



REVENUE OFFSETS

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Revenue Offsets

The Town follows a revenue sharing model that provides for the prior year appropriation, adjusted for new revenue under an allocation model of 71.6%/28.4%. This year the allocation was modified for one-time to allow the school department to receive more than its normal allocation. The agreement with the Town for FY13 is to have the School Department's base budget be reduced by the amount it received in excess (\$250,000 in unallocated revenue and \$548,198 ARRA offset transferred to the Health Insurance Account) of the revenue model. In addition, the School Department has agreed to transfer at a future Town Meeting, funds to cover the Unemployment Insurance account, should that account be in deficit as a result of School Department position consolidations or layoffs.

Funding Sources	FY 2010 Actual	FY 2011 Actual	FY2012 ATM	FY2013 REQUEST	Dollar Increase	Percent Increase
Tax Levy	\$65,017,437	\$ 69,243,526	\$ 72,894,885	\$75,515,721	\$2,620,836	3.60%
Avalon Bay Mitigation Fund			\$ 250,000	\$ 250,000		
Enterprise Funds (Indirects)						
Fees & Charges						
Total 1100 Lexington Public Schools	\$65,017,437	\$69,243,526	\$73,144,885	\$75,765,721	\$2,620,836	3.58%

Changes under Review:

Kindergarten Fee:

The district is currently studying the cost, timing, and impact of eliminating the Kindergarten Fee. Funding will come from three sources; tax levy, Kindergarten Grant, and increased Chapter 70 funds. The timing of when funding is received is complex and needs to be planned. Chapter 70 aid is based on prior year October 1 enrollment, which means that in order for Chapter 70 funds to be impacted, students need to be reported as Full-Day Kindergarten one budget year prior to Chapter 70 funding increasing. The result of this would be an increase in the appropriation of \$378,400 with no revenue offset in year one. Chapter 70 funds would be adjusted for this change in FY14 and increase an estimated \$150,000. The current estimated net long term impact to the school department operating budget to fund full-day kindergarten the year the Chapter 70 funds increase is \$228,400. This estimate assumes the Kindergarten grant (\$230,000) currently awarded to the district continues. If the grant is discontinued, the operating budget would need to make up the lost revenue to continue the full-day program as it is currently offered.

Kindergarten Fee					
present fee	Number of students paying the full fee	Estimated revenue (FY13)	FY13 additional appropriation needed if there is no fee in FY13	Estimated FY14 Chapter 70 aid with no fee in FY13	Additional FY14 Appropriation if there is no fee
1075	352	\$ 378,400	\$ 378,400	\$ 150,000	\$ 228,400

Details regarding the Kindergarten Fee program and the Kindergarten Grant program can be found in the School Revolving Fund and School Grant Fund Summary sections of the Budget Document.



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Transportation Fee:

The school district is reviewing the feasibility of reducing the transportation fee for Estabrook during construction. The School Committee must request between \$75,256 and \$225,768 in additional funds. If the program is to offer free transportation for all Estabrook students \$451,536 would need to be added to the School Department budget.

Fee	% Reduction	Buses	Budget	Additional Appropriation Required	Total
\$600	0	3	\$225,768		
\$450	-25%	4		\$75,256	\$301,024
\$300	-50%	5		\$150,512	\$376,280
\$0	-100%	6		\$225,768	\$451,536

Details regarding the Transportation program can be found in the 3000 Other School Services section and the School Revolving Fund sections of the Budget Document.

Music Fee:

The district is currently studying the cost, timing, and impact of eliminating the Music Fee. Funding will come from the tax levy. Currently all Music Fees are considered a general fund receipt and not a Special Revenue Fund. In FY12 the School Committee reduced the Music Fee after Town Meeting ended in June. The number of students participating in the program increased 20% for fourth grade and the grade 5 program did not change. The K-12 Director of Performing Arts does not anticipate additional staffing will be needed if the fee is eliminated and enrollment increases.

Music Fee			
present fee	Number of students paying the full fee	Estimated revenue (FY13)	FY13 additional appropriation needed if there is no fee in FY13
150	422	\$ 63,260	\$ 63,260

Additional details regarding the Music Fee can be found in this section under Local Receipts (page 4).



