

# FY21 Budget Status Update

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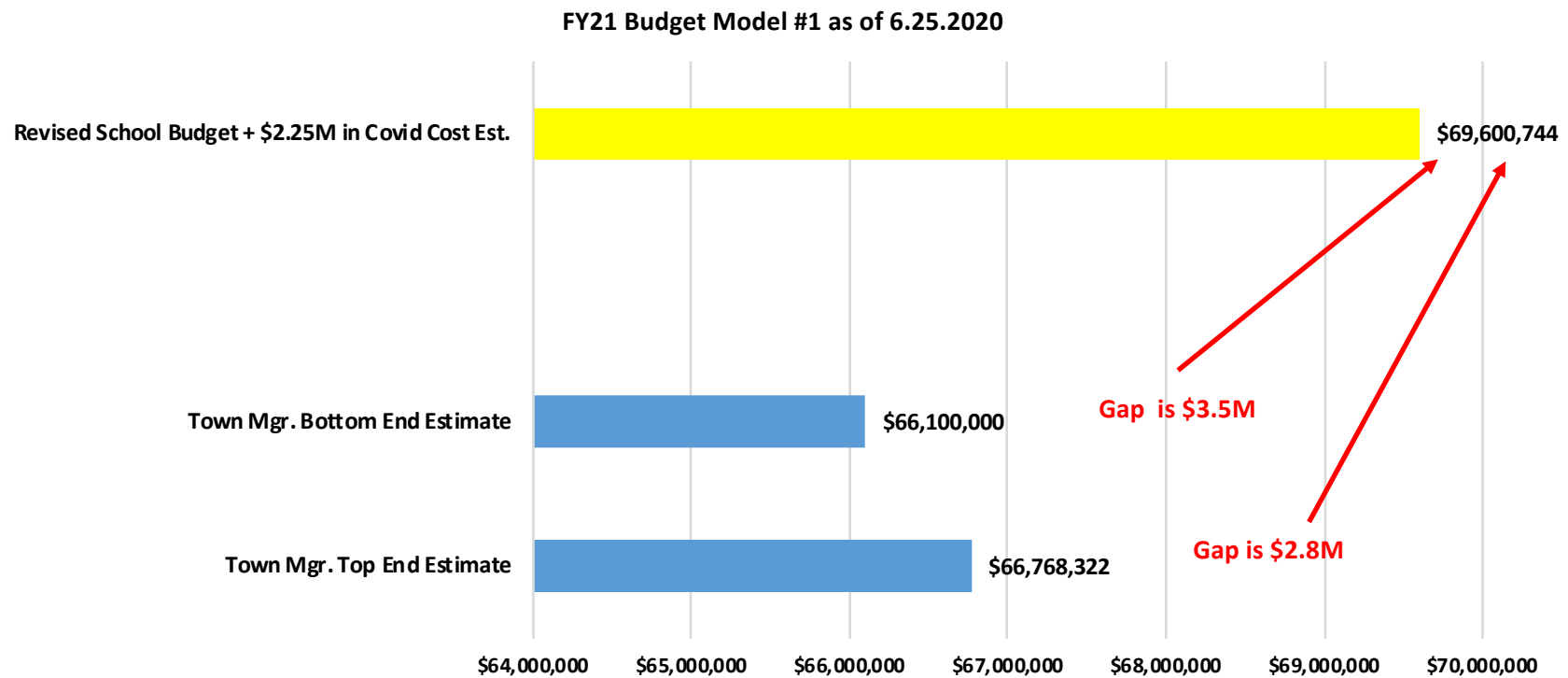
Asst. Superintendent for Finance and Operations

8 July 2020

# Topics

- Updated budget projection models:
  - Range of gaps in needed resources versus estimated funding available
- Update on federal stimulus funds
- Revised estimate of projected Covid-related expenses to be incurred in FY21
- Revised budget approval schedule
- Additional information: FY21 budget development chronology

# FY21 Budget Model #1



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## Major Assumptions:

Only some Covid-related costs get funded by federal stimulus funds [Town CARES funding: \$3.3M, DESE CvRF Fund est at \$1.4M, ESSER Grant \$133K]

\$2.25M in Covid-related costs have to be absorbed by Operating Budget due to nature of cost or incurred after Dec. 30, 2020.

