

# FY21 Budget Status Update

Dr. Joseph M. Sawyer, Superintendent

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# Topics

- Revised Budget Schedule
- FY21 Budget Process Evolution
- Preliminary New Covid-19 Related Expenses to Add to Budget
- Revised FY21 Budget Gap/Deficit Range-as of May 20, 2020
  - Subject to change
- Environment of Wide Fiscal Uncertainties
  - Federal stimulus
  - State Aid
  - Local Receipts
- How to Proceed

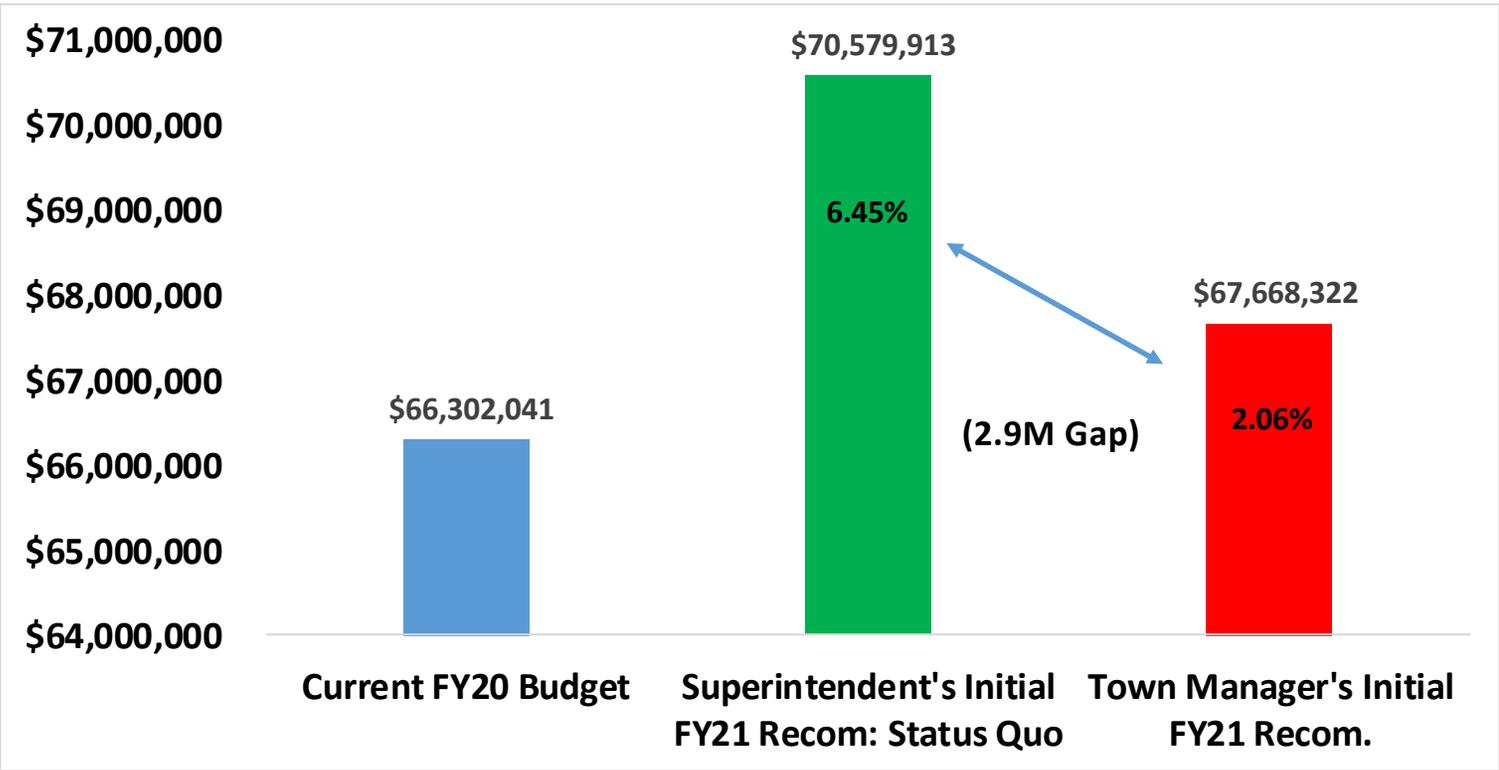
## Revised Budget Schedule

- According to recent discussions amongst the Board of Selectmen and Town Manager, the Annual Town Meeting will very likely be postponed until late July or even later.
