

January 20, 2023

To: MERSD School Committee (SC)

From: Avi Urbas, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: Mid-Year Budget Update for 1/24/23 School Committee Meeting

Hello, MERSD School Committee.

Attached please find the FY23 mid-year budget-to-actual update with transfer requests. Here is a brief summary:

- Personnel:
 - The mid-year personnel forecast is very close to our fall forecast, (within \$39K, or a 0.3% variance), reflecting the fact that a large majority of our staffing levels are set in the fall when the school year begins.
 - What has changed primarily relates to hourly positions (e.g. substitutes, lunch/recess monitors) and professional, extracurricular and athletic coaching stipends, which are better estimated as we move through the year. Professional and extracurricular stipends, for example, are paid 2x annually per contract, in December and May, and athletics coaching stipends are paid 2x per season (fall, winter and spring) so at this point in the year, we have more actual data to facilitate forecasting.
 - Our classroom teacher line forecast is approximately \$32K better than adjusted budget (0.3%) and could change slightly further (along with the substitute line) based on potential leaves between now and the end of year.
 - We have only two transfer requests at this time for increased Personnel expense.
 - The elementary crossing guard for Essex Elementary is forecast to cost \$5.6K (paid at \$17/hr). The hours can be variable so this is just an estimate. We had included funding in the budget for several years, but were not able to find candidates, which eventually led to elimination of the budget funding, which is why a transfer/increase is needed. This year a guard was hired at Western Ave and Story St.
 - Facility Capital is increasing by a small amount to cover the final cost of encumbered small capital projects at EES and MSHS.
- Operating Expenses:
 - Here too, our forecasted assumptions are relatively stable. The main adjustments include increased contracted services for special education, and continued recognition of health insurance savings that we previewed initially in the fall.
 - As noted in prior voucher reports, we have incurred increased costs for contracted Speech Language Pathology (SLP) services to cover an employee leave. We are currently estimating a need for and requesting a transfer of \$31.5K in additional budget funding in this category.
 - For health insurance, our expected forecast update reflects greater confidence in full year savings that comes with more months of paid invoices. The FY24

budget already factors in these savings; the 12% growth estimated for FY24 is built on a full FY23 savings scenario.

- We are also recommending a transfer to increase our budget funding for out-of-district (OOD) tuition. Although our gross cost forecast (i.e., cost of OOD from all funding sources) for OOD is not changing, the FY23 budget relies on a significant contribution from Circuit Breaker funds (see bottom of Special Ed page of the full budget document for full detail on how FY23 OOD is funded). Utilizing expected savings in other budget categories to increase the budget-funded portion of OOD expense allows us to reduce the use of FY23 Circuit Breaker funds in the current fiscal year, which can be rolled forward to support FY24 expenditures instead.
- ***Keep in mind that our FY23 budget has a \$520K revenue deficit that was funded by E&D reserves, plus other one-time funding, such as prepayment of OOD tuition. While FY-23 budget savings are materializing, this will only serve to offset the amount of reserves needed. We still expect a significant deficit at the end of the year.***