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Local Receipts

The school district collects revenue for the Town through fees that offset programs and services. The following is the detail of the projected general fund revenue for the upcoming fiscal year. Through the course of the budget discussions, the revenue projected may change based on review of the "Total Cost of the Program" generating revenue.



Town of Lexington
Revenue Projections

Table 3-G: Local Receipt Detail - Schools Departmental Revenue

Local Receipt Category	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Estimated	FY13 Projected
10010070-41801	\$ 901,701	\$ 415,914	\$ 347,505	\$ 417,908	\$ 549,295	\$ 315,494	\$ 397,570
10010200 43401 TUITION	\$ -	\$ -	\$ -	\$ 9,800	\$ -	\$ -	\$ -
10010200 43402 SCHOOL BUS TICKETS	\$ 131,521	\$ 12,946	\$ -	\$ -	\$ -	\$ -	\$ -
10010200 43403 ATHLETIC FEES	\$ 409,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10010200 43601 RENTALS OF SCHOOL BUILDINGS	\$ 131,548	\$ 132,647	\$ -	\$ -	\$ -	\$ -	\$ -
10010200 48403 MEDICAID REIMBURSEMENT	\$ 117,342	\$ 77,989	\$ 156,610	\$ 227,477	\$ 359,878	\$ 193,434	\$ 275,000
10010200 43404 MUSIC FEES	\$ 97,925	\$ 104,250	\$ 112,987	\$ 110,905	\$ 128,535	\$ 83,280	\$ 83,280
10010200 43405 STUDENT PARKING FEES	\$ 14,286	\$ 18,013	\$ 8,716	\$ 14,149	\$ 14,472	\$ 12,900	\$ 13,520
10010200 43406 TRANSCRIPT FEES	\$ -	\$ 28,088	\$ 26,472	\$ 23,334	\$ 29,080	\$ 25,900	\$ 26,290
10010090 43299 E-Rate Filing Reimbursement	\$ 33,000	\$ 44,000	\$ 42,720	\$ 32,244	\$ 19,532	\$ 20,000	\$ 19,500

Notes:

FY2013 projections based on inspection of history of actual collections and projections of 3 and 5 year historical averages; Music fees decreasing due to School Committee vote in Spring 2011 to reduce fees by 50%.

10010200 43402 SCHOOL BUS TICKETS: the receipts have been reclassified as revenue of the School Bus Transportation Revolving Fund created at the 2008 ATM.

10010200 43403 ATHLETIC FEES: Effective FY08, these receipts were reclassified as revenues of the Athletic Fee Revolving Fund created by the School Committee.

10010200 43601 RENTALS OF SCHOOL BUILDINGS: the receipts have been reclassified as revenue of the Building Rental Revolving Fund created at the 2008 ATM.

Local Receipt Category

Tuition:

While the school district is not part of school choice program, periodically, the district will charge tuition for out-of-district or non-resident students on a temporary basis to complete the school year.

School Bus Tickets:

Annual Town Meeting 2007 removed school bus transportation bus pass revenue as a general fund receipt. These revenues are now used for direct delivery of the service. More information is available in the 3000 Other School Services section and the revolving fund summary document for this program.

Athletic Fees:

The 2007 Annual Town Meeting removed athletic fees as a general fund receipt. These revenues are now used for direct delivery of the service. More information is available in the 3000 Other School Services section and the revolving fund summary document for this program.

Rental of School Buildings:

Per School Committee policy, the school department charges a rental fee for the use of school space after school hours. Revenue from these receipts pays for custodial overtime and physical repairs; any remaining balance is a general fund receipt for other overhead costs not directly charged to the use of the



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renter. The revenue line has been transferred to the Department of Public Facilities and is now under the operations of a revolving fund. Reporting is not longer done by the School Department.

Medicaid Reimbursement:

The Town receives reimbursement from the Federal government through the School Based Medicaid Program for Administrative and Health Professional Services performed for students on an IEP who are Medicaid eligible. The Medicaid Program funding is dependent on continued support from the Federal government. Its continuation or modification is contingent upon legislative action. Prior to FY09, the school department handled Medicaid reimbursement claims in as a decentralized function. Since FY09, the district centralized claim submission and procedures by employing an additional staff person in the Business Office to submit all claims.

