

FY25 BEDFORD SCHOOL COMMITTEE APPROVED BUDGET

Questions and Answers

February 13, 2024

Question: Accounting system conversion and alignment

Answer: This is a longer explanation in order to provide information on the alignment issues in comparing to prior fiscal years:

As part of the Tyler Munis conversion, the town and school completed a chart of accounts update in order to take into account all the latest requirements of the Uniform Massachusetts Accounting System (UMAS) and, additionally for the schools, the Department of Elementary and Secondary Education (DESE) chart of accounts. DESE’s recommended chart of accounts was the model for the school’s new redesigned chart of accounts which is based on *educational functions* but includes all the elements of the former KVS chart of accounts.

The new chart is significantly more detailed and therefore, the former KVS chart of accounts (which was based on *department and expense type*) does not align with the new chart of accounts. Many KVS accounts were split into multiple new Munis accounts - this is true for both salary and non-salary accounts. See the examples in the chart below. *Some technicalities about the conversion - the conversion could only map one-to-one. Expenses were brought over through the end of March (period 9) as part of the conversion. Expenses then had to be manually reclassified to the proper account in Munis. This was done for as many accounts as was feasible, but could not be done for all accounts.*

Here are some examples of the one-to-many chart of account changes, as redesigned, including both salary and non-salary accounts:

EDUCATION FUNCTION DESCRIPTION	FY23 Account	FY24 Account
SUPERINTENDENT	YES	YES
ASSISTANT SUPERINTENDENTS		NEW
OTHER DISTRICT-WIDE ADMIN		NEW
BUSINESS AND FINANCE		NEW
HUMAN RESOURCES AND BENEFIT		NEW
TEACHERS, SPECIAL ED	YES	YES
SPEECH LANGUAGE PATHOLOGIST		NEW
OCCUPATIONAL THERAPIST		NEW

PHYSICAL THERAPIST		NEW
PSYCHOLOGIST		NEW
SPED ADJUSTMENT COUNSELOR		NEW
SCHOOL SECURITY		NEW
DW INFO MGMT & TECH	YES	YES
INSTRUCTIONAL SOFTWARE		NEW
PSYCHOLOGIST CONTRACTED SVCS	YES	YES
PARA PROF (NON CLERICAL) - CONTRACTED SVC		NEW

What is the impact on the school line item budget?

The [FY25 School Committee Approved Line Item Budget](#) (see pages 5-12) was presented in December, and reviewed in January and ultimately updated to reflect reductions and changes as approved by the School Committee. Last year, this line item budget was available by location including Davis, Lane, JGMS, BHS and Districtwide, and therefore included more lines. The current year line item budget is presented by the account responsibility center (school committee, administration, school leadership, elementary education, secondary education, athletics, etc.) instead of location. Thus, there are fewer line items. However, a greater number of accounts are actually presented.

One entirely new budget summary was included that stems directly from the new accounting system - This is a summary of the [FY25 Budget by Educational Function](#) (page 5). This report will be informative as year-over-year comparisons become available in the future. More types of additional and expanded reporting can be expected going forward as a full year of history is accumulating in Munis in Fiscal 2024.

Finally, a **detailed note section** is included with the line item budget for many accounts - and these will be built over time. These notes formerly were included in the body of the line item exhibit, and some descriptive notes are no longer necessary because the accounts are more granular.

Question: For the categories where there is FY24 comparison, would you also provide FY23 actuals?

Answer: Please see an exhibit that was not able to be included in the full budget book at the time of original printing, because it needed to be adjusted due to the accounting system change:

Operating Budget Expense Categories	FY23 Original Budget	FY23 Revised Budget	FY23 Expended	FY23 Budget Variance
Salaries - Athletics	\$574,457	\$576,070	\$528,314	\$47,756
Salaries - Central Admin	\$1,837,195	\$1,867,199	\$1,853,147	\$14,052
Salaries - Cust & Maint	\$2,002,239	\$1,977,856	\$1,940,091	\$37,765
Salaries - EA/TA	\$2,470,804	\$2,473,544	\$2,344,694	\$128,850
Salaries - Professional Teacher	\$28,287,112	\$28,335,323	\$28,121,435	\$213,888
Salaries - School Admin	\$1,910,915	\$1,768,058	\$1,813,988	-\$45,930
Salaries - Student Activities	\$244,074	\$244,074	\$274,333	-\$30,259
Salaries - Subs	\$385,000	\$385,000	\$436,790	-\$51,790
Salary Subtotal:	\$37,711,796	\$37,627,124	\$37,312,792	\$314,332
Out-of-District Tuition	\$2,988,407	\$3,186,858	\$3,210,576	-\$23,718
Tuition Subtotal:	\$2,988,407	\$3,186,858	\$3,210,576	-\$23,718
Transportation - Reg Education	\$1,284,015	\$1,319,456	\$1,344,457	-\$25,001
Transportation - Special Ed	\$717,864	\$717,864	\$885,095	-\$167,231
Transportation Subtotal:	\$2,001,879	\$2,037,320	\$2,229,552	-\$192,232
Elementary Operating Expense - Contracted Svcs	\$48,225	\$49,392	\$53,677	-\$4,285
Elementary Operating Expense - Other Expense	\$5,850	\$4,617	\$3,969	\$648
Elementary Operating Expense - Supp & Matl	\$157,834	\$156,767	\$172,805	-\$16,038
Secondary Operating Expense - Contracted Svcs	\$567,141	\$568,982	\$563,980	\$5,002
Secondary Operating Expense - Other Expense	\$47,625	\$48,685	\$47,548	\$1,137
Secondary Operating Expense - Supp & Matl	\$226,969	\$219,372	\$197,805	\$21,567
Districtwide Operating Expense - Contracted Svcs	\$562,447	\$673,407	\$659,230	\$14,177
Districtwide Operating Expense - Other Expense	\$70,300	\$62,403	\$64,421	-\$2,018
Districtwide Operating Expense - Spec Ed CS	\$100,000	\$100,000	\$237,256	-\$137,256
Districtwide Operating Expense - Supp & Matl	\$83,215	\$84,165	\$83,302	\$863
Facilities Operating Expense - Contracted Svcs	\$314,230	\$314,230	\$299,936	\$14,294
Facilities Operating Expense - Other Expense	\$24,435	\$24,435	\$23,706	\$729
Facilities Operating Expense - Supp & Matl	\$246,737	\$247,735	\$244,937	\$2,798
Operating Expense Subtotal:	\$2,455,008	\$2,554,190	\$2,652,572	-\$98,382
Grand Total	\$45,157,090	\$45,405,492	\$45,405,492	\$0

Question: Of the 5 major cost categories, what comprises Operating Expenses and what contributes to the 4.5% increase, as opposed to 3.5%?

Answer: Here is a budget exhibit that was not able to be included in the full budget book at the time of original printing.

FY25 MAINTENANCE OF EFFORT OPERATING EXPENSES

OPERATING EXPENSES	FY24 ADJUSTED BUDGET	FY25 MOE BUDGET	DIFFERENCE FROM FY24	% Change
CONTRACT SERVICES	\$1,778,096	\$1,765,455	-\$12,641	-0.7%
EQUIPMENT	\$81,416	\$104,015	\$22,599	28%
LEGAL	\$59,950	\$65,000	\$5,050	8%
OTHER	\$137,584	\$137,063	-\$521	0%
PROFESSIONAL DEVELOPMENT	\$140,000	\$145,000	\$5,000	4%
SC RESERVE - NON-ALIGNED ADJUST*	\$0	\$95,000	\$95,000	
SC RESERVE - 403B	\$24,000	\$26,000	\$2,000	8%
SUPPLIES & MATERIALS	\$546,701	\$582,898	\$36,197	7%
TELEPHONE	\$23,908	\$24,744	\$836	3%
TESTING & ASSESSMENTS	\$50,000	\$50,000	\$0	0%
TEXTBOOKS & LIBRARY BOOKS	\$106,999	\$85,770	-\$21,229	-20%
TRAVEL	\$15,935	\$16,238	\$303	2%
TOTAL	\$2,964,589	\$3,097,183	\$132,594	4.5%

* The School Committee reserve for non-aligned salary adjustments in budgeted for in a non-salary account. As part of the adjusted budget revote each fall, the final transfers from this account to a variety of salary accounts, are approved. In FY24, the original budget was \$90,000 and the SC approved budget in FY25 is \$95,000, an increase of 5%.

- The largest increase in operating expenses is the increase in equipment, of \$22K and 28%.

FCN DESC	FY24 BUDGET	FY25 MOE \$
SUPERINTENDENT	\$3,600	\$18,000
BUSINESS AND FINANCE	\$4,600	\$4,000
INSTRUCTIONAL EQUIPMENT	\$29,200	\$30,500
OTHER INSTR HARDWARE	\$4,000	\$4,000
ATHLETICS	\$21,600	\$21,600
SCHOOL SECURITY		\$7,500
MAINTENANCE OF EQUIPMENT	\$18,416	\$18,415
	\$81,416	\$104,015

- This is offset by a decrease (-20%) in the budget for textbooks. The reduction in the textbook account was due to the completion of the elementary math curriculum adoption at Lane.
- Also, \$7,500 was added to the MOE in order to cover equipment replacement and repair costs associated with security equipment.
- All departmental budget requests were reviewed on a line item basis based on known cost increases or a modest escalation estimate, and resulted in inclusion of an additional \$36K, or 7%, districtwide.
- The 8% increase in the 403 b contractual \$200 match is based on actual participation numbers in FY23.
- The 8% increase in legal expenses is an estimate.

Question: Are there certain items that can be, and will be prepaid, or could be (using available FY24 funds)?

Answer:

In the past, the district took advantage of the ability to regularly prepay both collaborative expenses and up to three months of private special education tuition. Per M.G.L., these are prepayment exceptions. Otherwise M.G.L. allows the payment for goods and services only after they have been received. In the past five years, the district has used this prepayment provision once to prepay about \$80K in FY24 tuition expense (at the close of fiscal year FY23). It is hoped that this will help the schools avoid the \$150,000 deficit in the tuition account that has been forecast, and will reduce the potential for a reserve fund transfer request for tuition in June 2024.