- This allows us to get more certain information regarding state aid for Shrewsbury and make a more precise and informed FY21 budget, potentially avoiding unnecessary reductions.

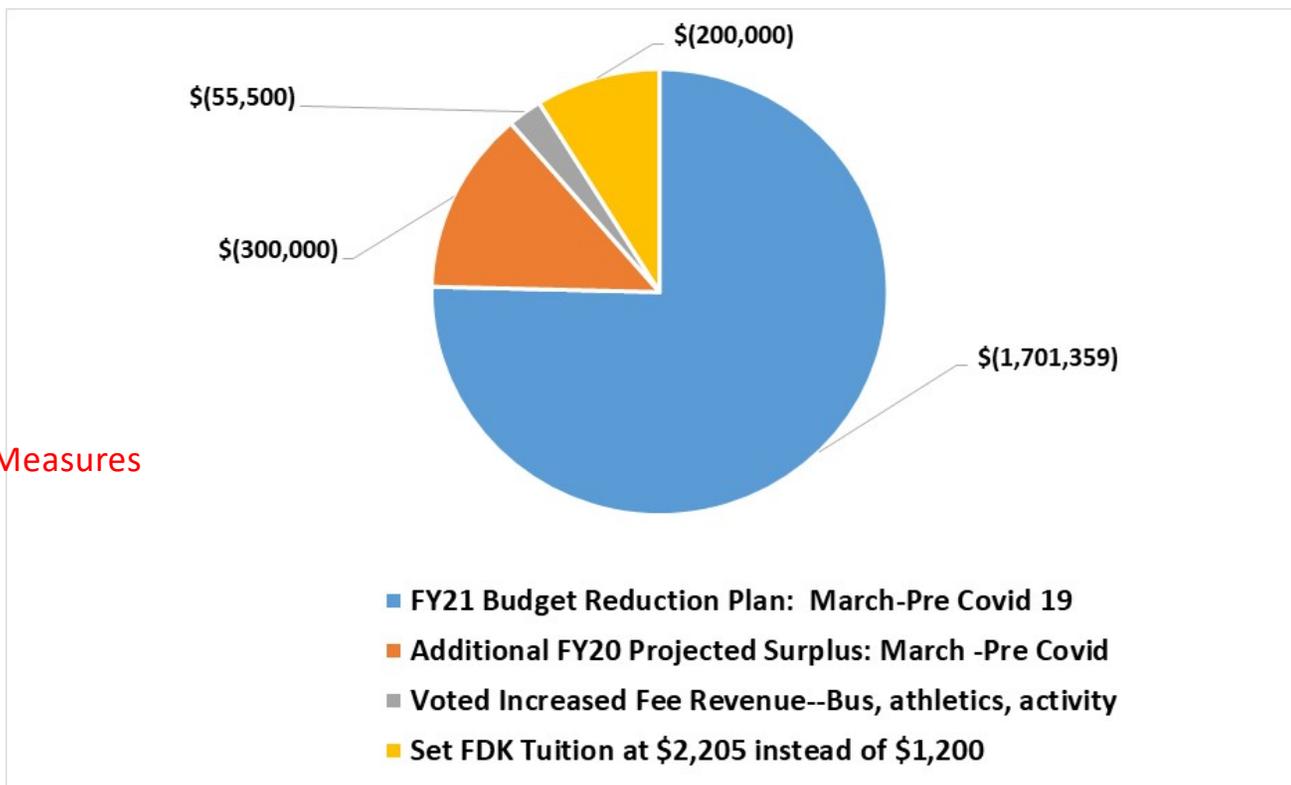
## Revised Budget Schedule

- The complication for the School Dept. is that a delayed process causes uncertainty about staffing levels for the start of the school year.
- How do we make plans for student classroom and course/schedule assignments with uncertain staffing levels?
- When do we notify staff of layoffs or furloughs? [Some level of layoffs or furloughs will be required.]

