

A photograph of a classroom. In the foreground, a young boy with dark skin and short hair is looking at a laptop screen. He is wearing a dark blue hoodie with a yellow logo. To his left, a girl with long brown hair is writing on a piece of paper. In the background, a teacher with long blonde hair and glasses is smiling and looking towards the students. There are other students and laptops visible in the classroom. The scene is brightly lit, suggesting a sunny day.

Providence Schools

PPSD Budget Update to School Board
April 14, 2021



Budget and Finance

We will focus today's discussion on FY21 budget, with future sessions focused on long-term financial planning and FY22

FY21 Finalization

- Review final FY21 revenues after state's passage of final budget at end of FY21
- Discuss proposed spending adjustments for FY21

February School Board meeting
Ordinances for review/vote in March

Long-Term Enrollment/Financial Planning

- Review historic enrollment and financial information
- Share preliminary long-term projections related to enrollment
- Discuss plans and strategies for managing budget to meet Turnaround goals

FY22 Planning

- Share updates on FY22 budget planning, including revenue projects and planned investments/reductions

Focus of today's presentation

Acceleration/Stimulus Spending

- Review proposed focus areas for ESSER II and ESSER III spending

FY22 Budget

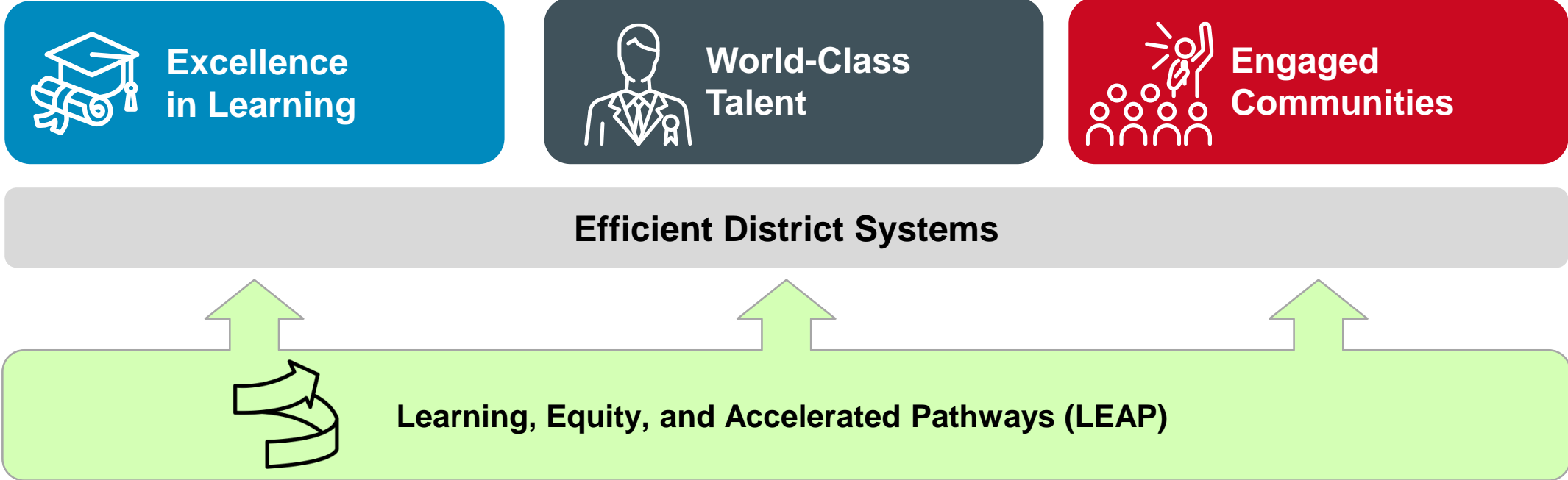
1 Budget Overview

2 Budget Details



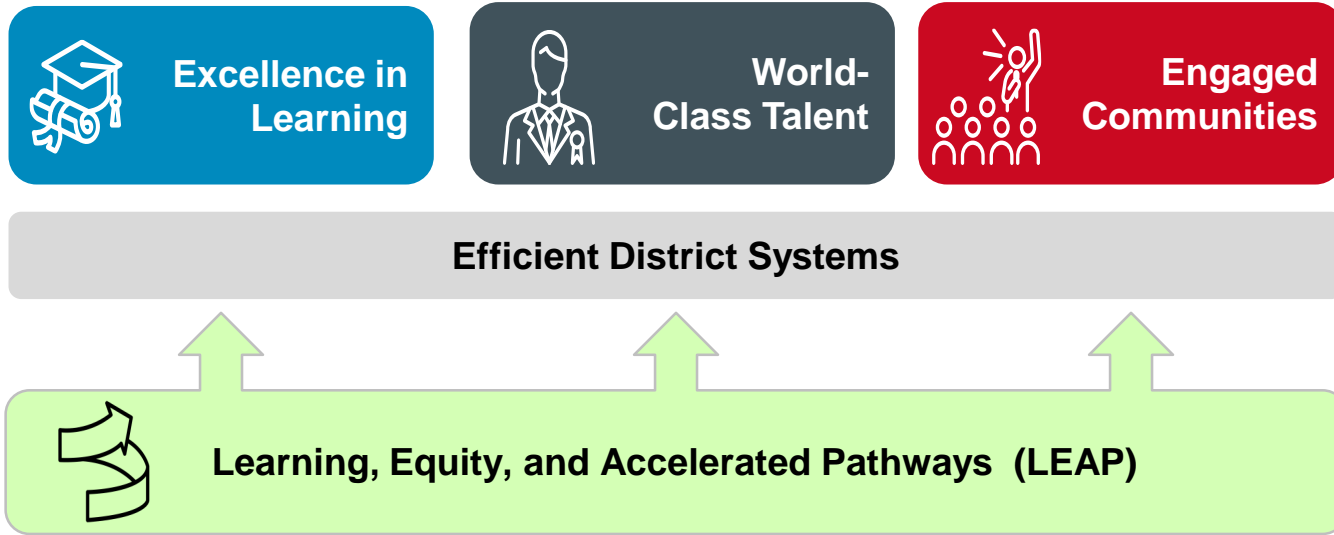
Budget Overview

Turnaround Action Plan drives investment decisions in the context of the COVID-19 and the need for learning acceleration



Budget Overview

We must ensure investments are aligned, recognize the unprecedented needs of our students and schools, and effectively balance short, medium, and long-term financial outlook



