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Director of Finance & Operations

WESTWOOD PUBLIC SCHOOLS

Honoring Tradition, Inspiring Excellence, Shaping the Future

To: Tim Piwowar, Superintendent
Date: October 14, 2025
Subject: Operating Budget Report for period ending September 30, 2025

The table below provides a view of the spend rates in FY'26 vs. FY'25 at the end of Q1.

Expense Category	FY'26 Committed at Q1	FY'25 Committed at Q1
Professional Salaries	10.0%	9.5%
Clerical Salaries	21.1%	21.8%
Other Salaries	13.5%	15.4%
Contracted Services	106.5%	90.0%
Supplies	26.0%	24.8%
Other Expenses	95.0%	68.8%
Overall	**23.4%**	**20.4%**

At the end of the first quarter, this operating budget will be more challenging than last year's, with unanticipated costs attributed to staff turnover and some changes in Special Education placements.

Salary Accounts

As we have observed consistently since the pandemic, we continue to encounter challenges in hiring and retaining staff due to labor market impacts, particularly in support positions (instructional aides, Applied Behavior Analysts or ABA's, food service, and substitutes). In early August, we approached the start of the school year with approximately five to eight vacancies in instructional aide positions. Then, eleven ABA's resigned during one week in late August. These vacancies immediately impacted the operating budget.

There are currently twenty (20) vacancies in instructional aide and ABA positions that are reflected in the slower rate at which we are expending these salary lines in the operating budget. However, at this early time of year, only two school year paychecks have been issued, yielding about 90K in savings as compared to last year. The savings on the instructional aide and ABA lines will accumulate as the year progresses. It is anticipated that the Town will see significant net savings in health insurance and retirement contributions due to the vacancies in these lines.

In Professional positions, there has also been significant staff turnover. In Special Education related services such as Speech, OT/PT, BCBA, it has been challenging to recruit qualified providers at the low end of the pay scale. In other Professional positions, especially in Central Office, we have hired for vacancies within budget but incurred one-time expenses related to

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leaves of absences, separation costs, and coaching or transition costs. The combined impact of these dynamics means that staff turnover has not been favorable in the operating budget and we have expended more in Professional positions than we did at this time last year. A tighter position-by-position accounting for staff turnover will be completed as we launch the FY'27 operating budget process.

Non-Salary Accounts

Meanwhile, the reduction in Salary expense for instructional aides and ABA's, discussed above, has driven unanticipated costs in Non-Salary accounts.

The vacancies at the start of the year jeopardized our ability to implement Individualized Education Plans. It was imperative for the district to fill all the vacancies immediately. To do so, we deployed contracted service providers. The district is currently employing contracted service providers in the positions of nine (9) instructional aides and eleven (11) ABA's, all of whom are supporting Special Education classrooms at an estimated cost of 1.16M including wages and benefits. This expense is hitting the Special Education contracted services line and is fully "encumbered" or committed in the financials that are reported in this Q1 report, leading that line to be over budget by 1.08M. Since some Special Education contracted service expenses for the year are not yet known or encumbered, we anticipate this budget to be over by as much as 1.5M by year end.

In the area of *Other Expenses* which includes tuitions, we have seen a shift in placements as we do every year. Since January 2025, when we developed the Special Education tuition budget, at least five (5) students have had changes to a more costly out of district placement. As a net impact of all placement changes, tuitions are over budget by 144K. From a risk standpoint, we continue to anticipate volatility in our Special Education costs due to the services required.

In Facilities, we have had a particularly busy summer attending to building needs and much of our operating budget funds are committed at this point. We have seen significant cost escalation in maintenance and service subscriptions for our facilities, which we will evaluate as we budget for FY'27. We did slightly exceed budget for purchases of furniture and small equipment, but this overage can be absorbed within the annual capital budget category of FFE.

Summary

At the end of Q1, the impact of staff turnover and the fluctuation in student placements are the key risk factors for the budget.

The high cost of contracted service providers in Special Education classrooms will be largely, if not entirely, offset by savings in our Salary lines as well as the Town benefit lines. However, contracted service providers are not a preferred long-term solution. We are entering into bargaining with instructional aides and ABA's this year. This will have to be a consideration for FY'27 budget development.

Finally, given other cost pressures, the district may have to request a transfer from the Special Education reserve to address unanticipated out-of-district tuitions. The Special Education reserve is not a mechanism to fund tuition expenses for future years, however. Once known, the out-of-district tuitions will need to be incorporated into the FY'27 operating budget.

There are transfers available to us that will permit us to close the fiscal year despite the cost pressures discussed here at Q1. However, as we foreshadow, these cost pressures will impact FY'27 budget development.

