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TO: Chairperson and Members, Boston School Committee  
FROM: Nathan Kuder, Chief Financial Officer  
DATE: June 10, 2020  
SUBJECT: FY20 Budget Update and the Financial Impact of COVID-19

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**Our team is looking forward to presenting to this committee on our financial projections for FY20 and the impact of COVID-19 on our operating budget. We will be providing you with the most up to date information on how the pandemic has affected BPS finances, operations and, most importantly, students.**

This as an opportunity to discuss the changes to budget, operations, and instructional plans covering 4 different time periods:

1. How we have responded to the outbreak of COVID-19 this Spring
2. How we are planning to support students during Summer 2020
3. Key considerations and financial implications of re-opening schools in Fall 2020
4. Long-term financial impacts of COVID-19 and our outlook beyond FY21.

We started our budget process rooted in a statement from the opportunity and achievement gap policy because our work is focused on closing gaps in access to rigorous and robust educational opportunities and closing persistent achievement gaps. That focus has not changed during this period of disruption and uncertainty. Instead of changing strategy, the most recent events of the death of George Floyd and our commitment to anti-racist investments and COVID-19 has added even more urgency to our work - and is challenging us to increase the pace of change.

## **FY20 Budget Update**

Included in this packet is the FY20 monthly Budget Update for the period ending May 31, 2020. This report consists of the following:

- Summary Report: This report provides Approved Budget, Current Budget, Year-to-Date Expenditures, Percent Expended, Projected Expenditures, and variance for Approved Budget vs. Projected Expenditures and Current Budget vs. Projected Expenditures. It aggregates data at high-level account categories. There is a separate table for general fund and for grants. It is typically assumed grants will be fully spent.
- Detail Reports: These reports provide the same data as the Summary Report at a detailed account level.

This has been a unique year for projecting expenditure and we utilized a more intensive, qualitative review of our expenditures and needs to create an accurate projection for the remainder of the year. For your reference, we included budget updates from prior months so you can see our projection before and after the closure in March.

As of May 31, 2020, the report indicates a potential surplus of approximately \$2-3 million in unspent funds on Title I. We anticipate using the surplus to support students through expanded summer learning opportunities and to help prepare to re-open schools in the fall. The major factors that contribute to our FY20 Budget projection include:

- Additional expenditures to rapidly respond to COVID-19, establish remote learning, and support students and families:
  - Student Devices
  - Health and Safety
  - Food Services
  - Online Learning and PD
- We have also identified operational savings and re-prioritized available funds:
  - Utilities
  - Transportation (Fuel & Parts)
  - Physical Supplies and materials

We look forward to providing monthly budget updates in order to continue the conversation about the status of our budget for FY20 and future years. Thank you.

