

Office of the Superintendent
Acton Public Schools
Acton-Boxborough Regional School District
<http://ab.mec.edu>
(978) 264-4700 x 3211

TO: Acton-Boxborough Regional School Committee Members
FROM: Stephen Mills
ON: September 1, 2011
RE: **ADDENDUM**

AB SCHOOL COMMITTEE MEETING:

6.0 SCHOOL COMMITTEE BUSINESS

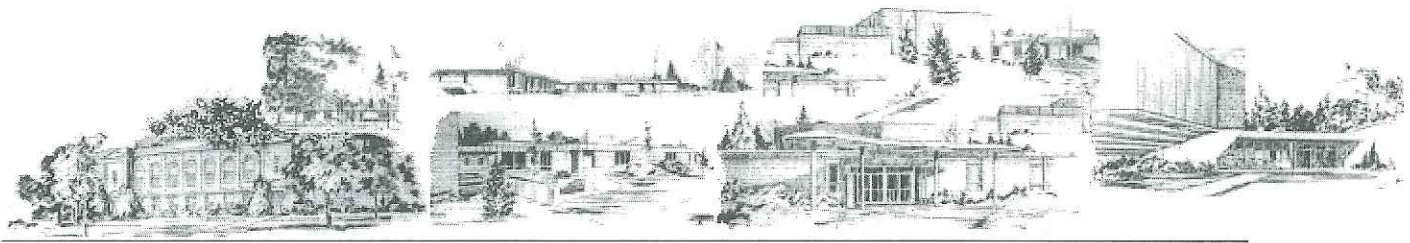
6.1 Budget – *Don Aicardi*

6.1.1 Closing out FY11 budget*

7.0 FOR YOUR INFORMATION

7.3 Minute Van Funding Update – Data re Student Use*

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Donald Aicardi
Finance Director

TO: Superintendent Stephen Mills
FROM: Don Aicardi, Director of Finance DA
RE: FY11 Status Report-Final
DATE: September 1, 2011

A. Summary

I am happy to report that the Acton-Boxborough School District ended Fiscal Year 2011 with a \$660,282.38 positive fund balance. Due to some final financial transactions that were completed after the close of the fiscal year, it is slightly higher than the estimated \$634,000 positive fund balance that I reported to the regional school committee on August 2, 2011.

B. Excess & Deficiency

The final amount of FY10 Excess & Deficiency fund balance for the ABRSD as certified by the Department of Revenue on March 25, 2011 was \$1.7 million. I will be working over the next several months with our Business Coordinator, Denise Kelly, to prepare the financial documents for the DOR for FY11 E & D certification; right now, my best estimate is approximately \$1.5 million. This is a positive development for the fiscal health of the ABRSD as we continue to move through these very uncertain financial times.

C. Review of FY11 One-Time Factors

While very positive, I think it is worth reminding the regional school committee that the vast majority of the positive fund balance was created by a combination of non-recurring, one-time factors that created a positive effect within the FY11 budget. These factors include:

1. \$334,949 from the FY10 ARRA IDEA grant. This grant was announced last spring, after the FY11 budget was finalized. Since the FY11 budget was not reduced, this grant allowed expenses to be charged which created a surplus in several accounts;
2. \$100,000 from the scheduling of Early Retirement Incentive to enable a portion to be paid from FY10 instead of FY11;

3. \$37,214 from the FY11 SFSF grant. This grant was announced early last fall at the time that the federal EdJobs grant was announced, again after the FY11 budget was finalized. Since the FY11 budget was not reduced, this grant allowed health insurance expenses to be charged which also contributed to the surplus.

Due to these factors, the regional school committee was able to make some strategic spending decisions last May for capital projects, equipment, books and technology; while still ensuring that significant funds would be held in reserve at year end to protect our E & D fund balance. However, due to the efforts to tighten spending for FY12 ABRSD budget as much as possible (with an increase of only .72% over the FY11 Budget) it is highly unlikely that such significant surpluses will materialize at the close of FY12 next June.

