



# LINCOLN PUBLIC SCHOOLS

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To: Lincoln School Committee  
Becky McFall, Superintendent of Schools  
From: Buckner Creel, Administrator for Business and Finances  
Subject: Current status -- FY17 Revolving Funds and Legacy Gift Account

General The District receives fees for certain programs and accounts for them in revolving funds (RF), as allowed by various Massachusetts General Laws. Revolving fund balances carry over from fiscal year to fiscal year. The current status of several revolving funds with projections for the balance of FY17 follows, along with several recommendations for School Committee consideration.

Considerations pertaining to Student Financial Assistance are affected by the Transportation and Athletic Revolving Funds. As a result, an interim report on the Legacy Fund Gift Account also follows.

## Transportation Revolving Fund

Background The District charges fees for transporting 7<sup>th</sup> and 8<sup>th</sup> graders and all children living closer than 2 miles from the Lincoln School, according to the following schedule:

- First child \$275
- Second child \$200
- Third child \$100
- Family cap \$575

The fee schedule was set by the School Committee in February 2004, and has remained unchanged for the past thirteen years. No regular, daily bus services are provided at the Hanscom Schools, as the Base housing is within the 2 mile limit.

The District purchases bus services under the competitive contract with Doherty's using fees collected and appropriated funds. Each year the amount from the Transportation RF to be applied to the anticipated contract amount during the following year is set during the budget process. Accordingly, the amount from the RF to be applied to the FY17 transportation budget was set at \$40,000 in October FY15 based on the RF balance which included FY15 transportation fee receipts.

Participation Statistics on school bus ridership for FY17 follow on the next page.

<b>Transportation Revolving Fund -- Ridership</b>					
	Paid in Full	Reduced Fee	Full Waiver	Eligible at No charge	Total
K-6 >2 miles	0	0	0	260	260
K-6 <2 miles	41	1	12	0	54
7 <sup>th</sup> & 8 <sup>th</sup> Grade	79	0	5	0	84
<b>Total</b>	<b>120</b>	<b>1</b>	<b>17</b>	<b>260</b>	<b>398</b>

Current fund status All fee revenues for FY17 have been received.

<b>Transportation Revolving Fund</b>	
<b>FY17 beginning balance</b>	<b>\$80,449.13</b>
FY17 fee receipts	\$31,488.00
FY17 transfer from appropriated budget to reimburse financial assistance (pending)	\$4,676.00
<b>Total projected revenue</b>	<b>\$36,090.00</b>
FY17 bus transportation	\$40,000.00
FY17 refunds and program supplies	\$264.64
<b>Total projected expenses</b>	<b>\$40,264.64</b>
Reserved for FY18 budget	\$40,000
<b>Anticipated available ending balance</b>	<b>\$36,274.49</b>

Financial assistance in the amount of \$4,767 was provided for eighteen students in FY17; this amount is shown as a transfer from the appropriated budget. Financial assistance was comprised of fifteen students who were eligible because of their participation in the Free and Reduced Lunch Program and received a full fee waiver and three students who applied for Financial Assistance, two of whom received a full fee waiver and one who received a 50% fee waiver.

Total amount of financial assistance:

17 students with full fee waivers @\$275 each = \$4,675.00  
 1 student with 50% waiver prorated @\$92.00 = \$ 92.00  
**Total = \$4,767.00**

Recommend that no change be made to the current fee structure for FY18.

