



## Shrewsbury Public Schools

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24 June 2020

To: School Committee

Subj: FY2020 BUDGET STATUS UPDATE

Attached you will find a FY20 Budget Status Update. It is a recap of our \$66,302,041 district appropriated budget as approved by Town Meeting. You will recall that this plan provided for a modest 3.37% increase over FY19.

For context it is important to note that reported expenditures and encumbrances are as of 06/19/2020 which is 97% of the way through our fiscal year and 100% of the school year completed.

Due to the onset of Covid-19 related school closure, the FY20 budget will end with a larger positive variance than projected in early March [pre Covid closure]. These funds will be needed to fund additional required costs in FY21 due to a projected decrease in Special Education Circuit Breaker funding and a higher than projected grade 9 enrollment at Assabet Valley Regional Technical High School.

On a percentage basis, we will be slightly under budget in most salary and wage categories due to vacancies and personnel changes. However, we will end the year significantly under budget for daily substitutes, obviously due to Covid closure. We will also end the year significantly over budget [as expected] in Category A6-Other Wages due to the pay continuity decision for Extended School Care staff through May 1, 2020 that exhausted the revolving fund for Extended School Care and required the use of approximately \$195,000 in appropriated funds. Additionally, expenditures were over budget in Summer Special Education wages [Category A6] due to greater than anticipated programmatic needs of that student population and our requirement to provide services for them in the Summer 2019.

We will end the year slightly over budget in Special Education Transportation [Category B2] due to the cost of additional students receiving out-of-district placements during the school year, as well as the unexpected addition of health-related specialized transportation for an out-of-district student.

Fortunately, we will close FY20 with a positive variance in Special Education Tuitions [Category C1] despite this area of expense being volatile and subject to change as the year progresses. In addition to the \$1.3M budgeted in the town-appropriated operating budget, we budgeted for \$4.9M of expense coming from the Circuit Breaker fund. Thus the \$332K represents a 5% positive variance of actual expense to overall \$6.2M out-of-district tuition budget. This is due in part to some anticipated out-of-district placements not occurring during the last third of the year after the shutdown occurred.

With respect to Vocational and Recovery High School Tuitions [Category C2], we had a net increase of four more students enrolled at Assabet Valley Regional Technical High School than budgeted. Additionally, there was a mid-year enrollment at Recovery High School. On a net basis, we will be over budget in this category by 3.7%.

Given our estimated FY21 budget gap back in late February, we enacted an early deadline of March 16<sup>th</sup> for ordering FY20 discretionary supplies and materials along with a request for schools and academic departments to turn back 10% of their budgets, if possible. This process along with Covid-19 closure resulted in positive variances in all supply-related expense categories.

It is projected that we will end the fiscal year with an overall positive variance of 2.5%, which equates to approximately \$1.6M. In developing the FY21 annual budget, we used the original surplus estimate of \$600,000 [projected in November 2019] to lower our special education out-of-district tuition budget. In February, we projected an additional \$300K positive variance and we have also already factored that into our FY21 budget reduction plan.

By carrying forward through the Circuit Breaker account, we will be able to utilize the additional positive variance of \$725K to further close our existing budget gap by covering necessary costs in FY21. These known additional costs that emerged after the initial FY21 budget was filed include: a) greater than expected enrollment of ninth graders at Assabet Valley Technical High School (\$153,387), and b) increased net costs in out-of-district special education due to a combination of the projected loss of revenue for Circuit Breaker Reimbursement from the state (\$465K) and partially covering at least one known and previously unanticipated out-of-district special education placement (remaining \$107,238).

Therefore, the additional (and primarily Covid-19-related) positive variance of \$725K will unfortunately not be directly available to save any jobs our current budget plan will cut for the 2020-2021 school year, although it will serve to assist in closing our overall remaining FY21 budget gap, which was previously estimated to be in the range of \$4.0M to \$4.6M and now can be lowered to \$3.3M to \$3.9M. This is a positive development, but it is important to remember that this updated budget gap is *in addition to* the \$1.95 million in recommended cuts already factored into the FY21 budget, and therefore still represents a daunting magnitude regarding the levels of cuts that will be required to close that gap, absent changes in projected revenues or mitigation of personnel costs.