# FY21 Budget Process Evolution: January 2020

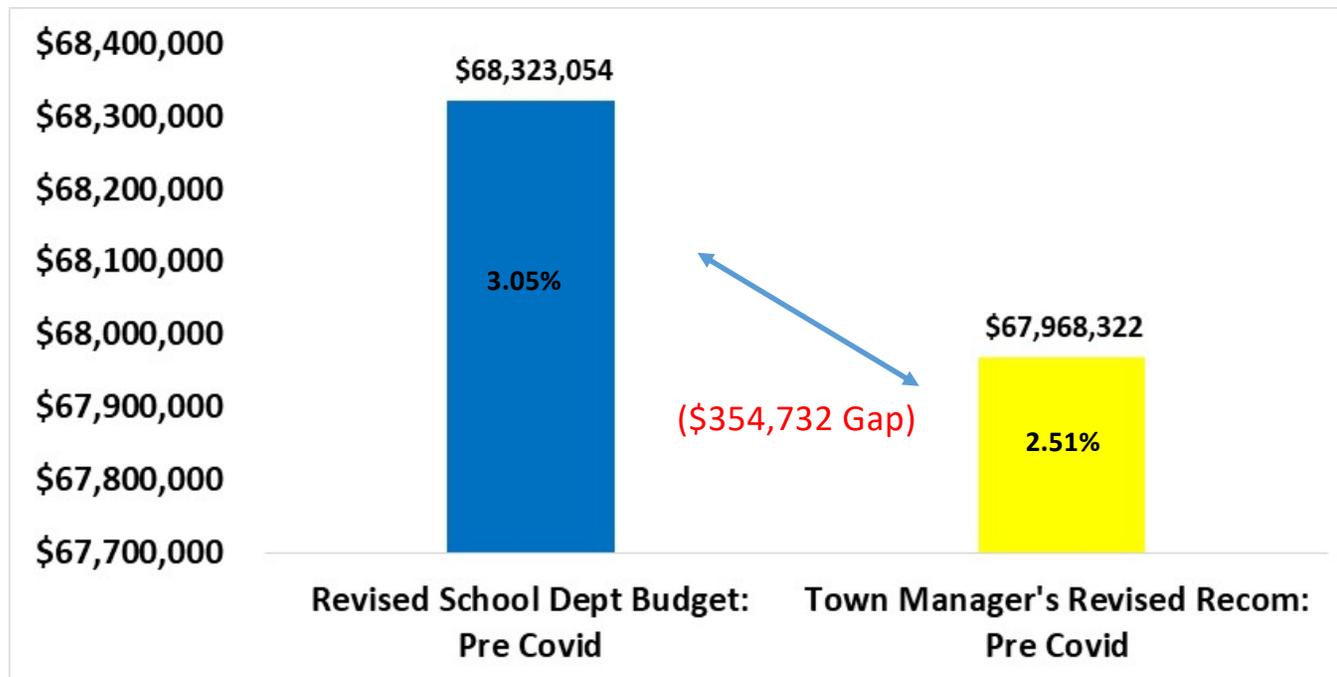


# FY21 Pre-Covid Budget Reduction Plan

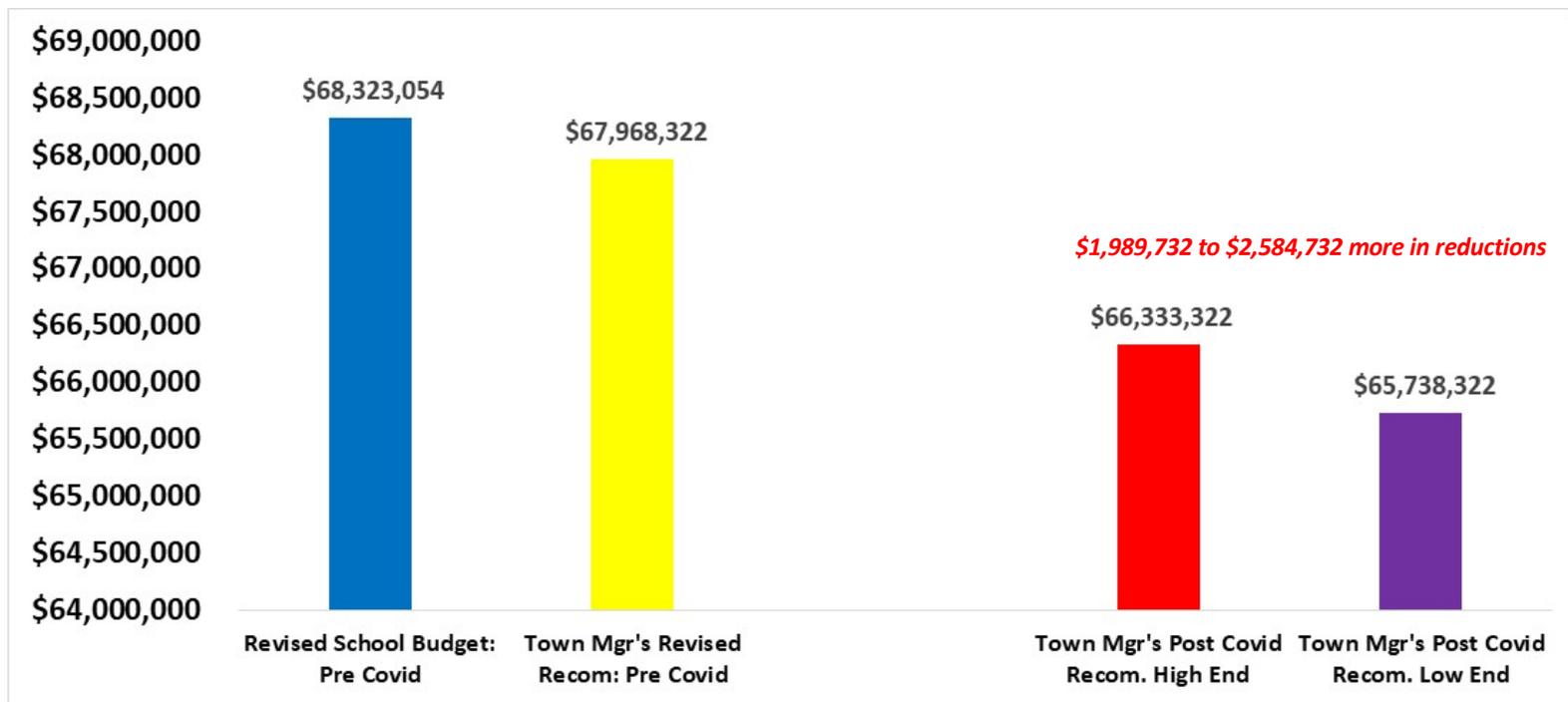


Budget Reduction Measures  
