

**FY19  
 BUDGET STATUS  
 First Quarter Report**

The status of all Salary and Ordinary Maintenance accounts as of September 30, 2018 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 September 30<sup>th</sup>, and the projected balance at the closing on June 30, 2019. Salary and Ordinary Maintenance Account totals are:

<u>Budget Title</u>	<u>Budget Amount</u>	<u>Expended or Encumbered 09/30/18</u>	<u>Projected Balance 06/30/19</u>
Salaries	\$227,683,233	\$32,881,438	\$1,925,660
Ordinary Maintenance	<u>\$117,375,443</u>	<u>\$71,512,316</u>	<u>-\$1,402,213</u>
<b>Total General Fund</b>	<b><u>\$345,058,676</u></b>	<b><u>\$104,393,754</u></b>	<b><u>\$523,447</u></b>

At this point in the fiscal year, a total of \$104,393,754 (30%) has been expended or committed. A description of the projected balances is as follows:

The FY19 State Budget was finalized in mid-July. The final state budget used the Senate version of the Chapter 70 resulting an additional \$3.4 million more than the amount that was adopted in June (based on the House budget amounts). Based on the level of added funding, and as provided by recommendation to the School Committee in June, the Administration has allocated funds to provide the following:

Restore Elementary Tutors to FY18 Level	\$500,000
12 Class Size Reduction Teachers	\$914,265
5 School Adjustment Counselors / Wrap-Around Coordinators	\$380,944
4 Secondary Teachers	\$304,755
1 Secondary Assistant Principal (Worcester East Middle)	\$100,000
1 Student and School Performance Analyst	\$75,000
15 High School Teachers for Enrichment Classes	<u>\$1,142,831</u>
<b>Total</b>	<b><u>\$3,417,794</u></b>

**Budget Impacts:**

**Personal Services (-\$467,791):** This account includes the projected increase to the district's special education nursing services line item (-\$288,995), this service has been transferred to district provided services through the Clinical Care Programming approved during the budget process. The staff development department (-\$126,000) has contracted with an outside vendor for targeted assistance and additional professional development for identified schools. An additional security guard (-\$18,500) was allocated a Goddard Elementary School guard during

the month of November for exterior school monitoring, as well as the special education legal consultation (-\$20,619) line has projected expenditures to be higher than budget due to increased services. This account also reflects a slight increase of software costs (-\$13,677) for the district's programming.

**Tuition (-\$489,874):** The tuition account reflects an increase of programming within the Central Massachusetts Collaborative program, as well as the potential of several new incoming students.

**Workers Compensation (-\$334,054):** The current deficit is based on actual or known expenditures, as well as projections through the end of the year. The weekly salary includes an average of approximately forty-three staff collecting weekly benefits since July, as well as medical bills and settlements which are included in this projection.

**Miscellaneous OM (-\$262,825):** The majority of the deficit is attributed to the second Chromebook lease which adds 7,000 Chromebooks and 200 carts to district classrooms, as well as the new lease for the district's desktop units (-\$246,071). This account also includes the increase of the monthly fee for parking spaces (-\$9,254) at the Chatham Street lot and an increase for the annual Student Activity Audit (-\$7,500). The auditing firm will be completing audit for two fiscal years (FY17 & FY18) during FY19 due to the firm's scheduling conflicts.

**Transportation Overtime (-\$244,636):** The projected deficit in this account represents the additional athletics routes that had been previously included in the Athletics OM account, as well as the necessary overtime during the startup of school through September to address some vacant positions.

**Transportation (-\$227,544):** The projected deficit in this account includes the addition of a contracted preschool mid-day wheelchair route due to increased enrollments. The deficit also includes the projected increase of McKinney Vento transportation using the increased expenditures during FY18 that were recognized after the budget was finalized.

**Unemployment Compensation (-\$147,349):** This account represents approximately 83 claims processed through the month of November, approximately 30 claims were carried over from the prior fiscal year. The projected deficit also includes additional potential claims through the end of the fiscal year.

#### **Accounts with Projected Balances to Offset Deficit Accounts:**

**Teachers (\$1,799,644):** The projected balance represents vacancy savings of payrolls through the end of November. This is approximately 1.1% of the total budgeted amount. The projection includes the cost of replacement positions through the end of the school year.

**Utilities (\$300,767):** The City recently negotiated a new contract for the supply of natural gas. The City reallocated the accounts into two packages due to capacity assignments of individual accounts. For the accounts moving to the new contract rates, the price has reduced from \$0.848/therm to \$.49183/therm, for 19 of the districts accounts, with the remaining 36 accounts

returning to the Eversource default supply at a winter rate of \$0.5982/therm. All of these accounts were previously at the rate of \$0.848 per therm.

**Instructional Materials (\$350,000):** The district had maintained funds for any additional charter school or school choice assessment during the final state budget.

**School Nurses (\$280,385):** The balance in this account represents the vacant positions through the first quarter for the Clinical Care Program. The majority of these positions have been appointed and projections for the remaining vacancies are included in these projections. The district will recommend (below) the increase of Certified Nursing Assistants by two (2) FTE and Licensed Practical Nurses by two (2) based on current enrollments in order to completely eliminate the need for vendor services.

**Maintenance Salaries (\$159,779):** The balance in this account represents approximately five facilities staff that have been on workers compensations since the start of the school year, as well as the current vacancy of the Energy Management position.

