



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

17 November 2022

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 10/28/2022 which is approximately 40% of the way through our fiscal year and 24% into the school year-based on the number of school days.

We will fully expend our FY23 General Fund [Town Meeting] Appropriation 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 chart 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. ESSER-3 funds will continue to be used in fiscal year 2024 [23-24 school year] to support targeted programs directed towards the remedy of learning loss from Covid-19.

	Amount	Expended + Encumbered	Percent Expended & Encumbered as of 11.15.22	Deadline for Use
ESSER-1	\$ 162,060	\$ 162,060	100%	9/30/22
ESSER-2	\$ 557,280	\$ 358,645	64%	9/30/23
ESSER-3	\$ 1,229,980	\$ 546,794	44%	9/30/24
Totals	\$ 1,949,320	\$ 1,067,499	55%	

General Fund [Town Meeting] Appropriated Budget

Detailed on the following page is more information on categories A, B, C of our budget. Category D expenses are mostly “discretionary” and used for equipment, materials, and professional development. At this early part of the fiscal year, it is projected that those expenses overall will be on budget.

Overall, despite the projected overage for substitutes and long-term substitute staffing, I consider our appropriations budget “stable” and projected to be fully expended by year end.

Category	Description	Projected Variance Percent	Notes: Includes some major examples of reason for over/under budget variances
A1	Administrative Central Office, Principals, & Unit B	1.4% over	Slightly over estimated budget for individual contract market adjustments and the Unit B contract.
A2	Unit A [Teachers & Nurses]	.5% under	Hiring a couple unbudgeted positions offset by early resignations of three teaching staff
A3	Aides/ABA/Paraprofessionals	2.6% over	Additional move-in students requiring paraprofessional support. This projection assumes full staffing as of Jan. 2 through remainder of school year which is a conservative approach.
A4	Secretaries, Technology & Other Non-Represented	.6% under	Running slightly under budget due to personnel turnover.
A5	Substitutes: Daily, Long-term, and Nurses	90.3% over	A combination of contributing factors leading to this projected overage. See below for more information.
A6	Other Wages	.9% over	Greater staffing costs for summer special education program based on student enrollment needs.
A7	Employee Benefits	.9% over	Projecting a higher than usual amount of year end retirees requiring Sick Leave payouts. Will know more specifics by mid December.
B1	Regular Education & Voke Transportation	3.9% under	Running one fewer bus for Assabet than budgeted and operating under budget for homeless transportation thus far.
B2	Special Education Transportation	6.0% under	Running under budget for bus monitors and summer program busing.
C1	Special Education Tuitions	8.0% under	Year end forecast assumes \$300,000 in new placement costs between now and end of year.
C2	Vocational Tuitions	26.4% under	Budgeted for a total of 77 students incl. 8 freshmen. Oct. 1 st enrollment was 63 students incl. 2 freshmen. Eleven upper class students unenrolled between '21-22 and '22-23 school years.

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.

Day-to-Day and Long Term Substitutes

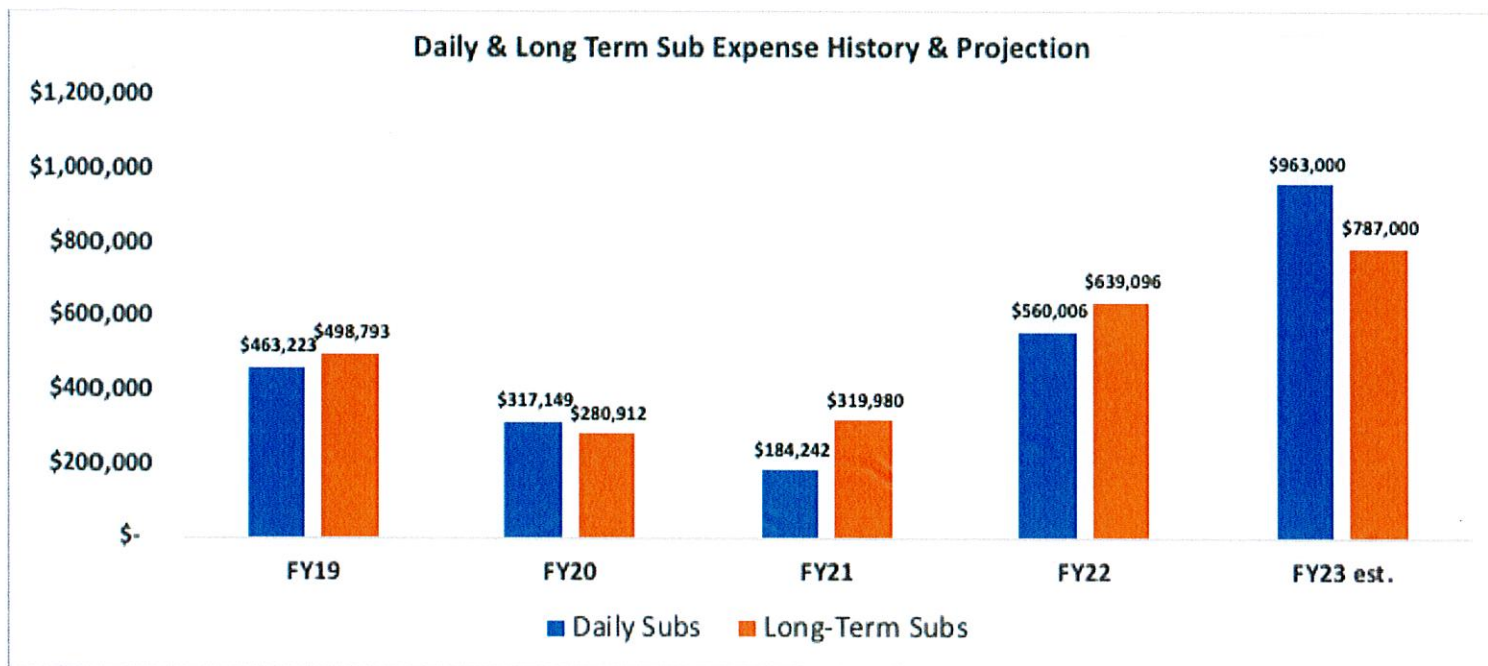
The year-end projection is using current year trend data based on the first two and a half months of school.

