



LINCOLN PUBLIC SCHOOLS

BUCKNER M. CREEL
ADMINISTRATOR FOR BUSINESS AND FINANCE

June 11, 2014

To: School Committee
Becky McFall

From: Buckner Creel

Subject: FY14 Budget status

The finances for the Lincoln Public Schools will end FY14 with a budget surplus with all obligations met. Details of the current status of the FY14 budgets for both campuses follow.

Lincoln Campus: For the past several years, the School Committee has been able to accomplish some authorized pre-purchasing at the end of the fiscal year. 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 2013 for special education out-of-district (OOD) tuitions and transportation was \$222,465. At the end of the fiscal year in June 2013, the School Committee approved the prepurchase of \$114,040 of special education OOD tuition and collaborative assessments. This provided a total budget of \$336,505. Reduced requirements for out-of-district (OOD) special education tuitions resulted in an anticipated expenditure in these categories of \$143,250 which will leave an unspent balance of \$75,271.40 at the end of FY14.
- The total original FY14 appropriation approved by the School Committee in January 2013 for heating and electricity utilities was \$384,000. Normal weather conditions resulted in the projected payment of \$350,174, which will leave an unspent balance of \$31,826 at the end of FY14.
- Other operational savings offset other personnel increases without using \$120,734 in the Personnel Control account.

Summing these categories, \$227,831 in unspent budget balances is potentially available for special education pre-purchase or to return to the Town.

Next year's budget analysis: The administration continued to review the FY15 plan since the budget was approved in January 2014, but has not identified any new requirements.

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 projected current FY15 Personnel Control account balance of \$69,897 is insufficient to meet unbudgeted requirements during the school year. The administration proposes prepaying \$155,470 of known FY15 special education tuition and collaborative fees in FY14 to create a cushion for unbudgeted additional expenses and unanticipated special education expenses, as we have in the past. This prepayment

will preserve some of the current FY15 Personnel Control account to meet unexpected requirements during the school year.

Return Funds: The administration proposes returning \$70,000 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 FY14 surpluses are:

- One planned psychologist was not filled and one teaching position was filled partway through the school year, resulting in a budget surplus of \$106,326.
- A portion of the special education out-of-district (OOD) tuition was unspent resulting in a budget surplus of \$65,733.
- Reduced human resource benefits requirements resulted in an anticipated budget surplus of \$138,536.
 - Unemployment insurance -- \$34,022
 - Middlesex retirement assessments -- \$23,000.
 - Retiree health insurance assessments -- \$70,114
 - Medicare contributions -- \$11,400

Assuming that these projections remain accurate, \$310,595 in unspent budget balances is potentially available for special education pre-purchase or to return to the Hanscom Reserve.

Next Year's Budget Analysis: The Administration continued to review the FY15 plan since the budget was approved in January 2014 but has not identified any new requirements. The potential for additional staffing to support the burgeoning need for special education services is strong but not definitized.

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 FY15 Personnel Control account balance of \$59,914 is insufficient to meet unbudgeted requirements during the school year. The administration proposes prepaying \$106,000 of known FY15 special education tuition and collaborative fees in FY14 to create a cushion for unanticipated special education expenses.

Return Funds: The Administration proposes returning at least \$200,000 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.