



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

19 October 2020

To: School Committee

Subj: FY2021 BUDGET STATUS UPDATE

Attached you will find a FY21 Budget Status Update. It is a recap of our \$67,995,283 district appropriated budget as approved by Town Meeting. You will recall that this plan provided for a modest 2.55% increase over FY20.

For context it is important to note that reported expenditures and encumbrances are as of 10/9/2020 which is 27% of the way through our fiscal year and 12% of the school year completed.

General

The complexity of reopening the District under Covid-conditions, coupled with regulatory requirements to provide students the option for remote learning, has required significant additional staff and material resources.

While the federal government has provided \$1.39M in grant funding for Covid fiscal relief, it is insufficient to support our operations through June 30, 2021, assuming we remain in current model of providing both an in-person hybrid education (~70% students) and a complete remote learning modality (~30% students).

As a result, *using a host of assumptions to include the continuation of our current operating model through the entirety of the school year*, it is estimated we would have an operating deficit of \$527K.

The three methods to respond to the estimated deficit are; 1) reduce operating expenses, 2) seek an additional local appropriation of funding, 3) receive another round of federal stimulus funds, or a combination of the three.

State Budget Status

As you know, the FY21 state budget has still not been finalized. State Representative Hannah Kane's recent communication indicated the State Legislature would take up the budget process post November 3rd election. Thus, we are at least one to two months away from knowing with certainty what our Special Education Circuit Breaker Reimbursement funding will be. For FY21 I had projected a decrease of 15% but the Governor's latest FY21 budget filing calls for a 5% decrease. So, if that level were to stick, and depending on costs across the state submitted from all other Districts, we may have some positive news that could amount to \$200,000-\$300,000 more than projected.

Covid-19 Grant: Fiscal Update

With this report I have included detailed information regarding our Coronavirus Relief Grant. As a reminder, all Massachusetts received this federal fiscal relief administered through the Massachusetts Department of Elementary and Secondary Education [MA DESE]. Each district received \$225 per student and Shrewsbury Public Schools received a total of \$1,390,050 which must be fully expended by December 30, 2020.

Because the grant is time-limited we have focused the majority of expenses towards one-time expenses yet staff costs will persist beyond December 30th. It is clear we will fully expend this grant by the deadline.

Based upon our reopening plan and experience to date, I have projected Covid-related costs for the time period of January 1st to June 30th which amount to an estimated \$615K of unbudgeted costs which are detailed in the attached report.

Operating Budget Commentary

Clearly, this year's opening was unique starting with a 10-day delay for students for the regular school year and a much shorter in-person Summer Special Education Program. Most of our typical afterschool activities have been put on hiatus and the high school athletic program is operating under a modified schedule of offerings and conditions. All of these differences collectively result in some budget savings.

Further, there has been enormous personnel turnover and activity resulting in many vacancies for paraprofessional and support positions. Although we have made and will continue to make best efforts to fill positions, vacancies also results in budget savings as you will see in the A3, A4, A5, and A6 categories of personnel expenses as detailed in the attached report.

Also of significance is the overage in the A2 teacher salaries category which reflects the additional positions and full-year long-term substitutes for staff on leave.

We are running close to budget for Out of District Special Educations [Category C1] and the year-end projection includes an estimated cost of \$250K for additional placements between now and year end.

With respect to Vocational and Recovery High School Tuitions [Category C2], we have 113 students total for a net decrease of four students enrolled at Assabet Valley Regional Technical High School than the 117 budgeted.

At this point, it is projected the remainder of cost categories for supplies and services will run close to budget.

Summary Comments

Our ongoing and future costs are a direct result of our operating modalities which are a consequence of Covid-19 conditions. We all know that the virus has potential to spike in the coming winter months which could cause the District to shift to an all remote mode for a variable or unknown period time. If this occurs we will experience budget savings in many areas and also new costs in others.

Never before has our operating budget been at such risk for volatility and uncertainty.

We will continue to monitor and manage expenses but it is also imperative to communicate our status to the Town Manager, Board of Selectmen and Finance Committee to apprise them of our situation and eliminate "surprises".

