



Watertown Public Schools

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MEMORANDUM

To: Watertown School Committee
Cc: Dede Galdston, Superintendent of Schools
From: Mary DeLai, Assistant Superintendent, Finance & Operations
Date: October 19, 2017
Re: FY2018 Budget Status Report

Attached to this memo, please find a report outlining the status of our Fiscal Year 2018 Budget as of September 30, 2017, the end of the first quarter of the fiscal year. This report reflects the current status of our budget including actual and encumbered expenditures, available balance, percent expended as well as projections of remaining non-encumbered expenses and year end surpluses and deficits. The attached report shows that we currently have an unencumbered balance of \$3,390,673 or 7.4% of our original adopted budget. The current unencumbered balance has been reduced by \$371,935 since last month's report.

We are presently projecting remaining expenses of \$2,760,166 through the end of the fiscal year which would result in a favorable year-end balance of \$630,507, or 1.4% of the FY'18 Adopted Budget.

Below is a list of known or anticipated unbudgeted expenses that are expected to adversely impact our FY'18 Budget, including:

- Four additional students who were accepted and enrolled at Minuteman Vocational Technical School (\$74,193)
- Shared transportation expense to transport additional students to Minuteman (\$24,000)
- AHERA consulting services (\$35,000)
- Emergency or extraordinary maintenance expenses (\$80,000)
- Addition of a 0.5 FTE custodian for the school administration building and for coverage of temporary vacancies and extended absences (\$20,000)
- Stipends not budgeted (\$20,000)

Other variables that may impact our FY'18 Budget include:

- Unanticipated out of district special education placements (tuition and transportation expense)
- Unanticipated additional staffing required by changes to IEP's
- Unanticipated medical or other extended leaves of absences beyond budgeted amounts
- Daily sub usage beyond budgeted amounts
- Unanticipated maintenance expenses
- Custodial overtime in excess of projected due to inclement weather
- Revenue shortfalls resulting in an inability to meet assumed offsets

The deficits that are shown under Regular Day Salaries for the High school and, to a lesser extent, Middle School, result from the reallocation of Title I funds to the Hosmer and the Lowell Elementary Schools. In FY'18, schools that will be receiving Title I support are Watertown Middle School, Hosmer Elementary School and Lowell Elementary School.

The large deficit shown under Non-salary expenses for Districtwide Student Services is a result of our current attempt to preserve the FY'18 Circuit Breaker fund balance to use entirely as an offset for the FY'19 budget. In developing the FY'18 budget, we have assumed the use of \$1,493,623 in FY'18 Circuit Breaker funds as well as \$1,175,556 in FY'17 Circuit Breaker carryforward funds. Fortunately, we were able to carry forward \$1,917,274 from FY'17, or \$741,718 more than was budgeted, and utilize this entire balance to pay FY'18 tuitions. This allows us to reduce our reliance on our FY'18 Circuit Breaker and our hope is that we are able to carry forward the entire FY'18 amount into FY'19. Our FY'18 Circuit Breaker Reimbursement is presently expected to be \$1,785,308, a reimbursement rate of 65%. This grant has been the frequent target of budget reductions in the event of revenue shortfalls at the state level that result in 9C cuts.

Finally, the deficit that is shown under Non-salary expenses for Facilities reflects the anticipated transfer to the ESCO stabilization fund, beyond what was budgeted, as well as potential extraordinary maintenance expenses.

We will continue to monitor and report expenditures on a monthly basis and make adjustments as needed to meet our objective of ending the year with a positive balance.

