



FY21 Budget Recommendation for Annual Town Meeting Approval

Ms. Sandra Fryc, Chairperson, School Committee

Dr. Joseph M. Sawyer, Superintendent

Mr. Patrick C. Collins, Asst. Superintendent for Finance and Operations

23 July 2020

Topics

- Brief update on school reopening planning
- Estimating the current budget gap
- Ongoing labor negotiations for cost mitigation
- Sequence of meaningful events/information
- Taking a pathway of balanced risk is in our best interest now
- Downside of balanced risk approach

Brief update on school reopening planning

- In accordance with the Massachusetts Dept. of Elementary and Secondary Education [MA DESE] guidance, we have been developing plans for three models of education
 - Remote learning
 - Hybrid/alternating schedule approach [some in-person days/some remote days in order to have fewer students on-site at one time]
 - Full in-person education
- The School Committee will make a decision on August 5th about the initial model[s] for reopening the 2020-2021 school year
- This is a complicated, multi-faceted, and ever-changing situation



Key Messages


- 1) The health & well-being of students, families, & staff is priority #1.
- 2) Our focus for the coming year is to develop a safe school environment for our students and staff that prioritizes everyone's well-being and enables high levels of learning for all.
- 3) We are planning based on guidance from the MA Department of Elementary & Secondary Education while closely monitoring the latest information from medical experts and the evolving data regarding the pandemic both in Massachusetts and in Shrewsbury.



School Department Budget

- The School Committee voted on July 22 to recommend a School Department appropriation that is the same as the Town Manager's recommendation of \$67,080,000
- This represents a \$777,959 increase over Fiscal Year 2020, or 1.17%
- This recommendation is made *with the understanding that the school district will still need to close a \$2 million gap over the course of the fiscal year through a combination of cost mitigation measures and additional revenue* in order to maintain staff and educational programming

Estimating the current budget gap

	FY21 Budget Status: 7.22.2020
School Budget Status [7.15.2020]	\$ 67,499,696
Town Mgr. Revised Recom. [7.20.2020]	\$ 67,080,000
<i>Net Budget Gap</i>	\$ (419,696)
<i>Estimated Covid-related Revenue Losses</i> <i>[These Losses Cannot Be Covered by Federal Stimulus]</i>	
SPED Circuit Breaker Decrease	\$ (465,000)
Bus Revenue Decrease [100% loss]	\$ (750,000)
Student Activity /Athletics [25% reduction]	\$ (114,250)
Full Day Kindergarten and Preschool [25% reduction]	\$ (233,750)
Gate Receipts [50% reduction]	\$ (20,000)
<i>Total Projected Revenue Losses</i>	\$ (1,583,000)
 Total Gap- Assume No Additional State Aid	\$ (2,002,696)

Multiple estimating models have been devised over time and this one represents our cost and revenue projections based upon the information we have [*and do not have*] at this time relative to school re-opening plans for the 2020-2021 school year.

Ongoing labor negotiations for cost mitigation

- We are still engaged in a dialogue with several labor unions, with the goal of seeking some compensation adjustments from existing labor contracts that would decrease our costs for FY21 and **preserve jobs in order to maintain educational programming and avoid further compromising learning and teaching conditions**
- **Without mitigation of costs** to significantly reduce the estimated \$2M budget gap, **the district will need to make significant further cuts to staffing** (we have already cut 29.6 full-time equivalent (FTE) positions for next year prior to getting to this point)
- For illustrative purposes: To close the gap by \$2M would require the equivalent of cutting about 30 teachers or about 78 paraprofessionals

Sequence of meaningful events/information

Event/Action	Date/Timeframe	Notes
Annual Town Meeting	August 8th	All FY21 school and municipal budgets subject to approval
FY21 State Budget Approval	Late August - September?	We will learn with certainty our town and school state aid funding, which could impact our financial status positively or negatively
Special Town Meeting	October - or later, after state budget approved	React to state aid funding with potential for additional appropriations or budget reductions
Possible additional federal stimulus funding	??	Could help with ongoing CV-19 related costs

Taking a pathway of balanced risk is in our best interest

- Timing is a key rationale
- Our estimated gap is now at \$2M
- Making significant reductions in the face of reopening schools during a pandemic is counterproductive, especially if additional funding is a possibility in the coming weeks/months
- This strategy avoids all of the problems regarding educational program quality and stability that come with an “accordion action,” i.e., cut staff and programs and then restore staff and programs

Downside of balanced risk approach

- If no additional funding comes forward beyond what is projected, then we will need to reassess our cost structure in light of whatever reopening plan we undertake and the state of CV-19 virus's impact on our educational enterprise and all related services
- A lack of additional resources could cause mid-year budget reductions



School Department Budget

- The School Committee voted on July 22 to recommend a School Department appropriation that is the same as the Town Manager's recommendation of \$67,080,000
- This represents a \$777,959 increase over Fiscal Year 2020, or 1.17%
- This recommendation is made *with the understanding that the school district will still need to close a \$2 million gap over the course of the fiscal year through a combination of cost mitigation measures and additional revenue in order to maintain staff and educational programming*