

**Worcester Public Schools  
 FY21 Revised Baseline Budget**

On July 30, 2020, the Governor and the State Legislature provided revised baseline FY21 Chapter 70 Aid for school districts. The Massachusetts Department of Elementary and Secondary Education also provided an Administrative Update on Chapter 70 Aid and Net School Spending Requirements based on these revised budget baseline amounts. This state funding commitment includes Chapter 70 increases for inflation and enrollment only, that while will keep all school districts at foundation, the new baseline budget does not include any of the funding for the phase-in of the Student Opportunity Act (**a \$15.5 million reduction for the Worcester Public Schools**).

According to the DESE, updated charter tuition and reimbursement amounts were not included in the local aid resolution so the amounts listed below are based on final FY20 amounts pending any additional administrative updates or final passage of the budget per state guidance.

<b>Revenue and Tuition Offset Category:</b>	<b>FY21 Adopted Budget (based on Governor's Budget)</b>	<b>FY21 Revised Baseline Budget</b>	<b>Change from Adopted Budget Amount</b>
Chapter 70 State Aid & Reimbursement:			
Chapter 70 State Aid (Total)	293,503,420	277,395,997	<b>-\$16,107,423</b>
Charter School Reimbursement	\$4,490,822	\$2,763,726	<b>-\$1,727,096</b>
Total City Contribution	<b><u>\$123,327,975</u></b>	<b><u>\$123,327,975</u></b>	<b><u>\$0</u></b>
Total General Fund Revenues	<b><u>\$421,322,217</u></b>	<b><u>\$403,487,698</u></b>	<b><u>-\$17,834,519</u></b>
Less Tuition Assessments:			
Charter School Tuition Assessment	\$29,496,484	\$27,154,480	<b>-\$2,342,004</b>
School Choice Tuition Assessment	\$3,176,771	\$3,176,771	<b>\$0</b>
Special Education Revenue Offset	<u>\$193,758</u>	<u>\$193,758</u>	<b><u>\$0</u></b>
Total Tuition Assessments	<b><u>\$32,867,013</u></b>	<b><u>\$30,525,009</u></b>	<b><u>-\$2,342,004</u></b>
Total General Fund Revenue	<b><u>\$388,455,204</u></b>	<b><u>\$372,962,689</u></b>	<b><u>-\$15,492,515</u></b>

For current planning purposes, pending further state or federal resolution on funding, the district must prepare for a budget reduction of \$15.5 million.

These actions are intended to preserve Worcester Public Schools positions to ensure full continuity of instruction, support, and services during the full remote model of the first quarter.

Final actions by the School Committee will not be taken until a final budget is adopted by the State Legislature as well as the Worcester City Council. However, to be prepared for this current budget reduction, the Administration must implement these actions immediately in order to achieve necessary savings. Therefore, the Administration recommends the following actions be approved by the Worcester School Committee:

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<u>Account</u>	<u>Description</u>	<u>Amount</u>
All Salary Accounts	Reduce 2% across all salary accounts. This reduction does not impact current salaries, step increases, or other existing contractual obligations.	\$4,859,362
Various Salary Accounts (Teachers, Instructional Assistants, School Nurses, and School Clerical)	Eliminate extended learning time (common planning time and additional instructional time) at four former Level 4 schools (Burncoat Prep, Chandler Elementary, Elm Park Community, and Union Hill School).	\$1,856,198
Various Salary Accounts	Actual and anticipated vacancy savings for positions through the end of September 2020.	\$391,378
500-91114 Teacher Substitutes	Reduce day-by-day substitutes for first quarter (full remote model).	\$285,000
500-91115 Instructional Assistants	Eliminate and reallocate selected Instructional Assistant positions due to full remote model.	\$111,396
500-91118 Supplemental Program Salaries	Line G. Student Afterschool Drop-Off Center Reduce afterschool student drop-off center for first quarter (based on full remote model).	\$7,500
500-91120 Maintenance Service Salaries	Eliminate 5 vacant positions (3 electricians and 2 carpenters).	\$271,809
500-91124 Crossing Guards	Reduce use of crossing guards (completely) for first quarter (full remote model).	\$183,781
540103-92000 Student Transportation	Reduce contracted student transportation for 10 additional staff development days (no longer student session days).	\$762,458
540103-92000 Student Transportation	Reduce contracted student transportation for Fridays (full year) due to remote learning model (32 days).	\$2,439,866
540103-92000 Student Transportation	Reduce contracted student transportation for big buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount).	\$1,383,689
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size or wheelchair buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount)	\$1,132,421
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size buses, wheelchair buses, and 7D vans during Summer 2020	\$336,822

540103-92000 Student Transportation	Reduce out-of-district special education and McKinney-Vento Transportation based estimated savings for in-district provided services and reduced transportation needs.	\$727,770
500123-96000 Health Insurance	Savings associated through vacancy factor and position reductions	\$168,610
500130-92000 Personal Services	Line I. Security Guards Reduce contracted security services (except for Durkin Administration Building) for first quarter (full remote model)	\$81,372
500-92204 Instructional Supplies	Line A. Instructional Materials Reduce \$10 per pupil instructional supply budget	\$245,780
500-92204 Instructional Supplies	Line D. Student Furniture Eliminate line item for student furniture purchases for this school year	\$153,000
500136-92000 Miscellaneous Educational OM	Line K. In State Travel Estimated savings for first quarter full remote model	\$5,000
500152-92000 Facilities Ordinary Maintenance	Line B. Trash Removal Lower trash removal costs based on first quarter full remote plan	\$89,303
<b>TOTAL RECOMMENDED BUDGET REDUCTIONS</b>		<b>\$15,492,515</b>

Some of these areas could be restored should a final state budget include Student Opportunity Act funds or through additional federal stimulus funds. However, should an all-remote model be continued during the second quarter of the school year, an additional savings totaling \$3.6 million may also be realized in several accounts listed above.

**Other considerations not addressed in these recommendations:**

- **Account 500-91116 Athletic Coaches' Salaries and Account 500122-92000 Athletic Ordinary Maintenance:** No actions regarding athletics are included in the budget reduction recommendation at this time until final guidance from the state is provided. Any cancelation of individual sports or seasons will result in savings (and possible loss of gate revenue) and will be addressed in future budget reports.
- **Account 500146-92000 Building Utilities:** The district expects to realize building utility savings as a result of the first quarter full remote schedule, but the district also intends to operate ventilation systems for extended times once in-person instruction resumes. The impact of the first quarter savings may be offset through increased mechanical ventilation later this school year. Any identified savings (or added costs) will be addressed through the quarterly budget review process with the School Committee.

**Other Budget Concerns:**

- **Account 500137-96000 Unemployment Compensation:** Due to various budget and staffing decisions, the Administration anticipates a significant deficit in the unemployment compensation account that will be addressed in the First Quarter Budget Status Report.
- **Account 50S502 School Nutrition:** The remote learning schedule for the first quarter will present a challenge to maintain full student meal participation. The actual remote feeding model will be presented in detail under a separate report, but the Administration is anticipating lower meal participation resulting in a loss of planned revenue. The planned model also uses significantly less staff than a full in-person model. Additional information and impact will be provided once the feeding model plans are finalized.

The Administration awaits final state budget action later this year and possible additional federal stimulus funds. Final budget action will occur later in the year as part of the tax rate setting process with the City of Worcester or earlier final state budget action.

The Administration recommends that the School Committee approve these recommendations so that these savings can be set aside to address the current FY21 baseline budget.