

**AMHERST-PELHAM REGIONAL SCHOOL DISTRICT
OPERATING BUDGET**

Final FY2009 Reconciliation

	Original Budget	Total Adjustments	Revised Budget	Appropriation Funded Expenses	ARRA Grant Funded Expenses	FY09 Unexpended Budget
<u>PAYROLL ACCOUNTS:</u>						
Salaries	15,361,939	288,871	15,650,810	15,650,817	0	(7)
Contracts	555,278	(23,289)	531,989	502,043	0	29,946
Substitutes	158,442	168	158,610	160,573	0	(1,963)
<u>EXPENSE ACCOUNTS:</u>						
Regular Education	157,365	4,553	161,918	136,519	0	25,399
English Learner Education	5,396	6,009	11,405	9,566	0	1,839
Special Education	1,376,929	(122,970)	1,253,959	1,066,626	186,505	828
Other Programs	1,383,574	(41,817)	1,341,757	1,346,839	0	(5,082)
Student Services	16,715	16,960	33,675	26,548	0	7,127
Support Services	67,116	0	67,116	55,853	0	11,263
Program & Staff Development	169,358	(35,253)	134,105	120,339	0	13,766
School Administration	72,102	(8,687)	63,415	51,897	0	11,518
Central Administration	154,043	48,899	202,942	199,827	0	3,115
Information Systems	367,052	301	367,353	354,665	0	12,688
Facilities	290,991	22,895	313,886	310,710	0	3,176
Utilities	1,114,635	(125,650)	988,985	988,985	0	(0)
Transportation	932,388	(33,715)	898,673	898,673	0	0
Food Service	1,000	107,205	108,205	108,551	0	(346)
Risk & Benefits	5,326,681	61,015	5,387,696	4,534,797	852,900	(1)
Control Accounts	329,991	(165,495)	164,496	1,000	0	163,496
Contingency Funding from E&D	280,000	0	280,000	0	0	280,000
TOTAL EXPENSES	28,120,995	0	28,120,995	26,524,827	1,039,405	556,763
				Less Contingency Funding		-280,000
				Health Ins Premium Holiday		-276,763
						<u>0</u>

The fiscal year ending June 30, 2009 was marked for fiscal uncertainty as the State grappled with a budget crisis and the Governor exercised his authority mid-year to enact "9C cuts" to state support for cities and towns. The town of Amherst addressed these revenue cuts in part by declaring a one month health insurance "premium holiday", with the understanding that the premiums that would have been paid to the Health Insurance Trust Fund would be returned to the general fund of each entity to match the revenue shortfall to towns. While the Regional School District did not directly suffer "9C" cuts as did the towns, the same principle was applied in returning the one month of premium expense to the Region's general fund. This amounted to \$276,763. The Health Insurance Trust Fund's strong financial position allowed for the "holiday" benefiting both the town and insured employees.

As the state's fiscal position worsened, in May Chapter 70 aid to schools was cut by 2.0%. For the Regional School District this was a \$1,039,405 revenue reduction. The state made available State Fiscal Stabilization Funds (SFSF) received under the federal American Recovery and Reinvestment Act (ARRA) to exactly match the Chapter 70 aid cut. The Region applied for the grant and was able to hold the budget whole.

Payroll Accounts

The Salary lines ended the year with a net increase of \$289,000. Unfilled positions reducing the budget by \$136,000 were offset by the addition of 3.1 FTE teaching staff in response to student enrollment at \$183,000. Seven additional Special Education paraprofessionals were hired in response to student need added \$110,000, and additional time for specialists (occupational therapist, psychologist, and outreach staff) added \$55,000. High school administration added capacity to Guidance and to support scheduling at an additional cost of \$77,000, and an additional \$38,000 was provided for staff development administration. Grant reductions led to an additional \$24,000 of staff salaries to be paid from the appropriated budget. These increases were in part offset by hiring variances of \$62,000 under budget.

The Contracted lines ended \$53,000 under budget. Tutors were \$42,000 under budget, and extended day contracted services were \$46,000 under budget (with \$19,000 picked up by an IDEA grant). Professional development expenses were \$30,000 under budget, offset by an additional \$43,000 allocated to curriculum development. High school coaching contracts were \$5,000 over budget and office subs were \$17,000 over budget.

