



LINCOLN PUBLIC SCHOOLS

MARY ELLEN NORMEN
ADMINISTRATOR FOR BUSINESS AND FINANCE

April 25, 2023

To: Lincoln School Committee
Rebecca McFall, Superintendent of Schools
From: Mary Ellen Normen, Administrator for Business and Finance
Subject: FY23 Second Quarter Report

The current status of our budget at the close of the 3rd Quarter is optimistic. Utilities costs have become more stabilized and projections are set for the balance of the year. Our known and anticipated Special Education program and service expenses are also funded for the year. The Personnel Budget has generated turnover savings to fund these areas of need.

Lincoln	Original FY23 Operating Budget	Transfers to Date	Revised FY23 Operating Budget	Projected YTD EXP & ENC	Available Balance	% Projected Expended
School Committee	\$17,426	\$ -	\$17,426	\$10,502	\$6,924	60.27%
Personnel	\$10,235,108	(\$1,706)	\$10,233,402	\$9,772,890	\$460,512	95.50%
Supplies, Equipment, & Services	\$2,417,687	\$1,706	\$2,419,393	\$2,586,031	(\$166,638)	106.89%
Total	\$12,670,221	\$ -	\$12,670,221	\$12,369,424	\$300,797	97.63%
Hanscom	Original FY23 Operating Budget	Transfers to Date	Revised FY23 Operating Budget	Projected YTD EXP & ENC	Available Balance	% Projected Expended
School Committee	\$17,426	\$ -	\$17,426	\$9,295	\$8,131	53.34%
Personnel	\$13,231,386	(\$5,945)	\$13,225,441	\$13,066,554	\$158,887	98.80%
Supplies, Equipment, & Services	\$3,889,756	\$5,945	\$3,895,701	\$3,802,692	\$93,010	97.61%
Total	\$17,138,568	\$0	\$17,138,569	\$16,878,541	\$260,028	98.48%

Personnel (Both Campuses)

The available funds in Personnel are being generated by salary savings/turnover from vacancies. The savings from the few vacancies remaining to be filled are of great assistance to meeting our special education budget needs. (<https://lincnet.tedk12.com/hire/index.aspx>)

Action to be taken:

Transfer \$166,638 from Personnel Turnover Savings to fund Special Education Contracted Services for the Lincoln Campus

Supplies, Equipment, & Services (Both Campuses)

On both campuses, all utilities budgets and projected Special Education Tuition accounts including Circuit Breaker are fully encumbered for known commitments. The sum remaining available in "Supplies, Equipment, & Services" are primarily uncommitted funds in the Special Education Transportation and Tuition accounts. The rate of expenditure is at an appropriate level at this time of the school year. However, as we move into the final quarter of the year, there are always emerging expenditure pressures on the budget to meet newly identified student needs.

The Lincoln and Hanscom Campuses are faced with two significant costs in which funding reallocations within the budget may be needed. They also both received relief from the CASE Transportation credit that will be applied to Special Education needs within each school.

1. **Special Education Settlements for Services** **Lincoln - \$(166,638)**

The Lincoln Special Education Program budget is experiencing a growth in the number of students needing additional services. After the budget was adopted the School Committee authorized the formation of the Foundations Classroom to keep students in district. We reallocated some personnel positions and funds to make this cost avoidance measure happen. However, as we begin the year with the tuition budget still intact with our budget plan, there have been settlements and additional needs for contracted services to support IEPs due to either lack of staffing available to hire or additional needs identified and contracted service providers identified as the best and most efficient way to support students.

2. **Utilities (Electricity and Natural Gas)**

The utility budget which includes electricity and natural gas for the Lincoln Campus and the Hartwell building have experienced much fluctuation in delivery costs that residential households are experiencing this fiscal year. The result is that the reliability of the FY23 budget projection is being severely impacted. While the Town of Lincoln does benefit from a fixed commodity rate, the fluctuation in delivery costs renders staff unable to reliably project the total cost going forward.

