



BEDFORD PUBLIC SCHOOLS

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TO: Philip Conrad, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

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SUBJECT: Fiscal 2022 Final Report

As summarized in the chart below, the final year-end balance of the FY22 Bedford Public Schools operating budget is \$0, after: 1) the application of all budgetary offsets, 2) a reserve fund transfer to increase available operating budget funds for out-of-district special education tuition and Covid-related expenses, and 3) transfer of expenses to ARPA per the Town's ARPA budget plan.

FY22 School Committee Appropriated Budget	\$ 43,630,038
FY22 Reserve Fund Transfer, Tuition	\$ 346,192
FY22 Reserve Fund Transfer, Covid Expense	\$ 228,825
FY22 Final Available Budget	\$ 44,205,055
FY22 Expenditures	
Salaries	\$ 36,329,941
Operating Expenses	\$ 2,611,688
Special Education Tuition	\$ 3,273,282
Regular Transportation	\$ 1,266,385
Special Education Transportation	\$ 723,759
Total FY22 Expended	\$ 44,205,055
FY22 Budget Surplus (Deficit)	\$ 0
FY22 Covid Expenses on Operating Budget	\$ 647,195
<i>Covered by Reserve Fund Transfer</i>	\$ (228,825)
<i>Transferred to ARPA</i>	\$ (418,370)
FY22 Covid Expenses Above Budget	\$ -
FY22 Funds Carried Forward	
State Impact Aid	\$ 132,737
Special Education Circuit Breaker	\$ 555,133

Year-end balances in the two primary special revenue accounts that are used to lower operating budget costs, are also reported above, as FY22 funds carried forward. The balance in the state impact aid account has decreased, as planned, to cover EDCO closing costs in the amount of \$109,000. Additionally, retirement incentive expense and substitute expenses of \$70,000 were charged to this account. Circuit Breaker reimbursements were used to offset costs in the FY22 budget in the amount of \$1,990,516. The Circuit Breaker account maintains a reserve of 11% of gross tuition costs, which is available to help the district manage this volatile cost area.

FY22 budget-to-actual expenditures, by major expense category, are summarized in the following chart. Additional details regarding budget variances are also highlighted below.

Major Budget Categories	FY22 Original Budget	FY22 Adjusted Budget	FY22 Actual Expended	\$ Variance	% Variance
SALARIES	\$36,247,296	\$36,076,180	\$36,121,416	\$ (45,235)	-0.1%
OPERATING EXPENSES	\$ 2,389,456	\$ 2,511,724	\$ 2,591,388	\$ (79,664)	-3.2%
SPEC ED - OUT OF DIST TUITION	\$ 2,887,348	\$ 3,233,540	\$ 3,273,282	\$ (39,742)	-1.2%
REGULAR TRANSPORTATION	\$ 1,209,920	\$ 1,258,768	\$ 1,266,385	\$ (7,617)	-0.6%
SPEC ED TRANSPORTATION	\$ 896,018	\$ 896,018	\$ 723,759	\$ 172,259	19.2%
SALARIES - COVID		\$ 208,525	\$ 208,525	\$ -	
OPERATING EXPENSES - COVID		\$ 20,300	\$ 20,300	\$ -	
TOTAL OPERATING BUDGET	\$43,630,038	\$44,205,055	\$44,205,055	\$ -	0.0%

Salaries

Salaries comprise 83% of the total operating budget and ended with a negative variance of -0.1%. Some details include:

- Savings of \$344,254 are largely attributed to surpluses due a number of persistent staff vacancies, attrition and turnover savings, and unpaid leave of absences (FMLAs were at a high level in FY22.)
- Savings were consumed by negative variances in contractual retirement incentives and sick leave buy back, by substitute costs, and by facilities overtime related to covering vacant positions.
- The final negative balance of \$45,235 in salaries was offset by savings in other areas of the budget.
- Substitute expenses have been highly variable in recent years, and reached a six-year high in FY22. Primary factors driving substitute expense include a high number of FMLAs during the year, and high numbers of regular absences due to Covid-19. Also, beginning in FY21, 12 weeks of paid parental leave is available to instructional staff versus 8 weeks prior to that time.
- The district conducted a salary survey during fall 2021 which informed pay adjustments for daily, short-term and long-term subs and a new graduated pay scale based on length of service and licensure was introduced in February 2022. This new scale should help manage costs.
- The FY21 year, when additional paraprofessionals were hired in the district to support hybrid education, substitute spending appears artificially low.