**Athletic Ordinary Maintenance (\$90,000):** The balance in this account represents the athletic transportation line item that needs to be transferred to the Transportation Overtime account.

Based on the projected balance, the Administration recommends the following actions:

<u>Account Number</u>	<u>Account Name</u>	<u>Amount</u>
500136-92000	Miscellaneous OM (Line N. School Safety) For the installation of upgraded security cameras at Burncoat High School	\$40,000
500-91111	Teacher Salaries (Behavioral Specialists)	\$80,000
500-91133	School Nurse Salaries For the creation of district-based Stabilization Team to support social-emotional and health needs of students.	\$40,000
500-91111	Teacher Salaries (Line E. Special Education) To add a Lead Teacher at the Academic Center for Transition (ACT) to provide additional support in a program that has expanded enrollment in the past two years and to provide an additional Evaluation Team Chairperson (ETC) to the Special Education Department to reduce case management loads for the existing staff.	\$70,000
500-91133	School Nurse Salaries For additional 2 Certified Nursing Assistants and 2 Licensed Practical Nurses to support the district's effort to provide district-based services and reduce third party services.	\$75,000

500130-92000	Personal Services OM (Line A. Staff Development) To provide additional targeted assistance and professional development activities supporting strategic planning for school turnaround efforts.	\$36,000
500152-92000	Facilities Department OM To fund the replacement of the dust collector system at Worcester Technical High School carpentry shop (\$40,000), to fund a comprehensive study and replacement plan for the ten schools with modular classrooms (installed in 1986)(\$50,000), to upgrade the technology wiring and infrastructure at the Fanning Building to address persistent technology issues at the school and to be in compliance with testing site requirements (\$40,000), and \$32,000 for building renovation projects at Grafton Street School and the Fanning Building.	\$162,000
500-92204	Instructional Supplies and Materials To provide additional supplies and instructional materials to support the Special Education Transitions Program based on student enrollment and program needs.	\$20,000
<b>Total New Spending and Initiatives</b>		<b>\$523,000</b>

In order to provide funds necessary to reflect recent actions, 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>
\$90,000	500122-92000	Athletics OM	500103-97201	Transportation Salaries
\$400,000	500-91111	Teacher Salaries	500130-92000	Personal Services
\$250,746	500-91111	Teacher Salaries	500136-92000	Miscellaneous OM
\$9,254	500-91111	Teacher Salaries	540136-92000	Miscellaneous OM
\$300,000	500-91111	Teacher Salaries	500129-92000	Workers Compensation
\$300,000	500-91111	Teacher Salaries	500132-92000	Special Education Tuition
\$130,000	500-91111	Teacher Salaries	500152-92000	Facilities Ordinary Maintenance
\$20,000	500-91111	Teacher Salaries	500-92204	Instructional Supplies
\$100,000	500-91111	Teacher Salaries	500-91110	Administration

In addition, there have been changes to the FY19 Federal Grant Accounts from the amounts adopted in the FY19 budget. These changes and adjustments are as follows:

<b>Grants</b>	<b>FY19 Adopted Budget</b>	<b>FY19 Award</b>	<b>Difference</b>
Title I	\$11,979,077	\$11,712,759	-\$266,318
Title II Teacher Quality	\$1,484,093	\$1,198,516	-\$285,577
Title III	\$1,217,393	\$1,150,035	-\$67,358
Title IV	\$298,253	\$863,371	\$565,118
IDEA	\$7,611,248	\$7,718,558	\$107,310
Perkins Secondary Allocation	\$483,401	\$445,536	-\$2,364

As a result of the Title II reduction, four high school Focus Instructional Coaches and related health insurance expenses were transferred into Title I to maintain all Focus Instructional Coaches remain as grant funded. This reallocation has resulted in five preschool teaching positions, along with an intervention position being moved to the general fund. Title I remains the primary funding source for all additional support positions and stipend pay of the previously designated Level 4 locations. Title II will maintain seven Focus Instructional Coaches at the high schools and Non-Title I schools, as well as the Manager of Curriculum & Learning, support staff and Non-Public school allocation requirements.

With the reduction of Title III funding, the district will maintain five Focus Instructional Coach positions and corresponding health insurance expenses, however has reduced the amount of stipends, contractual services, travel and student transportation in order to balance to the grant award.

The Every Student Succeeds Act (ESSA) authorizes funds to help increase the capacity of states, schools, and local communities to provide all students with access to a well-rounded education and to improve school conditions for student learning. The district was awarded Title IV funding during FY19 in order to provide Advanced Placement examination fees for students, as well as enhance school safety, academic enrichments and professional development for teaching staff. The FY20 grant award has significant increased stipends, contractual services, supplies, travel, and student transportation for those related activities.

The IDEA award will continue to provide the necessary funds for Non-Public special education services known as Proportionate Share, this has become a new requirement for districts. This enables Non-Public schools located within the district to access these funds for students that require additional services. The additional funds have been allocated to primarily address contractual salaries increases for the 188 Special Education Instructional Assistant positions and corresponding health insurance expenses funded through this grant.

The Perkins Secondary Allocation provides administrative leadership, teaching staff, equipment, tutoring, after-school programs, student transportation and professional development of our high schools and alternative programs in career and vocational-technical education.