As we enter the final quarter of the fiscal year, the FY23 estimates have been reduced due to weather conditions and refinement of use. As you may recall we are spending over \$100,000 more per year in utilities as the building is not yet benefitting from the operation of the solar panels for the portion of the fiscal year originally anticipated in the fall of 2022. The second factor is the fluctuations in the delivery costs, for both natural gas and electricity, have opened up a variability in our invoices that has not been seen in over a decade.

The estimates used to develop the utility portion of the budget are conservative based on known contract commodity rates and a projected deliver rate. Our budget projection practice for the utility budget does not build in a reserve to cover all contingencies. We do not build in any future price projection on the cost of utilities, inaccurate timeline projections and/or impacts from extreme adverse weather.

3. **Special Education Transportation:**

CASE provided an update of a credit from FY22 being applied to transportation for the 3rd Quarter of \$26,113.80 for Lincoln which reduced the Lincoln Budget to \$97,524 and a credit of \$100,103 for Hanscom reducing the budget to \$381,725.

4. **Annual HANSCOM OPEB Transfer:** **\$400,000**

Annually the School Committee is requested to transfer budgeted GASB 45 or OPEB funds to the Town. A follow up memo detailing the status of the Hanscom liability to the Town will be included in the financial review being considered by the School Committee.

Action Requested:

Move to Transfer \$400,000 from the Hanscom Operating Budget to fund Hanscom employee portion of the Towns OPEB liability (GASB34)

5. **HANSCOM Financial Review:**

Funds are being reserved in the Hanscom Budget to reimburse Town of Lincoln FY23 obligations for Retiree Health Insurance and Middlesex County Retirement Assessment. In addition, in both the Lincoln and Hanscom budgets, funds are being reserved for

- an addendum financial audit to the Town's Annual Financial Report that is specific to the Hanscom Contract for the years FY22 and FY23 for future ongoing review of the Hanscom Contract;
- Updated reporting of the Hanscom liabilities for OPEB and Middlesex County Retirement System by respective actuarial services;
- Review of other potential liabilities and obligations to determine the balance to be maintained in the Hanscom Reserve;
- Modification and documentation for process and procedures between the School Department and the Town Finance Department going forward to ensure that the Hanscom Contract is funding its obligations and liabilities in full; and
- Transfers of funds that are newly identified throughout the review processes being undertaken.

Lincoln Campus
FY 2023 OPERATING BUDGET -- STATUS REPORT
3rd QTR
as of March 31, 2023

