



BEDFORD PUBLIC SCHOOLS

TO: Cliff Chuang, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

DATE: October 10, 2023

SUBJECT: Fiscal 2023 Final Report

The final year-end balance of the FY23 Bedford Public Schools operating budget is \$0, after the application of all budgetary offsets and a reserve fund transfer to increase available operating budget funds for out-of-district special education tuition and the safety and security study.

The chart below summarizes budget and expenses. Year-end balances in the two primary special revenue accounts that are used to lower operating budget costs, are also reported, including FY24 funds carried forward:

FY23 School Committee Appropriated Budget	\$ 45,157,090
FY23 Reserve Fund Transfers	\$ 248,401
FY23 Final Available Budget	\$ 45,403,768
FY23 Expenditures	
Salaries	\$ 37,136,070
Operating Expenses	\$ 2,827,570
Special Education Tuition	\$ 3,210,576
Regular Transportation	\$ 1,344,457
Special Education Transportation	\$ 885,095
Total FY23 Expended	\$ 45,403,768
FY23 Budget Surplus (Deficit)	\$ -
FY23 Circuit Breaker Funds Carried Forward	\$ 553,140
FY23 State Impact Aid Carried Forward	\$ 51,682

Circuit Breaker reimbursements were used to offset costs in the FY23 budget at a level that was higher than planned (for transportation). However, the ending balance is stable due to Circuit Breaker reimbursements that also were higher than budgeted. The Circuit Breaker account maintains a reserve of 11% of FY24 budgeted gross tuition costs (\$4.8M), which is available to help the district manage this volatile cost area.

FY23 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	FY23 Original Budget	FY23 Adjusted Budget	FY23 Actual Expended	\$ Variance	% Variance
Salaries	\$37,711,796	\$37,450,402	\$37,136,070	\$314,332	0.8%
Operating Expense	\$2,455,008	\$2,729,189	\$2,827,570	-\$98,382	-3.6%
Out-of-District Tuition	\$2,988,407	\$3,186,858	\$3,210,576	-\$23,718	-0.7%
Transportation - Reg Education	\$1,284,015	\$1,319,456	\$1,344,457	-\$25,001	-1.9%
Transportation - Special Ed	\$717,864	\$717,864	\$885,095	-\$167,231	-23.3%
Grand Total	\$45,157,090	\$45,403,769	\$45,403,769	\$0	

Salaries

Salaries comprise 82% of the total operating budget and ended with a positive budget variance of just under 1%. Some details include:

- Savings of \$314,332 are largely attributed to surpluses due a number of staff vacancies, additional attrition and turnover savings over the course of the year.
- Savings were consumed by negative variances in non-salary accounts (see below).
- Substitute expenses have been high in recent years, despite positions being hard to fill.
- FY23 expenditures on long-term and short-term subs totaled \$437K. This is lower than FY22 and FY20 when expenditures totaled \$622K and \$562K respectively.

Operating Expenses

Operating Expenses ended the year with a deficit of -\$98,382, a budget variance of -3.6%. The driver of this overage was spending on contracted services in special education to backfill teaching assistant position vacancies. Special education contracted services was in deficit by -\$282,256 before a transfer was made from salary accounts. Note that the FY24 budget for these services was increased in anticipation of continued need.

Special Education Out-of-District Tuition

Special education tuitions costs in the operating budget were higher than budgeted, by \$57,156. As was done in the past three years, the FY23 budget was approved with a deficit in the tuition budget while the Town reserved up to \$200,000 to cover this gap. Thus, the *true* amount of special education tuition negative budget variance in the operating budget is -\$257,156.

Transportation

Both regular education and special education transportation costs ended the year above budget.

- Regular Transportation ended the year with a deficit of -\$25,001 and a negative budget variance of about two percent. The overage is due to fuel escalation charges. Contractual fuel escalation expenses were \$31K in FY22 and \$35K in FY23.
- Special Ed Transportation ended the year with a deficit of -\$167,231 after a \$195,000 offset from circuit breaker transportation reimbursement. Increased expenditures are attributable to both usage and rates. Both usage and rates for private transportation that is not covered by our collaborative agreements have been increasing despite internal processes to obtain multiple quotes for services. Labor shortages are thought to be contributing to these increases.

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