## **Athletics Revolving Fund**

Background The District charges fees for participation in the interscholastic athletics program at the Lincoln School. The fee charged was reduced from \$200 per sport per season to \$175 per sport per season for school year 2012-2013. Sports offered are:

- Fall Season – Cross Country (Coed), Field Hockey (Girls) and Soccer (Boys & Girls)

- Winter Season – Basketball (often four teams, Boys A & B, Girls A & B. This school year, two Boys and two Girls team could be fielded)
- Spring Season – Baseball (boys), Softball (Girls), Tennis (Coed)

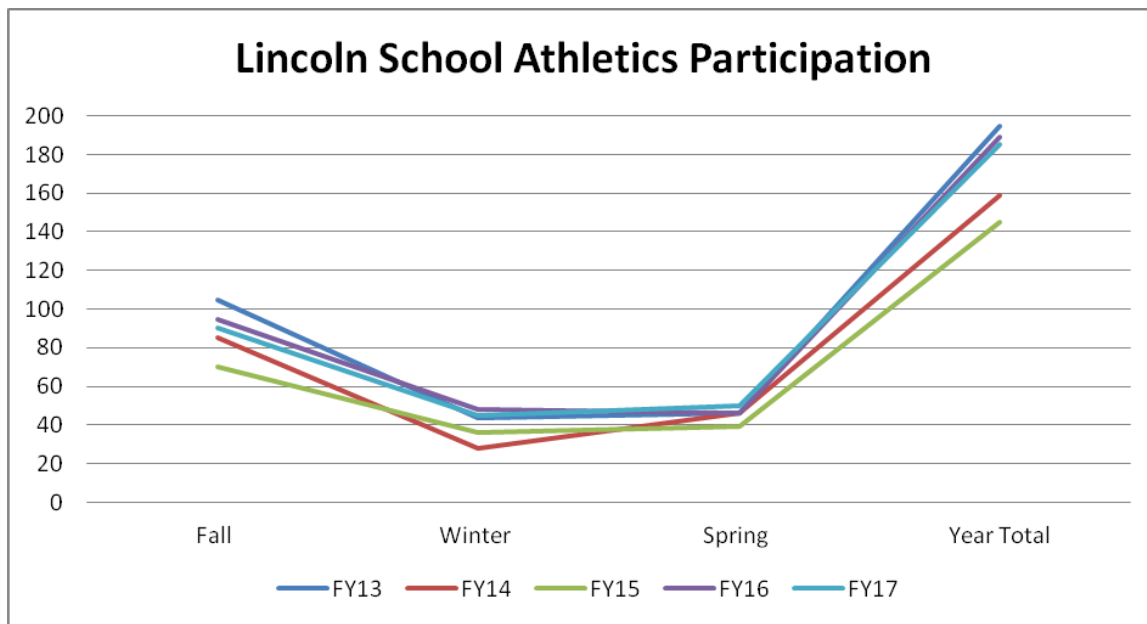
A smaller but similar suite of sports is offered at the Hanscom Middle School, but no fees are charged. The cost of the Hanscom athletic program is covered by the DoDEA contract.

The District operates the athletic program using fees collected, Lincoln appropriated funds of approximately \$20,000, and funds allocated from the Hanscom contract. Expenses include the cost of bus transportation, equipment and supplies, official/referee fees, and stipends for coaches and the Athletic Director. Only the Director stipend is split between campuses; the other program expenses are charged to campus-specific accounts. The Athletic RF supports only the Lincoln School program.

Participation

<b>Athletic Revolving Fund -- Participation</b>				
	Paid in Full	Reduced Fee	Full Waiver	Total
Fall Season	83	2	5	90
Winter Season	40	0	5	45
Spring Season	47	2	1	50
<b>Total</b>	<b>170</b>	<b>4</b>	<b>11</b>	<b>185</b>

As shown in the graph below, the participation in the last two years returned to a historically-typical level.



Current fund status All fee revenues for FY17 have been received.

<b>Athletics Revolving Fund</b>	
<b>FY17 beginning balance</b>	\$12,121.13
FY17 fee receipts Fall, Winter & Spring seasons	\$30,370.50
FY17 transfer from Appropriated Budget for financial assistance	\$2,450.00
<b>Total projected revenue</b>	<b>\$32,820.50</b>
FY17 bus transportation	\$10,826.00
FY17 stipends (director and coaches)	\$9,546.00
FY17 refund of player fee	\$175.00
FY17 program dues, supplies & equipment	\$3,965.15
FY17 official/referee fees	\$4,884.00
<b>Total projected expenses</b>	<b>\$29,396.15</b>
<b>Anticipated available ending balance</b>	<b>\$15,545.48</b>

Financial assistance in the amount of \$2,450 was provided to student athletes during the school year.

