



LINCOLN PUBLIC SCHOOLS

BUCKNER M. CREEL
ADMINISTRATOR FOR BUSINESS AND FINANCE

June 9, 2021

To: School Committee
Becky McFall

From: Buckner Creel

Subject: FY21 Budget status

The finances for the Lincoln Public Schools will end FY21 with a budget surplus with all obligations met. Details of the current status of the FY21 budgets for both campuses follow.

Background At this time last year, the administration had just received preliminary awaited guidance from DESE for the requirements for reopening school in September, and was beginning to refine a plan. We had no idea of the possibility, much less the amount of additional funding from the federal government for COVID purposes. As the fiscal year developed, we received our own COVID grant, and also benefitted from the application of grant funds from the Town's allocation. This freed up funding to accomplish other purposes.

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 numerous areas.

- 1) The total original FY21 appropriation approved by the School Committee in January 2020 for special education out-of-district (OOD) tuitions and transportation was \$666,670. In June 2020, the School Committee approved the prepurchase of Special Education transportation and OOD expenses up to the amount of \$300,000; the actual amount spent for pre-purchased special education expenses is \$278,229. The district's Special Education requirements used the prepurchase amounts, and the anticipated current-year expenditure in other out-of-district (OOD) special education tuitions of \$158,020, leaving an unspent balance in this category of \$270,663 at the end of FY21.
- 2) Close monitoring of the expenditures for building maintenance and repairs, hiring lags in custodian and maintenance craftsman vacancies and the absence of a maintenance craftsman on worker's comp, resulted in a projected unspent balance of \$19,676 in the facilities accounts.
- 3) Careful control by the principals, faculty and staff at all levels, and reduced personnel costs resulting from reduced substitute costs resulting from COVID, hiring replacements and long-term absences resulted in budget balances totaling \$193,811 in various accounts.

Summing these categories, \$484,2401 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 FY22 plan since the budget was approved in January 2021, and identified several potential budget shortfalls for FY22:

- 1) It seems prudent for us to develop a buffer to support unanticipated FY22 shortfalls, caused by additional COVID requirements, commonwealth grant reductions or additional OOD placements. In addition, providing for additional staffing & opening additional sections seems prudent given the uncertainty associated with our enrollment projections as parents and caregivers make decisions regarding their students.
- 2) Two potential additional out-of-district placements in the amount of \$142,000 have arisen since the FY21 budget was prepared.

Proposed Actions: The administration proposes three FY21 actions for School Committee consideration:

- 1) prepayment of certain special education tuition and collaborative fees;
- 2) purchase of FF&E to support the Lincoln School Phase 2 construction; and
- 3) returning some funds to the Town at the end of the fiscal year.

Prepayment The administration proposes prepaying \$226,753 of known FY22 special education tuition and collaborative fees in FY21 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 planned FY22 Personnel Control account to meet unexpected requirements during the school year.

FF&E The administration has purchased FF&E earlier this year in support of the critical Phase 1 completion, and proposes an additional \$100,000 in support of Phase 2.

Return Funds The administration proposes returning at least \$150,000 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 surplus resulting from personnel changes, COVID impacts, reduced Special Education OOD expenses and savings in the operation budget, all similar to those discussed in the Lincoln budget above. In addition, in June 2020 the School Committee approved the prepurchase of special education expenses in the amount of \$465,663, and the purchase of technology and software licenses to support remote learning with an anticipated cost of \$33,773,

from the FY20 budget, which provided an additional buffer to manage the uncertainty associated with COVID.

Next Year's Budget Analysis: The Administration continues to believe that we will be able to meet the program funding needs for FY22 from the contract allocation as approved by the School Committee in March 2021. Should any additional funds be required, they will be requested from the School Committee in the form of a Hanscom Reserve Fund transfer.

Proposed Actions: The administration proposes no pre-purchase of special education expenses for School Committee consideration.