totaled \$2,256,859

# FY21 Pre Covid Revised Budget Status

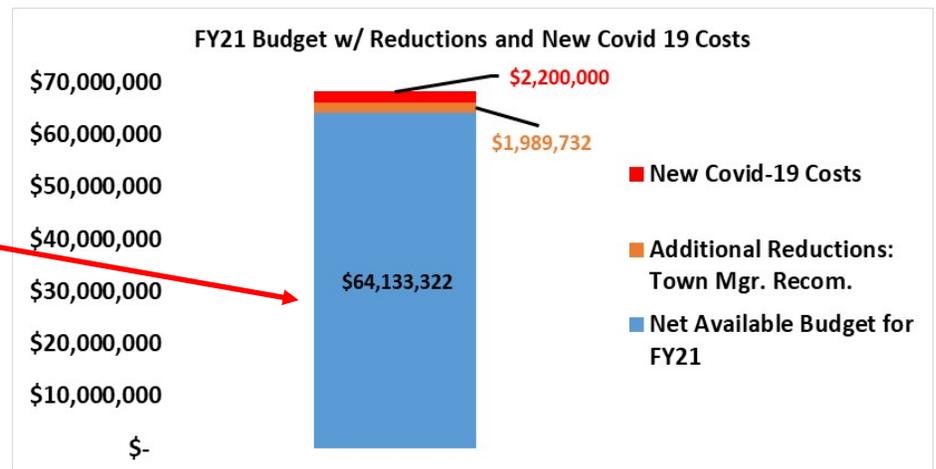
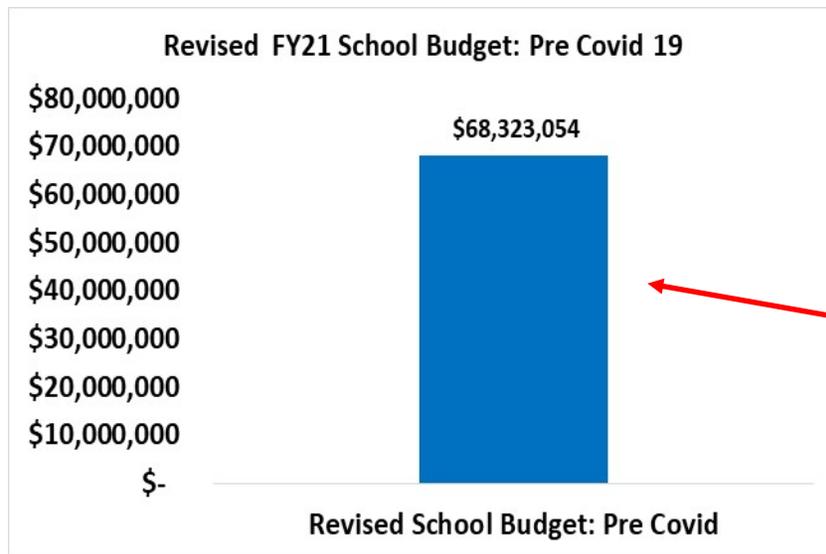


# Post Covid Budget Status: More