

PSB FY24 Budget Report - July 8, 2024

Since our last report on June 3, the Finance Team has ended the year, reducing encumbrances, finalizing payments, and cleaning up needed transfers among funding sources. Despite diligent efforts, some late-arriving unprojected expenses pushed the final deficit higher than we had hoped. Therefore, the general fund budget shortfall is **\$493,953**, which represents 0.38% of the total budget of \$130,702,376. Here is a recap of the PSB General Fund areas of concern as the year ended:

	FY24 Budget	Projected Exp April	Projected Exp May	June 30 Exp	Current Budget Variance
Contracted Services					
Legal	225,000	450,000	418,337	381,377	156,377
Professional Services*	2,490,747	3,000,533	2,966,235	3,063,366	572,619
Transportation (OSS)**	2,920,691	4,560,544	4,244,833	4,503,396	1,582,705
Tuition***	4,906,248	4,965,689	4,986,318	4,618,587	(287,661)
Claims/Settlements	250,000	738,811	647,427	646,936	396,936
Paraprofessional Salary****	10,899,089	12,160,358	12,192,885	12,268,606	1,369,517
ESY & HS Summer Programs	18,500	140,211	225,211	225,211	206,711
Net reduction in projections related to above areas of concern from April to June				308,667	

*Professional services expenses from OSS were greater than previously projected.

**Fluctuations in ridership, delayed invoicing, and insufficient coverage from our primary transportation vendor made expenses particularly volatile. See discussion on next page for more on this topic.

***By vote of the School Committee, the Circuit Breaker budget was increased by the available fund amount of \$318,636 in early June, and additional OSS tuition expenses were transferred from the general fund.

****This budget area shows the need for position control, now in place for the FY25 budget.

To complete the year, the School Committee will need to request a Reserve Fund Transfer from the Advisory Committee. A sample motion follows:

Moved, that the School Committee requests a Reserve Fund Transfer in the amount of \$493,953 for the School Department's FY24 General Fund.

NOTE: Once the Town closes the year, and final invoices are received for open POs, the deficit may be reduced further, which would return some of these funds to the Town.

IMPACT OF FY24 PROJECTED DEFICIT ON FY25 BUDGET PLANNING

During the FY25 budget development process, it became apparent that the FY24 budget for transportation, tuition, and settlements in the Office of Student Services was insufficient to

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cover the costs and commitments for the year. Based on information available in January, the FY25 budget was increased in these areas based on the projections provided by the Office of Student Services. In addition, as a cost containment measure, student services transportation services were bid this winter; the Deputy Superintendent for Student Services believes that these increases are sufficient.

	FY24 Overage 6.30.24	FY25 Increase
Transportation	\$1,582,705	\$863,174
Tuition	(287,661)	697,311
Claims/Settlements	<u>396,936</u>	<u>236,080</u>
	\$1,691,980	\$1,796,485

The Finance team will continue to analyze data from FY24 and its impact on the FY25 financial plan and will be able to provide a more detailed analysis after the Town completes the year-end closeout process.