

**WORCESTER PUBLIC SCHOOLS FY21 BUDGET
 FIRST QUARTER BUDGET STATUS
 REPORT**

The status of all Salary and Ordinary Maintenance accounts as of September 30, 2020 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 30th, and the projected balance at the closing on June 30, 2021. Salary and Ordinary Maintenance Account totals are:

<u>Budget Title</u>	<u>Budget Amount</u>	<u>Expended or Encumbered 09/30/20</u>	<u>Projected Balance 06/30/21</u>
Salaries	\$254,170,164	\$25,677,752	\$2,117,905
Ordinary Maintenance	\$134,285,040	\$69,649,227	-\$3,114,564
Total General Fund	\$388,455,204	\$95,326,979	-\$996,659
Revised State Budget			-\$825,021
Total General Fund Status			-\$1,821,680

At this point in the fiscal year, a total of \$95,326,979 (24%) has been expended or committed. A description of the projected balances is as follows:

The School Committee has already taken preliminary action on the revised state budget that was released on July 30, 2020, that reflected a \$15.5 million reduction for the Worcester Public Schools. These actions included the following strategies in order to balance this budget change:

<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	Reduce contracted student transportation for Fridays	\$2,439,866

Student Transportation	(full year) due to remote learning model (32 days).	
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
TOTAL RECOMMENDED BUDGET REDUCTIONS		\$15,492,515

Additional state budget information results in an additional reduction of \$825,021 in the FY21 budget, primarily due to updated charter school tuition assessments and reimbursement levels. In order to address the recent updated state budget, the Administration recommends the following actions:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
500-91124 Crossing Guards	Reduce use of crossing guards (completely) for second quarter (full remote model).	\$140,538
540103-92000 Student Transportation	Reduce contracted student transportation for second quarter (full remote model).	\$684,483
TOTAL RECOMMENDED BUDGET REDUCTIONS		\$825,021

The Administration is recommending that these reductions be moved from these individual accounts and placed into a "holding" account until the final budget action is taken by the Worcester City Council during the annual tax rate setting process. These actions are being

placed into Account 500-92204, Line E. Charter School Assessment (the account that has been historically used for this purpose). This account can be referenced on pages 232-233 of the FY21 Annual Budget document.

In addition to these state budget actions and impacts, the following accounts have changes based on current operating conditions for the current school year:

Other Budget Impacts:

Unemployment Compensation Account 500137-96000 (-\$1,614,070): This account represents two hundred and twenty claims processed through the month of July. The projected deficit includes estimating those claim benefit cycles which are approximately thirty weeks plus thirteen additional weeks funded 50% by the CARES Act through the City of Worcester.

Health Insurance Account 500123-96000 (-\$978,818): The projected deficit in this account reflects the reduction of the reimbursement for the corresponding health insurance of the nutrition department staffing. This is due to the district's current remote learning model's and lower meal participation rates and the significantly reduced projected annual revenue.

Personal Services Account 500130-92000 (-\$250,227): This account currently represents the line item for arts consultants which are being transferred to Account 500-91118 Supplemental Salaries, as well as a new onboarding software purchased for the Human Resource department. This projected amount also includes pending legal settlements.

Miscellaneous OM Account 500136-92000 (-\$177,022): This account represents the educational programs including STAR assessments and AVID licenses which were increased from the FY21 budget amount and also includes the addition of rental space for the expanding dual language program, as well as the increase leasing costs of the St. Casimir's program.

Support Overtime Account 500-97205 (-\$97,683): This account includes the necessary support from the technology department for the preparation and implementation of the district's remote learning model. The district currently provides parental support after hours and weekends for any issues that arise can be resolved immediately.

Accounts with Projected Balances to Offset Deficit Accounts:

Educational Support Salaries Account 500-91134 (\$331,540): The remaining projected amount is the delay of implementing elementary literacy tutors until the third quarter, as well as several vacant positions. The projection includes the cost of replacement positions through the end of the school year. In addition, while not reflected in the projected budget, the Administration is recommending moving the full salaries for the Board Certified Behavior Analyst positions to the Teacher Salaries account. This is to better reflect the expenditures of these positions.

Custodial Salaries Account 500-91119 (\$282,844): The projected balance in this account represents several vacant positions through mid-October. Several positions have been recently appointed and the projection includes the cost of replacement positions through the end of the school year.

Non-Instructional Salaries Account 500-91123 (\$254,965): The projected balance in this account represents several vacant positions through mid-October. Several positions have been recently appointed and the projection includes the cost of replacement positions through the end of the school year.

Maintenance Salaries Account 500-91120 (\$149,580): The projected balance in this account represents several vacant positions through the mid-October. The projection includes the cost of replacement positions through the end of the school year, however some district maintenance may be provided by vendor services.

School Nurse Salaries Account 500-91133 (\$81,864): The projected balance in this account represents several vacant positions through mid-October. Several positions have been recently appointed and the projection includes the cost of replacement positions through the end of the school year. The projected balance in the account also includes the reduced need for daily substitute coverage through mid-October.