D. Highlights

I would like to highlight some of the most interesting observations from the FY11 close numbers for the regional school committee as we begin to examine how our current budget is doing and how these trends will soon affect the construction of the upcoming FY13 budget.

1. Significant vacancy factor savings in the teachers account (+\$649,000) were generated. \$100,000 of this surplus was created by the paying forward of \$100,000 in recurring "early retirement incentive" out of the FY10 budget, which in turn created a capacity within the FY11 budget. This surplus helped to offset a \$62k year end deficit in the substitute account.

It is important to remember how our current FY12 budget was deliberately constructed that incorporates these two trends: first, significant reductions to account for retirements (\$91k) and staff changes (\$297k) **have already been included as part of the FY12 ABRSD budget** which should decrease these savings by this time next year; and second, \$40,000 in additional vacancy factor savings were anticipated which allowed an increase to the substitute account to be included in the FY12 budget which should help close this annual deficit by next spring.

The decision to anticipate these salary savings was done based on historical trends as well as a desire to make the FY12 budget increase as low as possible. We will be monitoring the wisdom of that decision in the coming months to evaluate whether it should be duplicated in the FY13 budget process.

2. Unemployment Insurance (-\$70k) showed a year end deficit and is an account that we will continue to focus on throughout this year as we will prepare the FY13 budget.

3. Sped Transportation (-\$128k) showed a year end deficit because the FY11 budget was reduced by \$100,000 due to an assumption that the manner in which we were planning to transport students would be changed but was never implemented. This assumption was changed and included as part of the level service FY12 budget.

4. Utilities (+\$131k). Due to our conservation efforts, our electricity usage continues to trend downward. We have already re-evaluated our FY12 usage assumptions and used \$61,000 from those revised, lower assumptions last June to help pay for a portion of the two new positions

added to the ABRSD last June. We are eager to refine these assumptions to incorporate this data into the development of the FY13 budget.

5. Salaries, Support Staff (+\$118k). \$174k from the FY11 ARRA IDEA grant was utilized to offset special education aides salary expenses which contributed to this year end surplus.

6. The Instructional Textbooks (-\$200k), (-\$256k) Capital Outlay, and (\$-143k) Maintenance Outlays accounts all showed year end deficits to the textbooks, technology, and building rehab projects authorized at FY11 year end.

7. Health Insurance (+\$107k). The year end surplus in the health insurance account was increased due to the availability of \$37k in FY11 ARRA SFSF funds. FY11 was the last year that ARRA SFSF funds will be available to assist school districts with these expenses; as the regional committee well knows, no assumption of any SFSF grants was used in the building of the FY12 ABRSD budget.

8. Sped Tuition (+420k). This significant year end surplus was caused by three main trends: first, \$155,000 in FY11 ARRA SPED grants were made available after the FY11 budget was finalized; second, the fourth quarter circuit breaker reimbursement payment came in \$65k higher than anticipated; and third, a thorough review of all FY11 sped tuition encumbrances by Liza Huber, Director of Pupil Services, all contributed to this year end surplus. This account will always be complicated to forecast due to the fluidity of the sped tuition process; the Pupil Services and Finance staff met continuously throughout the year to monitor the status of these accounts and will continue to meet throughout FY12.

9. Salaries, Buildings (-\$64k). This year end deficit was partly caused due to the expenses related to the brutal winter of 2010-11. However, this account seems to be chronically under-budgeted and deserved further study; any findings will be incorporated into the FY13 budget.

10. Other, Student Transportation (-\$63k). This year end deficit was partly caused due to high gasoline expenses. Other accounts within this category appear to be regularly under-budgeted and deserve further study; any findings will be incorporated into the FY13 budget.

11. Other, Sewer (+\$33k). This account appears to be consistently over-budgeted for some years; we will be tracking these expenses more closely throughout FY12 and I plan to revise the assumptions in time for the FY13 budget.