Approach to Budget

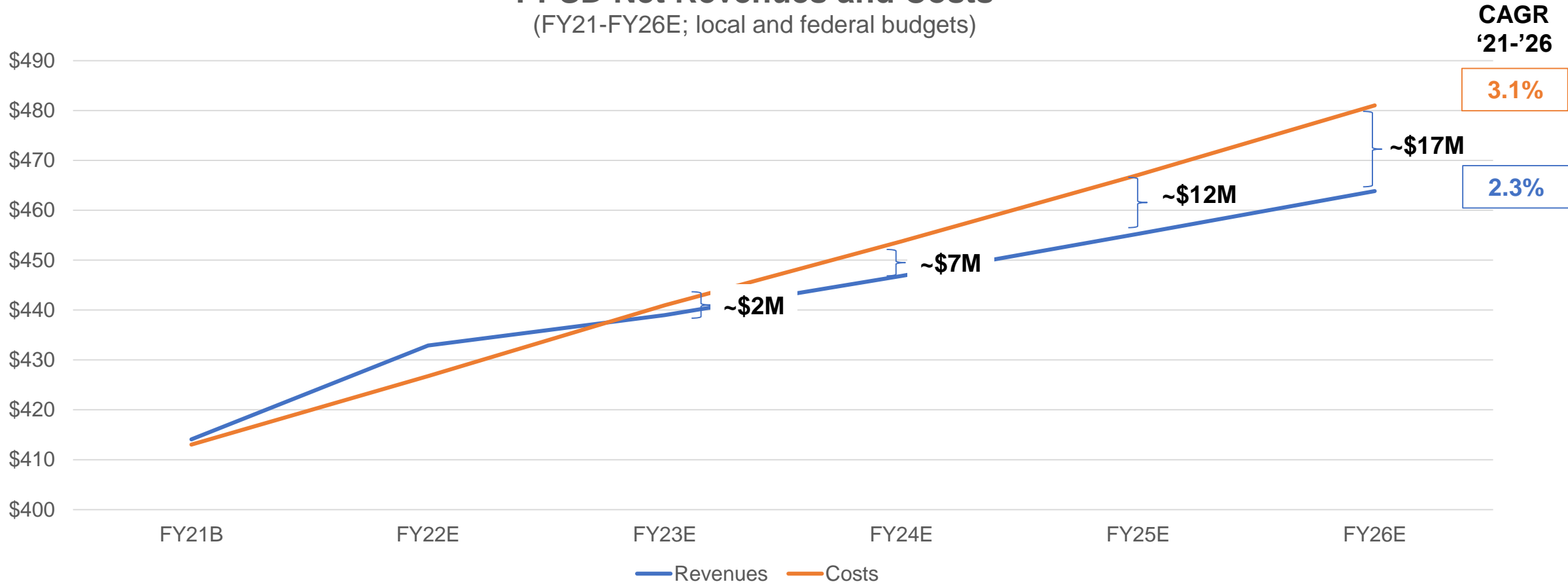
- Leverage local funds to make “core” long-term investments aligned with TAP goals
- Focus stimulus funds to support short and medium-term learning acceleration efforts
- Critical to ensure investments are mutually reinforcing and that LEAP spending can enhance or accelerate long-term investments

Budget Overview

Long-term financial outlook shows we must continue to actively manage the budget while closely watching enrollment changes in the coming year

PPSD Net Revenues and Costs

(FY21-FY26E; local and federal budgets)



Budget Overview

PPSD is making significant investments to support areas key to our Turnaround Action Plan and in alignment with acceleration strategy



Excellence in Learning

- 32 additional literacy and math coaches at middle and high schools
- 18 additional guidance counselors at elementary schools
- 120 additional universal pre-K seats



World-Class Talent

- 9 additional assistant principals at elementary schools
- Additional professional development for teachers and staff members



Engaged Communities

- 26 additional school community specialists and culture coordinators

Efficient District Systems

- Additional \$440K invested in Tools of the Trade by adding weight for students experiencing poverty

FY22 Budget

1 Budget Overview

2 Budget Details



Budget Details

State and City aid are primary revenue sources for PPSD, with several categories of expenses making up vast majority of district spending

Key Revenue Drivers

State aid:

- Driven by average daily membership, planned seat additions/reductions due to charter enrollment, and free and reduced lunch percentage
- Has grown in recent years but expected to slow down with funding formula rollout
- For FY22, legislation has been proposed to address COVID-19 impact



City aid: per Crowley Act, city aid tied to total increase in state aid to education



Other: Medicaid and other items, which account for <2% of local aid

Key Expense Drivers

Salaries: employee salaries driven by CBA agreements, as well as substitutes and overtime



Benefits and retirement: employee medical and retirement benefits

Key service contracts: transportation, custodial/facilities, and food service



Special education: non-public tuition, contracted services



Budget Details

PPSD anticipates an increase of \$8.5M, with \$3.6M from State aid and \$4.9M from City aid