Claim processing includes contacting parents, mining expense and personnel data for eligible costs, and monitoring the completion of time studies by employees who services are Medicaid eligible. Centralizing the communication and monitoring for each claim submittal has proven to increase the amount of reimbursement eligible claims the district receives. We anticipate that the district's base level should approach \$300,000 by the end of FY12.

Music Fees:

As a result of the 2004 failed override, the School Committee implemented an elementary music fee. The failed override of 2006 resulted in an increase of the fee to \$300. The fee offsets the cost of 2.90 FTEs (\$211,000) of providing lessons and instruction for instrumental music students in the elementary instrumental music program. In FY13 the district is proposing to eliminate this fee.

	Number of Students Enrolled	Anticipated Full Collection @ \$300	Actual Fees Collected	Collection Rate on Full Participation	General Fund Projected Revenue	Actual vs. General Fund	Collection Rate on General Fund
FY13*		@ \$150	\$63,260 est.				
FY12	501	\$75,150 (@ \$150)	\$71,437	97.53%	\$109,300	\$17,171	115.71%
FY11	432	\$129,600	\$126,545	97.59%	\$105,000	\$21,545	120.52%
FY10	400	\$120,000	\$110,905	91.80%	\$101,080	\$9,825	109.72%
FY09	394	\$118,200	\$112,987	95.39%	\$94,253	\$18,734	119.88%
FY08	362	\$108,600	\$104,250	95.83%	\$121,500	(\$17,250)	85.80%
FY07	314	\$94,200	\$97,925	103.80%	\$121,500	(\$23,575)	80.60%
* projected							

Student Parking Fees:

Licensed student drivers are charged parking fees for a parking permit at the high school. A limited number of senior student parking spots are assigned by lotteries held early in the fall and spring semesters. Student parking at Lexington High School is a privilege, and it is expected that each student will abide by the posted signs and all rules and regulations. Parking stickers are required no matter how infrequently the student may be bringing his or her own vehicle or parents' vehicle to school. Stickers will be granted to seniors as space permits. Parking stickers cost \$108 per semester. Fees support the general operating budget for campus monitor (0.90 FTE) plowing, and traffic management.

Transcript Fees:

Students are charged \$6.00 per official transcript for each college application requested. The fee for transcripts went from \$2.00 each to \$6.00 each on August 1, 2007 in order to fund an Assistant Registrar (0.50 FTE). Any transcript requests from post-graduates are \$10.00 per official transcript.



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E-Rate Filing Reimbursement:

“The Schools and Libraries Program of the Universal Service Fund makes discounts available to eligible schools and libraries for telecommunication services, Internet access, and internal connections. The program is intended to ensure that schools and libraries have access to affordable telecommunications and information services.”¹ The school district files for applicable telephone, cell phone, internet, and technology purchases on behalf of the Town. The school department employs an additional 0.25 FTE in the Business Office to submit all claims on behalf of the Town and School District.

Other Reimbursement Programs

Circuit Breaker

The Circuit Breaker Program reimburses a school district for students with disabilities who require individual education program (IEP) services that cost greater than four times the statewide foundation budget. Lexington Public Schools has chosen to project current- and future-year reimbursement amounts as an offset to the projected budget. Each year, there is a potential for a change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account. The foundation rate changes each year, which also impacts potential reimbursement to the school district. For budgeting purposes and to provide the Town with the best information available we calculate the projected circuit breaker reimbursement for the new fiscal year on known eligible students. The School Department budget practice applies the Circuit Breaker reimbursement for all residential tuition payments, resulting in the tuition line being a “net” figure. This allows for transparency and consistency in maintaining what the total cost of each tuition category (Day, Collaborative, and Residential) is for future years.

Below is the Circuit Breaker claim estimate for FY12 activity. The FY13 budget is based on a projected reimbursement rate of 60%. The actual rate will not be known until two events occur,

- 1) Governor submits FY13 budget to legislature;
- 2) The legislature approves the governor’s budget recommendation, and
- 3) The DESE determines the actual rate, based on reimbursement claims submitted by all districts in July and apportions the legislatively approved budget for the program to all school districts.

