



## 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 73.1%/26.9%.

Funding Sources	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 15 Appropriation	FY 2016 Recommended	Dollar Increase	Percent Increase
Tax Levy	\$ 70,362,940	\$ 74,403,031	\$ 78,907,700	\$ 86,165,931	\$ 93,496,756	\$ 7,330,825	8.51%
Avalon Bay Mitigation Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 49,088	\$ -	\$ (49,088)	-100.00%
Enterprise Funds (indirects)							
Fees & Charges	\$ 576,164	\$ 272,741	\$ 807,116	\$ 408,910	\$ 502,000	\$ 93,090	22.77%
Total 1100 Lexington Public Schools	\$ 71,189,104	\$ 74,925,772	\$ 79,964,816	\$ 86,623,929	\$ 93,998,756	\$ 7,374,827	8.51%

## 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	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Estimated	FY16 Projected
10010070-41801	\$ 417,908	\$ 549,295	\$ 576,164	\$ 272,741	\$ 807,116	\$ 408,910	\$ 502,000
10010200 43401 TUITION	\$ 9,800	\$ -		\$ 13,000	\$ 41,815	\$ -	\$ -
10010200 48403 MEDICAID REIMBURSEMENT	\$ 227,477	\$ 359,876	\$ 444,360	\$ 151,494	\$ 711,015	\$ 343,000	\$ 435,623
10010200 43404 MUSIC FEES	\$ 110,905	\$ 126,535	\$ 84,935	\$ 150	\$ -	\$ -	\$ -
10010200 43405 STUDENT PARKING FEES	\$ 14,149	\$ 14,472	\$ 14,821	\$ 13,800	\$ 4,800	\$ 13,630	\$ 10,500
10010200 43406 TRANSCRIPT FEES	\$ 23,334	\$ 29,080	\$ 29,435	\$ 27,341	\$ 28,176	\$ 27,280	\$ 28,317
10010090 43299 E-Rate Filing Reimbursement	\$ 32,244	\$ 19,532	\$ 2,614	\$ 66,956	\$ 15,785	\$ 25,000	\$ 28,452
10010200-43402 SCHOOL BUS TICKETS	\$ -	\$ -	\$ -	\$ -	\$ 5,625	\$ -	\$ -

**Notes:**

10010200 43404 MUSIC FEES: Music Fees were eliminated by a vote of School Committee in 2012.

10010200 48403 MEDICAID REIMBURSEMENT: After the books were closed for FY13, it was discovered the \$347,490 of FY13 Medicaid reimbursement was inadvertently posted to the Metro account in June 2013. This error was corrected in FY14. Had this mis-posting been identified timely, actual FY13 receipts would have been \$498,984. All things being equal, FY14 receipts will be artificially higher than estimates as a result of this correction.

### 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.

**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



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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.

### **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 \$175 per semester or \$350 per annum. Fees support the general operating budget for campus monitor (0.90 FTE) plowing, and traffic management. The fee was increased to be equivalent to the school bus and Lexpress bus services.

### **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.

### **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."<sup>1</sup> The school district files for applicable telephone, cell phone, internet, and technology purchases on behalf of the Town.

## **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

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



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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 FY15 activity. The FY16 budget is based on a projected reimbursement rate of 72%. The actual rate will not be known until three events occur,

- 1) Governor submits FY16 budget to legislature (House 1 is 66-68% reimbursement rate);
- 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.

**FY16 Circuit Breaker Claim Estimate**

Claim Year	Reimb Year	PROJECTED CIRCUIT BREAKER REIMBURSEMENT								PROJECTED REIMBURSEMENT		Total Reimb	Audit Adj	Total Adjusted Reimb
		Est. Students Claimed	Projected Claim Amount	Total Cost Share	Adj Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	% Reimb	Projected Reimbursement Rate			
In-district		45	\$ 2,727,771		\$2,727,771	\$ 1,863,360	\$ 864,411	\$ 19,209		72.0%	\$ 622,376			\$ 622,376
Out of District		81	\$ 6,467,525		\$6,681,727	\$ 3,354,048	\$3,327,679	\$ 41,082		72.0%	\$ 2,395,929			\$2,395,929
FY15	FY16	126	\$ 9,195,296		\$9,409,498	\$ 5,217,408	\$4,192,090	\$ 33,271	-0.35%	72.0%	\$ 3,018,304			\$3,018,304

Currently the school district is projecting a reimbursement rate of 72% reimbursement. In the past, state reimbursements have ranged between 35% and 75%. In addition, the district has experienced a shift in student eligibility. Due to the continued growth of in-district programs, more of our in-district students are eligible for Circuit Breaker reimbursement.