See attached list of latest Covid-related cost estimating and potential funding sources.

Chapter 70 Aid decreased by 6.5% and Circuit Breaker decreased by 15% points

## Caveats:

The financial situation is subject to change. Covid-related costs are estimates with known information as of this date.

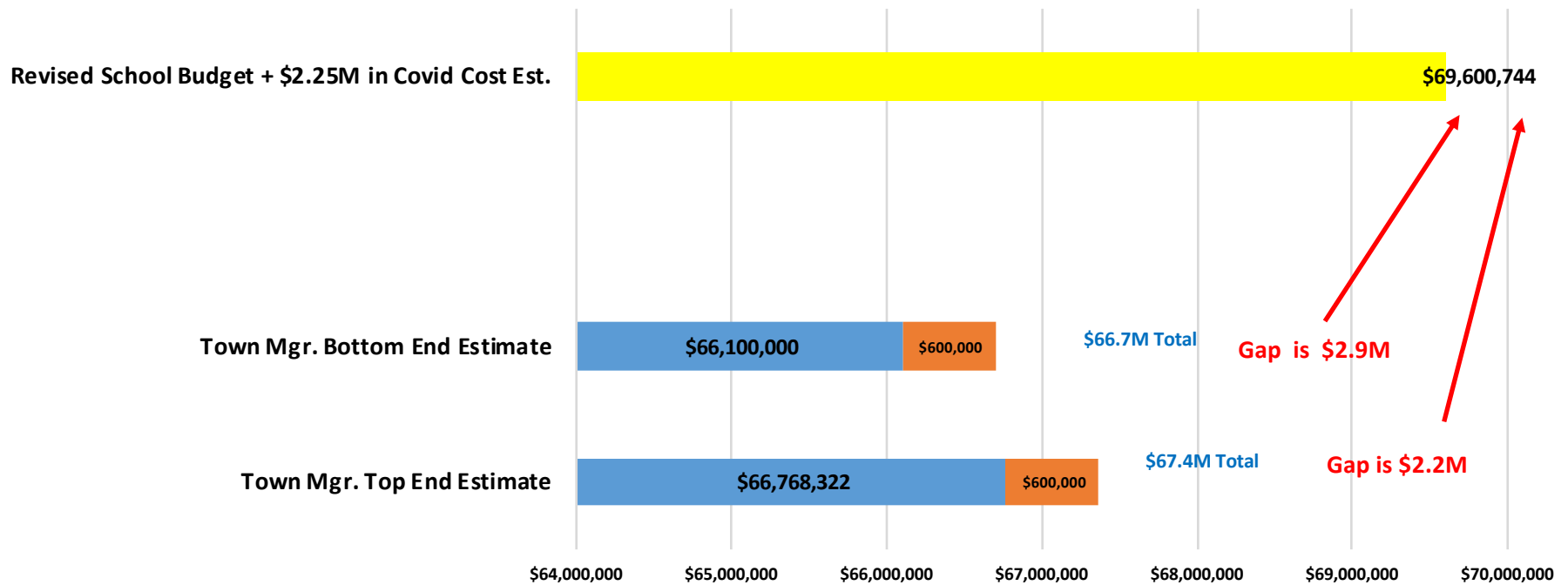
Only limited and "Initial Guidance" information is published about a return to school in the fall and subsequent cost implications.

## Estimated staff loss equivalency factors:

	Gap-Low	FTE	Gap-High	FTE
Teachers at \$65,000 annual salary	\$ 2,832,422	44	\$ 3,500,744	54
Paraprofessionals at \$25,800 annual earnings	\$ 2,832,422	110	\$ 3,500,744	136

# FY21 Budget Model #2

FY21 Budget Model #2 as of 6.25.2020



# FY21 Budget Model #2

## Major Assumptions:

Only some Covid-related costs get funded by federal stimulus funds [Town CARES funding: \$3.3M, DESE CvRF Fund est at \$1.4M, ESSER Grant \$133K]  
\$2.25M in Covid-related costs have to be absorbed by Operating Budget due to nature of cost or incurred after Dec. 30., 2020.  
See attached list of latest Covid-related cost estimating and potential funding sources.

***Chapter 70 Aid final amount is modeled to show \$600K better than Town Manager current estimate. Likely won't know state aid amounts until late July or August.***

## Caveats:

The financial situation is subject to change. Covid-related costs are estimates with known information as of this date.  
Only limited and "Initial Guidance" information is published about a return to school in the fall and subsequent cost implications.

