



# 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 -- FY19 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 FY19 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 fifteen 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 FY20 transportation budget was set at \$30,000 in October 2018 based on the RF balance which included anticipated FY19 transportation fee receipts.

Participation Statistics on school bus ridership for FY19 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	229	229
K-6 <2 miles	40*	3	22	0	65
7 <sup>th</sup> & 8 <sup>th</sup> Grade	81**	2	2	0	85
<b>Total</b>	<b>121</b>	<b>5</b>	<b>24</b>	<b>229</b>	<b>379</b>

\*Includes one prorated payment of \$52

\*\*Includes two prorated payments of \$162 and \$217

Current fund status All fee revenues for FY19 have been received.

<b>Transportation Revolving Fund</b>	
<b>FY19 beginning balance</b>	<b>\$82,563.13</b>
FY19 fee receipts	\$30,774.75
FY19 transfer from appropriated budget to reimburse financial assistance (pending)	\$7,287.50
<b>Total projected revenue</b>	<b>\$38,062.25</b>
FY19 bus transportation	\$39,140.00
FY19 refunds and program supplies	\$181.47
<b>Total projected expenses</b>	<b>\$39,321.47</b>
Reserved for FY20 budget	\$30,000
<b>Anticipated available ending balance</b>	<b>\$51,303.91</b>

Financial assistance in the amount of \$7,287.50 was provided for 29 students in FY19; this amount is shown as a transfer from the appropriated budget. Financial assistance was comprised of 24 students who were eligible because of their participation in the Free and Reduced Lunch Program and received a full fee waiver and five students who applied for Financial Assistance, three of whom received a 50% fee waiver, one who received a 75% waiver and one who received a 25% fee waiver.

Total amount of financial assistance:

24 students with full fee waivers @\$275 each	= \$ 6,600.00
1 student with 25% fee waiver @\$206.25	= \$ 206.25
3 students with 50% waiver @\$137.50	= \$ 412.50
1 student with 75% waiver @\$68.75	= \$ 68.75
<b>TOTAL</b>	<b>= \$ 7,287.50</b>

Recommend that no change be made to the current fee structure for FY20.

## **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)

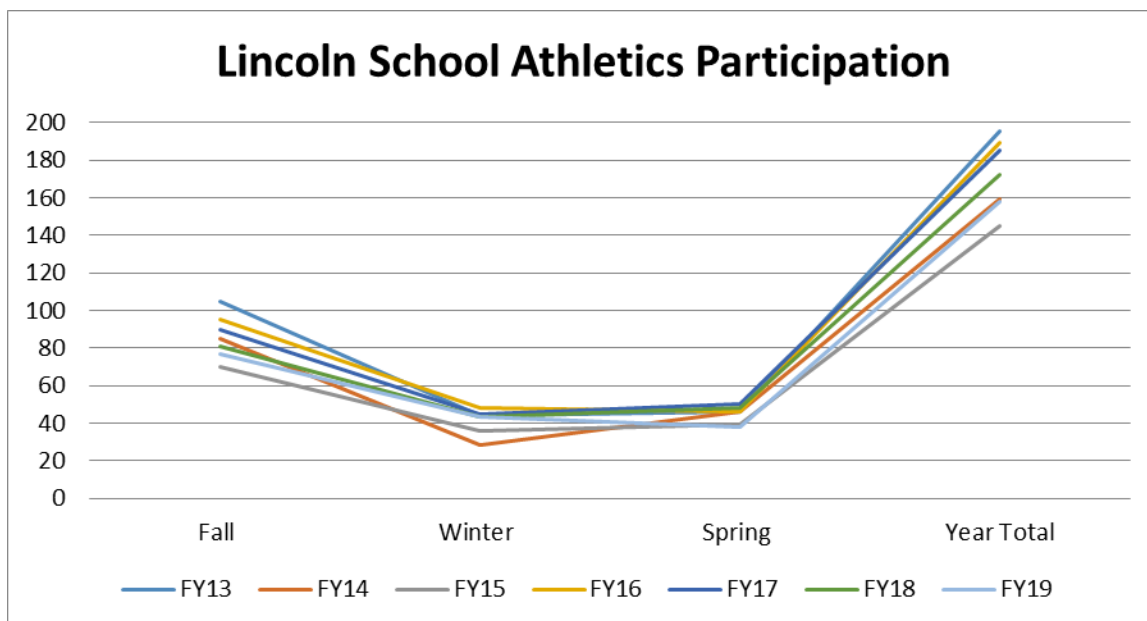
A smaller but similar suite of sports is offered at the Hanscom Middle School, but no fees are charged. The cost of the Hanscom athletic program is covered by the DoDEA contract.

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	75	0	2	77
Winter Season	37	2	4	43
Spring Season	38	0	0	38
<b>Total</b>	<b>150</b>	<b>2</b>	<b>6</b>	<b>158</b>

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



Current fund status One fee for the FY19 Spring season has not been received.

<b>Athletics Revolving Fund</b>	
<b>FY19 beginning balance</b>	\$6,921.26
FY19 fee receipts Fall, Winter & Spring seasons	\$25,942.75
FY19 transfer from Appropriated Budget for financial assistance	\$1,181.25
<b>Total projected revenue</b>	<b>\$27,124.00</b>
FY19 bus transportation	\$12,813.00
FY19 stipends (director and coaches)	\$11,211.60
FY19 refund of player fee	\$0.00
FY19 program dues, supplies & equipment	\$1,011.21
FY19 official/referee fees	\$5,040.00
<b>Total projected expenses</b>	<b>\$30,075.81</b>
<b>Anticipated available ending balance</b>	<b>\$3,969.45</b>

Financial assistance in the amount of \$1,181.25 was provided to student athletes during the school year.