The circuit breaker projection methodology includes analysis of both in-district and out of district students. Beginning with the FY 14 budget, the district began to disaggregate the estimate for both in-district and out-of district eligible students and the projected claim for each. Please note that in table “Circuit Breaker Claim History compared to M.G.L. c. 71B, §5A” that the district is becoming more refined in the ability to project the actual circuit breaker number.

As part of the projection, the district assumes that it will receive at least the same rate of reimbursement for the next fiscal year. The in-district projection adjusts the claim amount only by the foundation rate. In the past the district has used an escalator of 1.4% along with the new foundation rate to capture enrollment growth. Due to the accuracy of the projection for FY15, the district has removed the 1.4% escalator and will only use it when the reimbursement rate is projected to be at the full 75%. The out-of-district projection adjusts the claim amount by the projected tuitions for the next fiscal year and the new foundation rate. Please see section 9000 Programs with Other School Districts for more information on the special education tuition budget.

**Circuit Breaker History:**

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



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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.<sup>2</sup>

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

**Circuit Breaker Claim History**

CIRCUIT BREAKER REIMBURSEMENT HISTORY										ACTUAL REIMBURS	
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	Total Adjusted Reimb
In-district		48	\$ 2,878,951		\$2,878,951	\$ 1,987,584	\$ 891,367	\$ 18,570		72.0%	\$ 641,787
Out of District		78	\$ 6,644,257		\$6,524,361	\$ 3,209,120	\$3,315,241	\$ 42,503		72.0%	\$ 2,386,976
<b>FY14</b>	<b>FY15</b>	<b>126</b>	<b>\$ 9,523,208</b>		<b>\$ 9,403,312</b>	<b>\$ 5,196,704</b>	<b>\$ 4,206,608</b>	<b>\$ 61,073</b>	<b>10.11%</b>	<b>72.0%</b>	<b>\$ 3,028,763</b>
<b>Fy13</b>	<b>FY14</b>	117	\$ 10,024,230		\$ 8,554,572	\$ 4,719,648	\$ 3,834,924	\$ 59,040	12.86%	75.0%	\$ 2,876,202
<b>FY12</b>	<b>FY13</b>	110	\$ 8,081,827			\$ 4,261,302	\$ 3,820,525	\$ 34,732	-8.19%	70.0%	\$ 2,674,367
<b>FY11</b>	<b>FY12</b>	107	\$ 8,230,322			\$ 4,068,996	\$ 4,161,326	\$ 38,891	22.47%	68.7%	\$ 2,859,169
<b>FY10</b>	<b>FY11</b>	97	\$ 7,870,593		\$ 7,145,661	\$ 3,747,692	\$ 3,397,969	\$ 35,031	21.59%	43.7%	\$ 1,483,705
<b>FY09</b>	<b>FY10</b>	88	\$ 4,479,314		\$ 6,042,236	\$ 3,247,536	\$ 2,794,700	\$ 31,758	5.08%	40.0%	\$ 1,117,880
<b>FY08</b>	<b>FY09</b>	70	\$ 5,138,076		\$ 5,138,076	\$ 2,478,560	\$ 2,659,516	\$ 37,993	-6.48%	72.0%	\$ 1,914,856
<b>FY07</b>	<b>FY08</b>	91	\$ 5,994,627	\$ 84,028	\$ 5,910,599	\$ 3,066,700	\$ 2,843,899	\$ 31,252	20.54%	72.0%	\$ 2,047,607
<b>FY06</b>	<b>FY07</b>	80	\$ 4,964,705	\$ 93,561	\$ 4,572,353	\$ 2,213,120	\$ 2,359,233	\$ 29,490	36.82%	73.7%	\$ 1,737,905
<b>FY05</b>	<b>FY06</b>	66	\$ 3,794,719	\$ 67,933	\$ 3,726,786	\$ 2,002,440	\$ 1,724,346	\$ 26,126	-5.36%	75.0%	\$ 1,293,260
<b>FY04</b>	<b>FY05</b>	86	\$ 4,449,306	\$ 105,704	\$ 4,343,602	\$ 2,521,520	\$ 1,822,082	\$ 21,187	-3.84%	75.0%	\$ 1,366,566
<b>FY03</b>	<b>FY04</b>	89	\$ 4,556,061	\$ 150,504	\$ 4,405,557	\$ 2,536,163	\$ 1,894,747	\$ 21,289		31.2%	\$ 591,254