FY13 Circuit Breaker Claim Estimate

PROJECTED CIRCUIT BREAKER REIMBURSEMENT									PROJECTED REIMBURSEMENT					
Claim Year	Reimb Year	Est. Students Claimed	Projected Claim Amount	Total Cost Share	Adj Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	% Reimb	Reimb Rate	Total Reimb	Audit Adj	Total Adjusted Reimb
Out of district		75	\$ 6,119,042		\$ 6,119,042	\$ 2,918,700	\$ 3,200,342	\$ 42,671	-25.62%	60%	\$ 1,920,205		\$ (0)	\$ 1,920,205
In-district		35	\$ 2,025,781		\$ 2,025,781	\$ 1,362,060	\$ 663,721	\$ 18,963	-84.57%	60%	\$ 398,233		\$ 0	\$ 398,233
		110	\$ 8,144,823		\$ 8,144,823	\$ 4,280,760	\$ 3,864,063	\$ 35,128	38.26%	60%	\$ 2,318,438		\$ (0)	\$ 2,318,438

Currently the state is projecting a reimbursement rate of 60% reimbursement, reduced from the 75% rate quoted in the statute to rates between 35-75%. In addition, the district has experienced a shift in student eligibility. Due to the growth of in-district programs, more of our in-district students are eligible for Circuit Breaker reimbursement. Therefore, this year we have broken out our estimate for both in-district and out-of district eligible students and the projected claim for each.

Circuit Breaker History:

¹ Universal Service Fund: <http://www.universalservice.org/sl/>



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During FY04, the Circuit Breaker Reimbursement Program replaced a program referred to as the 50/50 account, where the State paid 50% of the residential tuitions directly to the residential school in which the placement had been made; the school district paid the other 50%. The program reimburses a school district for students with disabilities who require individual education program (IEP) services that cost greater than four times the statewide foundation budget. The school district may be reimbursed subject to appropriation, for up to 75% of these costs. In FY05, The state shifted from a pay-as you go reimbursement program for residential tuitions to a broader-based, still-partial, special education reimbursement program. The 2004 legislation expanded the types of expenditures eligible for reimbursement. Each year, there is a potential for a change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account.²

Below is the Circuit Breaker Claim History since the beginning of the current program.

Circuit Breaker Claim History

CIRCUIT BREAKER REIMBURSEMENT HISTORY										ACTUAL REIMBURSEMENT			
Claim Year	Reimb Year	Actual Students Claimed	Claim Amount	Total Cost Share	Adj Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	% Reimb	Reimb Rate	Audit Adj	Total Adjusted Reimb
FY11	FY12	109	\$ 8,523,603		8,523,603	4,221,108	4,302,495	\$ 39,472	26.62%	65.4%	\$ 2,796,622	\$ 15,087	\$ 2,811,709
FY10	FY11	97	\$ 7,870,593		\$ 7,145,661	\$ 3,747,692	\$ 3,397,969	\$ 35,031	21.59%	43.7%	\$ 1,359,190	\$ 124,515	\$ 1,483,705
FY09	FY10	88	\$ 4,479,314		\$ 6,042,236	\$ 3,247,536	\$ 2,794,700	\$ 31,758	5.08%	40.0%	\$ 1,117,880		\$ 1,117,880
FY08	FY09	70	\$ 5,138,076		\$ 5,138,076	\$ 2,478,560	\$ 2,659,516	\$ 37,993	-6.48%	72.0%	\$ 1,914,856		\$ 1,914,856
FY07	FY08	91	\$ 5,994,627	\$ 84,028	\$ 5,910,599	\$ 3,066,700	\$ 2,843,899	\$ 31,252	20.54%	72.0%	\$ 2,047,607		\$ 2,047,607
FY06	FY07	80	\$ 4,964,705	\$ 93,561	\$ 4,572,353	\$ 2,213,120	\$ 2,359,233	\$ 29,490	36.82%	73.7%	\$ 1,769,425	\$ (31,520)	\$ 1,737,905
FY05	FY06	66	\$ 3,794,719	\$ 67,933	\$ 3,726,786	\$ 2,002,440	\$ 1,724,346	\$ 26,126	-5.36%	75.0%	\$ 1,293,260		\$ 1,293,260
FY04	FY05	86	\$ 4,449,306	\$ 105,704	\$ 4,343,602	\$ 2,521,520	\$ 1,822,082	\$ 21,187	-3.84%	75.0%	\$ 1,311,904	\$ 54,662	\$ 1,366,566
FY03	FY04	89	\$ 4,556,061	\$ 150,504	\$ 4,405,557	\$ 2,536,163	\$ 1,894,747	\$ 21,289		31.2%	\$ 663,161	\$ (71,907)	\$ 591,254