We know that we cannot end the year in deficit. Thus, if costs trend as projected now, then we'll need a fiscal remedy plan to resolve the projected deficit. I believe the next big "markers" are finalization of the state budget and any change in our learning modality as both events could have significant impact on our finances.

SHREWSBURY PUBLIC SCHOOLS
FY20 BUDGET STATUS REPORT
as of 19 October 2020

School Committee Recap Sheet	Description	FY21 Budget	YTD Actual	Encumbrance	Remaining Balance	Year End Projection	Dollar Variance	Percent Variance	Notes
A1	Administrative Central Office, Principals & Unit B	\$ 3,255,790	\$ 1,011,471	\$ 2,222,273	\$ 22,046	\$ 3,255,790	\$ -	0.0%	On budget
A2	Unit A (Teachers & Nurses)	\$ 41,746,908	\$ 6,283,043	\$ 34,726,876	\$ 736,989	\$ 42,664,764	\$ (917,856)	-2.2%	Over budget due to add'l staff needs from Covid
A3	Aides/ABA/Paraprofessionals	\$ 7,306,915	\$ 895,878	\$ -	\$ 6,411,037	\$ 7,007,465	\$ 299,450	4.1%	Under due to ongoing vacancies
A4	Secretaries, Technology & Other Non-Represented	\$ 2,292,688	\$ 480,985	\$ 1,618,828	\$ 192,875	\$ 2,239,493	\$ 53,195	2.3%	Under due to vacancy time of personnel transitions
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 900,900	\$ 41,424	\$ 8,560	\$ 850,916	\$ 677,000	\$ 223,900	24.9%	Running under on daily substitutes
A6	Other Wages (See Note 1)	\$ 822,450	\$ 506,553	\$ -	\$ 315,897	\$ 736,953	\$ 85,497	10.4%	Some vacancies and under budget for Summer SPED
A7	Employee Benefits	\$ 396,750	\$ 49,253	\$ -	\$ 347,497	\$ 389,963	\$ 6,787	1.7%	Project under for 403B and insurance osts
B1	Regular Education & Voke Transportation	\$ 2,996,624	\$ 197,702	\$ 2,678,506	\$ 120,416	\$ 2,947,208	\$ 49,416	1.6%	Project under for Athletics, Vocational, Summer SPED
B2	Special Education Transportation	\$ 1,291,750	\$ 65,266	\$ 817,336	\$ 409,148	\$ 1,112,602	\$ 179,148	13.9%	Decreased expense for Summer SPED and monitors
C1	Special Education Tuitions (See Note 2)	\$ 1,721,469	\$ 802,723	\$ 899,996	\$ 18,750	\$ 1,702,719	\$ 18,750	1.1%	Assumes \$4.2M use in Circuit Breaker funding
C2	Vocational & Recovery H.S. Out of District Tuitions	\$ 2,039,117	\$ -	\$ 1,987,988	\$ 51,129	\$ 1,987,988	\$ 51,129	2.5%	4 fewer students enrolled at Assabet than budgeted
D1	Administrative Contracted Services	\$ 599,028	\$ 223,086	\$ 261,234	\$ 114,708	\$ 625,520	\$ (26,492)	-4.4%	Unanticipated legal expenses
D2	Educational Contracted Services	\$ 646,910	\$ 31,591	\$ 227,937	\$ 387,382	\$ 627,067	\$ 19,843	3.1%	Running close to budget
D3	Textbooks/Curriculum Materials	\$ 176,104	\$ 45,715	\$ 17,136	\$ 113,253	\$ 176,104	\$ -	0.0%	Project full use at this early point in fiscal year
D4	Professional Development	\$ 160,885	\$ 36,539	\$ 7,644	\$ 116,702	\$ 160,885	\$ -	0.0%	Project full use at this early point in fiscal year
D5	Educational Supplies & Materials	\$ 263,689	\$ 21,735	\$ 67,848	\$ 174,106	\$ 263,689	\$ -	0.0%	Project full use at this early point in fiscal year
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 705,966	\$ 225,266	\$ 129,244	\$ 351,456	\$ 705,966	\$ -	0.0%	Project full use at this early point in fiscal year
D7	Equipment	\$ 593,340	\$ 398,701	\$ 40,038	\$ 154,601	\$ 593,340	\$ -	0.0%	Project full use at this early point in fiscal year
D8	Utilities - Telephone Exp.	\$ 78,000	\$ -	\$ 18,000	\$ 60,000	\$ 33,000	\$ 45,000	57.7%	Decreased capital cost due to new system
	Total:	67,995,283	11,316,931	45,729,444	10,948,908	67,907,516	87,767	0.1%	
	Percentages		16.6%	67.3%	16.1%	99.9%			