The following chart provides actual expenses, broken down by type of substitute expense:

SUBSTITUTE COSTS - FY18 - FY22 ACTUAL BY TYPE OF SUBSTITUTE

Substitute Type	FY22 \$	FY22 %	FY21 \$	FY21 %	FY20 \$	FY20 %	Substitute Type	FY18	FY19
Building Sub	\$ 161,449	26%	\$ 42,814	16%	\$ 170,468	30%			
Daily Sub	\$ 36,809	6%	\$ 24,083	9%	\$ 46,185	8%			
Subbing by EA/TAs	\$ 50,609	8%	\$ 37,462	14%	\$ 56,209	10%			
Short Term Subs	\$ 30,397	5%	\$ 8,161	3%	\$ 14,461	3%	Short Term Subs	\$ 48,985	\$ 108,322
Long Term Subs	\$ 342,678	55%	\$ 155,066	58%	\$ 274,765	49%	Long Term Subs	\$ 215,763	\$ 262,387
TOTAL	\$ 621,942	100%	\$ 267,586	100%	\$ 562,089	100%		\$ 264,748	\$ 370,708

Operating Expenses

Operating Expenses ended the year with a deficit of -\$79,664, a budget variance of -3.2%. The driver of this overage was spending on contracted services in special education to place teaching assistants in the district to cover long-term staff vacancies. Special education contracted services was in deficit by -\$309,712. Other contracted services accounts with surpluses contributed to overall net expense in contracted services of -\$238,473. Additional savings in supplies and equipment accounts further offset the overage in contracted services.

Special Education Out-of-District Tuition

Gross special education tuitions costs were lower than budgeted, by \$64,066. As was done in FY21, the FY22 budget was approved with a deficit in the tuition budget while the Town reserved \$450,000 to cover this gap.

The final tuition deficit ended at -\$385,934 versus -\$450,000. At year end, savings in other areas of the operating budget covered a portion of the tuition deficit and a Town reserve fund transfer was needed in a lower amount of \$346,192. The chart below illustrates the final gross tuition, use of Circuit Breaker, and the resulting net costs in the FY22 budget:

FY22 Out of District Tuition	FY22 Budget	Actual FY22
FY22 Net Tuition Expense	\$ 2,887,348	\$ 2,887,348
FY22 Gross Tuition Expense	\$ 4,917,864	\$ 4,868,798
FY22 Use of Circuit Breaker	\$ (1,580,516)	\$ (1,595,516)
FY22 Net Tuition Expense	\$ 3,337,348	\$ 3,273,282
FY22 Budget Surplus (Deficit)	\$ (450,000)	\$ (385,934)
FY22 Reserve Fund Transfer		\$ 346,192
Final Tuition Expense Surplus (Deficit)		\$ (39,742)

Transportation

Regular education transportation ended the year above budget and special education transportation expenses were significantly lower than budgeted in FY22.

- Regular Transportation ended the year with a small deficit of -\$7,617 and a budget variance of less than one percent. The transportation budget was increased mid-year to cover additional bus expenses and fuel escalation expenses. Contractual fuel escalation expenses were \$31K in FY22. Covid-related bus sanitization surcharges were charged to ARPA.
- Special Ed Transportation ended the year with a surplus and savings of \$172,259, or 19.2%. This was due to an invoice credit from CASE transportation that was generated from savings during the year prior at CASE due to lower transportation rates during hybrid and remote learning. Further savings are related to offsets from Circuit Breaker transportation reimbursements.

For a second year, it is important to note the extent to which the Town's commitment of reserve dollars and ARPA funding supported our students, as well as the focus on collaborative planning. In total, \$647K in additional resources were spent in fiscal year 2022 as Bedford Public Schools continued to manage and recover from the pandemic.

I would be happy to answer any questions about this report, or to provide additional information or clarifications as needed.