

---

TO: Chairperson and Members, Boston School Committee  
FROM: Nathan Kuder, Chief Financial Officer  
DATE: December 16, 2020  
SUBJECT: FY21 Budget Update

---

**Our team is looking forward to presenting to this committee on our financial projections for 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.

**FY21 Budget Update**

Included in this packet is the FY21 monthly Budget Update for the period ending October 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.

As of October 31 2020, the report indicates a potential deficit of approximately \$6-7 million. This deficit projection is consistent with projections at this time in previous years. We expect a combination of managing spending in areas of risk, and potential good news from Federal and State COVID relief will enable us to finish the year on budget.

The major factors that contribute to our current status include:

- Salaries - Average salaries coming in under projection (\$6-7M), but offset by need to cover Food Service worker salaries due to lower reimbursements. Location of salary projects is a bit different due to COVID responses, with more money going into Leave accounts.
- Utilities - The Covid projections are based on "COVID" building usage.
- COVID Risk - We are projecting to need to use some general funds on items for school building reopening. As additional funding becomes available through State and Federal efforts, we think this General Fund exposure will decrease.

- These are some examples of our projected costs due to COVID. Many of these costs are absorbed with our existing federal, state and City of Boston supports.
  - **Health and Safety, PPE, Cleaning:** This category includes items like window repairs, air purification, fans, Student and Staff PPE, and additional cleaning. These items could cost between \$15-20M for FY21.
  - **Academic Supports:** There have been additional costs associated with our transition to online learning such as laptops, home internet, and online learning platforms. Additional learning in out of school time like summer and school vacations, as well as compensatory special education services will also likely be needed to get our students back on track. These items could cost between \$15-20M for FY21.
  - **Food and Nutrition:** While schools are in hybrid or remote learning environments our number of school meals served decreases. The number of meals served provide the revenue that pays for our food service program. Loss of this revenue, combined with the increased cost of take-home meals and our commitment to maintaining our staffing levels leads to a potential liability of \$20M for FY21.

We look forward to providing monthly budget updates in order to continue the conversation about the status of our budget for FY21 and future years. Thank you.

