



BEDFORD PUBLIC SCHOOLS

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TO: Phillip Conrad, Superintendent
School Committee

FROM: Julie Kirrane, Director of Finance

DATE: February 15, 2022

SUBJECT: FY22 Mid-year Budget Update (revised 2/16/2022)

This is a mid-year update on the status of the FY22 operating budget as of January 31, 2022. The financial forecast includes projections for all accounts for the remainder of the fiscal year through June 30, 2022. The forecast first focuses on the school's FY22 operating budget, and then provides an update on the status of approved Covid-19 contingency spending.

As of January 31, with 56% of the operating budget expended or encumbered, the operating budget has a projected deficit of -\$326,762. The deficit is attributed to out-of-district tuition expense to be covered by a town reserve approved for this purpose up to \$450,000. Other savings in the operating budget are having a positive impact. Without tuition expenses, the operating budget is projected to have a surplus of \$62,328. A summary by major expense category of the operating budget is provided below:

EXPENSE CATEGORY	FY21 SC Approved Budget	FY21 SC Adjusted Budget	FY22 YTD Encumb. + Exp.	Exp. Fcast to June 2022	FY22 FINAL including all Offsets	Final Surplus (Deficit)
SUBTOTAL SALARIES	\$ 36,247,296	\$ 36,076,180	\$ 15,726,108	\$ 21,252,317	\$ 35,971,196	\$ 104,984
SUBTOTAL OPERATING EXPENSES	\$ 2,389,456	\$ 2,511,724	\$ 1,781,468	\$ 805,804	\$ 2,581,272	\$ (69,548)
SUBTOTAL OUT OF DISTRICT TUITION	\$ 2,887,348	\$ 2,887,348	\$ 5,029,587	\$ (139,000)	\$ 3,276,437	\$ (389,089)
SUBTOTAL REGULAR TRANSPORTATION	\$ 1,209,920	\$ 1,258,768	\$ 1,255,737	\$ -	\$ 1,255,737	\$ 3,031
SUBTOTAL SPECIAL ED TRANSPORTATION	\$ 896,018	\$ 896,018	\$ 932,158	\$ -	\$ 872,158	\$ 23,860
GRAND TOTAL OPERATING BUDGET	\$ 43,630,038	\$ 43,630,038	\$ 24,725,058	\$ 21,919,121	\$ 43,956,800	\$ (326,762)

Highlights of changes within each expenditure category are as follows:

- **Salaries** – Salaries are projected to the end of the year with a net positive balance of \$104,984. The savings are the result of a positive balance in salaries due to attrition, turnover savings, and positions that are vacant. The hiring environment is challenging and openings are filled more slowly than has been typical. Positive balances in some salary accounts were offset by higher than budgeted expenses in substitutes which are trending higher than budget for the year.
- **Operating Expenses** – All expense accounts through the end of the year are projected to end with a net negative balance of -\$69,548. This is the result of higher than anticipated contracted services to cover staff vacancies including special education paraprofessional positions. These positions provide IEP services to students and the district has turned to staffing agencies in a challenging hiring environment.
- **Out-of-District Tuition** – The originally projected deficit of -\$450,000 has improved by mid-year to -\$389,089.
- **Regular Transportation** – All costs for regular school bus routes are encumbered. A transfer from salary accounts was necessary to cover the costs related to late buses which were not budgeted accurately in the original FY22 budget process.
- **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 positive balance of \$23,860. After the 2020-21 school year when a number of students opted out of transportation, ridership has returned to more typical levels.

Additional information is also provided on the approved Covid-19 contingency spending that is supplementing the school department's normal operations in the 2021-22. These expenditures were approved as part of the school FY22 recovery budget and are planned to be covered by ARPA and Town reserve funds. These costs are significantly below the \$1.1 million dollars originally estimated in December 2020, and are estimated through June 30, 2022 at a deficit of \$654,580.

FY22 EXPENSE CATEGORY	FY22 YTD Through Dec 2021 (Exp + Enc)	Forecast Through Year End	FY22 Projected Year End Final	Surplus (Deficit)	FY22 ARPA	FY22 Finance Committee Reserve
SALARIES - PROFESSIONAL.TEACHER.DAVIS.COVID	\$ 16,839	\$ 37,890	\$ 54,729	\$ (54,729)		\$ 54,729
SALARIES - PROFESSIONAL.TEACHER.LANE.COVID	\$ 19,216	\$ 34,538	\$ 53,754	\$ (53,754)		\$ 53,754
SALARIES - PROFESSIONAL.SPED INSTRUCTION.LANE COVID COVERAGE	\$ 16,839	\$ 37,890	\$ 54,729	\$ (54,729)		\$ 54,729
SALARIES - PROFESSIONAL.SPED INSTRUCTION.BHS COVID COVERAGE	\$ 11,277	\$ 40,590	\$ 51,867	\$ (51,867)		\$ 51,867
SALARIES - PROFESSIONAL.HEALTH SERVICES	\$ 63,891	\$ 92,003	\$ 155,894	\$ (155,894)	\$ 155,894	
SUPPLIES & MATERIALS.INSTRUCTION.DAVIS COVID COVERAGE	\$ 6,605	\$ 700	\$ 7,305	\$ (7,305)		\$ 7,305
SUPPLIES & MATERIALS.INSTRUCTION.LANE COVID COVERAGE	\$ 10,721	\$ 700	\$ 11,421	\$ (11,421)		\$ 11,421
OTHER EXPENSES.ADMINISTRATION .SW COVID SUPPLIES	\$ 126,458	\$ 25,000	\$ 151,458	\$ (151,458)	\$ 151,458	
CONTRACT SERVICES.MAINTENANCE - FACILITIES.SW COVID EQUIPMENT	\$ 83,424	\$ 30,000	\$ 113,424	\$ (113,424)	\$ 113,424	
GRAND TOTAL FY22 EXPENSES FROM MUNICIPAL FEDERAL RELIEF FUNDS	\$ 355,269	\$ 299,311	\$ 654,580	\$ (654,580)	\$ 420,776	\$ 233,804

The school department continues to work closely with the town to manage federal relief funds to minimize the impact on local budget dollars and to maximize use of relief funds as appropriate. Federal relief in FY22 includes the municipal ARPA allotment as well as two ARPA-funded direct school grants (ESSER III and SPED IDEA ARPA). The school grants are projected to be fully expended by the end of the year.

All covid-related expense estimates were forecast as of December 31, 2022, and may be expected to improve over the course of the spring. Regular communication about financial needs and sources of support will continue to be ongoing as we approach the end of the fiscal year and request a reserve fund transfer to cover any remaining school deficit.

A final top level summary is provided as a recap and shows how the FY22 operating budget and total overall FY22 school spending is impacted by two town reserves totaling 1.45M (for tuition and covid-related expense) and federal relief funds (ARPA):

School Fiscal Status Summary	As of 1/31/2022
Operating Budget (before tuition expense)	\$ 62,328
Operating Budget (including tuition expense)	\$ (326,762)
Covid contingency expense	\$ (654,580)
Total projected deficit	\$ (981,342)
Less ARPA offset	\$ 450,776
Less Reserve Fund Transfer	\$ 530,566
FY22 Final Projected Surplus (Deficit)	\$ -

I am happy to answer any questions the School Committee may have about this mid-year fiscal update.