



Shrewsbury Public Schools

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12 June 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 6/7/2023 which is approximately 94% of the way through our fiscal year, and 95% into the school year based on the number of school days.

We will fully expend our FY23 General Fund [Town Meeting] Appropriation by June 30th as projected in the attached summary.

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 lease payments on rented warehouse space in Worcester, and contract cleaning services through the end of school year.

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 6.7.23 | Deadline for Use of Funds | Grant Status |
|---------------|---------------------|-----------------------|--|---------------------------|--------------|
| EESER-1 | \$ 162,060 | \$ 162,060 | 100% | 9/30/22 | Closed |
| ESSER-2 | \$ 557,280 | \$ 557,280 | 100% | 9/30/23 | Open |
| ESSER-3 | \$ 1,229,980 | \$ 612,161 | 50% | 9/30/24 | Open |
| Totals | \$ 1,949,320 | \$ 1,331,501 | 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] | .4% over | Required 1.9 FTE unbudgeted positions for class size and mandated programming. |
| A3 | Aides/ABA/Paraprofessionals | 2.2% 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 | 3.2% over | Running slightly over budget as some salary shifted from grant funded source and temporary help needed for staff absence coverage. |
| A5 | Substitutes: Daily, Long-term, and Nurses | 38.4% over | A combination of contributing factors leading to this projected overage. See information provided under separate cover. Costs moderated starting in March. |
| A6 | Other Wages | 10.4% over | Greater staffing costs for summer special education program based on student enrollment needs and over budget on custodial costs for evening/weekend school events. |
| A7 | Employee Benefits | 8.5% under | Fewer retirees requiring Sick Leave payouts. Running under budget on tuition reimbursement. |
| B1 | Regular Education & Voke Transportation | 8.6% under | Operating under budget for homeless and regular day transportation thus far. |
| B2 | Special Education Transportation | .4% over | Running over budget for specialized transportation needs per IEP. |
| C1 | Special Education Tuitions | 16.8% under | Placement delays, changed placements, and move outs contribute to lesser costs than budgeted. |
| 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. |
| D3 | Textbooks/Curriculum Materials | 6.8% Over | Year end investment in elementary literacy materials. |
| D4 | Professional Development | 24.3 Over | Planned investments in consulting and coaching services for staff. |
| D5 | Educational Supplies & Materials | 90.7% Over | Year end investments in ESL materials, classroom projectors, SHS stage lighting/rigging/curtains. |
| D6 | Other Miscellaneous [i.e. Office Supp., Ref. Materials] | 42.4 Over | Year end investment in Beal School radio equipment, network security services, additional security cameras at several schools. |
| D7 | Equipment | 17.5% Under | Under budget on technology hardware with trade-in values. |
| D8 | Utilities-Telephone Exp. | 67.2% Over | One time expense for telephone system upgrade as part of overall town system. |

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. We deliberately ended the FY22 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 previously received detailed information on this topic under separate cover.

Recommendation

Finally, it is recommended, using the Motion below, that the committee vote to authorize budget transfers between accounts to bring each account to \$0 at year end.

Motion: *I move that the committee authorize the administration to make budget transfers from the original budget plan as necessary to eliminate deficits and surpluses with the intent of fully expending the total FY23 appropriation by June 30, 2023 and balancing all accounts.*

**SHREWSBURY PUBLIC SCHOOLS
FY23 BUDGET STATUS- as of 6/7/2023**

| 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 | \$ 3,858,015 | \$ 111,472 | \$ (2,366) | \$ 3,969,487 | \$ (2,366) | -0.1% |
| A2 | Unit A (Teachers & Nurses) | \$ 48,679,635 | \$ 39,366,590 | \$ 9,509,148 | \$ (196,103) | \$ 48,875,738 | \$ (196,103) | -0.4% |
| A3 | Aides/ABA/Paraprofessionals | \$ 8,159,917 | \$ 7,264,429 | \$ 664,045 | \$ 231,443 | \$ 7,977,709 | \$ 182,208 | 2.2% |
| A4 | Secretaries, Technology & Other Non-Represented | \$ 3,037,213 | \$ 2,732,868 | \$ 355,522 | \$ (51,177) | \$ 3,133,490 | \$ (96,277) | -3.2% |
| A5 | Substitutes - Daily, Long Term & Sub Nurses | \$ 919,500 | \$ 1,118,490 | \$ - | \$ (198,990) | \$ 1,272,291 | \$ (352,791) | -38.4% |
| A6 | Other Wages | \$ 1,039,296 | \$ 1,071,393 | \$ - | \$ (32,097) | \$ 1,147,442 | \$ (108,146) | -10.4% |
| A7 | Employee Benefits | \$ 454,000 | \$ 175,317 | \$ - | \$ 278,683 | \$ 415,317 | \$ 38,683 | 8.5% |
| B1 | Regular Education & Voke Transportation | \$ 3,100,904 | \$ 2,792,181 | \$ 30,867 | \$ 277,856 | \$ 2,835,221 | \$ 265,683 | 8.6% |
| B2 | Special Education Transportation | \$ 1,092,216 | \$ 1,084,718 | \$ 12,044 | \$ (4,546) | \$ 1,096,762 | \$ (4,546) | -0.4% |
| C1 | Net Special Education Tuitions | \$ 3,538,248 | \$ 2,354,969 | \$ 589,752 | \$ 593,527 | \$ 2,944,721 | \$ 593,527 | 16.8% |
| C2 | Vocational Tuitions | \$ 1,474,526 | \$ 1,088,040 | \$ - | \$ 386,486 | \$ 1,088,040 | \$ 386,486 | 26.2% |
| D1 | Administrative Contracted Services | \$ 643,707 | \$ 763,324 | \$ 119,600 | \$ (239,217) | \$ 882,924 | \$ (239,217) | -37.2% |
| D2 | Educational Contracted Services | \$ 707,240 | \$ 375,706 | \$ 66,077 | \$ 265,457 | \$ 441,783 | \$ 265,457 | 37.5% |
| D3 | Textbooks/Curriculum Materials | \$ 279,995 | \$ 225,323 | \$ 73,786 | \$ (19,114) | \$ 299,109 | \$ (19,114) | -6.8% |
| D4 | Professional Development | \$ 196,774 | \$ 227,589 | \$ 16,983 | \$ (47,798) | \$ 244,572 | \$ (47,798) | -24.3% |
| D5 | Educational Supplies & Materials | \$ 433,265 | \$ 692,358 | \$ 133,791 | \$ (392,884) | \$ 826,149 | \$ (392,884) | -90.7% |
| D6 | Other Miscellaneous (i.e. Off. Supp., Ref. Mat.) | \$ 853,509 | \$ 1,059,959 | \$ 155,672 | \$ (362,122) | \$ 1,215,631 | \$ (362,122) | -42.4% |
| D7 | Equipment | \$ 694,405 | \$ 253,224 | \$ 319,956 | \$ 121,225 | \$ 573,180 | \$ 121,225 | 17.5% |
| D8 | Utilities - Telephone Exp. | \$ 47,500 | \$ 74,938 | \$ 4,467 | \$ (31,905) | \$ 79,405 | \$ (31,905) | -67.2% |
| Total Budget: | | \$ 79,318,971 | \$ 66,579,431 | \$ 12,163,182 | \$ 576,358 | \$ 79,318,971 | \$ - | 0.0% |
| Percentage of Budget | | | 84% | 15% | 1% | 100.0% | | |