Expense Accounts

Regular education expenses ended \$20,000 under budget with reduced spending in instructional supplies (\$12,000), textbooks (\$7,000) and equipment and equipment (\$2,000).

Special Education spent \$124,000 less than originally budgeted. Legal fees were \$17,000 higher than a historically inadequate budget would support, contracted services to meet student needs were \$85,000 higher than budgeted, and unanticipated settlements totaling \$35,000 were absorbed by the Special Education budget. Tuition to in-state public placements was \$109,000 lower than expected and tuition to non-public placements was \$36,000 under budget. Additional expenditures for instructional technology totaled \$34,000. The transfer reserve supported by Medicaid revenues aided the Special Education effort with \$150,000.

As a group, Other Programs ended \$36,000 under budget. Charter tuition ended \$25,000 higher than projected, while the assessment for students attending other public districts (Choice) was \$43,000 less than budgeted and tuition to vocational schools was \$26,000 under budget. The cost for extra-curricular advisors at the high school was \$8,000 over budget.

Student Services were \$10,000 over budget, primarily due to the cost of transportation for homeless students. Support Services were \$11,000 under budget, \$3,000 unexpended in libraries and \$8,000 from production support (also known as the copy center).

Program and Staff Development ended \$49,000 under budget. Expenses for Program Development at the High School and Middle School were \$21,000 under budget due to decreased spending for instructional supplies, instructional technology, copying and equipment. Program Development expenses were \$28,000 under budget due to reduced spending for consultants (\$18,000), supplies (\$3,000), and travel (\$7,000).

School Administration expenses were \$20,000 under budget due to reduced spending for travel (\$5,000), equipment leases (\$7,000), and postage, supplies and other (\$8,000).

Central Administration expenses were \$47,000 over budget. An additional \$9,000 was needed for advertising due to the Superintendent and Assistant Superintendent searches, and \$9,000 for JD Roy Associates to conduct the search. Legal fees for general counsel were \$12,000 higher than a historically inadequate budget would support. An upgrade to the HR software required a budget increase of \$9,000. Contracted services, travel, postage, and supplies were \$2,000 under budget. The towns of Amherst and Shutesbury were over-assessed a total of \$10,000 in FY2008 and were reimbursed in FY2009.

Information Systems was \$13,000 under budget due in part to reduced pricing for software re-licensing. The budget for Facilities was increased by \$20,000. Contributing to this was the installation of a gas main to the Middle School to convert the heating system to gas, and repairs to a Middle School elevator.

Utilities were \$126,000 under budget. Electricity costs were \$44,000 under budget in part due to reduced usage and in part due to a new contract at lower rates taking effect in December. Heating costs were \$66,000 under budget due to lower usage, lower than budgeted fuel costs, and the effects of conversion to gas mid-year. Other utilities, including telephone and water, were \$16,000 under budget.

Transportation was \$34,000 under budget due to gasoline prices being lower than budgeted (-\$11,000) which also reduced contracted fuel adjustments (-\$18,000). Other transportation costs such as insurance were \$5,000 lower than projected. The Food Service department needed an additional \$107,000 of budget support in part to cover the costs of decreasing enrollment and in part due to implementation of a new food service management program.

The Risk & Benefits group ended \$61,000 over budget. Health Insurance ended \$97,000 under budget because of the "premium holiday" in May which avoided \$277,000 in expense. As noted in the February report, employee enrollment in health insurance was significantly higher than expected, and at that time the health insurance was projected to be \$178,000 over budget. The County Retirement assessment and the Retired Teacher's Group Insurance assessment were both under budget (-\$27,000 and -\$80,000 respectively) and other insurance premiums saw a drop as well (-\$26,000). As staff retired in anticipation of the FY2010 budget realities, an additional \$224,000 in retirement benefits and \$47,000 in Medicare were paid above budget. Unemployment compensation was \$17,000 over budget and Worker's Compensation expenses were \$3,000 over budget.

At the end of an uncertain year the Regional School District ended with a balanced budget. The Contingency Funding set-aside of \$280,000 was not needed and will be returned to the general fund to be made available in FY2010. The one month premium expense holiday of \$276,763 was also returned to the general fund to be used for budget support in FY2010 thus reducing the assessments to member towns. The final report for the ARRA grant for \$1,039,405 was submitted and the funds replacing the Chapter 70 cut were received.