

**FY18
 BUDGET STATUS
 Second Quarter Report**

The status of all Salary and Ordinary Maintenance accounts as of December 31, 2017 are shown in Annex B. Presented for each account is the amount budgeted for the current fiscal year, the amount expended or committed as of December 31st, and the projected balance at the closing on June 30, 2018. Salary and Ordinary Maintenance Account totals are:

<u>Budget Title</u>	<u>Adopted Budget Amount</u>	<u>Expended or Encumbered 12/31/17</u>	<u>Projected Balance 06/30/18</u>
Salaries	\$219,110,992	\$84,639,449	\$180,837
Ordinary Maintenance	\$116,006,198	\$76,730,896	-\$358,598
Total General Fund	\$335,120,190	\$161,370,345	-\$177,761

At this point in the fiscal year, a total of \$161,370,345 (48%) has been expended or committed. A description of the projected balances is as follows:

Budget Impacts:

Personal Services (-\$297,700): This account includes the projected increase to the district’s legal consultation (-\$100,000) for special education services of the State’s IDEA funding requirements, as well as ongoing contract negotiations and labor relations for the district. The district’s legal consultation line item was reduced by \$30,000 during the FY18 budget deliberations. Also, the account reflects, additional nursing service requirements (-\$61,000) and an increase of expenditures for district-wide translation services being provided by third party vendors (-\$100,000).

Tuition (-\$428,151): The tuition account reflects unanticipated and unbudgeted out-of-district tuition costs for eight new student placements to the district that have occurred since the budget was approved in June. The projected deficit includes funding of \$349,206 previously transferred from the City.

Workers Compensation (-\$404,634): The current deficit is based on actual or known expenditures, as well as projections through the end of the year. The weekly salary has continued to maintain an average of approximately forty-five staff collecting weekly benefits since July, as well as medical bills and paid or anticipated settlements are also included in this projection.

Supplemental Salaries (-\$126,299): The current deficit includes an increase of district-wide translation services being provided by part-time district personnel, as well the costs associated with site administrators for the Recreation Worcester program being provided at various sites throughout the district through the month of May. These funds were provided to the WPS in the free cash transfer by the city in November.

Accounts with Projected Balances to Offset Deficit Accounts:

Teacher Salaries (\$361,655): The projected balance in this account represents an additional 0.22% vacancy and attrition savings within the \$162.5 million salary line item

Teacher Substitute Salaries (\$321,038): The projected amount in this account represents savings within of long-term substitute placements occurring in district this year.

Utilities (\$180,787): Based on the recent months of electricity invoices, the amount of kilowatts have been further reduced due to the ongoing effort of utilizing solar panels. Also, the connection has been activated to the City’s net metering from the solar array located at the former landfill. The projected balance also includes several months of above average temperatures and reduced usage of natural gas therms throughout the district. However, a recent change with the amount of solar panels being added to Nelson Place Elementary School has been included in this projection. The City has reduced the amount of panels being installed and this location will no longer have an expectation of a net zero cost for electricity and natural gas in the near future.

Maintenance Service Salaries (\$145,313): The projected balance is based on several positions that are currently paid through workers compensation through the end of December and have created vacancy savings in this particular line item. The Facilities Department is in the process of backfilling some of these positions to provide necessary services for the district.

Crossing Guards (\$81,473): The projected amount is based on vacant positions through the end of December. The district attempts to replace vacant positions as soon as possible but these tend to be difficult position to fill.

Educational Support Salaries (\$65,837): The change in the projected balance from the first quarter represents actual salaries of the district’s new clinician positions from the FY18 budget totals.

Based on information and projections through the Second Quarter, the Administration recommends the following transfer of funds:

<u>Amount</u>	<u>From Account</u>	<u>Account Title</u>	<u>To Account</u>	<u>Account Title</u>
\$420,000	500123-96000	Health Insurance	500-91115	Instructional Assistant Salaries
\$22,750	500123-96000	Health Insurance	500-91134	Educational Support Salaries
\$50,000	500-92204	Instructional Materials	540-91118	Supplemental Program Salaries
\$100,000	500-91119	Custodial Salaries	500-97203	Custodial Overtime Salaries
\$100,000	500-91120	Maintenance Service Salaries	500-97203	Custodial Overtime Salaries