

# FY21 BUDGET STATUS UPDATE

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# Topics

- FY21 Reality & Strategy
- State Aid Update
- Current Status
- Short-term Horizon
- Recommended Vote

## FY21 Reality & Strategy

- FY21 will remain a dynamic year with numerous changes in our financial status based upon a number of variables
- The educational modality will impact both costs and fee/tuition revenues. The cost to educate Remote Learners [Cohort D] is dependent on enrollment and cost/method of providing services.
- School closures could reduce some operating expenses AND also create new types of new expenditures

## FY21 Reality & Strategy

- Leverage federal stimulus funds to fullest extent knowing that those funds are both Use Restricted [CV-19 direct costs only] and Time Restricted [12/30/2020 deadline]
- More frequent budget status updates and monitoring required
- Mid-year reductions may be required and their impact decreases as we progress through the fiscal year, i.e., the amount of budget savings created through staff reductions diminishes if enacted with only a few months remaining in the fiscal year.

# State Aid Update

						<i>Tentative Agreement from MA State Legislature</i>		
	<b>FY20 Final</b>	<b>FY21 Original Estimate Pre-Covid Jan. 2020</b>	<b>FY21 Revised Estimate #1 Post-Covid Apr. 2020</b>	<b>\$\$ Difference</b>	<b>% Difference</b>	<b>FY21 Revised Estimate #2 Post-Covid July 30,2020</b>	<b>\$\$ Difference Est.#1 v. Est.#2</b>	<b>% Difference Est.#1 v. Est.#2</b>
<b>State Aid Category</b>								
<b>State Education Aid</b>	\$ 20,098,149	\$ 20,292,506	\$ 19,176,418	\$ (1,116,088)	-5.5%	\$ 20,104,225	\$ 927,807	4.8%
<b>Unrestricted General Gov't Aid</b>	\$ 2,958,042	\$ 3,040,867	\$ 2,655,283	\$ (385,584)	-12.7%	\$ 2,958,042	\$ 302,759	11.4%
<b>Total</b>	<b>\$ 23,056,191</b>	<b>\$ 23,333,373</b>	<b>\$ 21,831,701</b>	<b>\$ (1,501,672)</b>	<b>-6.4%</b>	<b>\$ 23,062,267</b>	<b>\$ 1,230,566</b>	<b>5.6%</b>
						<b>School allocation</b>	<b>\$ 915,283</b>	
						<b>Municipal allocation</b>	<b>\$ 315,283</b>	

Additional funding for FY21 School Budget

# Current Status: \$1.1M Estimated Remaining Gap

	FY21 Budget Status: 7.22.2020	FY21 Budget Status: 8.3.2020 w/ Add'l \$915K State Aid	Difference
Town Mgr. & School Committee Revised Recom.	\$ 67,080,000	\$ 67,995,283	\$ 915,283
<b>Net Budget Gap</b>	<b>\$ (419,696)</b>	<b>\$ -</b>	
<b>Estimated Covid-related Revenue Losses</b> <i>[These Losses Cannot Be Covered by Federal Stimulus]</i>			
SPED Circuit Breaker Decrease	\$ (465,000)	\$ (465,000)	
Bus Revenue Decrease [100% loss]	\$ (750,000)	\$ (254,413)	
Student Activity /Athletics [25% reduction]	\$ (114,250)	\$ (114,250)	
Full Day Kindergarten and Preschool [25% reduction]	\$ (233,750)	\$ (233,750)	
Gate Receipts [50% reduction]	\$ (20,000)	\$ (20,000)	
<b>Total Projected Revenue Losses</b>	<b>\$ (1,583,000)</b>	<b>\$ (1,087,413)</b>	
<b>Total Gap- Assume No Additional State Aid</b>	<b>\$ (2,002,696)</b>	<b>\$ (1,087,413)</b>	<b>\$ (915,283)</b>

Current estimated remaining gap



## Short-term Horizon

- Plan for decreased revenue from full-day kindergarten but no decrease in program costs
- Preschool tuition and programming needs a re-assessment but could be similar to above
- Potential negative impact on athletic fee revenue could be offset by reduced costs for coaching stipends. It all depends on what the fall season looks like and student participation rates

## Recommended Vote

- That the Committee vote to recommend a School Department Fiscal Year 2021 budget of \$67,995,283 for approval at the Annual Town Meeting to be held on August 8, 2020.