenue options or cost reduction measures to maintain the number of guards at current level until the traditional Program recertification to become effective August 2022
- Decisions may be needed in Spring regarding next school year

Questions?



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