



**Dedham Public Schools
Office of the Deputy Superintendent
F25 Q1 Budget Report and Summary**

Budget Overview

| | F25 Appropriation | Adjustments | Revised Budget | YTD Expended | Encumbered | Balance | Remaining (%) |
|------------------------|--------------------------|----------------------|-------------------------|--------------------------|--------------------------|-------------------------|----------------------|
| DHS | \$ 10,088,627.00 | \$ - | \$ 10,088,627.00 | \$ (1,594,852.81) | \$ (73,433.41) | \$ 8,420,340.78 | 83.46% |
| DMS | \$ 8,751,271.00 | \$ - | \$ 8,751,271.00 | \$ (1,453,967.50) | \$ (31,089.42) | \$ 7,266,214.08 | 83.03% |
| Avery | \$ 4,767,793.00 | \$ - | \$ 4,767,793.00 | \$ (719,154.31) | \$ (7,003.23) | \$ 4,041,635.46 | 84.77% |
| Greenlodge | \$ 3,905,114.00 | \$ - | \$ 3,905,114.00 | \$ (680,729.73) | \$ (6,441.06) | \$ 3,217,943.21 | 82.40% |
| Oakdale | \$ 3,578,503.00 | \$ - | \$ 3,578,503.00 | \$ (586,673.21) | \$ (9,490.62) | \$ 2,982,339.17 | 83.34% |
| Riverdale | \$ 2,983,822.00 | \$ - | \$ 2,983,822.00 | \$ (475,213.52) | \$ (17,742.96) | \$ 2,490,865.52 | 83.48% |
| ECEC | \$ 4,352,717.00 | \$ - | \$ 4,352,717.00 | \$ (664,432.64) | \$ (3,144.75) | \$ 3,685,139.61 | 84.66% |
| Central Office | \$ 2,167,610.00 | \$ - | \$ 2,167,610.00 | \$ (618,614.42) | \$ (49,193.79) | \$ 1,499,801.79 | 69.19% |
| Systemwide | \$ 12,253,565.74 | \$ - | \$ 12,253,565.74 | \$ (1,101,612.63) | \$ (3,210,033.61) | \$ 7,941,919.50 | 64.81% |
| Operating Capital | \$ 202,500.00 | \$ - | \$ 202,500.00 | \$ - | \$ - | \$ 202,500.00 | 100.00% |
| Schools Total | \$ 53,051,522.74 | \$ - | \$ 53,051,522.74 | \$ (7,895,250.77) | \$ (3,407,572.85) | \$ 41,748,699.12 | 78.69% |
| Facilities Total | \$ 5,506,711.00 | \$ 269,493.00 | \$ 5,776,204.00 | \$ (913,785.20) | \$ (1,618,636.73) | \$ 3,243,782.07 | 56.16% |
| Operating Total | \$ 58,558,233.74 | \$ 269,493.00 | \$ 58,827,726.74 | \$ (8,809,035.97) | \$ (5,026,209.58) | \$ 44,992,481.19 | 76.48% |

Budget Drivers

General Personnel and Non-Personnel Expenditures. The first quarter of F25 points to regular and predictable expenses relative to personnel and non-personnel budget allocations at the building level. The School Facilities budget spend rate is higher than the School Department's general spend rate. This is primarily a function of encumbrances for annual contracted services (i.e. internet), encumbrances for utilities, and costs associated with HVAC repair and maintenance. Costs for the HVAC issues the District is encountering are exacerbated by aging systems and the need to contract with third party vendors for labor/service.

Unbudgeted Personnel Expenses. Deputy Superintendent Kelly's ongoing audit and evaluation of the District's financial and budgeting systems and structures continues to uncover long standing practices that create current budgetary challenges for the District. As presented to the Committee in September, existing but vacant positions have not historically been rolled into and accounted for from one fiscal year to the next. When the initial FY25 budget was prepared in November of 2023, ten (10) existing full time equivalent (FTE) Educational Support Professionals (ESP) were vacant and, as a result, not incorporated into projected personnel expenditures for FY25. This particular procedural issue manifests in a budgetary shortfall of approximately \$260,000. In investigating the aforementioned issue Dr. Kelly also discovered that the District has not historically accounted for and budgeted personnel expenses associated with compensation for existing employees who work additional hours as bus monitors. Compensation for bus

monitors across the district represents an unbudgeted expense of approximately \$120,000. It appears as though the District has historically used personnel offsets in the form of turnover savings and cost efficiencies due to extended vacancies/unfilled positions to absorb costs associated with compensation for bus monitors.

Enrollment. Enrollment numbers continue to increase at atypical rates. During school year 2023-2024 the District realized an enrollment gain of 144 students (5.6% growth). As of this budget report the district has enrolled 47 additional students (1.8% growth) for a total two year enrollment increase of 191 students (7.4%). These enrollment increases are well beyond the NESDEC enrollment projections that the District relies on to project funding needs for future fiscal years. This rate of growth is highly atypical and makes for a challenging budgeting and operational environment as personnel and non-personnel budgets are established up to nine months before the start of the school year and ten months before enrollments generally stabilize in the opening months of each school year. The District estimates that unbudgeted costs associated with unanticipated new enrollment at approximately \$125,000.

| Enrollment Summary | Students (#) |
|----------------------------|---------------------|
| Total Enrollment - 3.1.24 | 2699 |
| Total Enrollment - 10.1.24 | 2746 |
| Growth | 47 |

| Emergency Shelter Enrollment Status | Students (#) |
|--|---------------------|
| Enrolled - SY23-24 | 49 |
| Enrolled - SY24-25 | 25 |
| Transferred - Transporting | 10 |
| Grand Total | 84 |