Reductions



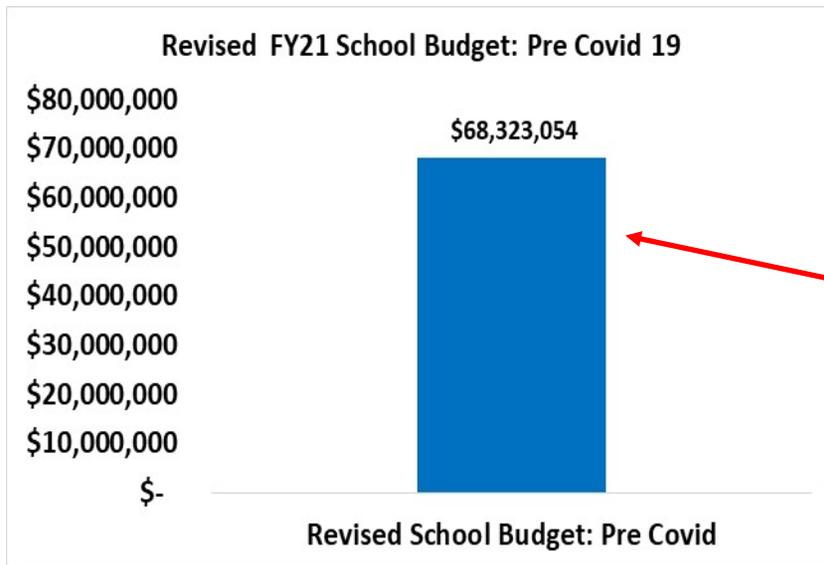
# Compounding Negative Effect: Additional Reductions and New Covid 19 Related Costs

Town Mgr. "Low-end" request of \$1.9M for reduction plan.