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

The FY16 budget is based on a 72% Circuit Breaker reimbursement rate. The following is a history of reimbursement rates. 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 rate of 40% due to continued fiscal uncertainty at the state level and the delay by the legislature in approving the governor’s budget. The district received 68.71% reimbursement. In FY13 the school district chose to budget a reimbursement at 60% based on the recommendation of DESE. The district received 70% reimbursement. The FY14 Circuit Breaker reimbursement assumed a rate of 70%, but received 75%. The FY15 Circuit Breaker reimbursement assumed a rate of 75% but received 72%. The reimbursement rate may still present a funding gap if the legislature does not fund at the legislatively mandated 75% reimbursement rate as set forth in M.G.L. c. 71B, §5A.

<sup>2</sup> A Primer on Financial Aspects of Special Education is available at [http://finance1.doe.mass.edu/seduction/CB\\_finance.html](http://finance1.doe.mass.edu/seduction/CB_finance.html)



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

		<b>Additional/(Unrealized) Revenue Compared to M.G.L. c 71B, § 5A</b>							
<b>Claim Year</b>	<b>Reimb Year</b>	<b>Est. Students Claimed</b>	<b>Total Adjusted Reimb</b>	<b>If 75%</b>	<b>Gained Revenue/ (Lost Revenue)</b>	<b>IF Prior Year %</b>	<b>Gained Revenue/ (Lost Revenue)</b>	<b>Budget Projection</b>	<b>Budget vs. Actual</b>
<b>In-district</b>		48	\$ 641,787						
<b>Out of District</b>		78	\$ 2,386,976						
<b>FY14</b>	<b>FY15</b>	<b>126</b>	<b>\$ 3,028,763</b>	<b>\$ 3,154,956</b>	<b>\$ 126,193</b>	<b>\$ 2,944,625.05</b>	<b>\$ (84,138)</b>	<b>\$ 2,950,250</b>	<b>\$ 78,513</b>
<b>Fy13</b>	<b>FY14</b>	117	\$ 2,876,202	\$ 2,876,193	\$ (9)	\$ 2,684,446.30	\$ (191,756)	\$ 2,629,751	\$ 246,451
<b>FY12</b>	<b>FY13</b>	110	\$ 2,674,367	\$ 2,865,394	\$ 191,027	\$ 2,625,010.66	\$ (49,356)	\$ 2,318,438	\$ 355,929
<b>FY11</b>	<b>FY12</b>	107	\$ 2,859,169	\$ 3,120,995	\$ 261,826	\$ 1,817,020.75	\$ (1,042,148)	\$ 1,402,149	\$ 1,457,020
<b>FY10</b>	<b>FY11</b>	97	\$ 1,483,705	\$ 2,548,477	\$ 1,064,772	\$ 1,359,187.60	\$ (124,517)	\$ 1,251,591	\$ 232,114
<b>FY09</b>	<b>FY10</b>	88	\$ 1,117,880	\$ 2,096,025	\$ 978,145	\$ 2,012,188.71	\$ 894,309	\$ 1,720,001	\$ (602,121)
<b>FY08</b>	<b>FY09</b>	70	\$ 1,914,856	\$ 1,994,637	\$ 79,781	\$ 1,914,851.26	\$ (5)	\$ 1,804,515	\$ 110,341
<b>FY07</b>	<b>FY08</b>	91	\$ 2,047,607	\$ 2,132,924	\$ 85,317	\$ 2,094,929.28	\$ 47,322	\$ 1,954,739	\$ 92,868
<b>FY06</b>	<b>FY07</b>	80	\$ 1,737,905	\$ 1,769,425	\$ 31,520	\$ 1,769,425.43	\$ 31,520	\$ 1,800,000	\$ (62,095)
<b>FY05</b>	<b>FY06</b>	66	\$ 1,293,260	\$ 1,293,260	\$ (1)	\$ 1,293,263.76	\$ 4		
<b>FY04</b>	<b>FY05</b>	86	\$ 1,366,566	\$ 1,366,562	\$ (5)	\$ 568,578.96	\$ (797,987)		
<b>FY03</b>	<b>FY04</b>	89	\$ 591,254						

