



LINCOLN PUBLIC SCHOOLS

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ADMINISTRATOR FOR BUSINESS AND FINANCE

October 19, 2023

To: Lincoln School Committee
Parry Graham, Superintendent of Schools

From: Mary Ellen Normen, Administrator for Business and Finance

Subject: FY24 First Quarter Report

The FY 24 Budget status at this time is positive with a projected balance. While the current status of our budget is optimistic although pressures from electricity costs and special education are being closely monitored on both campuses.

| Lincoln | Original Budget | Transfers | Revised Budget | YTD Expend & Enc | Balance \$ | Balance % |
|-------------------------------|-----------------|-----------|----------------|------------------|------------|-----------|
| School Committee | \$ 17,426 | | \$ 17,426 | \$ 17,426 | \$ - | |
| Personnel | \$ 10,534,607 | | \$ 10,534,607 | \$ 10,235,753 | \$ 298,854 | |
| Supplies, Equipment & Service | \$ 2,692,086 | | \$ 2,692,086 | \$ 2,692,086 | \$ - | |
| | \$ 13,244,119 | \$ - | \$ 13,244,119 | \$ 12,945,265 | \$ 298,854 | 2.26% |

| | Original Budget | Transfers | Revised Budget | YTD Expend & Enc | Balance \$ | Balance % |
|-------------------------------|-----------------|-----------|----------------|------------------|------------|-----------|
| School Committee | \$ 17,426 | | \$ 17,426 | \$ 17,426 | \$ - | |
| Personnel | \$ 13,817,261 | | \$ 13,817,261 | \$ 13,732,236 | \$ 85,025 | |
| Supplies, Equipment & Service | \$ 4,031,957 | | \$ 4,031,957 | \$ 4,035,458 | \$ (3,501) | |
| | \$ 17,866,644 | \$ - | \$ 17,866,644 | \$ 17,785,120 | \$ 81,524 | 0.46% |

*NOTE: Hanscom includes \$144,000 of the Hanscom Reserve to meet the projected needs of the FY24 Budget. The use of the reserve was voted by the School Committee as part of the FY24 budget adoption process. The original contract for FY 24 is \$17,722,644.

Personnel (Both Campuses)

The available funds in Personnel are being generated by salary savings/turnover and vacancies. There are still a few vacancies remaining to be filled. (<https://lincnet.tedk12.com/hire/index.aspx>). A reserve for funding these positions is being held in our Miscellaneous Salaries (See Note 1) in our Personnel Accounts. Salary savings or Turnover savings occurs when we have staff leave due to retirement or resignation and the new hire is less than the person who has retired or resigned. The district is monitoring this closing under the new Teacher Contract which is in its current year. However, note that Hanscom is not generating the same rate of turnover savings at this time.

Given the amount of funds that were returned out of our Personnel Accounts last year, a more robust monitoring process has been developed to ensure that funds are being fully expended and that there isn't any excess or overly conservative budget practice emerging. Given the distribution of our employees over the years of service, Lincoln and Hanscom may begin to see more savings due to retirements over the next few years.

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 rate of expenditure is at an appropriate level at this time of the school year. Review of prior year expenditure rates, including additional funds used for Electricity and other materials shows that our budget is in line with our initial budget estimates. However, the district is still concerned about our overall utility costs.

Electricity and Energy Costs

(TBD)

On the Lincoln Campus, Buckner Creel, Lincoln School Project Manager and Brandon Kelly, Facilities Director, continue to work with the installers of the Lincoln school building's electricity utilization without the solar panels. Right now, the back of the envelope estimate is a \$100,000 exposure to this account over what was expended in FY23. This number will be fine tuned as we receive monthly utility bills.

On Hanscom we anticipate stability in our electricity utilization; however, we do not control our energy pricing. We receive apportioned invoices from the Air Force for the portion of School Building use.

Year over Year Comparison – Will FY24 have a balance and how large?

Due to the large balances that were returned at the close of FY23 to both Town of Lincoln Free Cash and the Hanscom Reserve, a two-year side by side comparison of actuals to FY24 Budget and YTD Projected Expenses is provided in this first quarter report. The goal is to provide the School Committee with high level historical budget information to guide their decision making and frame of reference as we proceed through FY24 under a new Teachers Contract and Negotiations for an Education Support Professional and Food Service Employee Contract. It also will give a context that some of our operating budget accounts fluctuate significantly which makes estimating for projected expenditures a challenge. As we develop the FY25 budget we will keep our attention on the year over year expenditure fluctuations to inform FY25.