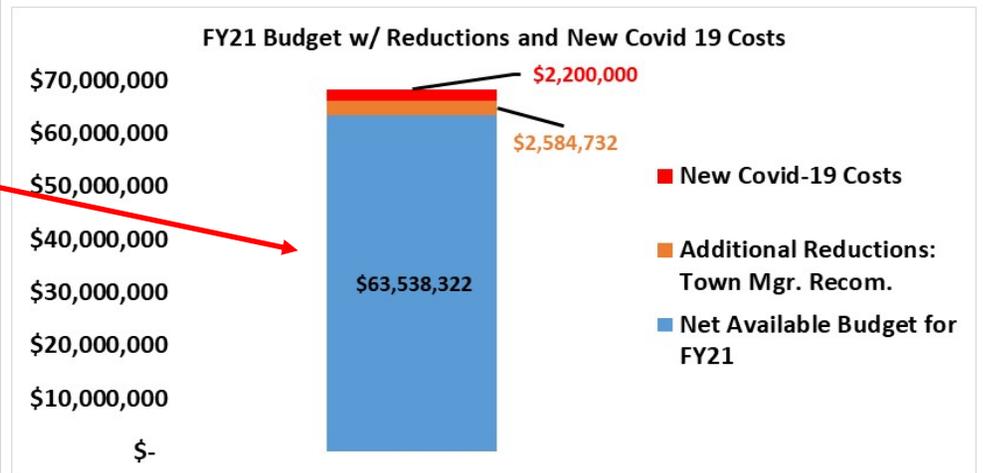


\$4.2M Net Negative Impact

# Compounding Negative Effect: Additional Reductions and New Covid 19 Related Costs



Town Mgr. "High-end" request of \$2.6M for reduction plan.



\$4.8M Net Negative Impact

## Revised FY21 Budget Gap/Deficit Range: as of May 20, 2020

<b>Beyond the \$1.7M Reduction Plan and factoring additional revenue from FDK and fees we need to make further reductions.</b>			
Low-End Gap	\$1,989,732	Based on Town Mgr. Guidance from 4.9.2020	
New Costs	\$2,200,000	See Budget Adds-caution as this could be far too low	
<b>Updated Gap/Deficit -Low End</b>	<b>\$4,189,732</b>		
Higher-End Gap	\$2,584,732	Based on Town Mgr. Guidance from 4.9.2020	
New Costs	\$2,200,000	See Budget Adds--caution as this could be far too low	
<b>Updated Gap/Deficit-High End</b>	<b>\$4,784,732</b>		

# Preliminary New Covid-19 Related Expenses to Add to FY21 Budget

This is a Preliminary List That Will Definitely Change

Potential Covid-19 Related Budget Additions	Estimate	Notes
Circuit Breaker decrease	\$ 465,000	From 74% to 63% state reim =15% decrease or 11% pts
Additional LTS and Sick Time	\$ 375,000	Additional funding projected for CV-19 related absences
Special Education Services	\$ 350,000	Required to make-up for student lost learning/services
iPads for Grades 2-4	\$ 286,230	Add'l 1:1 devices needed to support future remote learning
Bus Fee Revenue decrease	\$ 187,500	25% planned reduction in fee-paying riders[\$750K to \$563K]
Vocational tuition based on Assabet acceptances	\$ 153,387	Add 9 more placements to Gr. 9 for total of 35 budgeted
Teacher salaries for FDK and Preschool teachers	\$ 125,000	Less funding on account available due to closure and refunds
Covid Supplies [Masks, shields, dividers]	\$ 100,000	Plus have CARES act funding of ~130K+-
Learning Platform Software	\$ 85,000	Provides ongoing curricular and student assessment capacity
Nursing/CNA support	\$ 50,000	Anticipates add'l medical-type services for temp. checks
Officials fees	\$ 20,000	Significant decrease in gates Receipts
Busing		Contingent on return to school CV-19 protocols, add'l busing may be required
<b>Preliminary Estimate</b>	<b>\$ 2,197,117</b>	<b>This total ADDS to our Gap/Deficit</b>