Best regards,

Avi Urbas

DOE Account Code	Budget Summary	2022-2023 Budget	11/15 Transfer	Adjusted Budget	Actual: FY to Date	Updated FY Forecast	Variance \$	% Variance	Transfer Request	Adjusted Budget
	PERSONNEL - STAFF									
1210	Superintendent's Office	\$257,450	\$27,532	\$284,982	\$138,341	\$288,390	(\$3,408)	-1.2%		\$284,982
1410	Business Office	\$416,901	\$63,818	\$480,719	\$220,190	\$480,719	\$0	0.0%		\$480,719
1450	District Technology	\$284,562	(\$13,504)	\$271,059	\$130,043	\$271,059	\$0	0.0%		\$271,059
2110	Student Services Office	\$258,564	(\$28,804)	\$229,760	\$118,430	\$229,897	(\$137)	-0.1%		\$229,760
2110	Curriculum Director	\$118,236		\$118,236	\$55,942	\$80,322	\$37,914	32.1%		\$118,236
2210	Principals/Asst. Principals	\$783,375		\$783,375	\$370,396	\$768,682	\$14,694	1.9%		\$783,375
2210	School Secretaries	\$277,642		\$277,642	\$138,013	\$276,971	\$672	0.2%		\$277,642
2300	Dept. Heads/Team/Curr. Leaders/PDC	\$134,531		\$134,531	\$61,613	\$123,226	\$11,305	8.4%		\$134,531
2305	Classroom Teachers	\$9,111,321	\$186,127	\$9,297,448	\$3,203,707	\$9,265,784	\$31,664	0.3%		\$9,297,448
2310	Special Ed Teachers	\$2,992,304	(\$45,000)	\$2,947,304	\$980,780	\$2,866,581	\$80,723	2.7%	(\$80,000)	\$2,867,304
2315	Special Ed Team Chairs	\$205,472		\$205,472	\$69,966	\$202,124	\$3,348	1.6%		\$205,472
2325	Substitute Teachers	\$147,000	\$14,614	\$161,614	\$88,043	\$135,621	\$25,994	16.1%		\$161,614
2330	Teaching Assistants	\$827,656	(\$65,000)	\$762,656	\$314,653	\$755,258	\$7,398	1.0%		\$762,656
2340	Library/Media Coordinators	\$107,079		\$107,079	\$37,550	\$107,941	(\$862)	-0.8%		\$107,079
2440	SPED, LEP, H&H Tutors	\$144,723		\$144,723	\$43,422	\$144,034	\$688	0.5%		\$144,723
2710	Guidance/Adj. Counselors	\$709,934		\$709,934	\$242,057	\$697,001	\$12,933	1.8%		\$709,934
2800	Psychologists	\$319,209	(\$110,079)	\$209,130	\$72,391	\$209,130	\$0	0.0%		\$209,130
3200	Nurses	\$254,822	(\$48,719)	\$206,103	\$71,242	\$206,103	\$0	0.0%		\$206,103
3300	Transportation/Traffic/Emergency/Title IX	\$9,500	\$5,613	\$15,113	\$8,573	\$20,986	(\$5,874)	-38.9%	\$5,874	\$20,986
3400	Cafeteria/Recess Aides	\$64,235	\$7,310	\$71,546	\$22,227	\$60,987	\$10,559	14.8%		\$71,546
3510	Athletics (Office & Coaching Stipends)	\$363,837	(\$44,871)	\$318,967	\$138,653	\$328,067	(\$9,100)	-2.9%	\$9,100	\$328,067
3520	Student Activity Stipends	\$135,809		\$135,809	\$61,024	\$135,809	(\$0)	0.0%		\$135,809
4110	Custodians	\$90,445		\$90,445	\$33,815	\$80,625	\$9,821	10.9%		\$90,445
4220	Facilities Department	\$182,134	\$1,989	\$184,123	\$96,549	\$184,129	(\$6)	0.0%		\$184,123
	Negotiations, Longevity, Expanded Effort	\$131,300	\$25,251	\$156,551	\$81,100	\$156,439	\$112	0.1%		\$156,551
	Subtotal PERSONNEL	\$18,328,043	(\$23,723)	\$18,304,320	\$6,798,721	\$18,075,883	\$228,437	1.2%	(\$65,026)	\$18,239,294