Every year salary savings is generated. Salary Savings is defined by the net amount saved when a position is turned over by retirement or resignation. Depending on the time of year and the type of position, salary savings can also generate from unused time that is budgeted. This occurred a couple times last year, where there was more than 1 position that became open and the Superintendent made the decision not to fill the vacancy. Depending on the timing of the decision, this generated at least half of our salary savings at each school. The challenge we have is that the number has not been historically tracked. We are beginning that process now as it is hard to see if there is a pattern of return in a district so small that could be factored into the next fiscal year's budget.

For information and reference, each year the Personnel Budget is developed using the actual payroll in late October of all active employees to build the next fiscal year's staffing plan. In addition, it is also reconciled against current year staffing plan to determine if the number of positions increased or decreased. This reconciliation process ensures that salary savings from the current Fiscal Year's plan are captured immediately. The practice also highlights any vacancies still unfilled in late October that may need review as to the need or the challenges in hiring.

Each school also experiences turnover and employee changes differently. While it appears that Lincoln has a large salary savings number at the close of this quarter, there are still positions that

need to be filled. Funds are reserved, but there still may be funds for additional positions needed. Hanscom, on the other hand, has a large obligation in employee benefits and services. Researching the differences between FY 22 and FY23 at Hanscom resulted in finding what was previously reported that the OPEB transfer for FY22 of \$400,000 occurred after the Fiscal Year Close. Hanscom's Budget Summary includes funds approved by School Committee from the Reserve. After adjusting for the OPEB transfer, the report shows the amount from each year that went to the Hanscom Reserve.

Ongoing analysis and research are underway to ensure that the budget practices are not overly conservative. A well-managed budget generally has a balance under 1% remaining at the close of any fiscal year. The large balances at Hanscom are the result of budgeting for a 4-section school and not filling all of the positions needed under that model.

The other area of accounts returning to Free Cash and the Hanscom Reserve are Special Education costs. Specifically, Hanscom there is unknown potential to have funds left over at the end. However, equally there is potential that the Reserve will need to be used if we have a move-in that can utilize the available tuition in a vacant placement.

Also last year, both schools benefited a CASE Transportation Credit. It is unknown at this time if the Credit will happen again, and if it does at what amount. Thus, the FY24 budget includes the full cost of the CASE Transportation Assessment. The district no longer pre-pays transportation due to the fact that in FY22 we had to return to the Town the CASE Transportation credit as we did not have an invoice to offset the amount given. By statute the funds are returned to the General Fund (taxpayer) for appropriation at Town Meeting. In FY23, we paid CASE in two installments to be able to use the credit for other needs in the district. While we still returned our excess funds to the Town, we needed the security for additional special education costs we were experiencing at the time.

Utilities also continues to fluctuate based delivery costs of the market. We are still eagerly awaiting the start of the solar panels at Lincoln School.

In conclusion, it is unknown at this time what the balance will be on June 30. However, with intentional monitoring of salary savings, CASE Credits, Utilities, and Special Education Tuitions, each quarter we will be closer to knowing if there is any gap that highlights budgeting practices that are too conservative.

