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Reading Public Schools

Instilling a joy of learning and inspiring the innovative leaders of tomorrow

TO: Reading School Committee
FROM: Gail Dowd
CC: John Doherty
DATE: May 11, 2020
RE: Revised FY21 Budget

At the May 14th School Committee Meeting, we will present to the members of School Committee a recommended revised FY'21 budget. Town Manager Bob LeLacheur, Town Accountant Sharon Angstrom, Superintendent John Doherty and myself have been working on a draft revised FY'21 budget over the last couple of weeks as we navigate this period of uncertainty. The adjustments reflect the information contained within the Finance Committee packet for the meeting scheduled for May 12, 2020. The Adjustments and Reconciling items in the tables below provide additional detailed information as to the recommended changes.

The first table reflects the changes broken between wages and expenses by each cost center:

	FY'21 School Committee Approved Budget		FY'21 Decreases to School Budget Offset		FY'21 Adjusted School Budget		Total Change by Cost Center	% Change by Cost Center
	FY'21 Rev Wages	FY'21 Revised Expenses	FY'21 Revised Expenses	FY'21 Budget Offset	FY'21 School Budget	FY'21 School Budget		
Administration	\$ 1,205,585	\$ (76,535)	\$ (3,400)	\$ -	\$ 1,125,650	\$ (79,935)	-6.63%	
Regular Day	27,764,234	(122,795)	(171,562)	115,000	27,584,877	(179,357)	-0.65%	
Special Education	15,999,850	(22,675)	(7,000)	30,000	16,000,175	325	0.00%	
School Facilities	1,427,974	(883)	(9,460)	-	1,417,631	(10,343)	-0.72%	
District Wide Program	2,022,019	(5,140)	(10,550)	15,000	2,021,329	(690)	-0.03%	
	\$ 48,419,662	\$ (228,028)	\$(201,972)	\$ 160,000	\$ 48,149,662	\$ (270,000)	-0.56%	

The second table reflects the changes in greater detail by each cost center:

	Adjustments and Reconciling Items										
	FY'21		Professional						Other		Total
	School	Salary/	Staffing	Curriculum	Development	Technology	Other	Expenses	Adjusted	Total	
	Committee	Benefit									Reductions
Approved	Adjustments	(2)	(3)	(4)	(5)	(6)	Offsets (7)	School Budget	Cost		
Budget	(1)								Center		
Administration	\$ 1,205,585	\$ (16,535)	\$ (60,000)	\$ -	\$ -	\$ -	\$ (3,400)	\$ -	\$ 1,125,650	\$ (79,935)	
Regular Day	27,764,234	(67,795)	(55,000)	(62,957)	(50,000)	(25,000)	(33,605)	115,000	27,584,877	(179,357)	
Special Education	15,999,850	(12,675)	(10,000)	-	(7,000)	-	-	30,000	16,000,175	325	
School Facilities	1,427,974	(883)	-	-	-	-	(9,460)	-	1,417,631	(10,343)	
District Wide Program	2,022,019	(5,140)	-	-	-	-	(10,550)	15,000	2,021,329	(690)	
	\$ 48,419,662	\$ (103,028)	\$(125,000)	\$ (62,957)	\$ (57,000)	\$ (25,000)	\$ (57,015)	\$ 160,000	\$ 48,149,662	\$(270,000)	

Overview of approach utilized to address potential budget reductions

In reviewing the areas for potential budget reductions, we looked at reductions that would not dismantle programs and could be added back if the overall budget picture improves throughout the year.

In addition to the recommended cuts, the District will be monitoring all expenses, as well as the salaries for all new hires and will strive to hire in the mid-range of the salary scale when replacing individuals. This approach has been discussed with Human Resources and Hiring Managers.

As we close out the current year and prepare for the upcoming year there are several unknowns that we will continue to monitor as more information becomes available. There is the potential that additional substitutes maybe needed in FY'21 if staff members are out due to illness or attending to family illness. The various revolving accounts will need to be closely monitored for enrollment and participation. Extended Day and Use of School Property are driven by external rentals and enrollment. All expenses associated with these two accounts will need to be monitored to the extent they can be reduced or limited based upon activity.

At this time, there are still many unknowns as to what any summer programming (ESY, rentals, summer camp) will potentially look like. We are preparing for several models for the ESY program to allow us to react once additional information becomes available. In addition, we are monitoring information and guidance as it becomes available from the CDC, BOH organizations, DESE and state legislature regarding when the fall might look like. We do anticipate an increase in costs associated with special education, daily disinfecting and cleaning, PPE, substitutes and nursing coverage. Also unknown is what transportation, lunch/cafeteria and classrooms will look like.

We will monitor potential additional grant funding that may become available through the CARES Act or other funding sources to help offset any additional expenses. The District is receiving \$98,311 in funding as part of the Elementary and Secondary School Emergency Relief Fund (ESSER Fund) as authorized under the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The funding was based on a proportionate allocation based upon the Districts FY'20 Title I Funding. Districts must provide equitable services to private school students, teachers and other educational personnel in non-public schools within the district's geographic boundaries.

(1) Salary/benefit adjustments

- All Cost Centers reflect a 1% reduction in the budgeted COLA assumption for FY'21 for non-represented employees
- All 5 bargaining units have contracts in place and the steps and COLA will be honored without financial changes. There may be continued discussions on other aspects of each agreement.

- Regular day reflects a reduction in the estimated sick leave buy back for teacher retirements - the amount will not be known with certainty until June 30th as that is when notifications are due.

(2) Staffing Reductions

- Administration reflects the removal of the open 1.0 FTE Payroll/HR Assistant position. The position has not been filled and could be added back if the budget funding improves.
- Regular Day reflects a reduction of 1.0 FTE elementary classroom teacher based upon projected class sizes (no impact class size guidance)
- Special Education reflects a reduction in para-professional hours that were not fully assigned during the budget process.

(3) Curriculum Reductions

- Proposing to reduce District Wide Curriculum by \$63,000 which would leave \$131,000 remaining in the FY'21 budget

(4) Professional Development reductions

- Regular Day reflects a proposal to reduce district wide professional development by \$50,000 which would leave \$43,000.
- Special Education reflects the reduction of \$7,000 of the professional development budget which would leave \$11,000.

(5) Technology Replenishments

- Regular Day reflects the reduction of \$25,000 in technology replenishment which would leave \$75,000.

(6) Other Expense Reductions

- Administration reflects expense reductions throughout the cost center
- Regular Day reflects a 5% reduction to the building-based budgets
- School Facilities reflects a reduction in planned radio replacement purchases
- District-Wide Program reflects reductions of \$5,000 in athletics, \$1,550 in Extra-Curricular and \$4,000 in technology

(7) Changes to Offsets

- We are recommending decreases to the FDK, RISE and Extra-Curricular Offsets due to anticipated changes in enrollment and participation.
- Over the upcoming months, as more information becomes available, each of the Revolving Accounts will need to be monitored for any potential impact to revenue and expenses that will ultimately impact the viability of the offsets.
- We also anticipate a potential for declining paid FDK either due to families shifting to half day or an increase in free/reduced applications.
- Also unknown is what the fall will look like in terms of athletics, extra-curricular and rentals due to any potential lasting restrictions on social gatherings.
- Through discussions with the Town Manager we are also proposing a \$50,000 reduction in offsets/transfers from the Use of School Property and Extended Day Offsets due to uncertainty surrounding future school rental income and extended day programming.