12. Other, Property/Casualty (\$62k). Property and liability insurance expenses related to school transportation services have been charged to both this account and the Student Transportation account. This account is being closely scrutinized with the help of J.D. Head, Director of Facilities and Transportation. These conclusions will be incorporated into the FY13 budget.

E. Conclusion.

With the decision that was made last spring to use \$502k in ABRSD reserves to help achieve level service for the FY12 budget, the Administration argued that the positive FY11 budget capacity largely created by one-time revenue sources would allow us to meet two goals: first, to

invest in capital projects, textbooks and technology for the ABRSD, and second, ensure that a positive fund balance be maintained. With the regional school committee's support, we were able to achieve both goals.

To my regret, no municipal budget that I have ever worked on was perfect. Anyone who has worked on one marvels at its complexity, strict time constraints, uncertain information, guesses, assumptions, good luck, bad luck, all the while knowing you are spending the public's money cognizant all the while that you must spend it wisely. The developers of the FY11 ABRSD budget did their utmost to examine all ongoing trends, deal with some one-time only issues, and engage in a lot of hard work to do the best job possible for the regional school district.

In a very short time, the ABRSD lost a significant amount of institutional budget knowledge with the recent retirements of Superintendent Bill Ryan and Finance Director Tess Summers. I have found that the tracking of the FY11 budget, one that I did not participate in building, has been very instructive on how to construct future budgets. There is a very strong foundation already in place. Some of these observations I am happy to say have already been incorporated by the Administration into the current FY12 budget, some will be reviewed and analyzed during this fiscal year and will then be incorporated into the FY13 budget, and some lessons, unknown at the present time, will reveal themselves throughout the upcoming budget season.

This is the time of the calendar year where we are working on three budgets: closing the old one, monitoring the current one, and preparing the next one. I hope to improve both the analytical ability of the finance staff as well as my own, continue to work with other members of the Administration, and tap the insights and knowledge on both school committees, and both finance committees, throughout this year's budget process to produce the best document possible.

I am happy to answer any questions that you might have. Thank you.