There is 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 making a commitment to them for work every school day and in exchange pay a higher rate of \$140 per day.

Another contributing factor has been the staff vacancies at the outset of the year with paraprofessionals. As a result, more daily substitutes are hired to provide necessary one-to-one coverage for students with a paraprofessional in their Individual Education Plan [IEP.]

With respect to long-term substitutes we have had an uptick in need based on three late staff resignations and one military deployment along with the usual longer term absences due to maternity or paternity leaves.

Shown below is a five-year history of these expenses including pre-Covid, during Covid, and post-Covid.



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 11/15/2022

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	\$ 1,546,571	\$ 2,412,234	\$ 8,316	\$ 4,023,805	\$ (56,684)	-1.4%
A2	Unit A (Teachers & Nurses)	\$ 48,679,635	\$ 11,290,207	\$ 37,054,400	\$ 335,028	\$ 48,442,271	\$ 237,364	0.5%
A3	Aides/ABA/Paraprofessionals	\$ 8,159,917	\$ 1,815,227	\$ 6,302,153	\$ 42,537	\$ 8,374,569	\$ (214,652)	-2.6%
A4	Secretaries, Technology & Other Non-Represented	\$ 3,037,213	\$ 911,120	\$ 2,037,039	\$ 89,054	\$ 3,017,684	\$ 19,529	0.6%
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 919,500	\$ 280,594	\$ -	\$ 638,906	\$ 1,750,000	\$ (830,500)	-90.3%
A6	Other Wages	\$ 1,039,296	\$ 689,345	\$ -	\$ 349,951	\$ 1,048,796	\$ (9,500)	-0.9%
A7	Employee Benefits	\$ 454,000	\$ 105,913	\$ -	\$ 348,087	\$ 457,913	\$ (3,913)	-0.9%
B1	Regular Education & Voke Transportation	\$ 3,100,904	\$ 697,250	\$ 2,241,850	\$ 161,804	\$ 2,981,120	\$ 119,784	3.9%
B2	Special Education Transportation	\$ 1,092,216	\$ 184,063	\$ 843,107	\$ 65,046	\$ 1,027,170	\$ 65,046	6.0%
C1	Net Special Education Tuitions	\$ 3,538,248	\$ 2,117,899	\$ 1,135,608	\$ 284,741	\$ 3,253,506	\$ 284,742	8.0%
C2	Vocational Tuitions	\$ 1,474,526	\$ 542,871	\$ 542,871	\$ 388,784	\$ 1,085,742	\$ 388,784	26.4%
D1	Administrative Contracted Services	\$ 643,707	\$ 355,148	\$ 256,748	\$ 31,811	\$ 643,707	At this early point of the year, I expect we will be on budget for these mostly discretionary categories of expense.	0.0%
D2	Educational Contracted Services	\$ 707,240	\$ 90,034	\$ 233,513	\$ 383,693	\$ 707,240		0.0%
D3	Textbooks/Curriculum Materials	\$ 279,995	\$ 175,745	\$ 30,930	\$ 73,320	\$ 279,995		0.0%
D4	Professional Development	\$ 196,774	\$ 128,763	\$ 10,786	\$ 57,225	\$ 196,774		0.0%
D5	Educational Supplies & Materials	\$ 433,265	\$ 192,434	\$ 65,340	\$ 175,491	\$ 433,265		0.0%
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 853,509	\$ 236,146	\$ 358,803	\$ 258,560	\$ 853,509		0.0%
D7	Equipment	\$ 694,405	\$ 240,890	\$ 4,346	\$ 449,169	\$ 694,405		0.0%
D8	Utilities - Telephone Exp.	\$ 47,500	\$ 11,078	\$ 4,862	\$ 31,560	\$ 47,500		0.0%
Total Budget:		\$ 79,318,971	\$ 21,611,298	\$ 53,534,590	\$ 4,173,083	\$ 79,318,971	\$ -	0.0%

Please refer to accompanying written report providing details on the categorical variances projected.