

# SHREWSBURY PUBLIC SCHOOLS

COVID-19

Preliminary Fiscal Impact Assessment and Adjustments

Patrick C. Collins

Asst. Superintendent for Finance and Operations

1 April 2020

# Topics

- COVID-19 Related and Unbudgeted Expenses
- Special Revenue Funds
  - Potential Revenue Losses
  - Policy decisions regarding tuition-based educational programs
  - Extended School Care
  - Food Service Operation
  - Facility Rentals
- Grant funding
- Field Trips
- Pay Continuity Plan and Decision
- COVID-19 Estimated Budget Savings

# COVID-19 Related and Unbudgeted Expenses

\$48,000 thus far:

- Hygiene, nursing, and cleaning supplies: Approx. \$3,000
  - Cellular iPads and services: Approx. \$15,000 *[SELCO funding 50%-Thank You!]*
  - Upgrade Zoom licensing: Approx. \$30,000
- 
- As a reminder all custodial services and supplies are managed by the Public Buildings Division and as a result costs for cleaning and sanitizing schools are being borne from their budget.
  - With school closure extended through April 31<sup>st</sup> [re-opening now scheduled for May 4<sup>th</sup>] and remote educational services expanded, new types of unforeseen costs will likely emerge.

# COVID-19 Estimated Budget Savings-Preliminary

	March -13-31	April	May	June	Totals	
CATEGORY	Est. "Savings"	Notes				
Day-to-Day Substitutes**	\$ 16,500	\$ 60,000	\$ 75,000	\$ 57,000	\$ 208,500	Based on payout dates
Spring Athletic Transpo		\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000	Assumes loss/decrease of Spring Season
Spring Athletic Officials		\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000	Assumes loss/decrease of Spring Season
General and Educational Supplies	\$ 4,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 28,000	
Totals	\$ 20,500	\$ 88,000	\$ 103,000	\$ 85,000	\$ 296,500	
Accumulated Totals		\$ 108,500	\$ 211,500	\$ 296,500		

\*\*Decreased costs for day-to-day substitutes in March and April might be surpassed by additional costs for substitutes in May and June upon re-opening due to staff illness or quarantining. Thus, that category may not net out at year-end as any savings.

# COVID-19 Related Revenue Loss Estimate

LOST REVENUES: SPECIAL REVENUE FUNDS		MARCH 13-31 Estimate	APRIL Estimate	MAY Estimate	JUNE Estimate	TOTALS	Notes
1600	Food Service Operations	\$ 134,000	\$ 208,000	\$ 245,000	\$ 183,000	\$ 770,000	Cafeterias closed
232308	Preschool	\$ 31,500	\$ 63,000	\$ 63,000		\$ 157,500	Assumes providing partial credit for March. No bill for April.
232309	FDK	\$ 24,000	\$ 48,000	\$ 48,000	\$ -	\$ 120,000	Assumes providing partial credit for March. No bill for April.
232310	Extended School Care	\$ 100,400	\$ 159,000	\$ 159,000	\$ 147,000	\$ 565,400	Assumes providing partial credit for March. No bill for April.
232304	Facility Rentals	\$ 17,000	\$ 15,000	\$ 11,000	\$ 3,542	\$ 46,542	No outside rentals
232335	SHS Athletics			\$ 100,000		\$ 100,000	Assumes no spring season
	<b>TOTALS</b>	<b>\$ 306,900</b>	<b>\$ 493,000</b>	<b>\$ 626,000</b>	<b>\$ 333,542</b>	<b>\$ 1,759,442</b>	
	<b>ACCUMULATED TOTALS</b>		<b>\$ 799,900</b>	<b>\$ 1,425,900</b>	<b>\$ 1,759,442</b>		

# Tuition-based Program Recommendation

- Given the multi-layered negative impact of COVID-19 and school closures, we are recommending the suspension of billing tuition payments for the closure period for the following programs:
  - Full Day Kindergarten
  - Preschool/Little Colonials
  - Extended School Care
- We recommend that the suspension of payment for each day closed be calculated and provided to families **as a credit instead of refund** checks. Credits would applied automatically for May and June payments due.

# Tuition-based Program Recommendation

- Refund checks would be distributed to families who have paid their tuition for the entire school year in advance. But again, that would occur later after schools are reopened and we resume normal operations.

## Example for Full-Day Kindergarten

- Annual tuition=\$2,400 for 177 school days is \$13.56 per day
- Maximum school days now assuming reopening on May 4<sup>th</sup>= 151
- Total credit due would be \$352. We will bill \$0 for April [instead of the scheduled \$266 payment] and the May payment will be \$180, if we reopen on May 4<sup>th</sup>.

	Original	Revised	
<i>September</i>	\$ 272	\$ 272	P a i d
<i>October</i>	\$ 266	\$ 266	
<i>November</i>	\$ 266	\$ 266	
<i>December</i>	\$ 266	\$ 266	
<i>January</i>	\$ 266	\$ 266	
<i>February</i>	\$ 266	\$ 266	
<i>March</i>	\$ 266	\$ 266	
<b>April</b>	\$ 266	\$ -	
<b>May</b>	\$ 266	\$ 180	
<b>Total</b>	\$ 2,400	\$ 2,048	
<b>Credit Amount</b>		\$ 352	

# Tuition-based Program Recommendation

- We also recommend that if parents withdraw from Full Day Kindergarten, Preschool, or Extended Day that the withdrawal notification period of 30 calendar days in advance remain intact, i.e. a withdrawal with 1-day notice would still result in the parent being liable for 30 calendar days/1 month of service.

