



BEDFORD PUBLIC SCHOOLS

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TO: Jon Sills, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

DATE: February 11, 2020

SUBJECT: FY20 Budget Update

This is a mid-year update on the status of the FY20 operating budget as of January 15, 2020. The financial forecast includes projections for all operating accounts for the remainder of the fiscal year through June 30, 2020, with a projected positive balance of \$82,704. A summary by major expense category is below, and highlights of changes within each category follow:

| CATEGORY | FY19 Actual | FY20 SC Approved Budget | FY20 SC Adjusted Budget | YTD Encumb. + Exp. | Fcast to June 2020 | FY20 Projected Final | Surplus (Deficit) |
|---------------------------|---------------|-------------------------------|-------------------------------|-----------------------|-----------------------|----------------------------|----------------------|
| SALARIES | \$ 33,012,431 | \$ 34,722,363 | \$ 34,752,643 | \$ 13,708,435 | \$ 21,731,240 | \$ 34,587,914 | \$ 164,729 |
| OPERATING EXPENSES | \$ 2,524,737 | \$ 2,515,854 | \$ 2,561,688 | \$ 1,697,887 | \$ 827,613 | \$ 2,438,300 | \$ 123,391 |
| OUT OF DISTRICT TUITION | \$ 2,920,328 | \$ 2,686,365 | \$ 2,610,284 | \$ 2,016,071 | \$ 594,212 | \$ 2,610,284 | \$ - |
| REGULAR TRANSPORTATION | \$ 1,093,842 | \$ 1,127,607 | \$ 1,127,607 | \$ 1,129,811 | \$ - | \$ 1,129,811 | \$ (2,204) |
| SPECIAL ED TRANSPORTATION | \$ 870,058 | \$ 792,178 | \$ 792,178 | \$ 989,689 | \$ 5,700 | \$ 995,389 | \$ (203,212) |
| GRAND TOTAL | \$ 40,421,396 | \$ 41,844,365 | \$ 41,844,399 | \$ 19,541,893 | \$ 23,158,765 | \$ 41,761,698 | \$ 82,704 |

- Salaries – Salaries are projected to the end of the year with a positive balance of \$164,729. The major areas of net savings are the result of a positive balance in salaries due to attrition in Para-professional Teaching Assistants, turnover in Facilities para-professional positions, and leave of absences in Professional Teachers. Budgetary savings were offset by higher expenses in substitutes, overtime, and some other salary accounts, including the largest budget variances that were in Para-professional Teaching Assistants (\$306,699) and long-term substitutes (-\$237,288).

- Operating Expenses – All expense accounts through the end of the year are projected to end with a positive balance of \$123,391. Spending above plan in special education contracted services (-\$124,665) is the result of para-professional vacancies that have required additional spending on temporary para-professionals at a higher cost. Lower spending in other areas helps offset this and other smaller account overages including expenditures for Equipment (e.g., savings on iPad leases of \$25,276), Administrative Supplies and Materials, and other cumulative smaller savings in other expense accounts. The projection is conservative: by comparison, operating expense accounts in FY19 had a year-end balance of \$232,602.
- Out-of-District Tuition – As has been previously reported, gross tuition has increased significantly above plan in FY20 while the net cost of \$2,620,284 is projected as budgeted. The district is managing higher gross tuition costs by applying collaborative member tuition credits that are available this year at higher than anticipated levels, as well as using additional available credits from circuit breaker. A detailed accounting of gross tuition and ancillary costs that relate to education for our highest need out-placed students has been provided with the FY21 budget materials. Circuit Breaker balances were projected and provided as well.
- Regular Transportation – All costs for main school bus routes as well as late buses are encumbered. Regular transportation costs are forecast slightly over plan by -\$2,204.
- Special Education Transportation – All costs for transporting students to specialized programs within Bedford Public Schools and to out-of-district placements have been projected and are forecast with a negative balance of -\$203,212. Both In-district and out-of-district special education transportation costs are projected higher than budgeted due to both usage and rates. Costs in this category were above budget in FY19 to a similar degree and this trend has carried forward to the current year.
- Offsets from special revenue accounts – All planned budgetary offsets in the FY20 budget are as expected with revenue from grants, building rental, preschool tuition, and state impact aid, all on track in the current fiscal year.