# Environment of Wide Fiscal Uncertainties

- What will return to school look like?
- What CV-19 related requirements will be in place?
- What costs are involved in a localized outbreak in Shrewsbury?

# Environment of Wide Fiscal Uncertainties

- What costs are involved in educating medically fragile students who cannot safely return to school?
- How do we cover staff absences for medically fragile staff, staff who may contract the virus, and those who have their own family sick care and/or childcare needs?
- In a regular school day there is not sufficient time or money to operate additional bus runs to accommodate social distancing, then take temperatures before the school day begins.

# Environment of Wide Fiscal Uncertainties

- Because we are unable to provide any measure of certainty around these issues now or even before the budget gets approved, we need to set aside **a reserve of uncommitted funding** that is sufficient in amount to flexibly allocate when and where needed.

# CARES Act- Direct Funding to Schools:

## *Elementary and Secondary Schools Emergency Relief [ESSER] Grant*

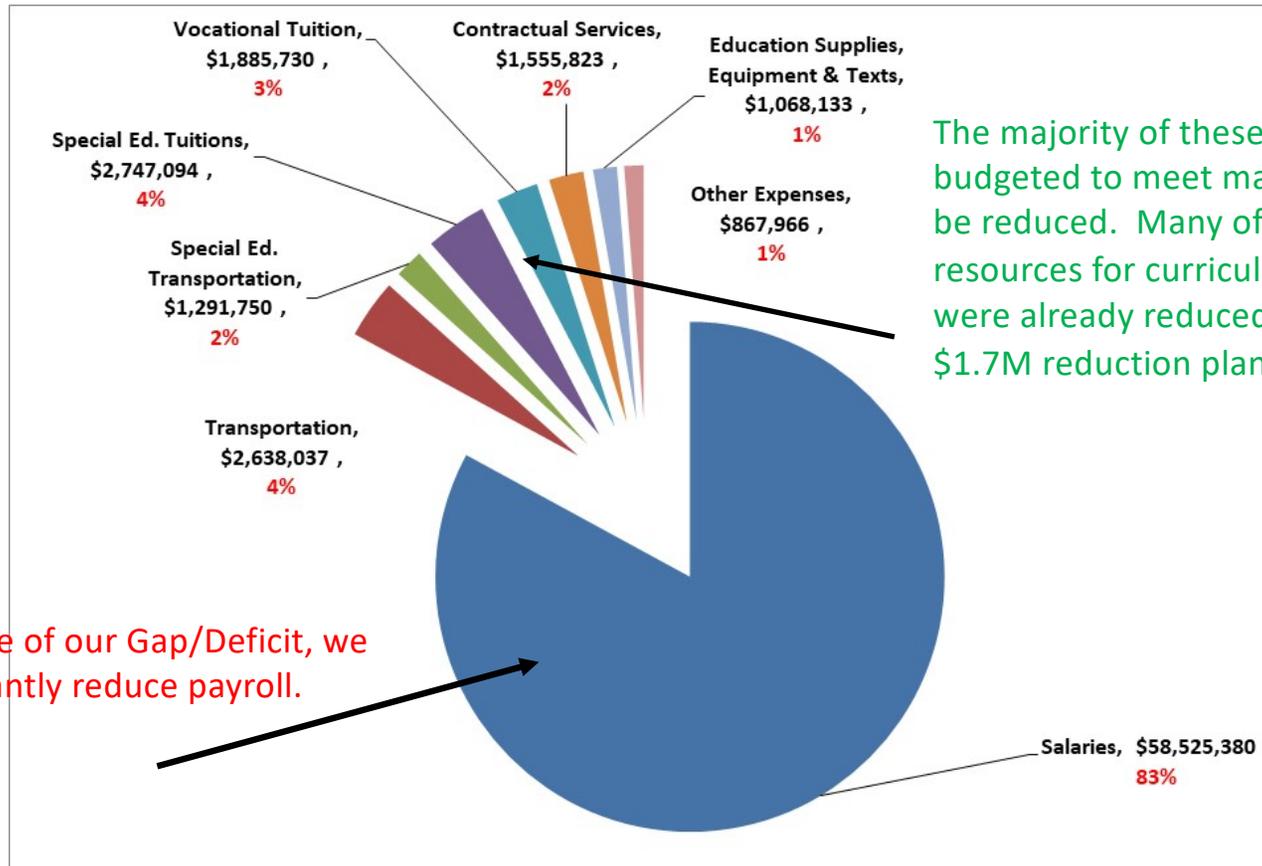
- \$13.2 Billion federal fund distributed to all school districts who are eligible for Title 1 funds via their respective state education department.
- Funds are allocated using the same formula to distribute Title 1 funds which is an assessment of number of students below the federal poverty level.
- Shrewsbury will receive \$162,060 but a **net of approximately \$133,820** since \$28,240 will go to private schools.
- Federal law requires that DESE-approved private schools receive a share of the funds on a per student basis.