MONITORING COLUMN

YTD
Expended >75%

Total
Exp+Enc >100%

Expense Category	Original FY23 Operating Budget	Transfers to Date	Revised FY23 Operating Budget	Expended		Expended & Encumbered		% of total budget
				Amount	Percent of Revised Budget	Amount	Percent of Original Budget	
School Committee	\$17,426	\$ -	\$17,426	\$4,252	24.40%	\$10,502	60.27%	0.14%
Personnel								
Administrator Salaries	\$934,372	\$ -	\$934,372	\$665,429	71.22%	\$968,511	103.65%	7.37%
Professional Salaries (Teachers, Nurses, etc.)								
• Regular salaries	\$6,946,423	\$70,998	\$7,017,421	\$4,325,149	61.63%	\$6,557,709	93.45%	55.39%
• Stipends (leadership & mentoring)	\$212,702	\$ -	\$212,702	\$173,533	81.59%	\$270,666	127.25%	1.68%
• Substitutes (daily & long-term)	\$180,000	\$ -	\$180,000	\$100,031	55.57%	\$186,341	103.52%	1.42%
• Misc. Salaries (see note 1)	\$258,271	(\$71,001)	\$187,270	\$108,241	57.80%	\$134,932	72.05%	1.48%
Paraprofessionals Wages								
• Special Education Tutors	\$170,059	\$ -	\$170,059	\$164,494	96.73%	\$242,284	142.47%	1.34%
• Instructional Assistants	\$261,670	\$ -	\$261,670	\$171,538	65.55%	\$266,167	101.72%	2.07%
• Other paraprofessionals	\$93,734	\$ -	\$93,734	\$53,151	56.70%	\$82,688	88.22%	0.74%
Support Staff								
• Secretaries	\$458,371	\$ -	\$458,371	\$301,980	65.88%	\$421,668	91.99%	3.62%
• Facilities, Maintenance & Custodial Staff	\$639,735	\$725	\$640,460	\$397,502	62.07%	\$546,315	85.30%	5.05%
• Overtime	\$26,200	\$ -	\$26,200	\$13,393	51.12%	\$26,393	100.74%	0.21%
Professional & Staff Development	\$53,571	(\$2,428)	\$51,143	\$31,445	61.48%	\$69,218	135.34%	0.40%
Supplies, Equipment & Services								
In-District Transportation	\$503,060	\$ -	\$503,060	\$291,365	57.92%	\$503,060	100.00%	3.97%
Out of District Special Education Transportation	\$123,638	\$ -	\$123,638	\$63,762	51.57%	\$67,902	54.92%	0.98%
Special Education Tuition (OOD & collaboratives)	\$272,250	\$ -	\$272,250	\$134,403	49.37%	\$231,773	85.13%	2.15%
General Supplies and Materials								
• Textbooks	\$87,402	\$ -	\$87,402	\$9,967	11.40%	\$107,402	122.88%	0.69%
• Other Published Materials	\$93,899	\$5,838	\$99,737	\$53,637	53.78%	\$119,737	120.05%	0.79%
• Durable Goods and Equipment	\$62,225	(\$13,358)	\$48,867	\$35,071	71.77%	\$68,867	140.93%	0.39%
• Consumable Supplies	\$92,886	\$7,301	\$100,187	\$56,524	56.42%	\$120,187	119.96%	0.79%
• Contracted Services	\$330,093	\$4,099	\$334,192	\$189,404	56.68%	\$394,192	117.95%	2.64%
Facilities & Maintenance								
• Utilities -- heat	\$27,300	\$ -	\$27,300	\$18,331	67.15%	\$34,754	127.30%	0.22%
• Utilities -- electricity	\$451,500	\$ -	\$451,500	\$271,117	60.05%	\$432,433	95.78%	3.56%
• Utilities -- water, sewer, telephones	\$43,746	\$ -	\$43,746	\$15,305	34.99%	\$46,122	105.43%	0.35%
• Maintenance Services & Supplies	\$95,130	(\$725)	\$94,405	\$40,207	42.59%	\$94,405	100.00%	0.75%
• Custodial Services & Supplies	\$38,700	\$ -	\$38,700	\$27,434	70.89%	\$64,823	167.50%	0.31%
• Building and Capital Projects	\$40,000	\$ -	\$40,000	\$10,629	26.57%	\$40,000	100.00%	0.32%
IT Replacement Cycle	\$123,179	\$ -	\$123,179	\$2,300	1.87%	\$149,619	121.46%	0.97%
Other expenses (see note 2)	\$32,679	(\$1,449)	\$31,230	\$95,483	305.74%	\$110,755	354.64%	0.25%
Grand Total	\$12,670,221	\$ -	\$12,670,221	\$7,825,079	61.76%	\$12,369,424	97.63%	100.00%

Hanscom Campus
FY 2023 OPERATING BUDGET -- STATUS REPORT
3rd QTR
as of March 31, 2023