Circuit Breaker Claim History compared to M.G.L. c. 71B, §5A

In FY05 through FY09 the reimbursement rates were over 70%, but due to a state and national recession, the rates dropped to the 40% level for FY10 and FY11. In FY12, the school district chose to budget a reimbursement at 40% due to continued fiscal uncertainty at the state level and the delay by the legislature in approving the governor's budget. The district is expected to receive 65% reimbursement, pending an audit for FY12. The FY13 reimbursement rate is based on DESE recommendation of 60%. The reimbursement rate still presents a funding gap as compared to the legislatively mandated 75% reimbursement rate as set forth in M.G.L. c. 71B, §5A.

² A Primer on Financial Aspects of Special Education is available at http://finance1.doe.mass.edu/seduction/CB_finance.html



Circuit Breaker Claim History compared to M.G.L. c. 71B, §5A

Claim Year	Reimb Year	Est. Students Claimed	% Reimb	Total Adjusted Reimb	Additional/(Unrealized) Revenue Compared to M.G.L. c. 71B, §5A					
					75% according to M.G.L. c. 71B, §5A	Additional/(Unrealized) Revenue	Revenue using Actual Prior Year %	Additional/(Unrealized) Revenue	Actual vs. Budget Projection	Additional/(Unrealized) Revenue
FY12*	FY13*	110	60%	\$ 2,318,438	\$ 2,898,048	\$ (579,610)	\$ 2,525,191	\$ (206,753)	\$ 2,318,438	\$ -
FY11	FY12	109	65.4%	\$ 2,811,709	\$ 3,226,871	\$ (415,162)	\$ 1,878,661	\$ 933,048	\$ 1,402,149	\$ 1,409,560
FY10	FY11	97	43.7%	\$ 1,483,705	\$ 2,548,477	\$ (1,064,772)	\$ 1,359,188	\$ 124,517	\$ 1,251,591	\$ 232,114
FY09	FY10	88	40.0%	\$ 1,117,880	\$ 2,096,025	\$ (978,145)	\$ 2,012,189	\$ (894,309)	\$ 1,720,001	\$ (602,121)
FY08	FY09	70	72.0%	\$ 1,914,856	\$ 1,994,637	\$ (79,781)	\$ 1,914,851	\$ 5	\$ 1,804,515	\$ 110,341
FY07	FY08	91	72.0%	\$ 2,047,607	\$ 2,132,924	\$ (85,317)	\$ 2,094,929	\$ (47,322)	\$ 1,954,739	\$ 92,868
FY06	FY07	80	73.7%	\$ 1,737,905	\$ 1,769,425	\$ (31,520)	\$ 1,769,425	\$ (31,520)	\$ 1,800,000	\$ (62,095)
FY05	FY06	66	75.0%	\$ 1,293,260	\$ 1,293,260	\$ 1	\$ 1,293,264	\$ (4)		
FY04	FY05	86	75.0%	\$ 1,366,566	\$ 1,366,562	\$ 5	\$ 568,579	\$ 797,987		
FY03	FY04	89	31.2%	\$ 591,254						

*projected

Circuit Breaker Claiming Timetable:

The state's Circuit Breaker Fund reimburses the school district at the rate of 35-75% for in-district and out-of-district student costs which exceed four times per pupil foundation amount. The state sets this amount annually as part of the annual state budget deliberations. The district does not know the actual reimbursement rate for the fiscal year until after it submits its annual claim in July. Eligible costs include instructional services, various types of therapies, and specialized equipment. Circuit Breaker specifically excludes transportation and building infrastructure costs.

At the end of the fiscal year, the school district submits a final claim form to the DESE (typically in July) for the prior fiscal year expenditures. During the next fiscal year, the school district receives quarterly progress payments based on the prior-year's approved claim submission. A fifth and final payment is made in August or September to fully fund the prior year obligations. (If the progress payments totaled less than the Fund's full obligation, that final adjustment is an additional payment; if the progress payments totaled more than the Fund's full obligation, the excess would be netted from the next-following progress payment.). All Circuit Breaker funds received go into the Circuit Breaker Revolving Account, and does not require further appropriation, and must be expended by the following June 30.