Recommendation The anticipated available balance at the end of FY17 is more than the fund balance at the beginning of FY17. The plan put in place four years ago was to have reduced the fund balance, with the goal of achieving a steady-state fund balance of approximately \$10,000 to assure an appropriate level of business continuity. We have made some progress towards that goal, and will continue the plan.

Recommend that no change be made to the current fee structure for FY18.

## Lincoln After School Music Program (LASMP) Revolving Fund

Background The District provides after-school music lessons on both campuses, according to the following schedule:

- 33 lessons @ 30 minutes is \$973.50 ( \$29.50 per lesson)
- 33 lessons @ 45 minutes is \$1445.40 ( \$43.80 per lesson)
- 33 lessons @ 60 minutes is \$1914.00 ( \$58.00 per lesson)
- \$30 registration fee for each student.

Lessons may be private, semi-private or quartet lessons, so a variety of options are available to match parent requests. This year, approximately 3,150 lessons were given.

The District contracts with area music teachers to provide instrument lessons after school using fees collected; no appropriated or allocated funds support this program. The LASMP revolving fund operates on an annual basis, and requires only a modest balance to sustain operations. Expenses include the teacher wages, a stipend for the director and a small amount for miscellaneous program expenses. The intent of the fee structure is to pay the Director stipend through a \$1.00 surcharge on each lesson. This surcharge has remained constant over the past eleven years while the Director stipend has increased with successive teacher contracts. The teacher rate was set at \$57.00 per hour in FY14.

Participation This year, 113 students were enrolled for private and semi-private lessons through LASMP. An additional 47 students were enrolled in Hanscom Beginner Classes.

Current fund status All lesson revenues for FY17 have been received.

<b>LASMP Revolving Fund</b>	
<b>FY17 beginning balance</b>	<b>\$150.05</b>
FY17 registration fee -- 113 students @ \$30	\$3,390.00
FY17 Director surcharge -- \$1 per lesson hour	\$3,150.00
FY17 lesson fee receipts -- collected to-date	\$100,523.95
FY17 lesson fee receipts -- outstanding bills	\$0.00
<b>Total projected revenue</b>	<b>\$107,063.95</b>
FY17 Director stipend	\$8,436.00
FY17 music teacher wages	\$97,498.10
FY17 transfer to operating budgets	( <b>\$3,000.00</b> )
FY17 program supplies & piano tuning	\$953.10
FY17 refunds to parents for unused lessons	\$2,372.00
<b>Total projected expenses</b>	<b>\$106,259.20</b>
<b>Anticipated available ending balance</b>	<b>\$954.80</b>

Recommendation. For the second time in three years, the LASMP revolving fund is projected to end with a negative balance, requiring transfer of \$3,000 of the Director's

stipend to the Lincoln and Hanscom operating budgets. The participation increased by 6.6%, and the LASMP fund still ended with a negative balance because the projected expenses exceeded revenues. Should this level of participation not continue into the next year, we will consider an adjustment to the Director surcharge and/or the registration fee in the spring of 2018.

## School Lunch Fund

Background The District serves lunches under the National School Lunch Program at three locations. Meal revenues are as follows:

- Full price lunch        \$3.00 + \$0.4075 State & Federal reimbursement
- Reduced price lunch \$0.40 + \$2.7875 State & Federal reimbursement
- Free lunch                \$0.00 + \$3.1875 State & Federal reimbursement

The meal price was last increased, to \$3.00, in FY10. Through the efforts of our Food Service Director and her staff, we now qualify for an additional \$.06 reimbursement per meal (included in the rates above). The Food Service consultant who conducted a program review in 2009 recommended maintaining a fund balance equal to a three-month operating budget, or \$60-65,000 at the time. The School Lunch Fund operates as a revolving fund, and receives revenues of over \$230,000 each year.

