



BEDFORD PUBLIC SCHOOLS

TO: Phillip Conrad, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

DATE: June 13, 2023

SUBJECT: FY23 June Budget Update and Reserve Fund Transfer Requests

As part of the FY23 annual budget process, the Finance Committee reserved funds in the amount of \$198,451 to apply to a tuition deficit, if needed in June. Also, the Superintendent requested an additional reserve to cover costs associated with a school safety and security study he advised to be conducted immediately, at a cost up to \$75,000.

As of June 16, 2023, the operating budget has a projected deficit of -\$453,616. This deficit is driven by higher than budgeted expenses in out-of-district tuition, special education transportation and contracted services to cover special education vacancies.

There are surpluses in salary accounts due to vacancies and attrition. However, the accounts with surpluses will only partially cover the deficit. The schools will need to use additional offsets and credits (primarily from Circuit Breaker) to cover overages in special education transportation and contracted services.

Since the mid-year forecast presented in February, there is additional reliance on special revenue funds above the original plan, by approximately \$100,000. This is due to continued increases in expenses in several of our most volatile expense areas from February to June.

The approved budgeted offsets include grants, revolving accounts and other special revenues accounts. Specifically, these are: Title I grant, Sped IDEA Grant, Integrated Preschool tuition, Athletic revolving account, Mudge Trust Fund, Building Rental Income, State Military Mitigation for Hanscom AFB, METCO Grant, Circuit Breaker reimbursements used for staff, out-of-district tuition and transportation. In total, funding of \$3,616,620 from all of the above sources is used to reduce the amounts carried in the operating budget.

The chart that follows delineates the current status of the Bedford Public Schools operating budget as of mid-June, 2023.

FY23 School Operating Budget	As of 6/9/2023
FY23 Total Operating Budget	\$ 45,157,090
Expended-to-date	\$ 40,563,157
Encumbered to-date	\$ 1,023,971
Expenses remaining (not encumbered)	\$ 7,640,198
FY23 Budget Balance before offsets	\$ (4,070,236)
<i>Budgeted Offset*</i>	\$ 3,616,620
FY23 Budget Deficit (after all offsets)	\$ (453,616)
<i>Additional Offsets to be used</i>	\$ 205,215
FY23 Budget Deficit (after additional offsets)	\$ (248,401)
Reserve Fund Transfer for Out-of-District Tuition	\$ 198,451
Reserve Fund Transfer for Safety Assessment	\$ 49,950
Final FY23 Operating Budget Deficit	\$ -

Out-of-District Special Education Tuition

As has been the case since FY21, out-of-district tuition expense has exceeded the budgeted amount carried in the operating budget. The Finance Committee has reserved funds to supplement the budget in each of the past three years during the budget approval process. Again in FY23, surpluses in other accounts will partially cover the negative tuition account variance. However, in FY23 the full amount of the planned reserve is needed to eliminate the school deficit.

FY23 Out of District Tuition	As of 6/9/2023
Out-of District Tuition Operating Budget	\$ 2,988,407
Out-of-District Gross Tuition Expense	\$ 5,122,733
Circuit Breaker Credits	\$ (1,808,501)
Net Out-of-District Tuition Expense	\$ 3,314,232
FY23 Budget Surplus (Deficit)	\$ (325,825)
<i>Surpluses in other accounts</i>	\$ 127,374
FY23 Reserve Fund Transfer Request	\$ 198,451
Final FY23 Out-of-District Tuition Budget Deficit	\$ -

School Safety and Security Assessment

The superintendent requested up to \$75,000 to fund a safety and security assessment for the schools. The actual cost of the student was \$49,950.

In sum, two reserve fund transfers will be requested to correct the Bedford Public Schools deficit at the final meeting of the Finance Committee on June 22, 2023:

Reserve Fund Transfer for Out-of-District Tuition	\$ 198,451
Reserve Fund Transfer for Safety Assessment	\$ 49,950
Total Request	\$ 248,401