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2021-2022</u>	<u>2021-2022</u>	
	Budget	RIDE Requested	Gov Requested	PPSD Proposed	Change
Enacted Aid	\$268,225,023	\$268,225,023	\$268,225,023	\$268,225,023	\$0
Funding Formula		10,055,109	10,055,109	3,698,487	3,698,487
Group Home Aid	412,525	371,569	371,569	371,569	(40,956)
High Cost Special Ed Categorical Funding	383,469	348,934	348,934	348,934	(34,535)
Subtotal	269,021,017	279,000,635	279,000,635	272,644,013	3,622,996
City Aid	134,897,350	139,807,614	139,807,614	139,807,614	4,910,264
Medicaid	4,450,000	4,450,000	4,450,000	4,450,000	0
Indirect Cost	1,200,000	1,200,000	1,200,000	1,200,000	0
Miscellaneous	585,000	585,000	585,000	585,000	0
Subtotal	141,132,350	146,042,614	146,042,614	146,042,614	4,910,264
Total Local Budget Revenues	\$410,153,367	\$425,043,249	\$425,043,249	\$418,686,627	\$8,533,260
<u>Other State Aid</u>					
Non-Public Transportation Offset	317,931	277,650	277,650	277,650	(40,281)
ELL Categorical	2,924,123	2,830,525	2,830,525	2,830,525	(93,598)
Subtotal	3,242,054	3,108,175	3,108,175	3,108,175	(133,879)
Total Aid	272,263,071	282,108,810	282,108,810	275,752,188	3,489,117

Budget Details

Key expenditure increases include contractual obligations, benefits and retirement, and increases to professional development spending

Key Categories for Expenditure Changes	
Key expenditure changes	Amount
Contractual obligations, benefits and retirement	4,205,000
Service contracts	775,000
Professional development	2,000,000
Net position increase	360,000
Tools of Trade increase	440,000
IT enhancements	400,000
Other expenses	353,260
	8,533,260

Budget Details

We undertook major changes in staffing to prioritize necessary investments in our Turnaround Action Plan

Elementary

Reductions

Teaching reductions due to enrollment (17)

Conversions

Literacy coaches (22), Math coaches (22), MLL coaches (22)

MLL literacy coaches (22), MLL math coaches (22)

Additions

Pre-K classrooms (5)
Guidance counselors (22)
Assistant principals (9)

Secondary

Reductions

Teaching reductions due to scheduling/program change (73)

Conversions

Dean of students (17), MLL coordinators (7)

MLL literacy coaches (17), MLL math coaches (15)

Additions

School community specialists (23)
Culture coordinators (4)
Data/testing coordinator (2)

Budget Details

Benefits and retirement increases account for a significant portion of expenditure increase

<u>Contractual obligations, benefits and retirement</u>	
Labor Contractual Obligations	2,200,000
Active Medical	225,000
Retiree Medical	1,000,000
City Retirement	340,000
State Retirement	440,000
Subtotal	4,205,000
<u>Service contracts</u>	
Transportation	550,000
Custodial	225,000
Subtotal	775,000
<u>IT enhancements</u>	
Record digitization	300,000
Hiring platform	100,000
Subtotal	400,000



Budget Details

Several factors may impact final revenue and expense figures

Key Variables



FY22 state aid: Uncertainty in state aid may be higher this year, given the pandemic's impact on enrollment and pending legislation to temporarily adjust state aid allocations



City revenue contribution: Continuing conversations with City of Providence could impact funding for FY21 or FY22



CBA increases: Cost increases (or savings) in collective bargaining agreements will have long-term impact on future financial projections



Charter school enrollment: changes to projected charter enrollment could impact both planned revenue and expenditures



Fringe benefits: final medical and pension benefits may impact planned expenditures

Budget Details

Upcoming plans for budget engagement

Date	Action
April 14, 2021	School Board Finance presentation
April 21, 2021	Full School Board presentation
April 26, 2021	City Budget shared with City Finance Director and City Council
May 14, 2021	Detailed budget book published
May 2021	Meetings with City Council to discuss budget
June 1, 2021	Consolidated Resource Plan submitted to RI Department of Education
July 2021	Commissioner approves PPSD spending plan



PPSD FY22 Budget Update **Discussion**

- Questions?

FY22 Budget

Appendix

