



LINCOLN PUBLIC SCHOOLS

BUCKNER M. CREEL
ADMINISTRATOR FOR BUSINESS AND FINANCE

October 12, 2016

To: School Committee
Becky McFall

From: Buckner Creel

Subject: FY17 First Quarter Report

For fiscal year 2017, the Lincoln Public Schools received appropriations of \$10,939,613 for the Lincoln Campus. The significant increase over the FY16 budget of \$10,563,900 includes the addition of the IT replacement cycle funds (\$107,771) to the base budget, an increase of 2.5% over the new base voted by Town Meeting, and the Medicaid appropriation of \$36,000. All financial obligations currently anticipated on the Lincoln Campus are expected to be met within the funds appropriated for FY17.

The Hanscom budget for FY17 was originally prepared based on providing services for the 550-599 pupil enrollment band (Band 3). Recognizing the likely enrollment for FY17 would be at the very top of Band 3, the staffing proposed in the budget required funding at a level within Band 4. The School Committee accepted the Superintendent's recommendation to increase the Hanscom budget allocation to \$13,067,338 to provide the funds for a staffing level to match the anticipated enrollment.

The administration submitted the September 30th enrollment report for certification by the 66th Airbase Group, and the exact contract-qualifying enrollment is a total of 573. The submitted pupil enrollment will set the FY17 contract price at the 550-599 pupil enrollment band (Band 3) and a price of \$12,500,205. The administration believes the funds currently allocated on the Hanscom Campus for FY17 are sufficient to meet the obligations currently anticipated.

Enclosed for your review is a report providing details of the current operating budget, year to date expenses and encumbrances as of October 11, 2016. At that date, approximately 10% of the school year and 25% of the fiscal year had elapsed. The report balances include payrolls through October 11, 2016, reflecting wages through September 30, 2016. Two new lines have been added to provide more visibility to certain expenses: Building and Capital Projects and IT Replacement Cycle.

Also included is a report showing key budget lines we currently track in greater detail. This report compares this year's "burn rate" with the comparable period from the last fiscal year for selected budget lines of special interest. Several comments on specific expense categories follow.

Lincoln Campus

In the past, we have seen a "negative expense" in the telephone key budget line, an artifact of the E-Rate reimbursement timing. We typically received a large payment from E-Rate providers during July and August, in amounts larger than the phone bills paid to date. As a reimbursement, these E-Rate amounts are applied against expenses, creating a "negative expense" to be offset by phone bills as the fiscal year progresses. This year, the E-Rate reimbursement process has taken longer than usual, and we have not received a payment.

Hanscom Campus

We anticipate that the heating costs for the Hanscom buildings will be greater than the current budget amount and have put a placeholder purchase order in place for \$35,000, versus the budget amount of \$11,259. This explains the apparent over-budget results for that category. We currently do not have any experience with the new building and new metering system but will adjust the budget when we have a better idea of the expected amount.

The opening of the HMS this summer revealed the need for a few more items of FF7E, which caused the Building and Capital Projects line to be over budget. This line will reflect the costs of moving the HPS into the temporary facility when it happens, as occurred in FY16, and will remain negative until a true-up of expenses occurs at the end of the fiscal year.

Please contact me at 259-2623 or bcreel@lincnet.org should you have any questions about the enclosed information.