**WATERTOWN PUBLIC SCHOOLS
FISCAL YEAR 2018 SCHOOL COMMITTEE BUDGET
BUDGET STATUS AS OF 9/30/2017**

CATEGORY	\$ FY2017 ACTUAL EXPENDED	\$ FY2018 ADOPTED BUDGET	\$ FY2018 REVISED BUDGET	\$ EXPENDED AS OF 9/30/2017	\$ ENCUMBERED AS OF 9/30/2017	\$ AVAILABLE AS OF 9/30/2017	% AVAILABLE AS OF 9/30/2017	\$ PROJECTED REMAINING EXPENSE	\$ PROJECTED SURPLUS/ (DEFICIT)	% PROJECTED EOY REMAINING
SALARY	34,895,151	36,786,518	36,784,718	6,234,122	27,837,951	2,712,645	7.4%	1,017,151	1,695,494	4.6%
DISTRICT ADMINISTRATION	1,351,558	1,465,150	1,465,150	304,135	669,541	491,473	33.5%	485,550	5,923	0.4%
DISTRICT CURRICULUM	2,064,611	2,413,127	2,413,127	296,192	1,494,291	622,644	25.8%	31,000	591,644	24.5%
REGULAR DAY	14,661,067	15,541,319	15,541,319	2,553,639	12,893,270	94,410	0.6%	(68,122)	162,532	1.0%
District	15,960	16,980	16,980	4,050	-	12,930	76.1%	16,980	(4,050)	-23.9%
High School	4,208,573	4,381,987	4,381,987	762,689	3,732,087	(112,789)	-2.6%	(11,546)	(101,243)	-2.3%
Middle School	3,074,515	3,215,717	3,215,717	561,640	2,789,721	(135,644)	-4.2%	(97,136)	(38,508)	-1.2%
Cunniff	1,692,079	1,793,540	1,793,540	277,046	1,464,669	51,826	2.9%	23,580	28,246	1.6%
Hosmer	3,438,089	3,725,196	3,725,196	556,247	2,892,333	276,616	7.4%		276,616	7.4%
Lowell	2,231,851	2,407,899	2,407,899	391,968	2,014,460	1,470	0.1%		1,470	0.1%
STUDENT SERVICES	14,277,420	14,783,026	14,781,226	2,397,653	11,438,498	945,076	6.4%	5,046	940,030	6.4%
District	1,812,282	1,724,744	1,722,944	515,681	1,254,305	(47,041)	-2.7%		(47,041)	-2.7%
High School	2,818,204	3,161,236	3,161,236	465,701	2,452,443	243,092	7.7%	5,046	238,046	7.5%
Middle School	2,229,610	2,472,249	2,472,249	326,323	1,844,497	301,429	12.2%		301,429	12.2%
Cunniff	1,426,322	1,440,354	1,440,354	184,209	1,001,753	254,392	17.7%		254,392	17.7%
Hosmer	3,981,576	3,910,744	3,910,744	591,475	3,212,711	106,559	2.7%		106,559	2.7%
Lowell	2,009,426	2,073,699	2,073,699	314,264	1,672,790	86,646	4.2%		86,646	4.2%
ATHLETICS	562,746	584,499	584,499	105,285	229,155	250,059	42.8%	247,894	2,165	0.4%
EXTRACURRICULAR	87,278	97,658	97,658	11,260	33,066	53,332	54.6%	58,521	(5,189)	-5.3%
FACILITIES	1,528,322	1,542,122	1,542,122	460,597	837,453	244,072	15.8%	257,262	(13,190)	-0.9%
TECHNOLOGY	362,149	359,616	359,616	105,360	242,676	11,580	3.2%		11,580	3.2%

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NONSALARY	8,434,729	8,965,340	8,967,140	1,970,483	6,519,935	678,028	7.6%	1,743,015	(1,064,987)	-11.9%
DISTRICT ADMINISTRATION	255,451	285,231	285,231	56,256	62,345	181,424	63.6%	149,386	32,038	11.2%
DISTRICT CURRICULUM	200,411	293,452	293,452	43,484	17,311	243,346	82.9%	233,291	10,055	3.4%
REGULAR DAY	1,462,983	2,014,665	2,014,665	498,374	1,420,340	140,093	7.0%	267,305	(127,212)	-6.3%
District	1,109,978	1,196,284	1,196,284	31,781	1,309,444	(144,940)	-12.1%	(17,728)	(127,212)	-10.6%
High School	125,526	366,806	366,806	192,802	47,261	130,413	35.6%	130,413	-	0.0%
Middle School	81,129	162,314	162,314	62,064	30,666	69,674	42.9%	69,674	-	0.0%
Cunniff	48,733	91,299	91,299	58,909	4,986	40,009	43.8%	40,009	-	0.0%
Hosmer	60,211	102,068	102,068	87,250	13,884	16,060	15.7%	16,060	-	0.0%
Lowell	37,407	95,894	95,894	65,569	14,100	28,877	30.1%	28,877	-	0.0%
STUDENT SERVICES	4,068,505	4,026,933	4,027,533	883,221	3,740,611	(591,767)	-14.7%	28,519	(620,287)	-15.4%
District	4,023,538	3,959,900	3,960,500	872,045	3,739,894	(647,508)	-16.3%	(27,221)	(620,287)	-15.7%
High School	21,970	21,221	21,221	2,510	181	18,529	87.3%	18,529	-	0.0%
Middle School	7,032	11,862	11,862	571	31	11,260	94.9%	11,260	-	0.0%
Cunniff	1,282	2,304	2,304	-	-	2,304	100.0%	2,304	-	0.0%
Hosmer	2,969	17,824	17,824	2,470	505	14,849	83.3%	14,849	-	0.0%
Lowell	11,713	13,822	13,822	5,625	-	8,797	63.6%	8,797	-	0.0%
ATHLETICS	270,353	260,801	259,781	42,448	277,897	(56,054)	-21.6%	(56,054)	-	0.0%
EXTRACURRICULAR	22,515	30,650	30,650	477	8,522	21,838	71.2%	21,838	-	0.0%
FACILITIES	1,930,091	1,742,446	1,660,161	323,975	868,876	536,184	32.3%	889,866	(353,682)	-21.3%
TECHNOLOGY	224,421	311,162	395,667	122,248	124,033	202,965	51.3%	208,864	(5,899)	-1.5%
Grand Total	43,329,880	45,751,858	45,751,858	8,204,605	34,357,886	3,390,673	7.4%	2,760,166	630,507	1.4%