08/26/2011 15:46
dkelly

ACTON / BOXBOROUGH REGIONAL SCHOOLS
FY11 FINAL BY CHARACTER CODE

JUNE 30, 2011

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FOR 2011 13

	ORIGINAL APPROP	TRANFRS/ ADJUSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1000 GENERAL FUND							
01 SALARIES, TEACHING	15,863,388	-9,748	15,853,640	15,197,752.58	6,826.97	649,060.45	95.9%
02 SALARIES, PRINCIPALS	719,582	0	719,582	714,357.19	.00	5,224.81	99.3%
03 SALARIES, CNTRL ADMN	424,885	0	424,885	445,572.31	.00	-20,687.31	104.9%
04 SALARIES, SUPP STAFF	2,637,878	0	2,637,878	2,519,815.75	.00	118,062.25	95.5%
05 SALARIES, ATHLETICS	411,494	0	411,494	395,396.66	.00	16,097.34	96.1%
06 SALARIES, BUILDINGS	272,837	0	272,837	337,607.63	.00	-64,770.63	123.7%
07 SALARIES, CUSTODIAL	765,337	0	765,337	745,894.70	.00	19,442.30	97.5%
08 SALARIES, HOME INSTR	7,133	0	7,133	15,379.48	.00	-8,246.48	215.6%
09 SALARIES, SUBS	204,393	-12,000	192,393	254,119.61	.00	-61,726.61	132.1%
10 FRINGES, COURSE REIM	28,000	0	28,000	22,291.00	579.00	5,130.00	81.7%
11 FRINGES, HLTH INSUR	5,639,686	0	5,639,686	5,532,243.88	.00	107,442.12	98.1%
12 FRINGES, OTHR EE INS	25,810	0	25,810	19,149.12	.00	6,660.88	74.2%
13 FRINGES, UNEMPLYMNT	27,000	0	27,000	91,463.81	5,838.00	-70,301.81	360.4%
14 FRINGES, WORKRS COMP	96,300	0	96,300	83,746.15	.00	12,553.85	87.0%
15 FRINGES, PENSION	842,449	0	842,449	842,449.00	.00	.00	100.0%
16 INSTRUCT SUPPLIES	242,761	-4,200	238,561	203,324.81	56,543.70	-21,307.51	108.9%
17 INSTRUCT TEXTBOOKS	123,931	0	123,931	77,985.56	246,311.96	-200,366.52	261.7%
18 INSTRUCTIONAL, LBY	28,873	0	28,873	28,691.44	85.03	96.53	99.7%
19 OTHER, CAP OUTLAY	305,113	4,200	309,313	289,080.56	276,056.16	-255,823.72	182.7%
20 OTHER, DEBT SERVICE	1,892,293	0	1,892,293	1,892,291.28	.00	1.72	100.0%
21 OTHER, PROP/CASUALTY	96,062	0	96,062	33,351.85	.00	62,710.15	34.7%
22 OTHER, MAINT BLDG/GR	344,694	0	344,694	334,772.57	153,692.60	-143,771.17	141.7%
23 OTHER, MAINT EQUIP	196,048	0	196,048	193,292.88	18,857.39	-16,102.27	108.2%
24 OTHER, LEGAL SERVICE	129,776	0	129,776	118,421.42	1,330.00	10,024.58	92.3%
26 OTHER, ADMIN SUPP	569,615	21,748	591,363	447,306.39	9,902.72	134,153.89	77.3%
27 OTHER, ATHLETIC SUPP	62,885	0	62,885	60,431.48	.00	2,453.52	96.1%
28 OTHER, CUSTODL SUPP	62,859	0	62,859	76,874.03	745.50	-14,760.53	123.5%
29 OTHER, SPED TRANSP	583,635	0	583,635	710,615.56	1,670.00	-128,650.56	122.0%
30 OTHER, STUDENT TRANS	626,628	0	626,628	614,623.90	75,456.46	-63,452.36	110.1%
31 OTHER, TRAVEL	23,934	0	23,934	28,497.56	875.00	-5,438.56	122.7%
32 OTHER, SPED TUITION/	3,301,333	0	3,301,333	2,635,835.10	244,607.20	420,890.70	87.3%
33 OTHER, UTILITIES	1,422,403	0	1,422,403	1,186,299.16	104,215.63	131,888.21	90.7%
34 OTHER, SEWER	249,395	0	249,395	215,599.88	.00	33,795.12	86.4%
TOTAL GENERAL FUND	38,228,410	0	38,228,410	36,364,534.30	1,203,593.32	660,282.38	98.3%
GRAND TOTAL	38,228,410	0	38,228,410	36,364,534.30	1,203,593.32	660,282.38	98.3%

** END OF REPORT - Generated by Denise Kelly **

August 28, 2011

Dear School Committees,

Thank you for allowing for allowing me to talk to you about MinuteVan in August. I would like very much to come back this fall to again ask the committees to consider financial and philosophical participation in this program. With the school department's blessing, I hope that leaders of school activities and sports, as well as teachers encouraging students to come to after-school help or clubs, can disseminate information—in written materials and at introductory meetings—about MinuteVan so more students know about this option. More of the rides to and from these daily activities will be on public transportation instead of in private cars that line up for parallel trips across town and into Boxborough.

This spring, soon after the Metropolitan Planning Organization's Clean Air and Mobility subcommittee voted not to support Acton's Dial-a-Ride with that particular funding program for the coming year, some of the town staff started meeting regularly to find ways to save the nascent service. Some of these staff, and I, met with the school bus manager. It was clear that there was overlap between the goals of MinuteVan and the school bus department's goal of providing some later afternoon transportation. Town and School staff seemed to share a vision of allowing students to participate in extra help, sports, and other after school activities without worry about how they would get home. The school bus manager stressed the importance of grouping riders to make service affordable.