MONITORING COLUMN

YTD
Expended >75%

Total
Exp+Enc >100%

Expense Category	Original FY23 Operating Budget	Transfers to Date	Revised FY23 Operating Budget	Expended		Expended & Encumbered		% of total budget
				Amount	Percent of Revised Budget	Amount	Percent of Original Budget	
School Committee	\$17,426	\$ -	\$17,426	\$3,045	17.47%	\$9,295	53.34%	0.10%
Personnel								
Administrator Salaries	\$1,023,192	\$ -	\$1,023,192	\$748,946	73.20%	\$1,062,306	103.82%	5.97%
Professional Salaries (Teachers, Nurses, etc.)								
• Regular salaries	\$7,351,266	\$ -	\$7,351,266	\$4,549,041	61.88%	\$6,896,718	93.82%	42.89%
• Stipends (leadership & mentoring)	\$280,087	\$ -	\$280,087	\$186,425	66.56%	\$290,765	103.81%	1.63%
• Substitutes (daily & long-term)	\$185,000	\$ -	\$185,000	\$85,235	46.07%	\$157,409	85.09%	1.08%
• Misc. Salaries (see note 1)	\$361,744	(\$12,966)	\$348,778	\$33,695	9.66%	\$42,564	12.20%	2.04%
Paraprofessionals Wages								
• Special Education Tutors	\$562,924	\$ -	\$562,924	\$402,068	71.42%	\$609,697	108.31%	3.28%
• Instructional Assistants	\$342,300	\$ -	\$342,300	\$177,067	51.73%	\$271,689	79.37%	2.00%
• Other paraprofessionals	\$93,137	\$ -	\$93,137	\$104,068	111.74%	\$154,566	165.96%	0.54%
Support Staff								
• Secretaries	\$462,276	\$10,366	\$472,642	\$319,740	67.65%	\$445,169	94.19%	2.76%
• Facilities, Maintenance & Custodial Staff	\$718,865	\$ -	\$718,865	\$438,540	61.00%	\$587,579	81.74%	4.19%
• Overtime	\$17,800	\$ -	\$17,800	\$20,345	114.30%	\$25,345	142.39%	0.10%
Professional & Staff Development	\$69,090	(\$3,345)	\$65,745	\$22,724	34.56%	\$59,042	89.80%	0.38%
Employee Benefecits & Town Svcs	\$1,763,705	\$ -	\$1,763,705	\$891,965	50.57%	\$2,463,705	139.69%	10.29%
Supplies, Equipment & Services								
In-District Transportation	\$50	(\$50)	\$ -	\$ -	0.00%	\$ -	0.00%	0.00%
Out of District Special Education Transportation	\$481,828	\$ -	\$481,828	\$338,821	70.32%	\$341,855	70.95%	2.81%
Special Education Tuition (OOD & collaboratives)	\$1,702,346	\$ -	\$1,702,346	\$820,891	48.22%	\$1,515,930	89.05%	9.93%
General Supplies and Materials								
• Textbooks	\$44,759	\$ -	\$44,759	\$10,334	23.09%	\$64,759	144.68%	0.26%
• Other Published Materials	\$130,661	\$2,743	\$133,404	\$59,949	44.94%	\$153,404	114.99%	0.78%
• Durable Goods and Equipment	\$279,080	(\$13,111)	\$265,969	\$37,616	14.14%	\$285,969	107.52%	1.55%
• Consumable Supplies	\$109,467	\$208	\$109,675	\$66,574	60.70%	\$129,675	118.24%	0.64%
• Contracted Services	\$491,614	\$16,155	\$507,769	\$235,502	46.38%	\$557,770	109.85%	2.96%
Facilities & Maintenance								
• Utilities -- heat	\$65,100	\$ -	\$65,100	\$18,868	28.98%	\$65,100	100.00%	0.38%
• Utilities -- electricity	\$210,000	\$ -	\$210,000	\$58,483	27.85%	\$250,000	119.05%	1.23%
• Utilities -- water, sewer, telephones	\$32,308	\$ -	\$32,308	\$14,872	46.03%	\$35,803	110.82%	0.19%
• Maintenance Services & Supplies	\$150,050	\$ -	\$150,050	\$43,826	29.21%	\$166,962	111.27%	0.88%
• Custodial Services & Supplies	\$38,700	\$ -	\$38,700	\$29,479	76.17%	\$48,118	124.33%	0.23%
• Building and Capital Projects	\$10,000	\$ -	\$10,000	\$ -	0.00%	\$10,000	100.00%	0.06%
IT Replacement Cycle	\$116,330	\$ -	\$116,330	\$2,300	1.98%	\$148,712	127.84%	0.68%
Other expenses (see note 2)	\$27,463	\$ -	\$27,463	\$2,674	9.74%	\$28,638	104.28%	0.16%
Grand Total	\$17,138,568	\$ -	\$17,138,568	\$9,723,094	56.73%	\$16,878,541	98.48%	100.00%