## Estimated staff loss equivalency factors:

	Gap-Low	FTE	Gap-High	FTE
Teachers at \$65,000 annual salary	\$ 2,232,422	34	\$ 2,900,744	45
Paraprofessionals at \$25,800 annual earnings	\$ 2,232,422	87	\$ 2,900,744	112

## Update on Federal Stimulus Funds

- **The limitations of federal stimulus funds means they will not be the single solution to our FY21 budget gap.**
- **Time restricted:** funds available for expenditures incurred through December 30, 2020 only. Access to this funds ends on this date—“use it or lose it”
- **Use restricted:** funds must be for Covid-related costs only as specified in their grant/reimbursement documents.


# Different “Buckets” of Federal Stimulus Funds

Name of Federal Stimulus Funds	Grantor	Notification Date	End Date of Availability	Receiver of Funds	Amount of Funding	Priority of Use
Covid Relief Fund	MA DESE	6/25/2020	Dec. 30, 2020	School Dept.	Estimated at \$1.4M based on \$225 per pupil	1
CARES Act [Municipal Funding]	State Executive Office of Admin. & Finance	6/23/2020	Dec. 30, 2020	Town Mgr.'s Office	\$3.3M townwide at \$90/capita	2
ESSER Grant	MA DESE	Early June	June 30, 2022	School Dept.	\$133,819	3



# Federal Stimulus Priority of Use Plan

Name of Federal Stimulus Funds	End Date of Availability	Receiver of Funds	Amount of Funding	Priority of Use	Notes
Covid Relief Fund	Dec. 30, 2020	School Dept.	Estimated at \$1.4M based on \$225 per pupil	1	Applications and final allocations not yet published.
CARES Act [Municipal Funding]	Dec. 30, 2020	Town Mgr.'s Office	\$3.3M townwide at \$90/capita	2	To date the School Dept. accessed approx. \$458K of this fund. Town Mgr. wants us to now exhaust Covid Relief Funds first before accessing more CARES funding.
ESSER Grant	June 30, 2022	School Dept.	\$133,819	3	Recommend we hold in reserve for potential FY22 use for unexpected costs.

		FY21 School Operating Budget	Funding Source		
Potential Covid-19 Related Budget Additions	Cost Estimate	Town Appropriation	CARES-Town	CvRF DESE Grant	ESSER-DESE Grant
<p>Communication of funding dates: </p> <p>All below are best estimates subject to change up or down with new costs added each day as they become evident needs arising from planning or refined guidance/information from other sources</p>			Est. Funding Level per TM 6/23/20	Est. Funding Level-\$225/student per DESE 6/25/20	Est. Funding Level-per Title 1 early June 2020
		????	\$ 1,987,000	\$ 1,410,300	\$ 133,819
			above funding must be spent prior to Dec. 30, 2020	above funding must be spent prior to Dec. 30, 2020	above funding available thru 6/30/2022
Circuit Breaker decrease	\$ 465,000	\$ 465,000			
Additional LTS and Sick Time- 5% staff repl by LTS at \$250/day x 180 days	\$ 1,125,000	\$ 625,000	\$ 500,000		
Special Education Services- Make up missed services during Covid	\$ 150,000		\$ 150,000		
iPads for Grades 2-4	\$ 365,000		\$ 365,000		
Bus Fee Revenue decrease--75% Decrease in Revenue	\$ 562,500	\$ 562,500			
Decrease in Student Activity and Athletic Fees: 25%	\$ 114,250	\$ 114,250			
Decrease in FDK and Preschool Tuition: 25%	\$ 233,750	\$ 233,750			
Temporary Human Resources Staff	\$ 60,000			\$ 60,000	
Vocational tuition based on Assabet acceptances	\$ 153,387	\$ 153,387			
Covid Supplies [Masks, shields, dividers]	\$ 100,000		\$ 100,000		
Learning Platform Software	\$ 75,000		\$ 75,000		
Nursing/CNA support	\$ 136,080	\$ 75,600		\$ 60,480	
Student desks to replace tables [500 x \$350 + 500 x \$175]	\$ 262,500			\$ 262,500	
School furniture storage/moving services	\$ 35,000			\$ 35,000	
Food Service carts/equipment	\$ 45,000			\$ 45,000	
Re-Opening Task Force	\$ 75,000			\$ 75,000	
Director Nursing Per Diem Days--20	\$ 9,897	\$ 4,948	\$ 4,948		
Teacher Trng-Remote Teaching	\$ 6,000		\$ 6,000		
Officials fees- Anticipate Gate Fee Waiver	\$ 20,000	\$ 20,000			
Busing--4 new buses [????]	\$ 288,000	\$ -	\$ 288,000		
Reserve-Unexpected Costs: 2nd Half of Year: FY21	\$ 133,819				\$ 133,819
<b>Preliminary Estimate</b>	<b>\$ 4,415,183</b>	<b>\$ 2,254,435</b>	<b>\$ 1,488,948</b>	<b>\$ 537,980</b>	<b>\$ 133,819</b>
<b>Grand Total</b>					<b>\$ 4,415,183</b>