Covid-related expenses projected Jan. 1 to June 30th	\$ (615,110)	See Covid Grant Details
Net Projected Year End Financial Status	\$ (527,343)	

Note 1 Other Wages includes clubs/activities stipends, custodian & police details, extra duty & mentoring stipends, Summer Special Education salaries, and crossing guards.

Note 2 SPED Tuition is net \$4.2M use of Special Education Circuit Breaker Reimbursement funding.

SHREWSBURY PUBLIC SCHOOLS

Coronavirus Grant

Expires 12/30/2020

Additional Staffing						
	Expended	Encumbered	YTD Total 10.15.20	Projected Future Needs to 12/30/2020	Projected Total Cost to 12/30/2020	Projected 12/30/20- 6/30/2021
Covid Operations Coord. & Specialists	\$ 72,925	\$ 156,821	\$ 229,746	\$ -	\$ 229,746	\$ 307,610
Re-Opening Subcommittee Work	\$ 123,871	\$ 3,500	\$ 127,371	\$ -	\$ 127,371	\$ -
Teachers for Remote Learning*	\$ -	\$ -	\$ -	\$ 242,082	\$ 242,082	na
Nursing Services	\$ 23,648	\$ 44,500	\$ 68,148	\$ 7,500	\$ 75,648	\$ 115,000
IT Support Staff	\$ 29,340	\$ 37,970	\$ 67,310	\$ -	\$ 67,310	\$ 81,000
SPED Testing/Compensatory Services	\$ 15,063	\$ -	\$ 15,063	\$ 15,000	\$ 30,063	\$ 50,000
YTD Totals	\$ 264,847	\$ 242,791	\$ 507,638	\$ 264,582	\$ 772,220	\$ 553,610

Material Resources and Services						
	Expended	Encumbered	YTD Total 10.15.2020	Projected Future Needs to 12/30/2020	Projected Total Cost to 12/30/2020	Projected 12/30/20- 6/30/2021
Personal Protective Equipment	\$ 138,304	\$ 21,724	\$ 160,027	\$ 75,000	\$ 235,027	\$ 25,000
Remote Learning Software & Services	\$ 25,988	\$ 91,186	\$ 117,174	\$ 12,000	\$ 129,174	\$ -
Educational Supplies	\$ 33,922	\$ 40,534	\$ 74,456	\$ 10,000	\$ 84,456	\$ 10,000
Technology	\$ 45,594	\$ 9,714	\$ 55,308	\$ 5,000	\$ 60,308	\$ 5,000
Miscellaneous/Tent Rentals	\$ 4,017	\$ 34,007	\$ 38,024	\$ 2,500	\$ 40,524	\$ 2,500
Logistics [Moving/Storage]	\$ 13,942	\$ 10,954	\$ 24,896	\$ 500	\$ 25,396	\$ 15,000
Facility-related	\$ 26,798	\$ 6,676	\$ 33,474	\$ 2,500	\$ 35,974	\$ 2,500
Services	\$ 1,470	\$ 4,000	\$ 5,470	\$ 1,500	\$ 6,970	\$ 1,500
YTD Totals	\$ 290,035	\$ 218,795	\$ 508,830	\$ 109,000	\$ 617,830	\$ 61,500

Total Actual/Planned Expenditures	\$ 1,390,050	\$ 615,110
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*Additional teachers for remote learning are being expensed to the General Fund appropriation now but a journal entry to move this expense will be done on 12/30/2020 to fully expend the full \$1.39M grant and as much of the salaries from these teachers will be expensed as remains in the grant.