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To: Colleen Burns Jermain, Superintendent
From: Dr. Carlos Colley, Director of Administration/Business Manager
Date: November 2, 2018
RE: October 31 end of month business report

As part of our budget reporting for the FY 19 fiscal year, we have mapped out our expenses for the year and most of the budget is encumbered. Although we are still looking to encumber some of the facilities lines, the administrators were asked to encumber what they needed to make it through the rest of the year.

With only less than \$2,000,000 left unencumbered (less than 5%) and still having to encumber facilities costs and maintaining funds for subs and a few contractual obligations (such as OT or severances that need to be paid) as well as legal cost that may still fluctuate, I will be instituting an operational budget freeze for the rest of the year for non-essential costs and purchases.

Now that staffing has been completed for the most part, I am working with the city staff to adjust the budget to reflect where the staff is currently along with their benefits. A complete staffing list has been created and is in the process of being verified and reviewed by the city staff.

Based on what we know, there are some areas of concern at this time:

- 1) Past practices of paying staff as per diem (even though they are all year employees) created confusion from last year to this year as there were several positions in SPED and one at Pell, TMS and RHS that were not counted towards the number of positions needed for this year, therefore they were not budgeted. Where we had thought that we saved money in our hires from last year to this year, the funds went to cover these positions that were not identified by the administrators last year when we were building the budget. The new Staffing Database has resolved this conflict.
- 2) Special Education requests based on student needs and the IEPs of students moving into the system may put our balance in jeopardy as any additional staff or services will be outside our budget projections for the year. (We already added one para beyond our staffing for this year, due to the IEP of a student moving into the district at the beginning of the year). Any out of district placements added to the student roster will also be outside of our budget.

3) Transportation has been budgeted based on 2 less buses (and the assistants and fuel to go along with those two buses) for the year as per the specifications and the contract awarded to Durham several years ago.

4) Retirees, we are verifying the cost of their benefits and the reimbursements expected to see if we need to make adjustments.

5) Additional support for the department during extended staff absences has already used some of the available funds that could have been repurposed in the Technology department. The implementation of the reduction of the number of copiers and the paper use needs to proceed as plan (with a shift towards using more technology and less paper) in order to stay within the budgeted amounts for the department.

6) Facilities, we are waiting for the Facilities department to project costs of gas and electric for the year to estimate our June 30, 2019 status.

Revenues:

This month we will be sending out the QT1 tuition bills for NACTC with projections for the year scheduled for the Dec. 2018 SC budget report.

See recommendation for the RFP award for the Cell Tower rental in regard to the impact of the award.

With the Federal Impact Aid forms scheduled for collection in November, we will be including comments on this source of revenue on the Dec. 2018 SC budget report.

Grants:

We have instituted a monthly reconciliation review between the Lawson financial system and our grant manager's records that should allow us to maintain better oversight of the grants in the coming year. As you review the Grant Report 10-31-18 you will notice that most of the federal grants and a few local/state grants have deficits in their balances, but based on budgets approved, this is simply a question of seeking reimbursements in the coming month. You should see this change in the Dec. 2018 SC budget report.

(Many of these grants require prior expenditures that are then turned in to reimbursement requests.)

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