



LINCOLN PUBLIC SCHOOLS

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ADMINISTRATOR FOR BUSINESS AND FINANCE

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To: Lincoln School Committee
Michael F. Brandmeyer, Superintendent of Schools
From: Buckner Creel, Administrator for Business and Finances
Subject: Current status -- FY12 Revolving Funds and Legacy Gift Account

General. The District receives fees for certain programs and accounts for them in revolving funds (RF), as allowed by various Massachusetts General Laws. Revolving fund balances carry over from fiscal year to fiscal year. The current status of several revolving funds with projections for the balance of FY12 follows, along with several recommendations for School Committee consideration.

The operation of the School Committee policy on Student Financial Assistance has become intertwined with the Transportation and Athletic Revolving Funds, so an interim report on the Legacy Fund Gift Account also follows.

Transportation Revolving Fund

Background. The District charges fees for transporting 7th and 8th graders and all children living closer than 2 miles from the Lincoln School, according to the following schedule:

- First child \$275
- Second child \$200
- Third child \$100
- Family cap \$575

The fee schedule was set by the School Committee in February 2004, and has remained unchanged for the past eight years. No regular, daily bus services are provided at the Hanscom Schools, as the Base housing is within the 2 mile limit.

The District purchases bus services under the competitive contract with Doherty's using fees collected and appropriated funds. Each year the amount from the Transportation RF to be applied to the anticipated contract amount during the following year is set during the budget process. So, the amount from the RF to be applied to the FY12 transportation budget was set at \$40,000 in FY11 based on the RF balance which included FY10 transportation fee receipts.

Participation.

Transportation Revolving Fund -- Ridership					
	Paid in Full	Reduced Fee	Full Waiver	Eligible at No charge	Total
K-6 >2 miles				274	274
K-6 <2 miles	42	2	8		52
7 th & 8 th Grade	68	2	5		75
Total	110	4	13	274	401

Current fund status. All fee revenues for FY12 have been received.

Transportation Revolving Fund	
FY12 beginning balance	\$61,537.90
FY12 fee receipts	\$27,513.84
FY12 transfer from Legacy Fund	\$2,718.73
Total revenue	\$91,770.47
FY12 bus transportation	\$40,000.00
FY12 refunds and program supplies	\$327.32
Total projected expenses	\$40,327.32
Reserved for FY13 budget	\$28,000
Anticipated available ending balance	\$23,443.15

I recommend that no change be made to the current fee structure for FY13.

Athletics Revolving Fund

Background. The District charges fees for participation in the interscholastic athletics program at the Lincoln School. The fee charged is \$200 per sport per season, and has remained unchanged for the past two school years. Sports offered are:

- Fall Season – Cross Country (Coed), Field Hockey (Girls) and Soccer (Boys & Girls)
- Winter Season – Basketball (four teams, Boys A & B, Girls A&B)
- Spring Season – Baseball (boys), Softball (Girls), Tennis (Coed)

A smaller but similar suite of sports is offered at the Hanscom Middle School, but no fees are charged. The cost of the Hanscom athletic program is covered by the DOD contract.

The District operates the athletic program using fees collected, Lincoln appropriated funds of approximately \$23,000, and funds allocated from the Hanscom contract. Expenses include the cost of bus transportation, equipment and supplies, official/referee fees, and stipends for coaches and the Athletic Director. Only the Director stipend is split between campuses; the other program expenses are charged to campus-specific accounts. The Athletic RF supports only the Lincoln School program.

Participation.

Athletic Revolving Fund -- Participation				
	Paid in Full	Reduced Fee	Full Waiver	Total
Fall Season	90	6	3	99
Winter Season	37	3	6	46
Spring Season	45 (est.)	??	3 (est.)	48
Total	172	9	12	193

Current fund status. Spring season fee revenues for FY12 have not been received.

Athletics Revolving Fund	
FY12 beginning balance	\$24,680.06
FY12 fee receipts Fall season	\$18,900.00
FY12 fee receipts Winter season	\$7,400.00
FY12 fee receipts Spring season (anticipated)	\$9,000.00
FY12 transfer from Legacy Fund Fall	\$1,300.00
FY12 transfer from Legacy Fund Winter	\$1,550.00
FY12 transfer from Legacy Fund Spring (anticipated)	\$600.00
Total projected revenue	\$63,430.06
FY12 bus transportation	\$9,001.00
FY12 stipends	\$21,430.91
FY12 official /referee fees	\$3,929.50
FY12 program supplies & equipment	\$4,214.27
Total projected expenses	\$38,575.68
Reserved for FY13 budget	
Anticipated available ending balance	\$24,854.38

Recommendation. The anticipated available balance at the end of FY12 is roughly equal to the fund balance at the beginning of FY12, after transfers from the Legacy Fund. A fund balance of approximately \$10,000 will assure the appropriate level of business continuity. I recommend that the School Committee consider reducing the participation fee by \$25, to \$175 per sport per season. This fee would reduce the revolving fund balance by approximately \$4,900 each year. If the current conditions continue, the fund would reach an operating level of \$10,000 in three years, and the School Committee could revisit the fee amount in March, 2015.

Lincoln After School Music Program (LASMP) Revolving Fund

Background. The District provides after-school music lessons on both campuses, according to the following schedule:

- 33 lessons @ 30 minutes is \$866.25 (\$26.25 per lesson)
- 33 lessons @ 45 minutes is \$1300.20 (\$39.40 per lesson)
- 33 lessons @ 60 minutes is \$1732.50 (\$52.50 per lesson)
- \$30 registration fee for each student.