SHREWSBURY PUBLIC SCHOOLS  
FY20 BUDGET STATUS REPORT  
as of 19 JUNE 2020

School Committee Recap Sheet	Description	FY20 Budget	YTD Actual	Encumbrance	Remaining Balance	Year End Projection	Dollar Variance	Percent Variance	Notes
A1	Administrative Central Office, Principals & Unit B	\$ 3,272,594	\$ 3,114,894	\$ 135,000	\$ 22,700	\$ 3,249,894	\$ 22,700	0.7%	Running very close to budget
A2	Unit A (Teachers & Nurses)	\$ 41,584,811	\$ 33,226,506	\$ 7,832,691	\$ 525,614	\$ 41,064,197	\$ 520,614	1.3%	Positive variance due to personnel changes
A3	Aides/ABA/Paraprofessionals	\$ 7,330,858	\$ 6,421,058	\$ 364,241	\$ 545,559	\$ 6,787,299	\$ 543,559	7.4%	Positive variance due to vacancies & staff turnover
A4	Secretaries, Technology & Other Non-Represented	\$ 2,371,080	\$ 2,051,274	\$ 281,229	\$ 38,577	\$ 2,346,702	\$ 24,378	1.0%	Backfilled courier position w/ half time position
A5	Substitutes - Daily, Long Term & Sub Nurses	\$ 900,900	\$ 576,926	\$ -	\$ 323,974	\$ 596,555	\$ 304,345	33.8%	Surplus due to Covid closure
A6	Other Wages (See Note 1)	\$ 784,500	\$ 727,714	\$ -	\$ 56,786	\$ 935,814	\$ (151,314)	-19.3%	Incl. add'l costs for Extended Day staff pay continuity
A7	Employee Benefits	\$ 351,750	\$ 164,965	\$ -	\$ 186,785	\$ 386,751	\$ (35,001)	-10.0%	More retiree sick leave sell back than budgeted
B1	Regular Education & Voke Transportation	\$ 2,528,985	\$ 2,503,565	\$ 10,506	\$ 14,914	\$ 2,514,071	\$ 14,914	0.6%	Some rate savings but offset by refunds
B2	Special Education Transportation	\$ 706,300	\$ 728,667	\$ 5,640	\$ (28,007)	\$ 734,307	\$ (28,007)	-4.0%	Add'l unanticipated out of district transport costs
C1	Special Education Tuitions (See Note 2)	\$ 1,356,803	\$ 1,024,342	\$ -	\$ 332,461	\$ 1,024,342	\$ 332,461	24.5%	Assumes planned use of \$4.9M Circuit Breaker funding
C2	Vocational & Recovery H.S. Out of District Tuitions	\$ 1,648,786	\$ 1,702,456	\$ 7,992	\$ (61,662)	\$ 1,710,448	\$ (61,662)	-3.7%	4 more students enrolled at Assabet than budgeted
D1	Administrative Contracted Services	\$ 611,833	\$ 617,286	\$ 46,601	\$ (52,054)	\$ 663,887	\$ (52,054)	-8.5%	Variety of small overages in multiple accounts
D2	Educational Contracted Services	\$ 679,910	\$ 557,678	\$ 136,088	\$ (13,856)	\$ 693,766	\$ (13,856)	-2.0%	Overages in SPED services and translation services
D3	Textbooks/Curriculum Materials	\$ 201,104	\$ 188,674	\$ 2,824	\$ 9,606	\$ 191,498	\$ 9,606	4.8%	Some surplus due to early budget freeze and Covid closure
D4	Professional Development	\$ 255,082	\$ 214,989	\$ 2,056	\$ 38,037	\$ 217,045	\$ 38,037	14.9%	Some surplus due to early budget freeze and Covid closure
D5	Educational Supplies & Materials	\$ 273,689	\$ 163,254	\$ 33,747	\$ 76,688	\$ 197,001	\$ 76,688	28.0%	Some surplus due to early budget freeze and Covid closure
D6	Other Miscellaneous (i.e. Off. Supp., Ref. Mat.)	\$ 786,716	\$ 650,164	\$ 63,522	\$ 73,030	\$ 713,686	\$ 73,030	9.3%	Some surplus due to early budget freeze and Covid closure
D7	Equipment	\$ 571,340	\$ 568,533	\$ -	\$ 2,807	\$ 568,533	\$ 2,807	0.5%	Some surplus due to early budget freeze and Covid closure
D8	Utilities - Telephone Exp.	\$ 85,000	\$ 73,259	\$ 4,500	\$ 7,241	\$ 77,759	\$ 7,241	8.5%	Some surplus due to early budget freeze and Covid closure
	<b>Total:</b>	<b>66,302,041</b>	<b>55,276,204</b>	<b>8,926,637</b>	<b>2,099,200</b>	<b>64,673,555</b>	<b>1,628,486</b>	<b>2.5%</b>	
	<b>Percentages</b>		<b>83.4%</b>	<b>13.5%</b>	<b>3.2%</b>	<b>97.5%</b>			

Note 1 Other Wages includes clubs/activities stipends, custodian & police details, extra duty & mentoring stipends, Summer Special Education salaries, and crossing guards.

Note 2 SPED Tuition is net \$4.9M use of Special Education Circuit Breaker Reimbursement funding.

March 4, 2020 Status Update	\$ (902,861)	This amount already applied to offset FY21 Budget Plan
	\$ 725,625	Projected Additional Funds Available To Offset FY21 Gap
	\$ (465,000)	Projected Decrease in FY21 Circuit Breaker Funding
	\$ (153,387)	Projected Increase in Assabet Valley Vocational/Technical HS Tuition
	\$ (107,238)	Use Remainder for Additional Costs for Special Education Tuitions
	\$ -	<b>Net Available To Save Jobs for 2020-2021</b>

May 2020: Estimated FY21 Budget Gap	\$4.0M-\$4.6M
Add'l Funds from FY20 Positive Results	\$ (725,625)
<b>Updated FY21 Estimated Gap</b>	<b>\$3.3M-\$3.9M</b>