Lincoln School
1st Quarter Report
as of September 30, 2023

| obj class | Expense Category | FY22 Actual | FY23 Actual | Original FY24 Operating Budget | Expended & Encumbered Amount | % Projected Expended |
|--|--|----------------------|----------------------|--------------------------------|------------------------------|----------------------|
| 1 | School Committee | \$ 23,515 | \$ 5,606 | \$ 17,426 | \$ 17,426 | 100.00% |
| | Personnel | | | | | |
| 2 | Administrator Salaries | \$ 940,672 | \$ 934,018 | \$ 933,970 | \$ 932,529 | 99.85% |
| | Professional Salaries (Teachers, Nurses, etc.) | | | | | |
| 3 | • Regular salaries | \$ 6,337,704 | \$ 6,548,263 | \$ 6,888,454 | \$ 6,829,439 | 99.14% |
| 4 | • Stipends (leadership & mentoring) | \$ 260,890 | \$ 281,017 | \$ 127,136 | \$ 127,136 | 100.00% |
| 5 | • Substitutes (daily & long-term) | \$ 109,838 | \$ 140,876 | \$ 180,000 | \$ 180,000 | 100.00% |
| 6 | • Misc. Salaries (see note 1) | \$ 82,405 | \$ 95,186 | \$ 534,603 | \$ 381,558 | 71.37% |
| | Paraprofessionals Wages | | | | | |
| 7 | • Special Education Tutors | \$ 158,928 | \$ 247,924 | \$ 318,210 | \$ 295,943 | 93.00% |
| 8 | • Instructional Assistants | \$ 285,628 | \$ 231,043 | \$ 246,648 | \$ 237,863 | 96.44% |
| 9 | • Other paraprofessionals | \$ 112,390 | \$ 93,680 | \$ 135,940 | \$ 122,024 | 89.76% |
| | Support Staff | | | | | |
| 10 | • Secretaries | \$ 413,926 | \$ 421,227 | \$ 460,487 | \$ 448,020 | 97.29% |
| 11 | • Facilities, Maintenance & Custodial Staff | \$ 515,257 | \$ 527,465 | \$ 627,736 | \$ 599,818 | 95.55% |
| 12 | • Overtime | \$ 30,522 | \$ 23,631 | \$ 26,200 | \$ 26,200 | 100.00% |
| 13 | Professional & Staff Development | \$ 32,580 | \$ 46,267 | \$ 55,223 | \$ 55,223 | 100.00% |
| | Supplies, Equipment & Services | | | | | |
| 15 | In-District Transportation | \$ 495,396 | \$ 499,602 | \$ 568,228 | \$ 568,228 | 100.00% |
| 16 | Out of District Special Education Transportation | \$ 107,010 | \$ 66,372 | \$ 123,637 | \$ 123,637 | 100.00% |
| 17 | Special Education Tuition (OOD & collaboratives) | \$ 322,423 | \$ 203,484 | \$ 301,436 | \$ 301,436 | 100.00% |
| | General Supplies and Materials | | | | | |
| 18 | • Textbooks | \$ 11,342 | \$ 14,938 | \$ 38,611 | \$ 38,611 | 100.00% |
| 19 | • Other Published Materials | \$ 115,972 | \$ 121,011 | \$ 113,106 | \$ 113,106 | 100.00% |
| 20 | • Durable Goods and Equipment | \$ 26,988 | \$ 57,493 | \$ 50,640 | \$ 50,640 | 100.00% |
| 21 | • Consumable Supplies | \$ 105,802 | \$ 113,735 | \$ 108,332 | \$ 108,332 | 100.00% |
| 22 | • Contracted Services | \$ 223,258 | \$ 329,088 | \$ 271,442 | \$ 271,442 | 100.00% |
| | Facilities & Maintenance | | | | | |
| 23 | • Utilities -- heat | \$ 30,000 | \$ 27,085 | \$ 27,300 | \$ 27,300 | 100.00% |
| 24 | • Utilities -- electricity | \$ 704,944 | \$ 431,550 | \$ 551,500 | \$ 551,500 | 100.00% |
| 25 | • Utilities -- water, sewer, telephones | \$ 54,507 | \$ 57,661 | \$ 68,946 | \$ 68,946 | 100.00% |
| 26 | • Maintenance Services & Supplies | \$ 88,647 | \$ 109,013 | \$ 154,962 | \$ 154,962 | 100.00% |
| 27 | • Custodial Services & Supplies | \$ 42,665 | \$ 40,904 | \$ 42,600 | \$ 42,600 | 100.00% |
| 29 | • Building and Capital Projects | \$ 193,890 | \$ 107,356 | \$ 113,224 | \$ 113,224 | 100.00% |
| 30 | IT Replacement Cycle | \$ 120,794 | \$ 123,137 | \$ 125,643 | \$ 125,643 | 100.00% |
| 28 | Other expenses (see note 2) | \$ 24,502 | \$ 118,670 | \$ 32,479 | \$ 32,479 | 100.00% |
| | Total | \$ 11,972,395 | \$ 12,017,302 | \$ 13,244,119 | \$ 12,945,265 | |
| | Balance EOY | \$ 389,144 | \$ 652,919 | \$ - | \$ 298,854 | |
| Notes | | | | | | |
| 1. Includes personnel control, home/hospital teaching, certain curriculum development & instrumental instruction salaries. | | | | | | |
| 2. Includes (but not limited to) postage, legal expenses including settlements, advertising, printing, permits, etc. | | | | | | |