Fee Programs

The Lexington School Committee provides students with books and other educational materials at taxpayers' expense. Students who do not return their books or other articles in satisfactory condition must pay for the replacement cost of the book(s) or other material. Parents and guardians will be held responsible for books and materials issued to their children. Students may be denied certain privileges for the loss or damage of school property.

Furthermore, the School Committee establishes fees³ for participants in certain activities to support these individual programs. The school committee sets these fees annually during the budget process or as information

³ Legal References:

- M.G.L. Chapter 71: Section 47. Athletic programs; school organizations; student activity accounts
- M.G.L. Chapter 44: Section 69. Municipal or district services, fees or charges; insufficient funds checks; penalty
- M.G.L. Chapter 60: Section 57A. Payment by check not duly paid; penalty
- M.G.L. Chapter 93: Section 40A. Dishonored checks; demand for payment
- M.G.L. Chapter 71, Section 49 Purchase of textbooks by pupils
- DESE Full Day Kindergarten Regulations



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become available. Examples include, but are not limited to, field trips and community education, student transportation (grades seven through twelve and/or beyond 2.0 miles from the local school), kindergarten, preschool, student parking, and athletics. Unless qualified for financial assistance, all fees are due upon the schedule established by the individual program. If the payment is not received, the Superintendent or his/her designee may take one or more of the following actions, unless or until prohibited by state law or regulation:

1. Prohibit participation of the student in the program.
2. Prohibit participation of student or other students in the student's household from participating in any future fee-based program until or unless outstanding balances are resolved.
3. Prohibit student participation in senior activities or graduation exercises.
4. Referral to small claims court.

Financial reporting for all fees occur in three areas, General Fund, Special Revenue Funds known as Revolving Funds, and Agency Funds commonly referred to as Student Activities.

General Fund Fees

Program	FY12 Fee	FY13 Proposed Fee	Reason for Change	Revenue Collected
Elementary Instrumental Music	\$150	\$150	Fee reduced by School Committee from FY11 to FY12 from \$300 to \$150.	\$63,260 Offsets the cost of providing lessons during the school day at the elementary level.
Transcript Fees:	<ul style="list-style-type: none"> • \$6.00 per official transcript for each college application requested. • \$10.00 per official transcript for each transcript requests from post-graduates 	<ul style="list-style-type: none"> • \$6.00 per official transcript for each college application requested. • \$10.00 per official transcript for each transcript requests from post-graduates 	No Change	\$26,290 Three year average Offsets the cost of Asst. Registrar at High School
Student Parking Fees:	\$108 per semester	\$108 per semester	No Change	\$13,520 three year average Offsets the cost of campus monitor plowing, and traffic management.

Special Revenue Funds: Revolving Funds

Revolving Fund Summaries: The School Department receives fees and donations for various programs. A complete description of each revolving funds and a five year financial summary is available at <http://lps.lexingtonma.org/Current/FY12Budget/FY12Revolving>. Below is a highlight of specific revolving funds that impact the calculation of the operating budget.

Avalon Bay Education Mitigation Trust Fund Escrow Agreement: Per the agreement dated May 31, 2006 the Avalon Bay Communities agreed to pay \$7,100 per student registered in the Lexington Public Schools over 111 students with a maximum payout of \$750,000. Commencement of the payments started upon occupancy of 290 units.