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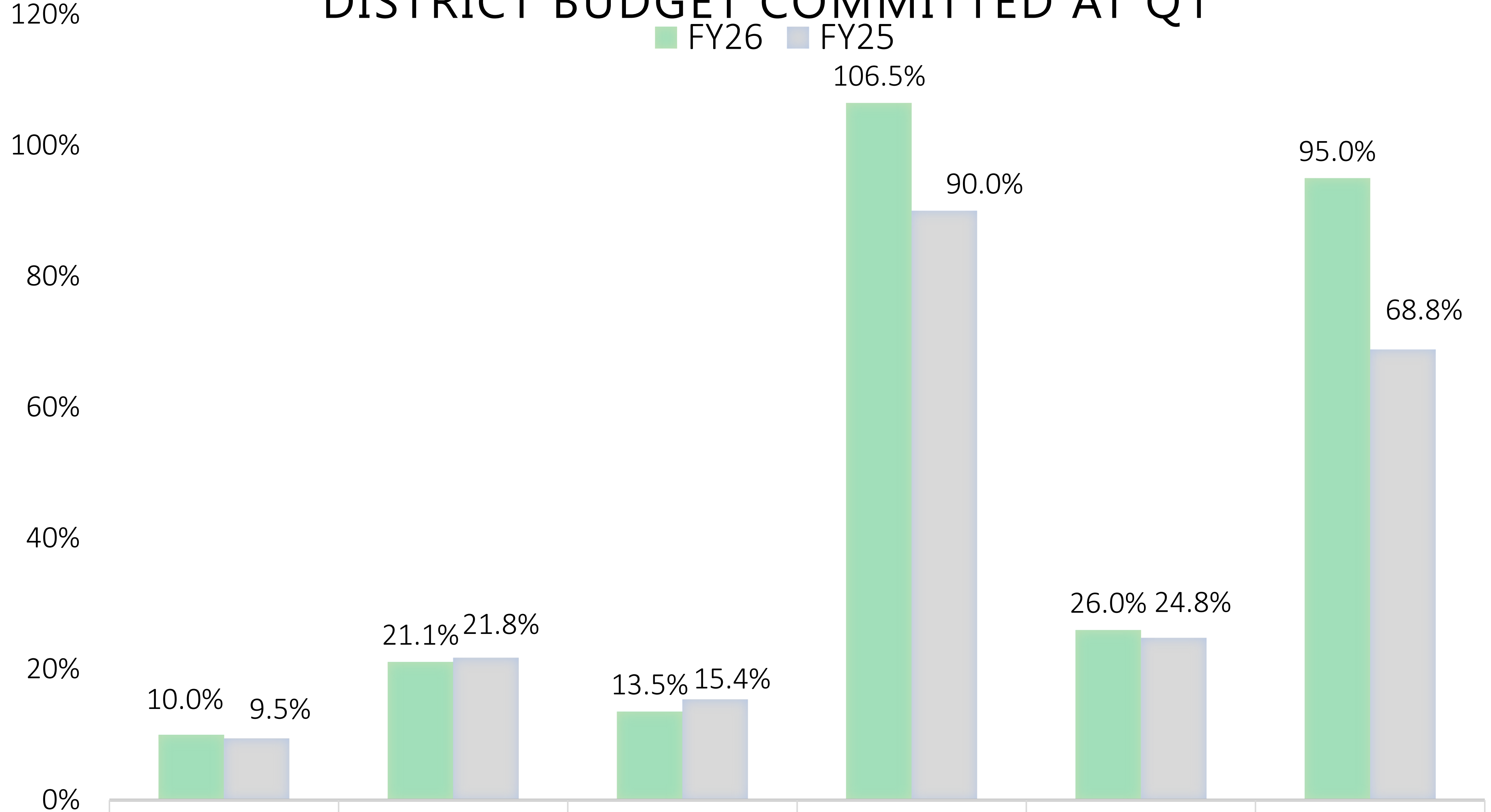
EXHIBIT 1

DISTRICT BUDGET COMMITTED AT Q1



	PROFESSIONAL SALARIES	CLERICAL SALARIES	OTHER SALARIES	CONTRACTED SERVICES	SUPPLIES	OTHER EXPENSES
FY26	10.0%	21.1%	13.5%	106.5%	26.0%	95.0%
FY25	9.5%	21.8%	15.4%	90.0%	24.8%	68.8%

