



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

24 March 2023

To: School Committee

Subj: FY2023 BUDGET STATUS UPDATE

Overview

Attached you will find the FY23 Budget Status Update. It is a recap of our \$79,318,971 district appropriated budget as approved by Town Meeting. You will recall that this plan provided for an 4.75% increase over FY22 in connection with the Override Agreement between the Board of Selectmen and School Committee. While the agreement indicates a School Department increase cap of 4.25%, it also allows for additional funding up to an additional .5% provided the revenue forecast from the Town Manager supports it.

The enclosed report retains the reporting format started in FY16 which expands the reportable categories from 11 to 19 while remaining a high-level, one-page summary. For context it is important to note that reported expenditures and encumbrances are as of 3/15/2023 which is approximately 70% of the way through our fiscal year, and 64% into the school year based on the number of school days.

This forecast is projecting a very modest availability of \$264,793 as we approach the close of the fiscal year. These funds could be leveraged for one-time expenses and we need to make decisions in April in order to have time for procurement processes and to ensure a smooth close of the fiscal year.

In this way, we will fully expend our FY23 General Fund [Town Meeting] Appropriation by June 30th.

Covid Funding

As you know, the District, like all other school districts, received significant federal and state Covid Relief Funding via grants. In the table below is the summary status of the Elementary and Secondary School Emergency Relief funds, or so-called "ESSER grants", which is one-time federal funding received by all school districts across the nation depending on student population and socio-economics.

The remainder of ESSER-2 funds are committed for renewal of the Renaissance learning software subscription [a two-year subscription], lease payments on rented warehouse space in Worcester, and contract cleaning services through the end of school year.

As you recently reviewed, ESSER-3 funds will continue to be used in fiscal year 2024 [23-24 school year] to support programs directed towards the remedy of learning loss from Covid-19 per the grant amendment plan you voted on January 18, 2023.

	Amount	Expended + Encumbered	Percent Expended & Encumbered as of 3.21.23	Deadline for Use of Funds
EESER-1	\$ 162,060	\$ 162,060	100%	9/30/22
ESSER-2	\$ 557,280	\$ 557,280	100%	9/30/23
ESSER-3	\$ 1,229,980	\$ 614,158	50%	9/30/24
Totals	\$ 1,949,320	\$ 1,333,498	68%	

General Fund [Town Meeting] Appropriated Budget

Detailed on the following page is more information on the various categories of our budget.

Despite various categorical variances, we are running very close to our overall budget plan with 58% of our funds expended, 38% encumbered, and 4% remaining.

Category	Description	Projected Variance Percent	Notes: Includes some major examples of reason for over/under budget variances
A1	Administrative Central Office, Principals, & Unit B	.1% over	Slightly over estimated budget for individual contract market adjustments and the Unit B contract.
A2	Unit A [Teachers & Nurses]	.2% over	Required 1.9 FTE unbudgeted positions for class size and mandated programming.
A3	Aides/ABA/Paraprofessionals	.9% under	Costs for additional move-in students requiring paraprofessional support offset by savings in ongoing vacancies and staff turnover.
A4	Secretaries, Technology & Other Non-Represented	1.3% over	Running slightly over budget as some salary shifted from grant funded source.
A5	Substitutes: Daily, Long-term, and Nurses	90.4% over	A combination of contributing factors leading to this projected overage. See information provided under separate cover.
A6	Other Wages	1.6% over	Greater staffing costs for summer special education program based on student enrollment needs.
A7	Employee Benefits	9.6% under	Fewer retirees requiring Sick Leave payouts. Running under budget on tuition reimbursement.
B1	Regular Education & Voke Transportation	7.4% under	Operating under budget for homeless and regular day transportation thus far.
B2	Special Education Transportation	4.2% under	Running under budget for bus monitors and summer program busing.
C1	Special Education Tuitions	14.2% under	Year end forecast assumes \$100,000 in new placement costs between now and end of year.
C2	Vocational & Recovery High School Tuitions	26.2% under	Budgeted for a total of 77 students incl. 8 freshmen. Oct. 1 st enrollment was 63 students incl. 2 freshmen.

Category	Description	Projected Variance Percent	Notes: Includes some major examples of reason for over/under budget variances
D1	Administrative Contract Services	34.3% Over	Over budget on staff recruitment advertising, building security equipment repairs, and legal settlements.
D2	Educational Contract Services	23.2% Under	Under budget on special educ. contract services and contract nursing services.
All other D categories are expected to close out near their budgeted amounts due to the “discretionary” nature of the categories [equipment, supplies, conferences etc...]			

Circuit Breaker Fund

We began FY23 with a fund balance of \$3,142,421 on account and not committed for use in the FY23 budget. Also, in FY22 we deliberately ended the year with a strong balance so as to provide greater mid-year budget stability and resiliency in future fiscal year budget cycles to shield us should unexpected out of district placements occur, for example.