DOE Account Code	Budget Summary	2022-2023 Budget	11/15 Transfer	Adjusted Budget	Actual: FY to Date	Updated FY Forecast	Variance \$	% Variance	Transfer Request	Adjusted Budget
	OPERATING EXPENSES									
1000	District Admin. Expenses	\$274,017	\$80,352	\$354,368	\$244,401	\$354,369	(\$0)	0.0%		\$354,368
2000	Bldg. Instr. Supplies/Equip	\$310,424	(\$50,000)	\$260,424	\$184,267	\$246,136	\$14,288	5.5%		\$260,424
2100	SPED Admin. Expenses	\$31,600		\$31,600	\$13,737	\$29,183	\$2,418	7.7%		\$31,600
2210	Bldg. Admin. Expenses	\$46,565		\$46,565	\$26,223	\$46,565	\$0	0.0%		\$46,565
2300	SPED Contracted Services	\$260,000		\$260,000	\$127,475	\$291,485	(\$31,485)	-12.1%	\$31,485	\$291,485
2350	Professional Development	\$46,500		\$46,500	\$18,706	\$46,500	\$0	0.0%		\$46,500
2400	New Curriculum Materials	\$70,000		\$70,000	\$40,111	\$70,000	\$0	0.0%		\$70,000
2451	Instructional Technology	\$308,587	\$34,375	\$342,961	\$148,222	\$342,961	(\$0)	0.0%		\$342,961
3200	Health Expenses	\$8,000	\$4,750	\$12,750	\$8,830	\$12,750	\$0	0.0%		\$12,750
3300	Transportation/Traffic/Security	\$448,200	(\$126,127)	\$322,073	\$110,634	\$234,468	\$87,605	27.2%		\$322,073
3300	SPED Transportation	\$687,100	\$37,210	\$724,310	\$272,510	\$721,660	\$2,650	0.4%		\$724,310
3500	Athletics/Student Activities	\$96,500		\$96,500	\$48,757	\$96,500	(\$0)	0.0%		\$96,500
4100	Utilities	\$557,900	\$187,795	\$745,695	\$175,006	\$745,695	\$0	0.0%		\$745,695
4110	Custodial Supplies	\$60,000		\$60,000	\$35,983	\$60,000	\$0	0.0%		\$60,000
4200	Maintenance	\$782,131	\$40,755	\$822,886	\$368,842	\$822,886	(\$0)	0.0%		\$822,886
5000	Insurance & Other Benefits	\$5,720,287	(\$185,387)	\$5,534,900	\$3,115,033	\$5,401,933	\$132,967	2.4%	(\$113,321)	\$5,421,579
7000	Facility Capital Expense	\$53,000		\$53,000	\$33,524	\$55,752	(\$2,752)	-5.2%	\$2,752	\$55,752
9100	SPED Tuition-Out/Summer	\$1,162,134		\$1,162,134	\$743,609	\$1,306,244	(\$144,110)	-12.4%	\$144,110	\$1,306,244
	Subtotal OPERATIONS	\$10,922,944	\$23,722	\$10,946,667	\$5,715,870	\$10,885,086	\$61,580	0.6%	\$65,026	\$11,011,693
	TOTAL	\$29,250,987	(\$0)	\$29,250,987	\$12,514,591	\$28,960,970	\$290,017	1.0%	(\$0)	\$29,250,987
	(Less: Funded Outside of General Fund)*	(\$325,000)		(\$325,000)		(\$325,000)				(\$325,000)
	General Fund Operating Spending	\$28,925,987	(\$0)	\$28,925,987	\$12,514,591	\$28,635,970	\$290,017	1.0%	(\$0)	\$28,925,987
	Contribution to Stabilization Fund	\$0								
	Total Budgetary Use of Funds	\$28,925,987	\$28,925,987	\$28,925,987	\$28,925,987	\$28,925,987	\$290,017	1.0%	\$0	\$28,925,987

DOE Account Code	Budget Summary	Adjusted Budget	Updated FY Forecast	Variance \$	Transfer Request	Adjusted Budget	Comments
	PERSONNEL - STAFF						
1210	Superintendent's Office	\$284,982	\$288,390	(\$3,408)		\$284,982	Est. overage is for School Committee secretary through end of year - no transfer needed at this time.
1410	Business Office	\$480,719	\$480,719	\$0		\$480,719	
1450	District Technology	\$271,059	\$271,059	\$0		\$271,059	
2110	Student Services Office	\$229,760	\$229,897	(\$137)		\$229,760	
2110	Curriculum Director	\$118,236	\$80,322	\$37,914		\$118,236	
2210	Principals/Asst. Principals	\$783,375	\$768,682	\$14,694		\$783,375	
2210	School Secretaries	\$277,642	\$276,971	\$672		\$277,642	
2300	Dept. Heads/Team/Curr. Leaders/PDC	\$134,531	\$123,226	\$11,305		\$134,531	
2305	Classroom Teachers	\$9,297,448	\$9,265,784	\$31,664		\$9,297,448	
2310	Special Ed Teachers	\$2,947,304	\$2,866,581	\$80,723	(\$80,000)	\$2,867,304	Unfilled position has been eliminated in FY24 budget
2315	Special Ed Team Chairs	\$205,472	\$202,124	\$3,348		\$205,472	
2325	Substitute Teachers	\$161,614	\$135,621	\$25,994		\$161,614	Based on available information; subject to change for unknown leaves
2330	Teaching Assistants	\$762,656	\$755,258	\$7,398		\$762,656	
2340	Library/Media Coordinators	\$107,079	\$107,941	(\$862)		\$107,079	
2440	SPED, LEP, H&H Tutors	\$144,723	\$144,034	\$688		\$144,723	
2710	Guidance/Adj. Counselors	\$709,934	\$697,001	\$12,933		\$709,934	Summer hours < typical year. Column moves requested but not completed
2800	Psychologists	\$209,130	\$209,130	\$0		\$209,130	
3200	Nurses	\$206,103	\$206,103	\$0		\$206,103	
3300	Transportation/Traffic/Emergency/Title IX	\$15,113	\$20,986	(\$5,874)	\$5,874	\$20,986	Est. cost of EES Crossing Guard. Budget \$ previously eliminated due to multi-year inability to hire
3400	Cafeteria/Recess Aides	\$71,546	\$60,987	\$10,559		\$71,546	Hours vary considerably by pay period; subject to change
3510	Athletics (Office & Coaching Stipends)	\$318,967	\$328,067	(\$9,100)	\$9,100	\$328,067	Original savings estimated at \$44K revised to \$35K savings mid-way through year
3520	Student Activity Stipends	\$135,809	\$135,809	(\$0)		\$135,809	
4110	Custodians	\$90,445	\$80,625	\$9,821		\$90,445	Overtime savings and summer painting < budget; subject to change
4220	Facilities Department	\$184,123	\$184,129	(\$6)		\$184,123	
	Negotiations, Longevity, Expanded Effort	\$156,551	\$156,439	\$112		\$156,551	
	Subtotal PERSONNEL	\$18,304,320	\$18,075,883	\$228,437	(\$65,026)	\$18,239,294	\$145K of \$211K savings are not expected to recur in FY24.