Lessons may be private, semi-private or quartet lessons, so a variety of options are available to match parent requests. This year, approximately 3,141 lessons will be given. The fee schedule has remained unchanged for the past **five** years.

The District contracts with area music teachers to provide instrument lessons after school using fees collected; no appropriated or allocated funds support this program. The LASMP revolving fund operates on an annual basis, and requires only a modest balance of less than \$10,000 to sustain operations Expenses include the teacher wages, a stipend for the director and a small amount for miscellaneous program expenses. The intent of the fee structure is to pay the Director stipend through a \$1.00 surcharge on each lesson. This surcharge has remained constant over the past five years while the

Director stipend has increased with successive teacher contracts. The teacher rate has not changed since 2007. Future consideration should be given to increasing both the per-lesson teacher rate and the Director surcharge to restore the fee structure.

Participation.

LASMP Revolving Fund -- Lessons				
	Private	Semi-Private	Quartet	Total
Hanscom Beginner Group				33
30 minute	2620	59		2679
45 minute	330	33		363
60 minute	66	33		99
Total	3016	125		3141

Current fund status. Some lesson revenues for FY12 have not been received.

LASMP Revolving Fund	
FY12 beginning balance	\$6,815.32
FY12 registration fee -- 145 students @ \$30	\$4,350.00
FY12 Director surcharge -- \$1 per lesson	\$3,141.00
FY12 lesson fee receipts -- collected to-date	\$98,447.22
FY12 lesson fee receipts -- outstanding bills	\$2,138.89
Total projected revenue	\$114,892.43
FY12 Director stipend	\$8,436.00
FY12 music teacher wages	\$98,278.20
FY12 program supplies & piano tuning	\$1,027.76
Total projected expenses	\$107,741.96
Anticipated available ending balance	\$7,150.47

Recommendation. The LASMP anticipated available balance at the end of FY12 will approximately exceed the fund balance at the beginning of FY12. I recommend that no change be made to the current fee structure for FY13.

School Lunch Fund

Background. The District serves lunches under the National School Lunch Program at three locations. Meal costs are as follows:

- Full price lunch \$3.00 + \$0.3125 State & Federal reimbursement
- Reduced price lunch \$0.40 + \$2.4225 State & Federal reimbursement
- Free lunch \$0.00 + \$2.8225 State & Federal reimbursement

The meal price was increased to \$3.00 for FY10. The Food Service consultant who conducted a program review in 2009 recommended maintaining a fund balance equal to a three-month operating budget, or \$60-65,000 at the time. The School Lunch Fund operates as a revolving fund, and receives revenues of approximately \$300,000 each year.

Participation.

School Lunch Fund -- Participation			
	Feb average attendance	Feb total meals	Feb Participation %
Brooks	257	2113	68.49%
Smith	335	2470	61.43%
Hanscom	436	3665	69.98%
Total	1029	8247	66.82%

Current YTD fund status, as of the end of February report.

School Lunch Fund	
FY12 beginning balance	\$70,620.50
FY12 sales to students	
breakfast	\$141.90
lunch	\$107,567.00
a la carte	\$25,483.65
FY12 other sales	\$8,749.16
FY12 State & federal reimbursements	\$41,442.15
FY12 sales tax	(\$142.61)
Total revenue through February	\$253,861.75
FY12 food	\$73,395.16
FY12 labor	\$101,308.42
FY12 equipment	\$6,958.56
FY12 other	\$4,392.01
FY12 freezer repairs	\$3,000.00
FY12 food	\$73,395.16
Total expenses through February	\$189,054.15
Anticipated available ending balance	\$64,807.60

Discussion. The Brooks and Hanscom kitchens have experienced a higher-than-normal failure rate in the stand-alone freezer and refrigerator units, requiring greater-than-anticipated expenses for repairs.

Recommendation. The School Lunch Fund ending balance is anticipated to be within the suggested range. I recommend that no change be made to the current fee structure for FY13.

Legacy Fund Gift Account

Financial assistance. The following financial assistance amounts have been granted during the school year to date or are estimated for the remainder of FY12:

Legacy Fund Gift Account	
FY12 beginning balance	\$8,463.12
FY12 gift – DC trip financial aid	\$350.00
FY12 gifts – Class of 2007	\$1,317.22
FY12 gifts – Dionisotti gift	\$2,000.00
FY12 gifts – Leuder gift	\$50.00
Total projected revenue	\$12,180.34
FY12 7 th Grade Sargent Camp overnight trip	\$2,088.25
FY12 Instrument rental	\$340.00
FY12 Bus transportation	\$2,718.73
FY12 Athletics – Fall Season	\$1,300.00
FY12 Athletics – Winter Season	\$1,550.00
FY12 Athletics – Spring Season -- anticipated	\$600.00
8 th Grade Washington DC overnight trip – anticip.	\$4,166.50
Total projected expenses	\$12,763.48
Anticipated available ending balance	(\$583.14)

Recommendation. The current requirements for financial aid from the Legacy exceed the available balance. Furthermore, the current year requirements seem like a reasonable estimate for future requirements. The parents of the current 8th Grade, the Class of 2012, are planning a fund raising event with the intention of making a significant gift to the Legacy Fund. Under the terms of the Financial Assistance policy, the School Committee has a liability which will be covered through future donations or budget allocations.