



OFFICE OF BUSINESS AND PERSONNEL ADMINISTRATION

TO: Finance and Administration Subcommittee  
District School Committee  
Jill Rossetti, Superintendent - Director

FROM: Steven Moore, Assistant Superintendent

DATE: January 13, 2020

SUBJECTS: 2020 Budget Update

**Q2 Budget Report – Anticipated project funding needs**

Attached is the Q2 FY20 Budget Report for the period ending December 31 2019. The major issue the 2020 budget is dealing with is how to fund the additional \$850,000 need to complete the renovation project. During the second quarter the district committee transferred \$400,000 from the Fixed Cost Series to the Capital Project Series. In the third quarter the committee should be identifying additional sources of funds to close the \$450,000 funding gap that currently exists.

Both the LPN program and cafeteria had significant work done in there spaces. Work done in the LPN area is not MSBA eligible so it is not unreasonable to charge the program \$100,000 for the work. This is in addition to the \$60,000 in charges previously earmarked for the project and not part of the current shortfall. The cafeteria kitchen also had significant work done to it so to assess the program \$100,000 is not unreasonable

<u>Fund</u>	<u>July 1, 2019 Fund Balance</u>	<u>Current Fund Balance</u>
LPN Program	\$344,807	\$504,474
Cafeteria	\$258,054	\$229,569

The use of these funds reduces the need for funds by at least \$200,000. Thus the district will have to identify an additional \$250,000 through the budget or other sources. Whatever actions the district takes will seriously reduce the availability of E& D funds

for the 2021 budget, which will likely result in the need to use stabilization funds in the development of the 2021 member assessments.

### **Salary Accounts**

The salary accounts for the second quarter are in good shape for this time of year. The \$100,000 in salary exchanges from 2019 are still available and a potential source to reduce the current project deficit.

There were no significant changes in the salary account with the exception of the operations and Maintenance of Plant 4000 Series.

The 4000 series shows a projected surplus of \$9,208 at the end of the second quarter. This is a decrease from the first quarter number. There are currently 3 vacancies in the department once those are filled the funds held in reserve can be adjusted and a more significant surplus should appear.

### **Expense Accounts**

**District Leadership and Administration – 1000 Series:** Bulk of remaining funds are for unencumbered legal costs, miscellaneous contracted services, and supplies.

**Instruction – 2000 Series:** Majority of unencumbered funds are for technology, text books, and vocational materials and equipment.

**Student Services – 3000 Series:** Residual balance is associated with unencumbered transportation and athletic program costs

**Operation and Maintenance of Plant – 4000 Series:** Unencumbered balance can be attributed to potential savings in contracted service needs, special project needs, as well as unpurchased technology.

The district use of water has significantly dropped due to actions related to the project and the savings (\$65,000) could be diverted to cover the project cost shortfall. It is too early in the year to assess any potential savings in electricity or natural gas use related to the project.

**Fixed Costs – 5000 Series:** After the second quarter transfer of funds these accounts should not have a significant year end surplus.

**Capital Projects and Debt Service –** Both accounts are where they should be for this time of year.

**Requested Budget Transfers –** None this quarter



OFFICE OF BUSINESS AND PERSONNEL ADMINISTRATION

2020 Budget Q2 Budget Report and Transfer Request

SALARY ACCOUNTS FOR: PERIOD ENDING 12/31/2019	<u>Budget</u>	<u>TRANSFERS</u>	<u>Adjusted BUDGET</u>	<u>YTD EXPENDED</u>	<u>PROJECTED</u>	<u>AVAILABLE BUDGET</u>	<u>PCT Expended</u>
<b>1000</b> DISTRICT LEADERSHIP AND ADMINISTRATION	689,097	-	689,097	344,119	341,069	3,909	50%
<b>2000</b> INSTRUCTION	9,244,330	(37,000)	9,207,330	3,252,255	5,839,191	115,884	35%
<b>3000</b> STUDENT SERVICES	482,912	-	482,912	180,299	312,252	(9,639)	37%
<b>4000</b> OPERATIONS and MAINTENANCE OF PLANT	1,402,117	-	1,402,117	634,417	758,492	9,208	45%
<b>TOTALS</b>	<b>11,818,456</b>	<b>(37,000)</b>	<b>11,781,456</b>	<b>4,411,090</b>	<b>7,251,004</b>	<b>119,362</b>	<b>99%</b>
EXPENSE ACCOUNTS FOR: PERIOD ENDING 12/31/2019	<u>Budget</u>	<u>TRANSFERS</u>	<u>Adjusted BUDGET</u>	<u>YTD EXPENDED</u>	<u>ENCUMBRANCES</u>	<u>AVAILABLE BUDGET</u>	<u>PCT Exp/Enc</u>
<b>1000</b> DISTRICT LEADERSHIP AND ADMINISTRATION	258,234	-	258,234	120,741	81,712	55,781	78%
<b>2000</b> INSTRUCTION	771,027	-	771,027	259,798	93,732	417,497	46%
<b>3000</b> STUDENT SERVICES	1,142,978	37,000	1,179,978	403,621	711,829	64,528	95%
<b>4000</b> OPERATIONS and MAINTENANCE OF PLANT	1,518,301	-	1,518,301	498,816	709,807	309,678	80%
<b>5000</b> FIXED CHARGES	4,556,216	(400,000)	4,156,216	2,441,149	1,532,530	182,537	96%
<b>7000</b> CAPITAL PROJECTS	100,000	400,000	500,000	48,536	30,300	421,164	16%
<b>8000</b> DEBT SERVICE	500,000	-	500,000	-	-	500,000	0%
<b>TOTALS</b>	<b>8,846,756</b>	<b>37,000</b>	<b>8,883,756</b>	<b>3,772,661</b>	<b>3,159,910</b>	<b>1,951,185</b>	<b>78%</b>
<b>TOTAL ALL ACCOUNTS</b>	<b>20,665,212</b>	<b>-</b>	<b>20,665,212</b>	<b>8,183,751</b>	<b>10,410,914</b>	<b>2,070,547</b>	<b>90%</b>