Systemwide non-personnel expenditures. Systemwide non-personnel expenditures are tracking a projected deficit due to unpredictable and unbudgeted expenses associated primarily with transportation costs. Despite the District’s best efforts to control costs through budget forecasting/adjustment and contracting transportation services under MGL 30B procurement statutes, circumstances beyond the District’s control manifest in unexpected costs. To be more specific, the state continues to relocate families experiencing homelessness to shelter sites across the Commonwealth. Dedham families are moved to other communities and, similarly, families are relocated to Dedham from other communities. In either instance, the McKinney Vento Act governs, amongst other things, transportation obligations and costs for students experiencing homelessness. When families with school aged children are moved in either direction (to/from Dedham) they retain the right to attend their school of origin. Maintaining enrollment at the school of origin provides the child with educational stability and, at the same time, requires the district of origin and the receiving district to share the cost of transportation. The school of origin generally arranges transportation service for the child and, as a result, the daily rate for that transportation is beyond the District’s control. Further complicating matters, the District cannot predict

the number of school aged children that the state will place in emergency shelters or move to other emergency shelters. Given the number of students being moved by the state to and from Dedham and the costs associated with transportation, the Deputy Superintendent anticipates a projected transportation deficit of approximately \$750,000. This projected transportation deficit is a best estimate given current data. The Committee should be aware that this is a highly unpredictable situation and this projected deficit may swing significantly above, and in the best case scenario, below the current projection.

| Residence | School Location | Students (#) |
|-----------------------------|-----------------|--------------|
| 235 Elm St Dedham, MA | BOSTON | 13 |
| | Dedham | 1 |
| | HYDE PARK | 1 |
| | WOBURN | 1 |
| 235 Elm St Dedham, MA Total | | 16 |
| 55 Ariadne Rd Dedham | BOSTON | 4 |
| | BRAINTREE | 2 |
| 55 Ariadne Rd Dedham Total | | 6 |
| Grand Total | | 22 |

| Type | Full Cost to District - Projection (\$) | Students (#) |
|--------------------|---|--------------|
| Budgeted | \$ 137,430.00 | 7 |
| Unbudgeted | \$ 465,749.10 | 30 |
| Grand Total | \$ 603,179.10 | 37 |

Circuit Breaker. [Circuit Breaker](#) is a state funding mechanism that provides district's with reimbursement for eligible out-of-district special education tuition and transportation costs. The annual reimbursement rate is a function of the district's eligible tuition and transportation spending and the Circuit Breaker appropriation through the State's budget. As a result, circuit breaker reimbursements are always a moving and somewhat unpredictable target. Circuit breaker reimbursement funds are received by the district in the year following the year in which the expenses were incurred. For example, Dedham will receive four quarterly payments over the course of F25 that are reimbursement for tuition and transportation funds expended in F24. In the development of annual operating budgets districts must project a reasonable, conservative estimate for circuit breaker reimbursements in the coming fiscal year.

Reimbursement rates have fallen steadily over the last three years to the statutory minimum of 44%. Eligible transportation costs in F22 received 75% reimbursement, those same costs for F23 received 57% reimbursement, and eligible transportation costs incurred in F24 received 44% reimbursement.

| | |
|--|------------------------|
| Net Eligible Transportation Costs | \$ 1,385,176.00 |
| 75% Reimbursement | \$ 1,038,882.00 |
| 57% Reimbursement | \$ 789,550.32 |
| 44% Reimbursement | \$ 609,477.44 |
| Budgeted v. Actual | \$ (180,072.88) |

DPS budgeted conservatively for a 57% reimbursement rate (middle of the road) and the state’s budget was only able to fund reimbursement at 44%. This 13% differential translates into a budget shortfall of approximately \$180,000.

Mitigation and Offset. It is important to note that the District has just opened the fifth month of the fiscal year and there is a great deal of clarity left to be achieved with the above projections and the following summary. As of this budget report, unbudgeted expense and offset projections are as follows:

| Unbudgeted/Offset Summary | Total (\$) |
|--|------------------------|
| Offset - Personnel Savings | \$ 96,000.00 |
| Offset - State Aid | \$ 826,987.00 |
| Offset - Unsecured | \$ 300,000.00 |
| Unbudgeted Expense - Contracted Service | \$ (17,000.00) |
| Unbudgeted Expense - Enrollment Increase | \$ (125,000.00) |
| Unbudgeted Expense - Equipment Failure | \$ (2,500.00) |
| Unbudgeted Expense - OOD Tuition | \$ (250,000.00) |
| Unbudgeted Expense - Personnel | \$ (380,000.00) |
| Unbudgeted Expense - Transportation | \$ (750,000.00) |
| Unrealized Revenue | \$ (180,000.00) |
| Grand Total | \$ (481,513.00) |

Offsets embedded in State Aid include McKinney Vento transportation reimbursement (~\$79,000), Circuit Breaker reimbursement (~\$250,000), and Emergency Shelter relief funds (~\$500,000). The unsecured offset reflects the District’s best estimation (~\$300,000) of additional Emergency Shelter relief funds expected in December.

At this time Dr. Kelly is working closely with the School Department’s finance office, the town finance office and the Town Manager’s office to ensure that the situation is clear to all and that all options for mitigation and offset are considered. Internal financial controls are in place and, as an initial precaution, Dr. Kelly has notified hiring managers of the situation and enacted additional vetting of personnel vacancies and resignations. Superintendent Murphy and Dr. Kelly have contacted Senator Rush and Representative McMurty to discuss the situation and enlist their support.