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Webinar ID: 854 1859 8425

The following item will be discussed at a virtual meeting of the Standing Committee on Finance and Operations Finance and Operations to conduct a Public Forum on the FY22 Budget on Tuesday, May 25, 2021:

ros #1-3 - Administration (January 12, 2021)

FY22 PRELIMINARY BUDGET ESTIMATES

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Tuesday, May 25, 2021

ITEM: Administration (January 12, 2021)

FY22 PRELIMINARY BUDGET ESTIMATES

PRIOR ACTION:

- 2-4-21 - Mr. Allen provided an overview of the FY22 Preliminary Budget Estimates by highlighting that:
- The FY22 Budget, as presented by the Governor, will result in a budget less than the FY21 Budget adopted last June before the late summer budget reductions.
 - The district has seen an enrollment decline of 1,058 students or a 4.2 percent drop off from the prior year. Seventy one percent of this decline is at the pre-school and kindergarten levels.
 - Due to the enrollment decline, the FY22 Foundation Budget and the FY22 General Fund Budget are less than the original budget amounts adopted last year.
 - The total Budget increase needed for the FY22 Baseline Level (restored one-time spending cuts) and 3% inflation growth is \$25,236,317.
 - The Student Opportunity Act provides an \$18.8 million foundation budget increase
 - The difference between Hold Harmless Enrollment and Hold Harmless Funding is: **(Continued on page 2.)**

BACKUP:

Annex A (15 pages) contains a copy of the FY22 proposed Budget recommendations.

PRIOR ACTION (continued)

2-4-21 (continued)

- Declining enrollment often results in lower foundation budget amounts for those districts. This could result in needing less Chapter 70 state aid to meet the foundation budget.
- The state uses Hold Harmless Funding to protect school districts by providing no less in Chapter 70 state aid than received in the previous year.
- The FY21 Hold Harmless Amount is \$361.3 million.
- Hold Harmless Enrollment recognizes an unprecedented statewide enrollment decline attributed to the pandemic.
 - Forty-six percent of statewide enrollment decline is at the Pre-K and Kindergarten level.
 - It levels the funding for anticipated return of Pre-K and Kindergarten students next year that did not enroll this year.
- The redevelopment of Saint-Gobain property will require that the Facilities Department vacate their space before the end of this year. This space was at no cost to the system. Therefore, the FY22 Budget will reflect facility rental costs that did not exist prior to this year.

Ms. Novick requested that the benchmark for the employment of teachers and other Foundation Accounts be added to the presentation for the Legislative Meeting that will be held on Friday, February 26, 2021.

Mr. Allen stated that he will add into the presentation for the Legislative Meeting information regarding Staff Development, Maintenance and the Chronic underfunding due to spending in other areas as well as any other pertinent information.

Ms. Novick made the following motion:

Request that the Administration make certain that the School Site Councils meet with their school principals to review the school-based Budgets prior to meeting with the Administration.

On a roll call of 7-0, the motion was approved.

Mr. Foley asked if the Administration could work with New England School Development Council (NESDEC) to see if the enrollment decline is part of a decline in the Northeast expected to happen in public schools and higher education or is it the case that children are being kept at home or attending school elsewhere.

Mr. Allen stated that the system does belong to the New England School Development Council (NESDEC) and uses its annual enrollment forecasts as part of the budget planning. He further stated that he would forward the enrollment forecasts to the School Committee once he receives them.

Mr. Foley made the following motion:

Request that the item be referred to the Standing Committee on Finance and Operations.

On a roll call of 7-0, the motion was approved.



Worcester Public Schools FY22 Proposed Budget Recommendations

Standing Committee on Finance and Operations
May 25, 2021

From Here, Anywhere!

From Here, Anywhere!

FY22 Major Budget Themes



Enrollment & Inflation

Enrollment Decline primarily at Pre-K and Kindergarten Level

Low Foundation Budget
Inflation Rate of 1.6%



FY22 Budget will be less than original FY21 Budget

Due to a possible pandemic-related enrollment decline



Student Opportunity Act

(Re-Start of) First Year Funding



Federal & State Stimulus Funds

- ESSER I, II, and III
- FY21-FY24



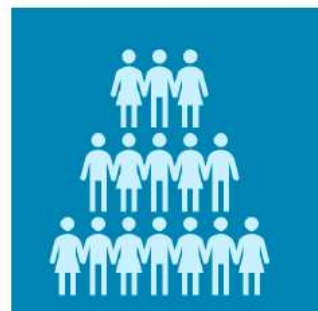
New Staffing & Resource Needs

Annual Enrollment Shifts,
Course Selections,
Student Needs



Foundation Budget Factors

FY22 Budget Impact for the Worcester Public Schools



Enrollment

-\$9.7 million



Inflation

+6.0 million



Student Opportunity Act

+\$18.9 million

Includes resident charter school and school choice students in these calculations

