

X. GENERAL BUSINESS  
Administration  
(September 8, 2021)

ITEM - gb #1-237  
S.C. MEETING - 9-23-21

ITEM:

To consider an update on the FY22 Budget based on the final State Budget.

PRIOR ACTION:

BACKUP:

Annex A (2 pages) contains a copy of the FY22 Budget update.  
Annex B (1 page) contains a copy of page 145 of the Budget Book.

RECOMMENDATION OF MAKER:

RECOMMENDATION OF ADMINISTRATION:

Accept and file.

WORCESTER PUBLIC SCHOOLS  
 FY22 BUDGET UPDATE  
 September 1, 2021

On July 16, 2021, the Governor and State Legislature adopted the FY22 Chapter 70 Aid for school districts as part of the state budget. The final state budget reflects an increase of \$2.3 million over the budget amounts adopted by the School Committee in June.

	<b>FY22 Adopted Budget (based on the Governor's Budget)</b>	<b>FY22 Final State Budget (July 2021)</b>	<b>Change from the Adopted Budget Amount</b>
General Fund Revenue			
Chapter 70 State Aid	\$289,004,989	\$291,115,647	\$2,110,658
Charter School Reimbursement	\$4,946,129	\$5,521,488	\$575,359
Total City Contribution	<u>\$127,052,444</u>	<u>\$127,052,444</u>	<u>\$0</u>
<b>Total General Fund Revenue</b>	<b>\$421,003,562</b>	<b>\$423,689,579</b>	\$2,686,017
Less Tuition Assessments:			
Charter School Tuition Assessment	\$31,203,984	\$31,612,921	\$408,937
School Choice Tuition Assessment	\$3,397,816	\$3,406,130	\$8,314
Special Education Revenue Offset	<u>\$186,620</u>	<u>\$198,440</u>	<u>\$11,820</u>
<b>Total Tuition Assessments</b>	<b>\$34,788,420</b>	<b>\$35,217,491</b>	<b>\$429,071</b>
<b>TOTAL GENERAL FUND BUDGET:</b>	<b>\$386,215,142</b>	<b>\$388,472,088</b>	<b>\$2,256,946</b>

The District Administration anticipated this final budget amount in the FY22 Budget Book (page 145, also attached):

*The House of Representatives FY22 Budget provides Worcester with \$2.4 million more than the amount used in the Governor's Budget. If the House of Representatives Budget is the final Chapter 70 allocation to Worcester, these two line items will be restored to the General Fund Budget.*

As part of the use ESSER funds to support “hold harmless funding” (maintain existing programs, positions, and services in anticipation of the return of students after an unprecedented, pandemic-related enrollment decline), Kindergarten Instructional Assistants and related health insurance will be restored to the general fund using this increased final state budget allocation as planned in the budget book.

Other spending adjustments will be addressed by the Administration as part of the quarterly budget reports to the School Committee.

The Administration requests that the School Committee approve this budget action at this time. However, the actual final budget action will occur later in the year as part of the tax rate setting process with by the Worcester City Council.

Other Items for Budget Impact:

**FY22 Federal Entitlement Grant Awards:** The FY22 Budget used FY21 awards for federal entitlement grants. Actual grant award amounts have now been posted by the Department of Elementary and Secondary Education (DESE) in the following amounts:

<b>Grant Name</b>	<b>FY22 Budget</b>	<b>FY22 Award</b>	<b>Difference</b>
Title I	\$11,055,835	\$13,035,972	\$1,980,137
Title II Teacher Quality	\$1,122,757	\$1,269,520	\$146,763
Title III	\$1,193,397	\$1,142,698	-\$50,699
Title IV	\$839,290	\$748,170	-\$91,120
IDEA	\$7,920,349	\$7,978,530	\$58,181
American Rescue Plan - IDEA (New)	0	\$1,722,266	\$1,722,266
Perkins Secondary Allocation	\$456,639	\$556,051	\$99,412
<b>Difference</b>			<b>\$3,864,940</b>

The Administration is currently developing the grant applications for these grant awards for submission to DESE.

**Charter School Tuition Assessment:** Learning First Charter School (formerly Seven Hills Charter School) has decided to provide their own student transportation this year to better align with their preferred school times. District Administration has been informed that Learning First has contracted with AA Transportation. By state law, this transportation is funded by the sending school district through the charter school tuition formula through a reimbursement to the charter school. It is expected that the cost of this transportation is \$1.0 million and will be fully added to the WPS charter school tuition assessment in FY23.

**Special Education Spending:** The federal Maintenance of Effort (MOE) requirement obligates any district receiving Special Education IDEA grant funds (DESE Fund Code 240 and 262) to spend at least the same amount of state and local funds for the education of children with disabilities on a year-to-year basis in either the aggregate or per pupil. Due to the district's extended remote savings last year in certain areas, this may be an issue for the district for FY21 spending for the district. (This issue is not unique to the Worcester Public Schools as other school districts may be addressing this potential shortfall in spending).



## General Fund Summary

During the 2020-21 school year, the district and many other school districts in Massachusetts experienced an unprecedented, pandemic-related student enrollment decline. In Worcester, the total decline of 1,058 students was most notably a decrease of 746 students at the pre-kindergarten and kindergarten grade levels. The result of this enrollment decline is a \$9.7 million reduction in funding based on the per-pupil-based foundation budget formula. A decline of this enrollment amount would normally result in a reduction of 34 teacher positions (among other line items). However, the district expects that these students will return in the 2021-22 school year, and as a result, there is a need to maintain all 591 elementary teacher positions from the FY21 budget to accommodate this potential enrollment increase.

### FY22 Hold Harmless Enrollment Funding Plan



The district advocated the state legislature to enact hold harmless enrollment funding in the FY22 state budget. The proposal would have allowed the state to use the higher enrollment of either the 2019-20 or 2020-21 school year for the FY22 foundation budget calculations. Absent state legislative approval on this proposal, the district will utilize federal ESSER funds to sustain staffing and services levels in anticipation of the enrollment increase, with expected corresponding increases in state funding for the 2022-23 school year. To support this funding plan, the following costs have been removed from the FY22 General Fund Budget and allocated to federal ESSER funding. These funds will be returned to the General Fund Budget next year.

Account Item	Transferred to ESSER Funds	Amount
91114	Day by Day Substitutes	\$1,071,000
91115	Kindergarten Instructional Assistants	\$2,143,754 *
91118	Recreation Worcester	\$100,000
91118	Gerald Creamer Evening Program	\$300,757
91118	Advanced Placement Salaries	\$77,000
91118	AVID Salaries	\$36,160
91118	Mentoring Stipends	\$63,000
91118	Music Enrichment Program Salaries	\$15,000
91118	Summer and Evening Guidance	\$9,500
91123	Parent Liaison Salaries	\$173,500
91133	Clinical Care Salaries	\$783,531
91134	Literacy Tutors	\$505,681
91134	MCAS Tutors	\$280,359
97203	Custodial Overtime	\$1,144,492
500123	Health Insurance for Kindergarten IAs	\$628,172 *
500130	Advanced Placement Supplies and Services	\$193,180
500136	Chromebook Leases	\$1,253,274
540103	Transportation: Special Education (Summer Programming)	\$361,822
540136	Building Rental: Chandler Elementary Annex - YMCA	\$228,204
540136	Building Rental: Dual Language - St. Stephen's Church	\$132,000
540136	Building Rental: Alternative School	\$184,720
<b>Total Spending Transferred to ESSER Funds</b>		<b>\$9,685,106</b>

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