There has been too little publicity about MinuteVan. The school tagline contest this May was the first time most students or parents heard about the service. Still, as of July, seventy students 12 to 17 had been registered by their parents so they could begin using the van unaccompanied, of whom 26 had tried using the service. Six more youth outside that age bracket had used MinuteVan as well, so the total youth use mid-summer was 32 and growing. A total of 335 trips were provided in July, 2011, double the ridership from February.

Some students use the service because family is not available to drive them because they are at work, have no license or car, or have a disability that prevents them from driving. Some grandparents without a car available, or nondriving parents of younger kids, use the van to take the children to activities. Others use MinuteVan for environmental reasons, as a way to share rides instead of calling for a parent to make the round trips—once to drop off and once to pick up. Some students enjoy the independence MinuteVan affords them, to get to work or social dates.

The following data helps put into perspective the 70 registered students (some of whom have not ridden the van yet) and those 32 students and 157 people altogether who have used the service despite very little publicity:

--In 2008, all 3000 students at ABRHS and RJ Grey filled out a paper questionnaire about after school travel. Of the random subset of questionnaires that have been entered into the computer by volunteers so far (1495), 840 (56.2%) of the students reported that they *sometimes* have trouble getting to where they want to go because they cannot walk or get a ride; 123 (8.2%) *frequently* have this trouble. (If you are reading this and know of residents or high school statistics students who want to continue entering and analyzing this data, please let me know! Student respondents listed every activity they did in the afternoons and on weekends, and the data is interesting from both a transportation and sociological perspective!)

--In a 2008 online survey administered by the Town of Acton, 19% of the 1000 respondents reported having difficulty getting where they need to go. The difficulties posed by limited local transportation has been repeatedly stressed at public forums, including the well-attended June 2007 Transportation forum at Acton Town Hall; the Acton2020 public meetings (see minutes at www.acton2020.info); and at United Way forums, by representatives of numerous human service agencies (minutes found at www.abuw.org).

--As of May, 2011, the MinuteVandispatcher estimated that about 27 of 110 riders had a disability. Note that most riders are not those with disabilities but people who need rides around town for other reasons.

--The Oct. 1, 2010 Enrollment data from the school website counts 74 low income ABRHS and RJ Grey students.

--Acton's social services coordinator recently mentioned that approximately 60 families use her services each month.

-- Twenty percent of present Dial-a-Ride users are youth. The experience of other towns suggest that this number will rise as more kids learn about it.
Lexpress, the public transportation supported by an override each year in Lexington, serves primarily youth and seniors.

Statistics can be dry. RideMinuteVan and listen to the grateful adults and teenagers who have discovered it. Speak to someone who doesn't have a license and hear how much time they spend asking friends and relatives for rides. Speak to the student who is able to volunteer at Acton TV studios or participate in the school play because she can get a ride home afterward. Talk to the Boxborough parents who have come up to MinuteVan's information table and asked if there could be late afternoon transportation just as far as Blanchard School—to ease the burden of the back and forth shuttling. Listen to the mother of a high school student with Down's Syndrome exclaim how exciting it would be for her child to arrange his own ride to eat out at a restaurant with friends—and home again.

The Transportation Advisory Committee in Acton has worked hard on this project, as well as members of the board of selectmen and staff from the Council on Aging, Planning, Finance, Health, IT, and Engineering. We have worked closely with officials from 6 towns in our area, including the town planner Elizabeth Hughes, and town administrator Selina Shaw, and various selectmen, from Boxborough. We have met with Superintendent Steve Mills, with Jonathan Kerr from Danny's Place, with Social Services coordinator Laura Ducharme, with Ed Weiner of the school bus office, with the Middlesex West Chamber of Commerce, the Rotary Club, the United Way, the Housing Authority. Everyone seems to share an appreciation for the importance of afternoon public transportation.

We will move forward most gracefully if we do so in concert.

Thank you so much.

Franny Osman
Chair, Transportation Advisory Committee
978-621-7330