**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, do not require further appropriation, and must be expended by the following June 30th.



## 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 fees<sup>3</sup> for participants in certain activities to support these individual programs. The School Committee sets these fees annually during the budget process or as information 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	FY15 Fee	FY16 Proposed Fee	Reason for Change	Revenue Collected
Transcript Fees:	<ul style="list-style-type: none"> <li>• \$6.00 per official transcript for each college application requested.</li> </ul>	<ul style="list-style-type: none"> <li>• \$6 per official transcript for each college application requested.</li> </ul>	No Change	\$28,317 Three year average  Offsets the cost of Asst. Registrar at High School
Student Parking Fees:	\$175 per semester	\$175 per semester	No Change	\$16,710 Three year average  Offsets the cost of campus monitor plowing, and traffic management.

<sup>3</sup> 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



## 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/Page/2682>. 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. FY15 was the final year of the use of these supplementary funds.

### Revolving Fund Fee Summaries

Program	FY15 Fee	FY16 Proposed Fee	Reason for Change	Revenue Collected
<b>Preschool Tuition</b>	10 Hr/week program: \$3,240  15 Hr/week program: \$4,860  Lunch Bunch: \$1300 per year (1 hr – 4 day per week)  Program will limit financial assistance slots available	10 Hr/week program: \$3,240  15 Hr/week program: \$4,860  Lunch Bunch: \$1300 per year (1 hr – 4 day per week)  Program will limit financial assistance slots available	The program is seeing a rise in the number of parents of typical children seeking financial assistance.  In addition, the program rate needs to stay current with recently negotiated labor contracts for employees within this program.	\$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.



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Program	FY15 Fee	FY16 Proposed Fee	Reason for Change	Revenue Collected
<b>Athletics</b>	<p><b>High School:</b></p> <ul style="list-style-type: none"> <li>▪ \$325.00 1st sport per student,</li> <li>▪ \$325.00 2nd sport per student,</li> <li>▪ 3rd sport free. \$650 maximum per high school only family (LHS Family Plan).</li> <li>▪ All home game admissions free except MIAA tournament games and Thanksgiving Football Games</li> </ul> <p><b>Middle School:</b></p> <ul style="list-style-type: none"> <li>▪ \$150.00 per varsity sport.</li> <li>▪ \$125.00 per junior varsity sport.</li> <li>▪ \$75.00 per session for intramural programs</li> <li>▪ \$300 MS Family Plan Only</li> <li>▪ \$850 maximum per family (LHS &amp; MS Family Plan).</li> </ul> <p>Before School Sports:</p> <ul style="list-style-type: none"> <li>▪ \$75 per session, or</li> <li>▪ \$200 for three sessions</li> <li>▪ FAMILY PLAN: discontinued.</li> </ul>	<p><b>High School:</b></p> <ul style="list-style-type: none"> <li>▪ \$325.00 1st sport per student,</li> <li>▪ \$325.00 2nd sport per student,</li> <li>▪ 3rd sport free. \$650 maximum per high school only family (LHS Family Plan).</li> <li>▪ All home game admissions free except MIAA tournament games and Thanksgiving Football Games</li> </ul> <p><b>Middle School:</b></p> <ul style="list-style-type: none"> <li>▪ \$150.00 per varsity sport.</li> <li>▪ \$125.00 per junior varsity sport.</li> <li>▪ \$75.00 per session for intramural programs</li> <li>▪ \$300 MS Family Plan Only</li> <li>▪ \$850 maximum per family (LHS &amp; MS Family Plan).</li> </ul> <p>Before School Sports:</p> <ul style="list-style-type: none"> <li>▪ \$75 per session, or</li> <li>▪ \$200 for three sessions</li> <li>▪ FAMILY PLAN: discontinued.</li> </ul>	No Change	\$450,000 Revolving Fund: Offsets the cost of staff, equipment, transportation, and other program needs