It is still early in the fiscal year to determine the potential for a bottom-line budget surplus. The district performs a full analysis of all accounts and reports out in a mid-year fiscal update in March. Currently, special ed transportation and paraprofessional contracted services are trending above budget. This was also true in FY23 and cost overages were covered by savings in salary accounts (e.g, vacant TA positions) and additional circuit breaker funds were applied to reduce the special education transportation expenses. See the [Final FY23 Fiscal Update](#) presented in October 2023.

If the school department has surplus funds available at the end of FY24, it is anticipated that these funds would be used to help purchase new literacy curriculum materials, or to prepay tuition. Both of these possible prepayments would directly benefit the FY25 budget in areas where there is a potential for a reserve funding request or transfer out of the proposed stabilization fund, and would thus reduce that likelihood.

It is the increasing variability of special education costs for contract labor and transportation (in addition to the unpredictability of out-of-district tuition expenses) that has been a driver in the FY25 Budget request to establish and fund a [Special Education Stabilization Fund](#). Two of the three are both directly related to the labor market conditions, as has been the case in prior years. The FY23 variances are shown below, and the FY24 budget variances are currently trending higher. More information will be available in March, but information on the prior year account variances is shown below:

Special Ed Accounts Trending Above-budget	FY23 Budget	FY23 Actual	FY23 Budget Variance	FY24 Budget	FY25 Budget
Paraprofessional - contracted services	\$0	\$237,256	-\$237,256	\$240,000	\$240,000
Special education transportation	\$717,864	\$786,969	-\$69,105	\$753,798	\$876,955
Out-of-district tuition*	\$3,186,858	\$3,382,615	-200,000	\$3,045,561	\$3,152,168

*Out-of-district tuition reserve of \$150,000 in both FY24 and Fy25

Question: What does "adjusted budget" mean for the FY24 comparisons? How is it adjusted from approved? Or are they the same?

Answer:

The original budget is approved by the School Committee. The adjusted budget reflects budget transfers between accounts that occur. This is a standard accounting system feature. The adjusted budget is more accurate in year-to-year comparisons.

Question: What do you intend to spend this year of the appropriated funds for security items from the 2023 town meeting?

Answer:

Since school security is a major priority, it is planned that funding for the initial security work, as approved by Town Meeting in March 2023, will be fully expended by June 2024. There may be

supply chain issues impacting exterior door controls, but we anticipate placing orders and getting in queue for delivery and installation.

Question: Can funding for any of the non-camera FY25 requests be delayed to the next year?

Answer:

Yes, from an administrative perspective, it is possible, if the governing bodies thought it advisable. The camera installation and the door entry systems are by definition modular. If the town needs to spread capital funds over more than two years, the district could potentially work with that. Currently the capital plan includes a budget of \$925,000 in FY25 and \$925,000 in FY26. However, these upgrades are a critical priority for the School Committee and school administration and identified as critical risks to school safety.

Question: Can you please provide a total of all FY25 requested funds, including operating, capital, new stabilization fund, and anticipated reserve transfers (FY23 actual, FY24 budget and FY25 budget)?

	FY23 Budget	FY23 Actual	FY24 Budget	FY25 School Committee Approved
Operating Budget	\$45,157,090	\$45,157,090	\$46,737,588	\$49,383,798
Capital Budget - School	\$655,508	\$655,508	\$567,356	\$625,398
Capital Budget - Facilities School	\$305,759	\$305,759	\$183,265	\$353,862
Capital Budget - School Security	\$0	\$0	\$350,000	\$925,000
Supplemental Budget (Reserve Fund Transfer)	\$275,000	\$248,401	\$150,000	\$150,000
Stabilization Fund	\$0	\$0	\$0	\$500,000
TOTAL	\$46,393,357	\$46,366,758	\$47,988,209	\$51,938,058
Percent Change			3.50%	8.23%

*The 3.5% comprehensive total is compared to FY23 actual spending versus FY23 budget.

Additional information on the Special Education Stabilization Request:

Consultation with peer districts and state officials has continued in order to more fully understand the procedural details of using such and account:

Governing policies:

As set forth in the legislation, it is the responsibility of the School Committee and Select Board to authorize expenditures from the stabilization fund. A vote of each body is required. Local communities may add, should all parties agree, additional procedures that might include a specific role for the Finance Committee which historically has reviewed all “extra-budget” expenditures. The School Committee and Superintendent are committed to working with town officials to draft governing policies, which would include specific reserve guidelines for all (versus most) school revenue accounts.

Could School Surplus be put into the Stabilization Fund:

There was some information gathered in the initial round of queries that was contradictory on this topic. We’ve gotten confirmation from state partners that, as per M.G.L, all budget surpluses flow to the Town general fund and are later certified as free cash. If the schools were to generate an operating budget surplus, the schools could request that those funds be transferred into the stabilization fund at the annual town meeting, subject to the usual votes of approval or disapproval of the Selectboard and Finance Committee.