Hanscom School
1st Quarter Report
as of September 30, 2023

| obj class | Expense Category | FY22 Actual | FY23 Actual | Original FY24 Operating Budget | Expended & Encumbered Amount | % Projected Expended |
|-----------|--|----------------------|----------------------|--------------------------------|------------------------------|----------------------|
| 1 | School Committee | \$ 22,687 | \$ 4,399 | \$ 17,426 | \$ 17,426 | 100.0% |
| | Personnel | | | | | |
| 2 | Administrator Salaries | \$ 1,011,531 | \$ 1,057,492 | \$ 1,062,024 | \$ 1,143,237 | 107.6% |
| | Professional Salaries (Teachers, Nurses, etc.) | | | | | |
| 3 | • Regular salaries | \$ 6,657,587 | \$ 6,900,194 | \$ 7,647,842 | \$ 7,471,147 | 97.7% |
| 4 | • Stipends (leadership & mentoring) | \$ 238,687 | \$ 300,716 | \$ 170,782 | \$ 181,540 | 106.3% |
| 5 | • Substitutes (daily & long-term) | \$ 125,447 | \$ 150,303 | \$ 185,000 | \$ 185,000 | 100.0% |
| 6 | • Misc. Salaries (see note 1) | \$ 68,071 | \$ 85,166 | \$ 88,226 | \$ 66,011 | 74.8% |
| | Paraprofessionals Wages | | | | | |
| 7 | • Special Education Tutors | \$ 469,606 | \$ 602,512 | \$ 661,874 | \$ 669,020 | 101.1% |
| 8 | • Instructional Assistants | \$ 335,484 | \$ 265,896 | \$ 304,023 | \$ 301,254 | 99.1% |
| 9 | • Other paraprofessionals | \$ 127,604 | \$ 180,693 | \$ 162,384 | \$ 163,509 | 100.7% |
| | Support Staff | | | | | |
| 10 | • Secretaries | \$ 416,498 | \$ 435,991 | \$ 476,701 | \$ 427,656 | 89.7% |
| 11 | • Facilities, Maintenance & Custodial Staff | \$ 583,536 | \$ 637,781 | \$ 563,255 | \$ 628,713 | 111.6% |
| 12 | • Overtime | \$ 25,481 | \$ 24,833 | \$ 17,800 | \$ 17,800 | 100.0% |
| 13 | Professional & Staff Development | \$ 30,253 | \$ 44,923 | \$ 71,467 | \$ 71,467 | 100.0% |
| 14 | Employee Benefits & Town Svcs | \$ 1,577,000 | \$ 2,564,799 | \$ 2,405,883 | \$ 2,405,883 | 100.0% |
| | Supplies, Equipment & Services | | | | | |
| 15 | In-District Transportation | \$ 5,512 | \$ 10,698 | \$ 8,715 | \$ 8,715 | 100.0% |
| 16 | Out of District Special Education Transportation | \$ 372,295 | \$ 332,370 | \$ 546,561 | \$ 550,061 | 100.6% |
| 17 | Special Education Tuition (OOD & collaboratives) | \$ 1,881,182 | \$ 1,488,934 | \$ 1,924,491 | \$ 1,924,491 | 100.0% |
| | General Supplies and Materials | | | | | |
| 18 | • Textbooks | \$ 9,316 | \$ 10,556 | \$ 43,463 | \$ 43,463 | 100.0% |
| 19 | • Other Published Materials | \$ 116,441 | \$ 115,205 | \$ 130,981 | \$ 130,981 | 100.0% |
| 20 | • Durable Goods and Equipment | \$ 74,072 | \$ 95,195 | \$ 72,366 | \$ 72,366 | 100.0% |
| 21 | • Consumable Supplies | \$ 95,901 | \$ 99,063 | \$ 108,263 | \$ 108,263 | 100.0% |
| 22 | • Contracted Services | \$ 212,028 | \$ 317,908 | \$ 452,840 | \$ 452,840 | 100.0% |
| | Facilities & Maintenance | | | | | |
| 23 | • Utilities -- heat | \$ 58,000 | \$ 38,582 | \$ 65,100 | \$ 65,100 | 100.0% |
| 24 | • Utilities -- electricity | \$ 170,000 | \$ 146,764 | \$ 231,000 | \$ 231,000 | 100.0% |
| 25 | • Utilities -- water, sewer, telephones | \$ 38,735 | \$ 38,436 | \$ 48,058 | \$ 48,058 | 100.0% |
| 26 | • Maintenance Services & Supplies | \$ 180,820 | \$ 188,375 | \$ 185,700 | \$ 185,700 | 100.0% |
| 27 | • Custodial Services & Supplies | \$ 38,915 | \$ 45,097 | \$ 46,300 | \$ 46,300 | 100.0% |
| 29 | • Building and Capital Projects | \$ 15,637 | \$ - | \$ 10,000 | \$ 10,000 | 100.0% |
| 30 | IT Replacement Cycle | \$ 113,596 | \$ 116,248 | \$ 130,656 | \$ 130,656 | 100.0% |
| 28 | Other expenses (see note 2) | \$ 32,369 | \$ 20,069 | \$ 27,463 | \$ 27,463 | 100.0% |
| | TOTALS | \$ 15,104,290 | \$ 16,319,196 | \$ 17,866,644 | \$ 17,785,120 | 99.5% |
| | OPEB Transfer after Fiscal Year Close (see Note 3) | \$ 400,000 | \$ (400,000) | | | |
| | Balance EOY To Hanscom Reserve (adjusted) | \$ 1,083,046 | \$ 1,219,372 | \$ - | \$ 81,524 | |
| | Notes | | | | | |
| | 1. Includes personnel control, home/hospital teaching, certain curriculum development & instrumental instruction salaries. | | | | | |
| | 2. Includes (but not limited to) postage, legal expenses including settlements, advertising, printing, permits, etc. | | | | | |
| | 3. Hanscom OPEB Transfer was made in August 2022 after the Fiscal Year Closed | | | | | |