# Grant Funding

- DESE conveyed that we can continue to pay staff from federal and state grants who are now working remotely. We have 13 staff either fully or partially funded via grants.
- No known negative impacts at this point.
- Eventually most grants will likely have to be amended to reflect different uses of funds as a result school closure. The amendment process is routine and includes a program and budget revision using the same total amount of dollars but allocated into different categories from the original approval.

# Field Trips

- All field trips for the remainder of the school year have been canceled by the District so that when schools re-open we maximize student classroom time.
- Refunds for monies paid and field trip canceled:
  - For field trips with no lost deposits/payments to vendors, schools are soliciting parents to either make their payment a donation to the school Student Activity Fund or request a refund. Refunds will be processed in coming weeks.
  - For some field trips, schools had to make partial payments/deposits and staff are seeking refunds from those organizations. Schools are assessing if there are lost deposits and/or when we might expect a refund. Once the fiscal impact is calculated, then schools will begin processing partial or full refunds and also ask if parents prefer to make their payment a donation.

# Pay Continuity Plan and Decision-making

Employee Category	Funding Source	Status of Funds	Impact
Instructional aides, child-specific aides, ABA technicians	Operating Budget	All funds available	
Food Service workers	Food Service Fund- meal receipts and gov't reimbursement	Adequate funds on hand to pay through April 17 <sup>th</sup>	Significant use of reserve funds negatively effects the fund
Extended School Care	Extended School Care Fund tuitions	Adequate funds on hand to pay through April 17 <sup>th</sup> - <b>Assumes 5/4 re-opening**</b>	See next slide for details

- Three major groups of hourly employees:
  - 1) Those funded via the Town appropriated Operating Budget or federal and state grants
  - 2) Those funded via self-supporting operations
  - 3) Those partially funded by a tuition/fee-based operation and the town appropriated operating budget

# Pay Continuity Plan and Decision-making

## Extended School Care continued:

- If we pay wages through April 17<sup>th</sup> , **and schools re-open on May 4<sup>th</sup>**

There will be enough fund balance at year-end to cover this cost.

- We are analyzing how potential loss of tuition revenue will effect available funding for Extended School Care staff compensation

# Pay Continuity Plan and Decision-making

- This recommendation is consistent with guidance provided by the Mass. Department of Elementary and Secondary Education.
- The rationale for pay continuity is to preserve our workforce during the crisis so that we are fully staffed and ready to provide services when schools re-open.

## Pay Continuity Plan and Decision-making

- This recommendation provides continuity of health insurance benefits and the ability of our employees to pay their share of the health insurance premium during this crisis.
- This recommendation takes into account the fact that if employees were laid off, the Town would still be responsible for paying the unemployment costs for all laid off staff. Current benefit levels and cost to the Town would be approx. 50% of weekly wages capped at a maximum of \$823 weekly benefit for 26 weeks or \$21,398. A typical café worker would receive \$139 and a café manager would be \$418.

## Pay Continuity Plan and Decision-making

- We will continue to evaluate our financial position and capacity for pay continuation for staff.
- A separate recommendation will be made regarding pay continuity through May 1<sup>st</sup> at the April 15<sup>th</sup> School Committee meeting.

# Essential Vendors: Cost Areas Under Review for Payment Continuity

- We have received guidance from the MA DESE Commissioner and await further information regarding what may be embedded in the federal Coronavirus Aid, Relief and Economic Security [CARES] Act regarding payments to these types of providers:
  - School transportation
  - Out of district special education tuitions
  - Educational services provided by independent contractors

# Evolving Situation and Uncertainty

- The fiscal impact and estimating will be contingent upon our re-opening date and potential additional closures.
- We are experiencing significant financial distress and uncertainty.
- FY21 budget year could be more significantly impacted than FY20 due to the economic downturn.

# How You Can Help: Responding to Community Outreach

- Parents should pay off all outstanding debt for school lunches, fees, and tuitions via the PowerSchool parent portal
- Make a donate to pay off the debt of families in need
- <https://schools.shrewsburyma.gov/finops/erase-student-school-lunch-and-fee-debt>



# How You Can Help: Responding to Community Outreach

- Make a Donation to Support Families in Need to Get Free Internet Access During School Closures
- <https://schools.shrewsburyma.gov/future/colonial-fund>



# How You Can Help: Responding to Community Outreach

## Support of Shrewsbury Restaurants

- Did you know that our town budget relies on over **\$500K** in meals tax every year? While these funds go to the town, they positively impact how much overall funding is available to the School Dept. as well.

# How You Can Help: Responding to Community Outreach

## Partnering with St. Anne's Food Pantry

- St. Anne's Church, Rte 9 across from Trader Joe's plaza
- Donate household foods or gift cards to local grocery stores

## Action Recommended

- Vote to waive tuitions for Full Day Kindergarten, Preschool, and Extended School Care on a per diem basis for all days schools are closed by the State or District due to COVID-19, and provide tuition credits to be applied for future payments due for the current year, and only provide refund checks in those cases where the tuition already paid exceeds the revised tuition due for the 2019-2020 school year, and further affirm that all other payment terms such as notice for disenrollment and late payment fees still apply.