



BEDFORD PUBLIC SCHOOLS

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TO: Philip Conrad, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

DATE: October 13, 2020

SUBJECT: Fiscal 2020 Final Report

As was expected, the FY20 budget ended in a surplus due to the programmatic and operational impacts of the Covid-19 emergency closure. The actual surplus, prior to the application of budgetary offsets, was \$689,105, somewhat higher than the \$600,000 projected last spring.

As planned, the district used this savings to offset deficits in tuition and special education transportation. The district also allowed higher balances to remain in special revenue accounts that support instruction and special education, thus reserving those funds for future use. It was also necessary to apply savings to reduce the planned offsets from the building rental account, which had a significant revenue shortfall.

The final year-end balance of the FY20 Bedford Public Schools budget, after the application of all budgetary offsets, is \$4,856. The chart below provides a summary and includes information about major special revenue account balances carried forward.

FY20 School Committee Adjusted Budget	\$ 41,844,365
FY20 Budget Surplus (due to Covid-19 Impact)	\$ 689,105
<i>Savings used to decrease offsets to salaries</i>	\$ (139,183)
<i>Savings used to decrease offsets to operating expenses</i>	\$ (61,546)
<i>Savings used to decrease offsets to tuition</i>	\$ (483,520)
Actual FY20 Surplus	\$ 4,856
Total FY20 Expended	\$ 41,839,509
Total remaining balance returned to the Town	\$ 4,856
<i>FY20 Major Reserve Funds Carried Forward</i>	
<i>State Impact Aid</i>	\$ 571,501
<i>Reserve level is 1% of total operating budget</i>	
<i>Special Education Circuit Breaker</i>	\$ 625,270
<i>Reserve level is 13% of gross tuition budget</i>	

FY20 budget-to-actual expenditures by major expense category are summarized below, and in the following chart:

- Salaries, comprising 82% of the total operating budget, ended with a positive variance of 1%.
- Operating expenses and regular transportation expenses had year-end surpluses of 6% and 8%, respectively, due to the programmatic impacts of the closure, and a spending freeze on all non-essential supplies and materials.
- Surpluses in salaries, operating expenses and regular transportation offset the negative variance in out-of-district tuition and special education transportation expense.
- An additional \$379,271 in tuition expense was expended from the FY20 operating budget resulting a negative budget variance of -14%.
 - The gross tuition amount, before the application of Circuit Breaker, also was higher than budgeted in FY20, at \$4.8 million versus \$4.6 million.
 - Although the Circuit Breaker balance at the beginning of the year was lower than usual, at \$160,000, the district received reimbursements of \$1,526,016 that were higher than expected.
 - After beginning the FY20 year with a low balance, the final reserve ended at a more typical level with a balance carried forward of \$625,270 in the Circuit Breaker special revenue account.
 - The specific legislative purpose of the special education circuit breaker grant is to allow districts to manage extraordinary special education costs - it is allowable to carry forward up to one full year of reimbursement.
- There was a -16% budget variance in special education transportation expense that was identified early in the fiscal year. The variance was not as high as expected at year-end due to savings negotiated with transportation contractors.

FY20 BUDGET-TO-ACTUAL SUMMARY BY MAJOR EXPENSE CATEGORY

BY MAJOR EXPENSE	FY20 Budget	FY20 Actual Expense	FY20 \$ Variance	FY20 % Variance
SALARIES	\$ 34,767,908	\$34,509,156	\$ 258,752	1%
OPERATING EXPENSES	\$ 2,470,308	\$ 2,311,503	\$ 158,805	6%
SPEC ED - OUT OF DIST TUITION	\$ 2,686,365	\$ 3,065,636	\$ (379,271)	-14%
REGULAR TRANSPORTATION	\$ 1,127,607	\$ 1,036,270	\$ 91,337	8%
SPEC ED TRANSPORTATION	\$ 792,178	\$ 916,944	\$ (124,766)	-16%
TOTAL	\$ 41,844,365	\$41,839,509	\$ 4,856	0%

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