### Participation

<b>School Lunch Fund -- Participation</b>			
	May average attendance	May total meals	May Participation %
Brooks	280	1,411	29.61%
Smith	302	3,093	60.17%
Hanscom	516	4,804	54.82%
<b>Total</b>	<b>1,098</b>	<b>9,308</b>	<b>48.20%</b>

Current YTD fund status, as of the end of May report

<b>School Lunch Fund</b>	
<b>FY17 beginning balance</b>	<b>\$62,928.02</b>
FY17 sales to students	
breakfast	\$0.00
lunch	\$137,680.40
a la carte	\$43,731.05
FY17 other sales	\$8,396.70
FY17 interest income	\$29.22
FY17 State & federal reimbursements	\$66,098.94
FY17 sales tax	(\$338.47)
<b>Total projected revenue through 30 Jun 17</b>	<b>\$255,597.84</b>
FY17 food & paper costs	\$77,742.61
FY17 labor	\$172,647.90
FY17 equipment	
FY17 other	\$8,092.79
<b>Total projected expenses through 30 Jun 17</b>	<b>\$258,483.30</b>
<b>Anticipated available ending balance</b>	<b>\$60,042.56</b>

Discussion

- Currently, the uncollected balance of fees owed is projected to be \$19 by the end of the week, across all schools, down from \$32.60 in FY16, \$94.35 in FY15 and \$210.82 in FY14.
- The change in menu guidelines continues to negatively impact participation in the Brooks programs, as did the change in lunch/recess policy. Some adjustments in the entrée portion size and bread/grain servings have been increased, to the extent allowable. More importantly, the Department of Defense Fresh Produce Program has provided a range of fruit and vegetables which continue to be very popular with students as well as cost-effective.

Recommendation As the School Lunch Fund ending balance is anticipated to be within the suggested range, the recommendation is that no change be made to the current fee structure for FY18.

## Legacy Fund Gift Account

The Legacy Fund Gift Account was established to provide a mechanism to manage gifts in support of the School Committee's policy on financial assistance. The current account status follows.

<b>Legacy Fund Gift Account</b>	
<b>FY17 beginning balance</b>	<b>\$7,906.69</b>
FY17 gifts	
PTO "Kickin' in Lincoln" FY16 gift	\$600.00
Direct donations	\$200.00
transfer of remaining balances	
<b>Total projected revenue</b>	<b>\$800.00</b>
7th Grade Sargent Camp overnight trip -- actual	\$1,793.50
FY17 Instrument rental (see note)	\$0.00
FY17 Bus transportation (see note)	\$0.00
8 <sup>th</sup> Grade Washington DC overnight trip – preliminary	\$5,635.00
<b>Total projected expenses</b>	<b>\$7,428.50</b>
<b>Anticipated available ending balance</b>	<b>\$1,278.19</b>

Discussion Following the School Committee guidance given at the end of FY12, the financial assistance required by parents for bus transportation was absorbed by the Transportation Revolving Fund or by the Appropriated Budget. Through research we learned that the Friends of Lincoln Music Gift Account was created for several purposes, one of which is to provide financial assistance for instrument rental. Accordingly, the \$300 in requests for financial assistance for instrument rental in FY17 were met by the Friends of Lincoln Music Gift Account.

The health of the Legacy Fund this year was due to the generous PTO and Class of 2015 gifts and to the relatively low level of financial assistance requests to the Legacy Fund in FY16. The balance at the end of the current fiscal year will likely not be sufficient to meet the anticipated financial assistance needs in the next school year.

Recommendation Encourage the Class of 2017 to donate any remaining balances in their accounts to the Legacy Fund, as other classes have done in past years. Alert the Lincoln 5-8 principal and Class of 2018 to the low balance.