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Program	FY12 Fee	FY13 Proposed Fee	Reason for Change	Revenue Collected
Preschool Tuition	10 Hr/week program: \$3,312 15 Hr/week program: \$4,860 Lunch Bunch: \$1,800 per year (1 hr – 4 day per week) Program will limit financial assistance slots available	10 Hr/week program: \$3,312 15 Hr/week program: \$4,860 Lunch Bunch: \$1,800 per year (1 hr – 4 day per week) Program will limit financial assistance slots available	No Change	\$100,000 Revolving Fund: Offsets the cost of program staff and supplies and materials for typical students. It does not fund the Special Education component of this program.
Full-Day Kindergarten Tuition	\$1,075	\$1,075	No Change	\$400,000 Revolving Fund: Offsets the cost of teacher salaries and some free or reduced tuition through the Financial Assistance program.
Athletics	High School: <ul style="list-style-type: none"> ▪ \$325.00 1st sport per student, ▪ \$300.00 2nd sport per student, ▪ 3rd sport free. ▪ \$625 maximum per high school only family (LHS Family Plan). ▪ Family/Athlete Passes: Discontinued – All home game admissions free except MIAA tournament games Middle School: <ul style="list-style-type: none"> ▪ \$150.00 per varsity sport. ▪ \$125.00 per junior varsity sport. ▪ \$75.00 per session for intramural programs ▪ \$825 maximum per family (LHS & MS Family Plan). Before School Sports: <ul style="list-style-type: none"> ▪ \$75 per session, or ▪ \$200 for three sessions ▪ FAMILY PLAN: discontinued. 	High School: <ul style="list-style-type: none"> ▪ \$325.00 1st sport per student, ▪ \$300.00 2nd sport per student, ▪ 3rd sport free. ▪ \$625 maximum per high school only family (LHS Family Plan). ▪ Family/Athlete Passes: Discontinued – All home game admissions free except MIAA tournament games Middle School: <ul style="list-style-type: none"> ▪ \$150.00 per varsity sport. ▪ \$125.00 per junior varsity sport. ▪ \$75.00 per session for intramural programs ▪ \$825 maximum per family (LHS & MS Family Plan). Before School Sports: <ul style="list-style-type: none"> ▪ \$75 per session, or ▪ \$200 for three sessions ▪ FAMILY PLAN: discontinued. 	No Change	\$450,000 Revolving Fund: Offsets the cost of staff, equipment, transportation, and other program needs



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Program	FY12 Fee	FY13 Proposed Fee	Reason for Change	Revenue Collected
Transportation	<ul style="list-style-type: none"> \$600 with a family cap of \$1,600 Early Bird Registration: \$550 with a family cap of \$1,600 Hayden Transportation: \$200 per seat; no cost for Fee rider Joint Custody: \$275 per seat/route 	<ul style="list-style-type: none"> \$600 with a family cap of \$1,600 Early Bird Registration: \$550 with a family cap of \$1,600 Hayden Transportation: \$200 per seat; no cost for Fee rider Joint Custody: \$275 per seat/route 	No Change	\$690,000 Revolving Fund: Offsets the cost of program staff and supplies and materials for riders not eligible for Town paid transportation.
School Lunch	<ul style="list-style-type: none"> Breakfast: \$2.00 (all levels) Lunch: a maximum of \$3.50 (all levels) Milk: a maximum of \$0.60 Sensible Sides are available at the Elementary schools from \$0.50- \$1.25. Middle and High Schools offer several a la carte options from \$ 0.50- \$1.25. Premium Lunches are available at the High School for \$4.50. 	<ul style="list-style-type: none"> Breakfast: \$2.00 (all levels) Lunch: a maximum of \$3.50 (all levels) Milk: a maximum of \$0.60 Sensible Sides are available at the Elementary schools from \$0.50- \$1.25. Middle and High Schools offer several a la carte options from \$ 0.50- \$1.25. Premium Lunches are available at the High School for \$4.50. 	The cost of the program for food and delivery of products is often variable. The management services are bid every three years. Currently the School Wellness Policy and Nutrition Guidelines are embedded into the contract language.	\$1,800,000 Revolving Fund: All revenue is held by the School Department. We are installing a Point of Sale system to remove cash from our schools and improve our reporting of sales for meals and a la carte items.

Agency Funds: Student Activities

Student Activities Fund Summaries: Five-year financial summaries are currently not available. In 1996, due to the enactment of a state law on student activity accounts as codified in Section 47 of Chapter 71 of the General Laws of Massachusetts (MGL), the Lexington Public Schools (LPS) prepared guidelines to assist Principals in properly safeguarding student funds. These guidelines and procedures which are currently undergoing extensive review and updates are necessary to achieve good accounting practices, and comply with the law.

The financial monitoring of these funds is undergoing an overhaul. The financial reporting is being moved from a paper-based record keeping system to a new module being added to MUNIS (Town's Financial Application). These funds are student funds and are restricted to the following formula

$$\text{Formula for determining costs: } \frac{\text{Total costs of all expenses (tickets, transportation, meals, etc)}}{\text{\# of Students Attending}}$$

The Number of Student attending is not reduced by any financial assistance students. These students are funded from other sources determined by the Principal. Funds can only be used to directly benefit students. Use of funds for curriculum supplies, materials, or personnel are prohibited by statute.