# Revised FY21 Budget Schedule

- Tentative Annual Town Meeting Date: August 8<sup>th</sup>
- Town Meeting Warrant & Information mailing July 28<sup>th</sup>
- Present to approx. July 22<sup>nd</sup>: Finalize our plan and vote bottom line budget
- It's likely we'll have to adapt our process to include continued staff and program reduction plans and execution to occur after the Annual Town Meeting. This is far less than ideal for developing student schedules and potentially providing late notice of layoffs and/or furloughs to staff.

# FY21 Budget Development Chronology

FY21 Budget Development: Chronology of Major Changes				
<b>FY20 Approved School Dept. Budget</b>	<b>May 2019</b>	<b>\$ 66,302,041</b>		
<b>Original FY21 Budget Recommendation</b>	<b>January 22, 2020</b>	<b>\$ 70,579,913</b>	<b>\$ 4,277,872</b>	
<b>Town Manager Recommendation</b>	<b>February 7, 2020</b>	<b>\$ 67,668,322</b>	<b>\$ 1,366,281</b>	
	<b>Initial Gap</b>	<b>\$ 2,911,591</b>		
MAJOR ACTIONS ON FY21 BUDGET				
<b>Original FY21 Budget Recommendation</b>	<b>January 22, 2020</b>	<b>\$ 70,579,913</b>		
Proposed Phase 1 Budget Reduction Plan <i>[not voted at that time]</i>	March 4, 2020	\$ (1,701,359)		
Additional Projected FY20 Positive Budget Variance	March 4, 2020	\$ (300,000)		
Athletic, Bus, and Activity Fee Increases Voted for FY21	March 18, 2020	\$ (55,500)		
Decrease FY21 FDK Tuition from \$2,400 to \$2,205 instead of original budget of \$1,200	April 1, 2020	\$ (200,000)		
<b>Total of Reductions and Increases Fee/Tuition Revenue</b>		<b>\$ (2,256,859)</b>		
<b>Revised Interim Total</b>	<b>April 1, 2020</b>	<b>\$ 68,323,054</b>		

# FY21 Budget Development Chronology

			Top End Est.	Bottom End Est.
Town Manager-Revised Recommendation Range [Post Covid]	May 6, 2020	\$	66,333,322	\$ 65,738,322
Pre Covid Revised School Dept Budget w/ Gap Closing Measures [\$70.6M-\$2.3M]	April 1, 2020	\$	68,323,054	\$ 68,323,054
Revised Post Covid Gap Including School Budget Closing Measures		\$	1,989,732	\$ 2,584,732
Estimated New Covid-related School Budget Costs [Preliminary/Estimated]	May 20, 2020	\$	2,200,000	\$ 2,200,000
<b>Revised Post Covid Gap</b>	<b>May 20, 2020</b>	<b>\$</b>	<b>4,189,732</b>	<b>\$ 4,784,732</b>
Net Effect of Voting \$1.95M Reductions Instead of \$1.7M	June 24, 2020	\$	(251,120)	\$ (251,120)
Additional Projected Positive FY20 Budget Variance-Primarily Covid-related	June 24, 2020	\$	(725,625)	\$ (725,625)
<b>Revised Post Covid Gap</b>	<b>June 24, 2020</b>	<b>\$</b>	<b>3,212,987</b>	<b>\$ 3,807,987</b>