Recommendation The anticipated available balance at the end of FY19 is less than the fund balance at the beginning of FY19. The primary causes of this decrease are probably a decrease in Fall and Spring participation plus increases in the bus costs. The overall trend for the past four years has shown a decrease in participation:

<b>Year</b>	<b>Total participation</b>
FY15	145
FY16	190
FY17	185
FY18	172
FY19	158

Recommend that no change be made to the current fee structure for FY20.

## 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 3,008 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 twelve years while the Director stipend has increased with successive teacher contracts. The teacher rate was set at \$57.00 per hour in FY14.

Earlier this year, the School Committee approved an increase in the lesson surcharge to \$1.50, and the teacher rate to \$58.00 per hour, both to take effect in FY20.

Participation This year, 114 students were enrolled for private and semi-private lessons through LASMP. An additional 36 students were enrolled in Hanscom Beginner Classes.

Current fund status All lesson revenues for FY19 have been received.

<b>LASMP Revolving Fund</b>	
<b>FY19 beginning balance</b>	<b>\$2,501.62</b>
FY19 registration fee -- 114 students @ \$30	\$3,420.00
FY19 Director surcharge -- \$1 per lesson hour	\$3,146.00
FY19 lesson fee receipts -- collected to-date	\$106,632.90
FY19 lesson fee receipts -- outstanding bills	\$0.00
<b>Total projected revenue</b>	<b>\$113,198.90</b>
FY19 Director stipend	\$8,436.00
FY19 music teacher wages	\$103,668.10
FY19 transfer to operating budgets	(\$2,000.00)
FY19 program supplies & piano tuning	\$1,453.38
FY19 refunds to parents for unused lessons	\$1,753.10
<b>Total projected expenses</b>	<b>\$113,310.58</b>
<b>Anticipated available ending balance</b>	<b>\$2,389.94</b>

Recommendation. We recommend that no additional change beyond those made earlier this year be made to the current fee structure for FY20.

## 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 + \$0.43 State & Federal reimbursement
- Reduced price lunch   \$0.40 + \$3.03 State & Federal reimbursement
- Free lunch                \$0.00 + \$3.43 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 \$240,000 each year.

### Participation

<b>School Lunch Fund – FY19 Participation</b>			
	FY19 average monthly attendance	FY19 total meals	FY19 Participation %
Brooks	233	7,366	59%
Smith	295	18,755	49%
Hanscom	533	34,276	53%
<b>Total</b>	<b>1,051</b>	<b>60,397</b>	<b>54%</b>

Current YTD fund status, as of the end of May report projected to the end of June:

<b>School Lunch Fund</b>	
<b>FY19 beginning balance</b>	<b>\$60,584.94</b>
FY19 sales to students	
breakfast	\$0.00
lunch	\$140,575.80
a la carte	\$54,151.18
FY19 other sales	\$2,221.82
FY19 interest income	\$353.27
FY19 State & federal reimbursements	\$66,695.59
FY19 sales tax	(\$89.33)
<b>Total projected revenue through 30 Jun 18</b>	<b>\$263,908.33</b>
FY19 food & paper costs	\$70,111.94
FY19 labor	\$181,137.66
FY19 equipment	
FY19 other	\$6,586.82
<b>Total projected expenses through 30 Jun 18</b>	<b>\$257,836.42</b>
<b>Anticipated available ending balance</b>	<b>\$66,656.85</b>

Discussion

- Currently, the uncollected balance of fees owed is projected to be \$0.00 by the end of the week, across all schools.
- The change in lunch/recess policy continues to negatively impact participation in the Brooks regular meal program. Some adjustments in the entrée portion size and bread/grain servings have been increased, to the extent allowable, and a “Grab’n’Go” program was launched last year, which seems to have been positively received. 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. In FY19, \$5,054 in free, fresh produce was received for both campuses.

Recommendation As the School Lunch Fund ending balance is anticipated to be close to the suggested range, the recommendation is that no change be made to the current fee structure for FY20. Federal regulations under the rubric “Equity in Meal Pricing” set an average meal price threshold of \$2.92 for FY19, so during the coming year we will continue to examine the need for a meal price increase, perhaps in FY2021, and monitor the meal prices in our comparable towns. Recommend that no change be made to the current meal prices for FY20.

## 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>FY19 beginning balance</b>	<b>\$380.59</b>
FY19 gifts	
PTO gift on behalf of Class of 2018	\$260.46
Xtra parent contribution for Sargent Camp	\$225.00
transfer of remaining balances	\$0.00
<b>Total projected revenue</b>	<b>\$485.46</b>
7th Grade Sargent Camp overnight trip -- actual	\$865.92
FY19 Instrument rental (see note)	\$0.00
FY19 Bus transportation (see note)	\$0.00
8 <sup>th</sup> Grade Washington DC overnight trip – preliminary	
transfer to appropriated budget	
<b>Total projected expenses</b>	<b>\$865.92</b>
<b>Anticipated available ending balance</b>	<b>\$0.13</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 \$253.80 in requests for financial assistance for instrument rental in FY19 were met by the Friends of Lincoln Music Gift Account.

The balance of the Legacy Fund this year was insufficient to meet the relatively low level of financial assistance requests, and required a supplement from the appropriated budget in the amount of \$1,965.38 to support five students' attendance at the 7<sup>th</sup> Grade Sargent Camp trip, and \$1,921.08 to support four students' attendance at the 8<sup>th</sup> Grade Washington, DC trip. The balance at the end of the current fiscal year will not be sufficient to meet the anticipated financial assistance needs in the next school year.

Recommendation Encourage the Class of 2019 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 2020 to the low balance.