EXHIBIT 2 - ONE PAGE SUMMARY

FY26 Q1 OPERATING BUDGET HIGHLIGHTS

July 1 - Sept 30

EXPENSE CATEGORY	FY26 Town	FY26 Offset	FY26 Budget	YTD Offset Used	YTD Expenditures	YTD Encumbrances	YTD Total Commitments	Funds Available	% Committed
PROFESSIONAL SALARIES									
Teaching	31,089,041	220,122	31,309,163	9,627	2,618,204	0	2,627,831	28,681,332	8.4%
Principals / Admin	2,903,192	160,195	3,063,387	43,130	713,500	0	756,630	2,306,757	24.7%
Other Professional Staff (1)	7,544,873	345,202	7,890,075	15,635	813,628	0	829,263	7,060,812	10.5%
CLERICAL SALARIES									
Administrative Assistants	1,587,728	126,773	1,714,501	18,523	343,206	0	361,729	1,352,772	21.1%
OTHER SALARIES									
Paraprofessionals	2,472,630	1,219,073	3,691,703	0	300,153	0	300,153	3,391,550	8.1%
ABA's	1,700,749	0	1,700,749	0	191,262	0	191,262	1,509,487	11.2%
Substitutes	434,239	0	434,239	0	53,247	0	53,247	380,992	12.3%
Facilities and Custodial	2,225,339	103,500	2,328,839	0	537,973	0	537,973	1,790,866	23.1%
Tech Support Specialists	170,759	0	170,759	27,779	14,176	0	41,955	128,804	24.6%
CONTRACTED SERVICES									
Transportation (Regular)	1,274,761	654,705	1,929,466	373,012	0	1,182,432	1,555,444	374,022	80.6%
Transportation (Special Ed)	1,129,529	69,728	1,199,257	0	1,146	1,147,684	1,148,830	50,427	95.8%
Student Services	349,710	127,035	476,745	0	125,408	1,433,326	1,558,735	(1,081,990)	327.0%
Facilities Maintenance	707,264	40,000	747,264	2,530	358,777	307,598	668,905	78,359	89.5%
Other Contracted Services (2)	674,327	0	674,327	7,435	110,487	303,608	421,530	252,797	62.5%
SUPPLIES									
Instructional Supplies	537,168	35,700	572,868	1,764	39,216	196,983	237,962	334,906	41.5%
Textbooks	238,374	0	238,374	0	20,641	113,242	133,883	104,491	56.2%
Instructional Technology	118,770	0	118,770	0	27,395	28,498	55,893	62,877	47.1%
Utilities	1,202,182	82,500	1,284,682	14,918	73,183	0	88,101	1,196,581	6.9%
Other Supplies (3)	237,109	0	237,109	939	113,484	6,618	121,041	116,068	51.0%
OTHER EXPENSES									
Tuition (Collaborative)	76,790	333,505	410,295	1,281	60,487	378,908	440,675	(30,380)	107.4%
Tuition (Private Day and Residential)	1,309,204	691,706	2,000,910	0	187,833	1,926,883	2,114,715	(113,805)	105.7%
Professional Development	233,049	10,660	243,709	1,769	42,701	52,856	97,326	146,383	39.9%
Small Furniture and Equipment	291,219	0	291,219	0	165,162	168,060	333,222	(42,003)	114.4%
Other Expenses (4)	253,676	0	253,676	0	32,435	20,947	53,382	200,294	21.0%
TOTAL	**58,761,682**	**4,220,404**	**62,982,086**	**518,343**	**6,943,701**	**7,267,641**	**14,729,685**	**48,252,401**	**23.4%**

SUMMARY BY TYPE	FY26 Town	FY26 Offset	FY26 Budget	YTD Offset Used	YTD Expenditures	YTD Encumbrances	YTD Total Commitments	Funds Available	% Committed
Salary	50,128,551	2,174,865	52,303,416	113,581	5,585,348	0	5,698,930	46,604,486	10.9%
Non-Salary Expense	8,633,131	2,045,539	10,678,670	404,761	1,358,353	7,267,641	9,030,755	1,647,915	84.6%
TOTAL	**58,761,682**	**4,220,404**	**62,982,086**	**518,343**	**6,943,701**	**7,267,641**	**14,729,685**	**48,252,401**	**23.4%**

23.4 % COMMITTED

(1) Student Services (Psych, Speech, OT/PT, BCBA, Nurse), Guidance, Library, and Extracurricular or Coach Stipends
(2) Software Services, Athletic Officiating, Consulting / Legal Services, Photocopying / Printing
(3) Content Subscriptions, Custodial Supplies, Nurse Supplies
(4) Athletic Facility Rental, J-Term, Postage, Evaluations, and Professional Dev. Food