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Foundation Budget Factors

FY22 Budget Impact for the Worcester Public Schools

Foundation Budget Change from FY21

Inflation	\$6,035,988
Student Enrollment	<u>-\$9,560,647</u>
Total Change	-\$3,524,660

Includes resident charter school and school choice students in these calculations

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Foundation Budget Factors

FY22 Budget Impact for the Worcester Public Schools

Foundation Budget Change from FY21

Inflation	\$6,035,988
Student Enrollment	<u>-\$9,560,647</u>
Total Change	-\$3,524,660
Student Opportunity Act Funding	<u>\$18,858,121</u>
FY22 Foundation Budget Change	\$15,333,461

Includes resident charter school and school choice students in these calculations

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FY22 General Fund Budget

Going from Foundation Budget to Expected Operating Budget

	FY21 Adopted Budget	FY22 Budget (Governor's Version)	\$ Change	% Change
A. Chapter 70 State Aid	\$277,395,997	\$289,004,989	\$11,608,992	4.2%
B. City Contribution	<u>\$123,327,975</u>	<u>\$127,052,444</u>	<u>\$3,724,469</u>	<u>3.0%</u>
C. Sub-Total (A+B)	\$400,723,972	\$416,057,433	\$15,333,461	3.8%

FY22 General Fund Budget


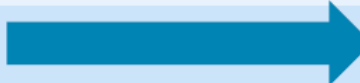
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C. Sub-Total (A+B)	\$400,723,972	\$416,057,433	\$15,333,461	3.8%
D. Charter School Tuition Assessment	-\$28,085,167	-\$31,203,984	-\$3,118,817	11.1%
E. Charter School Reimbursement	\$3,007,423	\$4,946,129	\$1,938,706	64.5%
F. School Choice Tuition Assessment	-\$3,045,212	-\$3,397,816	-\$352,604	11.6%
G. Special Education Assessment	-\$202,348	-\$186,620	\$15,728	-7.8%
H. Total Assessment & Reimbursement (Sum D through G)	-\$28,325,304	-\$29,842,291	-\$1,516,987	5.4%
TOTAL GENERAL FUND BUDGET (C-H)	\$372,398,668	\$386,215,142	\$13,816,474	3.7%

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How Does FY22 Compare to FY21?

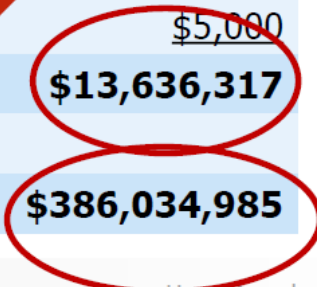
FY21 Budget Before Pandemic-Related Reductions Compared to FY22 Initial Budget

	FY21 Initial Budget		FY22 Initial Budget	
Foundation Budget	\$398,714,407		\$397,940,445	-0.2%
General Fund Budget	\$388,455,204		\$386,215,142	-0.6%

- Due to enrollment decline: FY22 Foundation Budget and FY22 General Fund Budget are less than the original budget amounts adopted last year.
- FY21 Budget reduction (\$16.0 million) balanced on one-time, pandemic-related savings (transportation, crossing guards, literacy tutors, etc.)
- FY22 provides less funding than adopted in FY21 original budget (and FY22 cost increases makes less revenue available than last year’s original budget amount).

FY22 Budget Planning

Budget Item	Amount
FY21 Adopted Budget (December 2020)	\$372,398,668
<i>Restore One-Time Remote Budget Savings:</i>	
Student Transportation	\$6,783,026
Salary Accounts	\$5,633,945
Instructional Supplies	\$398,780
Day-by-Day Substitutes	\$285,000
Crossing Guards	\$183,781
Health Insurance (due to position vacancies)	\$168,610
Trash Removal	\$89,303
Security Guards	\$81,372
After School Dropoff Center	\$7,500
In-State Travel	\$5,000
Total One-Time Remote Budget Savings	\$13,636,317
FY22 Baseline Budget	\$386,034,985