Program	FY12 Fee	FY13 Proposed Fee	Reason for Change	Revenue Collected
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Lexington Public Schools
2012 Superintendent's Recommended Budget

Program	FY12 Fee	FY13 Proposed Fee	Reason for Change	Revenue Collected
Field Trips and Extracurricular Activities	At Cost	At Cost	No Change	Student Activities: Costs are calculated for total cost of providing experience divided by the number of students attending.

Other Revenue Sources

Grant Funds

The School Department receives federal, state, and local grant funds. A complete description of each grant and a five year financial summary is available at <http://lps.lexingtonma.org/Page/655>.

The Town is losing the following funds that were used to support the FY12 operating budget. These funds are being replaced with Chapter 70 and Circuit Breaker funds.

ARRA - State Fiscal Stabilization Fund (SFSF) \$37,654: ⁴The State Fiscal Stabilization Fund (SFSF) program, which is funded through the American Recovery and Reinvestment Act (ARRA) of 2009, is a one-time appropriation the U.S. Department of Education (ED) is awarding to Governors to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. While there is no requirement that districts spend a certain percentage of their SFSF funds on investment versus recovery activities, the Massachusetts Department of Elementary and Secondary Education (Department) is advising districts to split SFSF grant funds between saving jobs and strategic investment-that is, for program improvements that will provide enhanced educational opportunities and/or cost savings that will extend beyond the limited two-year life of this unprecedented grant program.

The Education Jobs Fund Program (Ed Jobs) \$548,918:The Education Jobs Fund Program (Ed Jobs) is a new, one-time appropriation the U.S. Department of Education (ED) is awarding to Governors to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

A school district must use its funds only for compensation and benefits, and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. For purposes of this program, the phrase "compensation and benefits, and other expenses, such as support services" includes, among other things, salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

⁴ <http://finance1.doe.mass.edu/grants/grants11/rfp/780.html>



Free Cash Contributions

The School Department has returned over \$8.1 million dollars over the last five years as a result of the development of in-district programs for special education, program efficiencies, and cost savings.⁵ The funds are re

	Year End Balances Released as of Jun 30	Carry Forward Balances Released at the Close of the Next Fiscal Year	Total	Fiscal Year Carry Forward Balances Corresponds to
FY07	\$464,106		\$464,106	
FY08	\$1,007,534	\$531,579	\$1,539,113	{FY07}
FY09	\$584,687	\$827,373	\$1,412,060	{FY07 & FY08}
FY10	\$1,940,856	\$1,071,958	\$3,012,814	{FY08 & FY09}
FY11	\$1,295,855	\$376,727	\$1,672,582	{FY09 & FY10}
Total	\$5,293,038	\$2,807,637	\$8,100,675	

Ongoing Annual Operating Budget Savings since FY08:

Description of Program Efficiencies and Savings	Amount of Annual Savings	Effort Began
Expanded Special Education Programs		
Augmented five special education programs	\$ 893,279	FY 08
Fiske Intensive Learning Program	\$ 172,532	FY 09
Initiated aggressive program to reduced energy and utility use:	\$ 580,648	FY 08
Outsourced cleaning services	\$ 44,532	FY 11
Led drive to create regional special education transportation system	\$ 408,798	FY 08-10
Eliminated private school transportation	\$ 65,000	FY 10
Reduced the number of benefits-eligible I.A. positions	\$ 233,173	FY 10
Reduced the number of benefits-eligible teacher positions	\$ 25,200	FY 10
Reduced the number of instructional assistants	\$ 115,920	FY 10
Collective Bargaining Savings	\$1,124,333	FY 10
Special Education Expenses, Tuitions, & Consulting Services	\$ 605,048	FY11
Unexpended Salaries and Wages ⁶	\$ 567,962	FY11
Unexpended Program Budgets	\$ 122,845	FY11

The Operating Budget closes every May 1. The district reviews reasons for unexpended funds from the prior year for anomalies or potential for “over budgeting” for accounts and programs that return over \$10,000 to the general fund.

⁵ Financial Reports are available at <http://lps.lexingtonma.org/Page/655>

⁶ Salary and Wages for staff are reset to actual payroll as of October 15 for projecting the next budget year.