Potential Budget Items for Future Consideration:

- **Unemployment Compensation:** Due to a large amount of fraudulent unemployment claims against city employees, there has been a backlog in processing actual unemployment claims between the City and WPS. As noted on the previous page, unemployment compensation projections are based on actual claims through July 2020 and estimated amounts based on district information. The district anticipates revised projections in the Second Quarter Budget Status Report
- **Building Utilities:** With the installation of needlepoint bipolar ionization equipment to be completed near the end of January, the district expects to operate ventilation systems continuously for the remainder of the school year. As part of the ventilation strategy is to increase outdoor air as much as possible, possibly resulting in higher heating demands within schools during the winter months. The Administration will update utility usage in the upcoming quarterly reports based in actual experience and usage.
- **Hybrid Staffing Model:** The Administration continues to develop staffing and instructional models for the district's hybrid instructional model (four in-person days per week for "Group C" students and one in-person day per week for all other students). In some instances, additional staff or technology may be needed to support this hybrid instructional model. Actual staffing or technology needs will be presented to the School Committee once these plans are finalized.
- **Second Quarter Full Remote Model:** The recent decision to extend the return of student to in-person instruction has provided additional savings (crossing guard salaries, contracted student transportation, among other costs). These savings will be utilized to address the current budget deficit as well as additional costs that may be associated with additional cost for unemployment compensation, building utilities, and hybrid staffing model.

Based on the First Quarter Budget Status Report, the Administration recommends the following actions:

Amount	From Account	Account Title	To Account	Account Title
DUE TO CURRENT STATE BUDGET REDUCTION:				
\$7,467,509	540103-92000	Transportation	500-92204	Instructional Materials, Line E.
\$4,335,139	500-91111	Teacher Salaries	500-92204	Instructional Materials, Line E.
\$799,707	500-91115	Instructional Assistants Salaries	500-92204	Instructional Materials, Line E.
\$515,780	500-92204	Instructional Materials	500-92204	Instructional Materials, Line E.
\$324,318	500-91114	Teacher Substitutes Salaries	500-92204	Instructional Materials, Line E.
\$317,161	500-91120	Maintenance Service Salaries	500-92204	Instructional Materials, Line E.
\$301,372	500130-92000	Personal Services	500-92204	Instructional Materials, Line E.
\$276,610	500123-96000	Health Insurance	500-92204	Instructional Materials, Line E.
\$241,441	500-91110	Administration Salaries	500-92204	Instructional Materials, Line E.
\$334,482	540-91124	Crossing Guard Salaries	500-92204	Instructional Materials, Line E.
\$149,314	500-91119	Custodial Salaries	500-92204	Instructional Materials, Line E.
\$138,272	500-91134	Educational Support Salaries	500-92204	Instructional Materials, Line E.
\$117,162	500-91133	School Nurse Salaries	500-92204	Instructional Materials, Line E.
\$89,303	500152-92000	Facilities Ordinary Maintenance	500-92204	Instructional Materials, Line E.
\$86,223	540-91117	Transportation Salaries	500-92204	Instructional Materials, Line E.
\$70,598	500-91121	Administrative Clerical Salaries	500-92204	Instructional Materials, Line E.
\$55,473	500-91123	Non Instructional Salaries	500-92204	Instructional Materials, Line E.
\$44,357	500-91122	School Clerical Salaries	500-92204	Instructional Materials, Line E.
\$27,500	500-91118	Supplemental Program Salaries	500-92204	Instructional Materials, Line E.
\$22,001	500-97203	Custodial Overtime Salaries	500-92204	Instructional Materials, Line E.
\$14,000	540-97201	Transportation Overtime Salaries	500-92204	Instructional Materials, Line E.
\$5,000	500136-92000	Miscellaneous Educational OM	500-92204	Instructional Materials, Line E.
\$3,169	500-97204	Maintenance Overtime Salaries	500-92204	Instructional Materials, Line E.
\$1,447	500-97205	Support Overtime Salaries	500-92204	Instructional Materials, Line E.
OPERATIONAL BUDGET TRANSFERS				
\$1,131,200	500-91134	Educational Support Salaries	500-91111	Teacher Salaries
\$180,000	500-91115	Instructional Assistants Salaries	500-91111	Teacher Salaries
\$157,612	500130-92000	Personal Services	500-91118	Supplemental Program Salaries
\$40,000	500-91118	Supplemental Program Salaries	500-91111	Teacher Salaries
\$15,680	500-92204	Instructional Materials	500-91111	Teacher Salaries
\$5,500	500-91118	Supplemental Program Salaries	500130-92000	Personal Services
\$590,000	500-91114	Teacher Substitutes	500137-96000	Unemployment Compensation
\$230,000	500-91115	Instructional Assistants Salaries	500137-96000	Unemployment Compensation
\$280,000	500-91119	Custodial Salaries	500137-96000	Unemployment Compensation
\$250,000	500-91123	Non Instructional Salaries	500137-96000	Unemployment Compensation

