

FY 20 Revenue Budget Update/Status (\$35,628)

The School Department Budget experienced three major changes to its projected revenue this year. Two positive and one negative, netting a \$35,635 revenue shortfall.

1. Be it confirmed, November 2019 Special Town Meeting will appropriate an additional \$30,895 in Chapter 70 funds to the School Committee FY 20 budget.
2. The estimated Circuit Breaker funds received in July for FY 19 special education claims increased \$141,000 and will be available to support Special Education Tuitions and Consulting services. It will allow a transfer of a portion of the Special Education Reserve fund special education transportation and the projected grant salary deficits.
3. Materials Fee Tuitions do not produce the historically projected amount in this line item. It only generates approximately \$510,000 each year for 180 students. The original projection was \$717,523. The difference were one time fund deposits of non-recurring rebates, refunds, or other receipts that either should have been designated as a grant, separate revolving fund, credit to expense, or a general fund receipt.

FY 20 Known Deficit Issues (\$1,430,240, Projected)

Personnel: (\$2,226,687)

Due to the building closure as a result of the COVID-19 pandemic, the School Department personnel expenses have shifted. The School Committee agreed to continue payment of all personnel during the closure. Additional actions were also taken during the month that have budgetary impact. The analysis of the personnel budget includes estimates as to the financial impact of the following.

- Suspension of BEEP Tuition and retaining employees providing services
- Suspension of renting School Facilities and continuing payment of custodians in Rental of Facility Account
- Additional Expenses due to school building closure (Custodians/Food Service)
- State and Federal Grant Personnel lines in deficit by \$115k need amendments filed moving expense dollars to payroll accounts
- Reports of Unknown/Anticipated Hours and additional pay not submitted prior to March 13 closure.
- Vacation Buy Back Estimate of \$300k

Substitute Cost Update: Typically, the substitute overage should be covered by the unexpended balance in UNIT A lines as the primary use of this account is substitute teachers. However, there are two other costs that are affecting the ability to forecast substitutes. The first is the PARA classroom coverage of \$31 per day above their regular hourly pay. Often times it is helpful and appropriate to have PARAs perform the duties of a substitute IF a daily sub is not hired to backfill the PARA duties. One financial burden to this coverage is that a para will be paid \$15.50 (1/2 day) to cover anywhere from 20 minutes to half a school day when a teacher is at a meeting or otherwise out of the classroom for a short period of time.

What has been surprising is the Long Term Substitutes and Daily Substitutes over the last five years have outpaced the cost savings of teachers on leaves. The school building closure has resulted in a projected cost avoidance of over \$660,000.

	FY20 Through 4/30/20	FY19	FY 18	FY17	FY 16
Original Budget	\$917,895	\$ 899,897	\$1,007,576	\$ 910,135	\$ 816,520
Expenditure History	\$819,731	\$1,408,858	\$1,966,935	\$1,701,319	\$1,246,513
Ending Balance	\$ 98,164	\$ (508,961)	\$ (959,359)	\$ (791,184)	\$ (429,993)

Expenses

On April 8, 2020 the FY 20 budget was frozen. All FY 20 vacancies were reviewed and accounts locked. At this time, Senior Leadership are reviewing all requests for expenditure and providing determination as to it being essential. Currently, the analysis includes the following as part of the freezing of all expense accounts.

- All Open Purchase Orders are being evaluated for their potential to be liquidated returning funds to the bottom line
- Reserve funds for Simmons College Unpaid Bill \$51,250 - Town Meeting must authorize to pay this invoice to Simmons College through Warrant Article 5.
- Holding in reserve \$200,000 in Special Education Reserve for year-end services and supports
- Holding \$500,000 in abeyance for \$250,000 of unapproved requisitions and \$250,000 in unknown invoices for goods and services without Purchase Orders.
- Additional Expenses due to school building closure (Instructional Materials and Cleaning Supplies)

Revolving Funds Deficits: (\$1,100,000)

The School Committee voted to suspend collection of BEEP tuition and Lease amounts for Rental of Facilities. The impact of this decision is approximately \$1,000,000. Due to refund of spring fees, Athletics is also anticipating a deficit.

Continuing Ongoing Budget Monitoring:

In order to prevent, curtail, or be forewarned about the scope and magnitude of any future deficit the following will be in place for fiscal year close

1. Senior Leadership are reviewing all requests for expenditure and providing determination as to it being essential.
2. All Operating Budget and State Grants will close for ALL spending, excluding regular compensation on May 1.
3. Federal Grants and Revolving Funds will close for ALL spending, excluding regular compensation on June 1.
4. All professional development workshops that will be conducted after May 1 will be encumbered against the workshop payroll account until such time as the sign in sheets are

received by June 30 and paid through payroll.

5. Ongoing work to identify all additional compensation will continue. Each will be reviewed to confirm funding, ideally, prior to work being completed. If funding is not available, and it is a reoccurring expenditure, funding will be identified and added to the FY 20 budget.
6. Additional process, procedures, systems will be reviewed during the summer and training developed and delivered to administrative assistants and budget managers throughout the school year.

DRAFT

	Description	March 12 - April 6	Additional Days through June 30	Approved Reserve Fund Transfer	Estimated Costs	Notes
Additional Expenses due to school building closure						
	Custodians double time charged to COVID-19;				\$75,600	TBD FEMA
	Food Service Partial COVID 19 Partical Operating Deficit				\$54,000	TBD FEMA
	Instructional Materials Reallocating Expenses for software and training that is now needed due to closure				75,000	
	Operations Supplies and Materials.					
	Estimated Products on hand consumed by accelerated cleaning, disinfecting and hand washing =	\$35,000	\$105,000	-\$35,000	\$105,000	TBD FEMA
	Estimated School Requisitions and Quotes over last 3 weeks, some quotes still in transit =	\$14,000	\$42,000	-\$14,000	\$42,000	TBD FEMA
					\$351,600	
Impact on Suspension of Revolving Fund Revenue						
	Revolving Funds Deficits (Athletics)				\$50,000	
	Revolving Funds Deficits (BEEP)				\$970,993	
	Revolving Funds Deficits (Rental of Facilities)				\$90,000	
					\$1,110,993	
Total Estimated Unexpected Expenditures				-\$49,000	\$1,462,593	