FY22 Budget Planning

Budget Item	Amount
FY22 Baseline Budget	\$386,034,985
FY22 Preliminary General Fund	<u>\$386,215,142</u>
Difference	\$180,157
3% Initial Spending Increase (Inflation Costs) – Not including New Programs and Services	\$11,600,000
Inflationary Cost Increases for: Health Insurance, Retirement Assessments, Contractual Increases, Transportation, Tuition Costs, Utility Costs, etc.	
ESTIMATED BUDGET GAP	-\$11,419.843

Total Budget Increase Needed for FY22 Baseline Level (Restored One-Time Spending Cuts) and 3% inflation growth: **\$25,236,317**



Federal Stimulus Funds

Coronavirus Relief Funds
ESSER Funds – I, II, and III
Remote Learning Technology

Funding Source	Award Amount	Deadline for Spending
Remote Learning Technology	\$2,253,313	6/30/21
CvRF School Reopening	\$5,729,400	12/31/21
State Coronavirus Prevention Program	\$1,862,200	6/30/21
State Special Support Earmark	\$75,000	6/30/21
ESSER I – CARES Act	\$9,463,606	9/30/22
ESSER II - CRRSA	\$34,815,950	9/30/23
ESSER II – ARP*	<u>\$78,169,219</u>	9/30/24
Total	\$132,368,688	

* Estimated amount. Actual award not yet provided by DESE

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Federal Stimulus Funds

Coronavirus Relief Funds
ESSER Funds – I, II, and III
Remote Learning Technology

USE OF ESSER FUNDS

Sustainability and One-Time Use Plan

ESSER	FY22	FY23	FY24	TOTAL
ESSER I	\$6.9	\$0	\$0	\$6.9
ESSER II	\$17.4	\$17.4	\$0	\$34.8
ESSER III	<u>\$15.6</u>	<u>\$31.3</u>	<u>\$31.3</u>	<u>\$78.2</u>
TOTAL	\$39.9	\$48.7	\$31.3	\$119.9
% of ESSER	33%	41%	26%	100%

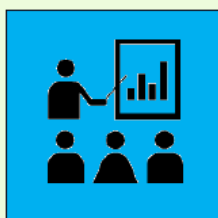
\$ in millions

- Sustain technology and safety purchases
- Provide bridge foundation budget funding to support the expected enrollment increase
- Provide accelerated funds for Student Opportunity Act initiatives
- Provide robust summer school and school-year after school recovery and acceleration programs as well as enhanced professional learning for instructional staff
- Provide additional funds for building ventilation system replacement and building renovation projects.

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Budget Highlights

Programs and Positions Included in the FY22 Proposed Budget (All Funding Sources)



20 English
Learner
Teachers



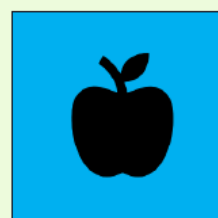
Special
Education: 22
Teachers and 20
Support Positions



13 Early
Literacy
Specialists



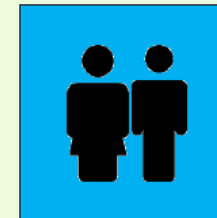
6 Teachers for
Administrative
Diversity Pipeline
Program WSU



6 Nursing
Positions



5 Health
Teachers



4 School
Adjustment
Counselors



4 Chapter 74
Teachers at
South High



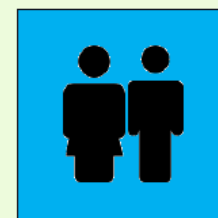
Summer and
Afterschool
Recovery and
Acceleration
Programs



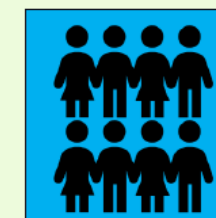
Expanded
Adult English
Learner
Classes



Dual Language
School and
Remote
Academy



School &
District Based
Administrative
Support
Positions



Sustains
Elementary
Staffing



Training,
Textbooks,
Materials and
Supplies, SIS
System

FY22 ITEMS



Final State Budget

House and Senate Versions of the state budget have higher Chapter 70 phase-in allocations for Worcester



ESSER Allocations and Guidance

Final allocations, guidance, and public hearings



Actual Student Enrollments

After unprecedented pandemic-related decline



Other Federal Grant Annual Allocations

Usually known from DESE in July of each year



Continuation of COVID-19 Related Activities in Schools

PPE, medical waiting rooms, cleaning, spacing, testing, and feeding



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