# CARES Act- Direct Funding to Schools:

## *Elementary and Secondary Schools Emergency Relief [ESSER] Grant*

- Our plan now is to defer the use of the \$133,820 CARES Act/ESSER grant funds to FY21 and not specifically commit them at this point.
- While this is a **very small amount** in comparison to our overall budget of \$66-68M, it can offer some ability to respond to some smaller unforeseen costs.

# How to Proceed



The majority of these other resources are budgeted to meet mandates and cannot be reduced. Many of the “discretionary” resources for curriculum and supplies were already reduced as part of the \$1.7M reduction plan.

Given the magnitude of our Gap/Deficit, we will need to significantly reduce payroll.

# Administrator Salaries

- Having Dr. Lizotte serve as the Interim Paton Principal reduces our budget by \$119K by effectively not backfilling the vacancy with Ms. Bell's departure, reducing our administrative team by one position.
- Dr. Sawyer already recommended his compensation be frozen under our Pre Covid budget reduction plan.
- Recommendation to freeze all other non-union administrator compensation.

## Next Steps

- We have already prepared a \$1.7M budget reduction plan that eliminated 28.6 full-time equivalent positions and reduced significant dollars for curriculum materials, school supplies, technology, and transportation.
- Additionally, we are facing another \$4.2M to \$4.8M in reductions or shifts in funding from staff and programming to Covid-19 related costs.
- The ultimate level of state funding and whether the federal government provides additional aid for public education will be critical factors. These are unknown at this time.

## Next Steps

- Reducing \$4,200,000 to \$4,800,000 *in addition to the \$1.7M reduction already planned would be devastating.*
- This would be the equivalent of 65 to 75 teaching positions at an average salary of \$65,000
  - This is **NOT** our plan but is provided to give context to the order of magnitude of the budget gap.
- A second reduction plan will be presented later in the budget process.

# Next Steps

- We will continue to monitor the federal and state budget processes
- We will continue to refine our reduction planning scenarios but also integrate new information and financial impacts for CV-19 return to work and school protocols
- As always, we will continue to work closely with the Town Manager to keep current on this evolving situation. We know all MA communities will be eligible for CARES Act funding/reimbursement as well and await more details.