



LINCOLN PUBLIC SCHOOLS

BUCKNER M. CREEL
ADMINISTRATOR FOR BUSINESS AND FINANCE

June 12, 2013

To: School Committee
From: Becky McFall
Buckner Creel

Subject: FY13 Budget status

The finances for the Lincoln Public Schools will end FY13 with a budget surplus with all obligations met. Details of the current status of the FY13 budgets for both campuses follow.

Lincoln Campus. For the past several years, the School Committee has been able to accomplish some strategic purchasing at the end of the fiscal year. Predominantly, these procurements have pre-paid special education tuition, replacement educational technology equipment or bulk supplies like pallets of paper. Last year, the Committee was able to pre-pay special education tuition and collaborative fees.

Current year budget analysis. This year's surplus is the result of last year's prepayment, personnel changes and savings in several areas:

- The total original FY14 appropriation approved by the School Committee in January 2012 for special education out-of-district (OOD) tuitions and transportation was \$374,921. At the end of the fiscal year in June 2012, the School Committee approved the prepurchase of \$123,498 of special education OOD tuition and collaborative assessments. This provided a total budget of \$498,419. Reduced requirements for out-of-district (OOD) special education tuitions resulted in an anticipated expenditure in these categories of \$186,168 which will leave an unspent balance of \$312,251 at the end of FY13.
- The total original FY14 appropriation approved by the School Committee in January 2012 for heating and electricity utilities was \$338,000. The Town offices reimbursed \$24,000 to these accounts to offset their temporary relocation into the Hartwell complex. Normal weather conditions resulted in the projected payment of \$313,726, which will leave an unspent balance of \$24,274 at the end of FY13.
- Other operational savings offset other personnel increases without using \$103,966 in the Personnel Control account.

At its June 6th meeting, the School Committee approved a \$104,517 network repair/upgrade program developed by the new Director of Technology. With that adjustment, \$335,974 in unspent budget balances is potentially available to make strategic purchases.

Next year's budget analysis. The administration continued to review the FY14 plan since the budget was approved in January 2013, and has identified new requirements. The anticipated additional, unbudgeted expenses include:

- An English Language Learner (ELL) teacher to provide ESL support to anticipated move-ins -- \$57,292
- Increased administrative support to the new Technology Director -- \$12,192
- Support of negotiations -- \$3,850
- Possible reduction to grant funding caused by federal budget sequestration -- \$19,065
- Supplemental math materials for Grades 2-5 -- \$4,000

- Increased technology needs, anticipated to be \$56,925:
 - additional software -- \$6,050
 - additional hardware -- \$27,500
 - additional licenses/subscriptions -- \$14,025
 - additional training -- \$9,350

If all of these needs materialize, the unbudgeted requirements will total \$153,325.

Proposed Actions The administration proposes two actions for School Committee review: 1) Prepayment of certain special education tuition and collaborative fees, and 2) Returning some funds to the Town at the end of the fiscal year.

Prepayment The current FY14 Personnel Control account balance of \$110,000 is insufficient to meet these expected but unbudgeted requirements during the school year. The administration proposes prepaying \$114,040 of known FY14 special education tuition and collaborative fees in FY13 to create a cushion for these anticipated but unbudgeted additional expenses and unanticipated special education expenses, as we have in the past. This prepayment will preserve some of the current FY14 Personnel Control account to meet unexpected requirements during the school year.

Return Funds The Town’s Finance Committee (FinCom) was generous in its support of unanticipated requirements earlier in the year by providing the following Reserve Fund Transfers:

• Open new Kindergarten classroom	\$ 61,441
• Support of School Building outreach	\$ 31,105
• New Brooks fire alarm panel	<u>\$ 36,000</u>
Subtotal	\$128,546

Adding in a specific surplus amount:

• Remaining utilities budget	<u>\$ 24,274</u>
Total	\$152,820

The administration proposes returning at least \$152,820 to the Town at the end of the current fiscal year. It may be possible to return a larger amount, but the administration is still going through the process of closing out obligations and covering operational requirements.

Hanscom Campus. The Hanscom allocated budget also has a healthy surplus resulting from personnel changes and savings in the operation budget.

Current Year Budget Analysis Primary sources of the anticipated FY13 surpluses are:

- Two planned teaching positions were not filled resulting in a budget surplus of \$114,428.
- A portion of the special education out-of-district (OOD) tuition was unspent resulting in a budget surplus of \$42,489.
- Reduced unemployment insurance requirements resulted in an anticipated budget surplus of \$49,000.
- Reduced Middlesex retirement assessments resulted in an anticipated budget surplus of \$20,253.
- Other operational savings offset other personnel increases without using \$177,489 in the Personnel Control account.

At its June 6th meeting, the School Committee approved an \$84,828 network repair/upgrade program developed by the new Director of Technology. With that

adjustment, \$368,109 in unspent budget balances is potentially available to make strategic purchases.

Next Year's Budget Analysis The Administration continued to review the FY14 plan since the budget was approved in January 2013 and has identified new requirements. The anticipated additional, unbudgeted expenses include:

- Increased administrative support to the new Technology Director -- \$9,976
- Continued night custodial support at the HMS which will remain open for the school year -- \$48,483
- Support of negotiations -- \$3,150
- Possible reduction to grant funding caused by federal budget sequestration -- \$18,700
- Supplemental math materials for Grades 2-5 -- \$4,000
- Increased technology needs, anticipated to be \$46,575:
 - additional software -- \$4,950
 - additional hardware -- \$22,500
 - additional licenses/subscriptions -- \$11,475
 - additional training -- \$7,650

If all of these needs materialize, the unbudgeted requirements will total \$130,883.

Proposed Actions The administration proposes two actions for School Committee review: 1) Prepayment of certain special education tuition and collaborative fees, and 2) Returning some funds to the Hanscom Reserve Fund at the end of the fiscal year.

Prepayment The current FY14 Personnel Control account balance of \$24,157 is insufficient to meet these expected but unbudgeted requirements during the school year. The administration proposes prepaying \$177,455 of known FY14 special education tuition and collaborative fees in FY13 to create a cushion for anticipated but unbudgeted additional expenses and unanticipated special education expenses. This prepayment will create an FY14 Personnel Control account balance of \$70,729 to help meet unexpected requirements during the school year.

Return Funds The Administration proposes returning at least \$120,000 to the Hanscom Reserve Fund at the end of the current fiscal year. Again, it may be possible to return a larger amount, but the administration is still going through the process of closing out obligations, paying for last-minute operational requirements and covering the employee benefits and expenses which will not be resolved until mid-July.