Many districts have taken the approach to retain up to one-year of Circuit Breaker funding on account [the MA DESE maximum allowed] so as to achieve the aforementioned financial goal and reduce budgetary risk and volatility.

As previously indicated as part of the FY24 budget development process, I expect we will end FY23 with \$3.4M which is this year’s maximum allowable amount.

Day-to-Day and Long Term Substitutes

The year-end projection is using current year trend data based on the first six and a half months of school.

There are a multitude of factors contributing to the higher-than-expected run rate for this cost category. The primary reason of course is staff absences and we have had a number of staff still impacted by Covid. Secondly, in order to thwart the lack of daily substitutes in our region we hired building-based substitutes by making a commitment to them for work every school day at a higher rate of pay (\$140 per day).

You have received detailed information on this topic under separate cover.

Closing Note

Per usual, I will continue to monitor all costs and update projections during the course of the year.

SHREWSBURY PUBLIC SCHOOLS
FY23 BUDGET STATUS- as of 3/15/2023

School Committee Recap Sheet	Description	FY23 Budget	YTD Actual	Encumbrance	Remaining Balance	Year End Projection	Dollar Variance	Percent Variance
A1	Administrative Central Office, Principals & Unit B	\$ 3,967,121	\$ 2,889,613	\$ 1,079,874	\$ (2,366)	\$ 3,969,487	\$ (2,366)	-0.1%
A2	Unit A (Teachers & Nurses)	\$ 48,679,635	\$ 27,915,318	\$ 20,636,785	\$ 127,532	\$ 48,770,134	\$ (90,499)	-0.2%
A3	Aides/ABA/Paraprofessionals	\$ 8,159,917	\$ 5,039,610	\$ 2,963,583	\$ 156,724	\$ 8,082,730	\$ 77,187	0.9%
A4	Secretaries, Technology & Other Non-Represented	\$ 3,037,213	\$ 1,945,943	\$ 1,021,931	\$ 69,339	\$ 3,076,374	\$ (39,161)	-1.3%
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 919,500	\$ 562,038	\$ -	\$ 357,462	\$ 1,751,000	\$ (831,500)	-90.4%
A6	Other Wages	\$ 1,039,296	\$ 760,033	\$ -	\$ 279,263	\$ 1,055,983	\$ (16,687)	-1.6%
A7	Employee Benefits	\$ 454,000	\$ 134,562	\$ -	\$ 319,438	\$ 410,403	\$ 43,597	9.6%
B1	Regular Education & Voke Transportation	\$ 3,100,904	\$ 2,092,123	\$ 769,066	\$ 239,715	\$ 2,871,208	\$ 229,696	7.4%
B2	Special Education Transportation	\$ 1,092,216	\$ 560,873	\$ 467,049	\$ 64,294	\$ 1,046,422	\$ 45,794	4.2%
C1	Net Special Education Tuitions	\$ 3,538,248	\$ 860,760	\$ 2,074,189	\$ 603,299	\$ 3,034,949	\$ 503,299	14.2%
C2	Vocational Tuitions	\$ 1,474,526	\$ 545,169	\$ 542,871	\$ 386,486	\$ 1,088,040	\$ 386,486	26.2%
D1	Administrative Contracted Services	\$ 643,707	\$ 616,644	\$ 220,610	\$ (193,547)	\$ 864,754	\$ (221,047)	-34.3%
D2	Educational Contracted Services	\$ 707,240	\$ 254,566	\$ 113,881	\$ 338,793	\$ 543,413	\$ 163,827	23.2%
D3	Textbooks/Curriculum Materials	\$ 279,995	\$ 186,969	\$ 16,382	\$ 76,644	\$ 279,995	\$ -	0.0%
D4	Professional Development	\$ 196,774	\$ 115,081	\$ 64,962	\$ 16,731	\$ 196,774	\$ -	0.0%
D5	Educational Supplies & Materials	\$ 433,265	\$ 273,526	\$ 36,610	\$ 123,129	\$ 433,265	\$ -	0.0%
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 853,509	\$ 706,472	\$ 62,800	\$ 84,237	\$ 853,509	\$ -	0.0%
D7	Equipment	\$ 694,405	\$ 344,265	\$ 150	\$ 349,990	\$ 694,405	\$ -	0.0%
D8	Utilities - Telephone Exp.	\$ 47,500	\$ 19,294	\$ 4,338	\$ 23,868	\$ 31,333	\$ 16,167	34.0%
Total Budget:		\$ 79,318,971	\$ 45,822,859	\$ 30,075,081	\$ 3,421,031	\$ 79,054,178	\$ 264,793	0.3%
Percentage of Budget			58%	38%	4%	99.7%		