In addition, there have been several changes to the FY21 Federal Grant Accounts from the amounts adopted in the FY21 budget. These changes and adjustments are as follows:

Grants	FY21 Adopted Budget	FY21 Award	Difference
Title I	\$11,585,589	\$11,065,503	-\$520,086
Title II Teacher Quality	\$1,238,673	\$1,114,170	-\$124,503
Title III	\$1,120,151	\$1,193,397	\$73,246
Title IV	\$789,078	\$837,290	\$48,212
IDEA	\$7,827,865	\$7,888,049	\$60,184
Perkins Secondary Allocation	\$474,016	\$456,639	-\$17,377

As a result of the district's reduced final budget and change in Title I allocation, the district has eliminated the extended learning time at four schools. Title II reduced or eliminated stipends, contractual services, and travel and student transportation in order to balance to the FY21 award amount.

With the increase of Title III funding, the budget reflects an increase in funds for stipends, contractual services, and student transportation.

Title IV funding maintains or increases the amount of stipends, contractual services, supplies, travel, and student transportation for those related activities.

The IDEA award provide any 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. In order to balance to grant award, stipends, contractual services, travel and student transportation were either reduced or eliminated.

**WORCESTER PUBLIC SCHOOLS
 2020-2021 BUDGET ACCOUNT
 SUMMARY
 FIRST QUARTER REPORT**

<u>Account</u>	<u>Account Title</u>	<u>Adopted</u>	<u>Expended or Encumbered</u>	<u>Balance</u>
500-91110	Administration Salaries	\$14,249,909	\$3,425,530	-\$66,161
500-91111	Teacher Salaries	\$185,342,212	\$14,485,090	-\$37,913
500-91112	School Committee Salaries	\$98,628	\$24,656	\$0
500-91114	Teacher Substitutes Salaries	\$2,439,515	\$46,853	\$591,758
500-91115	Instructional Assistants Salaries	\$13,962,930	\$1,412,630	\$416,647
500-91116	Coach Salaries	\$712,702	\$3,328	\$0
540-91117	Transportation Salaries	\$4,374,990	\$647,173	\$37,114
500-91118	Supplemental Program Salaries	\$1,635,466	\$463,894	\$6,516
500-91119	Custodial Salaries	\$7,541,209	\$1,618,579	\$282,844
500-91120	Maintenance Service Salaries	\$2,322,454	\$412,421	\$149,580
500-91121	Administrative Clerical Salaries	\$3,607,045	\$821,427	\$20,359
500-91122	School Clerical Salaries	\$2,420,178	\$479,372	\$146,475
500-91123	Non Instructional Salaries	\$2,738,924	\$695,896	\$254,965
540-91124	Crossing Guard Salaries	\$518,320	\$0	\$0
500-91133	School Nurse Salaries	\$5,973,882	\$633,324	\$81,864
500-91134	Educational Support Salaries	\$4,174,342	\$432,252	\$331,540
540-97201	Transportation Overtime Salaries	\$700,000	\$539	\$0
500-97203	Custodial Overtime Salaries	\$1,122,051	\$47,302	\$0
500-97204	Maintenance Overtime Salaries	\$161,627	\$54	\$0
500-97205	Support Overtime Salaries	\$73,780	\$27,430	-\$97,683
	Salary Total	\$254,170,164	\$25,677,752	\$2,117,905
500101-96000	Retirement	\$19,683,751	\$20,497,721	\$0
540103-92000	Transportation	\$18,030,031	\$1,725,610	\$25,000
500122-92000	Athletic Ordinary Maintenance	\$465,819	\$51,658	\$0
500123-96000	Health Insurance	\$51,521,725	\$9,146,164	-\$978,818
500125-92000	Other Insurance Programs	\$63,086	\$16,821	-\$2,427
500129-96000	Workers Compensation	\$1,967,646	\$307,206	\$0
500130-92000	Personal Services	\$2,662,087	\$1,433,335	-\$250,227
500132-92000	Tuition	\$20,068,553	\$22,543,408	\$0
500133-92000	Printing & Postage	\$317,272	\$123,808	\$0
500-92204	Instructional Materials	\$3,965,969	\$1,614,990	-\$117,000
500136-92000	Miscellaneous Educational OM	\$4,141,378	\$4,917,187	-\$177,022
500137-96000	Unemployment Compensation	\$732,000	\$0	-\$1,614,070
500146-92000	Building Utilities	\$6,230,254	\$4,934,934	\$0
500152-92000	Facilities Ordinary Maintenance	\$4,435,469	\$2,336,385	\$0
	Non Salary Total	\$134,285,040	\$69,649,227	-\$3,114,564
	Total General Fund Budget	\$388,455,203	\$95,326,979	-\$996,659
	Reduced State Budget			-\$825,021
	Total General Fund Budget Status			-\$1,821,680