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	OPERATING EXPENSES						
1000	District Admin. Expenses	\$354,368	\$354,369	(\$0)		\$354,368	
2000	Bldg. Instr. Supplies/Equip	\$260,424	\$246,136	\$14,288		\$260,424	
2100	SPED Admin. Expenses	\$31,600	\$29,183	\$2,418		\$31,600	
2210	Bldg. Admin. Expenses	\$46,565	\$46,565	\$0		\$46,565	
2300	SPED Contracted Services	\$260,000	\$291,485	(\$31,485)	\$31,485	\$291,485	Increase in SLP contracted services to cover leave
2350	Professional Development	\$46,500	\$46,500	\$0		\$46,500	
2400	New Curriculum Materials	\$70,000	\$70,000	\$0		\$70,000	
2451	Instructional Technology	\$342,961	\$342,961	(\$0)		\$342,961	
3200	Health Expenses	\$12,750	\$12,750	\$0		\$12,750	
3300	Transportation/Traffic/Security	\$322,073	\$234,468	\$87,605		\$322,073	Forecast under review based on savings from route consolidation
3300	SPED Transportation	\$724,310	\$721,660	\$2,650		\$724,310	Estimates can change based on individual placement changes
3500	Athletics/Student Activities	\$96,500	\$96,500	(\$0)		\$96,500	
4100	Utilities	\$745,695	\$745,695	\$0		\$745,695	Forecast under review based on YTD expenses and FY22 actual
4110	Custodial Supplies	\$60,000	\$60,000	\$0		\$60,000	
4200	Maintenance	\$822,886	\$822,886	(\$0)		\$822,886	
5000	Insurance & Other Benefits	\$5,534,900	\$5,401,933	\$132,967	(\$113,321)	\$5,421,579	FY23 continuing to track ahead of budget; savings already incorporated into FY24
7000	Facility Capital Expense	\$53,000	\$55,752	(\$2,752)	\$2,752	\$55,752	To cover encumbered projects at EES & MSHS
9100	SPED Tuition-Out/Summer	\$1,162,134	\$1,306,244	(\$144,110)	\$144,110	\$1,306,244	Recommend using savings from other budget categories to increase budget allocation for OOD instead of funding with FY23 Circuit Breaker, which can roll-forward to support FY24
	Subtotal OPERATIONS	\$10,946,667	\$10,885,086	\$61,580	\$65,026	\$11,011,693	
	TOTAL	\$29,250,987	\$28,960,970	\$290,017	(\$0)	\$29,250,987	
	(Less: Funded Outside of General Fund)*	(\$325,000)	(\$325,000)			(\$325,000)	
	General Fund Operating Spending	\$28,925,987	\$28,635,970	\$290,017	(\$0)	\$28,925,987	
	Contribution to Stabilization Fund						
	Total Budgetary Use of Funds	\$28,925,987	\$28,925,987	\$290,017	\$0	\$28,925,987	