



# LINCOLN PUBLIC SCHOOLS

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To: School Committee  
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From: Buckner Creel

Subject: FY15 Budget status

The finances for the Lincoln Public Schools will end FY15 with a budget surplus with all obligations met. Details of the current status of the FY15 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 FY15 appropriation approved by the School Committee in January 2014 for special education out-of-district (OOD) tuitions and transportation was \$234,838. The restructuring of the CASE tuition/assessment model resulted in tuition credits which reduced the collaborative expenses. The anticipated current-year expenditure in out-of-district (OOD) special education tuitions of \$101,850 will leave an unspent balance of \$132,988 at the end of FY15.
- The total original FY15 appropriation approved by the School Committee in January 2014 for heating and electricity utilities was \$395,000. Normal weather conditions resulted in the projected payment of \$362,400, which will leave an unspent balance of \$32,600 at the end of FY15.
- Changes in the ELL staffing model and delays in hiring the appropriate staff resulted in budget savings of \$43,160.
- Other operational savings offset other personnel increases without using \$64,927 in the Personnel Control account.

Summing these categories, \$280,900 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 FY16 plan since the budget was approved in January 2015, and identified several budget shortfalls for FY16:

- An additional out-of-district placement in the amount of \$58,262.
- An anticipated elimination of the Full-day Kindergarten Grant which will affect the Lincoln budget by \$32,760.
- An anticipated reduction in the METCO grant which will affect the Lincoln budget by up to \$32,264.

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 administration proposes prepaying not more than \$210,497 of known FY16 special education tuition and collaborative fees in FY15 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 FY15 surpluses are:

- A Kindergarten section was not opened, resulting in savings of \$130,180.
- Savings associated with the hiring of new faculty in the Hanscom Primary School resulted in a budget surplus of \$57,087.
- Savings associated with the hiring of new faculty in the Hanscom Middle School resulted in a budget surplus of \$67,362.
- The CASE restructuring of its assessment fee process into current-year fee model resulted in significant credits to the member districts. For Hanscom, these credits resulted in not spending a portion of the special education out-of-district (OOD) tuition, resulting in a budget surplus of \$274,136.
- Reduced human resource benefits requirements resulted in an anticipated budget surplus of \$147,500:
  - Unemployment insurance -- \$50,000
  - Workers compensation assessment -- \$3,000.
  - Retiree health insurance assessments -- \$23,000
  - Active employee health insurance assessments -- \$103,000
  - Medicare contributions -- \$8,500

Assuming that these projections remain accurate, \$676,265 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 FY16 plan since the budget was approved in January 2015 and identified several budget shortfalls for FY16:

- Special Education tuitions. The current estimates are shown below.

	Approved Budget Jan 15	Current Estimate	difference
Out Of District Tuition	\$252,012	\$252,012	\$0
Collaboratives	\$675,513	\$1,060,752	\$385,239
total	\$927,525	\$1,312,764	\$385,239

The potential for additional staffing to support the burgeoning need for special education services is strong but not definitized.

- An anticipated elimination of the Full-day Kindergarten Grant which will affect the Hanscom budget by \$30,240.

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 FY16 Personnel Control account balance of \$111,535 is insufficient to meet known and unbudgeted requirements during the school year. The administration proposes prepaying \$385,239 of known FY16 special education tuition and collaborative fees in FY15 to address this increase in anticipated expenses.

Return Funds: The Administration proposes returning at least \$270,000 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.