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<b>Program</b>	<b>FY15 Fee</b>	<b>FY16 Proposed Fee</b>	<b>Reason for Change</b>	<b>Revenue Collected</b>
<b>Transportation</b>	\$300.00 (due by May 16)	\$300.00 (due by May 16)	No Change	\$824,881 Revolving Fund: Offsets the cost of program staff and supplies and materials for riders not eligible for Town paid transportation.
Graduated Fee Schedule	\$500.00 (due by May 16 – July 1)  Full Cost/Seat \$745 pp (due after July 1 <sup>st</sup> )	\$500.00 (due by May 16 – July 1)  Full Cost/Seat TBD (due after July 1 <sup>st</sup> )	Incremental cost increase per seat based on yearly Transportation contract	
After School Bus (Elementary ONLY)	\$60.00	No Change	No Change	
LXPRESS Bus	\$50.00	No Change	No Change	



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Program	FY15 Fee	FY16 Proposed Fee	Reason for Change	Revenue Collected
<b>School Lunch</b>	No Change Breakfast - \$2.00 Lunch – 3.25	Proposed Price Increase for Student and Adult Lunches:  Student Lunch price from \$3.25 to \$3:50 per lunch.  Adult lunch price increased from \$4.25 to \$4.50  All other pricing remains the same	The district would like to request a lunch price increase for the elementary school, middle school, high school and adults beginning in FY16 and beyond. The lunch price would increase from \$3.25 to \$3.50 for students and from \$4.25 to \$4.50 for adults.  Justification is as follows for this request:  1. Increasing cost of food prices in fruits, vegetable and meats. Meat commodity prices are slated to increase by 16% next year. 2. Capital Request for \$85,000 for LHS dishwasher from Capital Fund. 3. Eliminate of Styrofoam trays from program. This increase will offset the increased cost of compostable trays to be used throughout the district. 4. Due to the requirements of Healthy Hunger Free Kids Act, each meal is mandated to have a fruit or vegetable which increases the cost of a meal. 5. In order to attract and retain talented and knowledgeable staff, we need competitive wages for new employees just starting their careers in Food Service. In addition, the new minimum wage law in Massachusetts will increase wages to \$11.00 per hour by the year 2017. 6. Additional revenue can assist in covering costs for aging equipment that need replacement in the district on a yearly basis.	\$2,300,000 Revolving Fund: All revenue is held by the School Department. We currently have 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	FY15 Fee	FY16 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/2682>.

## Free Cash Contributions

The School Department has returned over \$15 million dollars over the last eight years as a result of the development of in-district programs for special education, program efficiencies, and cost savings.<sup>4</sup>

The school budget is reset annually during the budget development process. Salaries and Wages are set using actual payroll data as of November 1 for all filled positions and known vacancies. Expenses are level funded and increases are submitted as a program improvement request. Tuition budgets are set based on current student placements.

To assist in the effort of identifying available funds, the operating budget carry forward purchase orders are reviewed and closed by December of year calendar year. The second step in identifying funds is the closing

<sup>4</sup> Financial Reports are available at <http://lps.lexingtonma.org/Page/655>



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of the operating budget 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.

Below is a listing of the funds returned and some of the identified reasons funds were remaining in the school department budget at fiscal year end.

	Year End Balances Released as of Jun 30	Carry Forward Balances Released at the Close of the Next Fiscal Year	Total returned at Fiscal Year Close	Balances Returned under Carry Forward Balances Corresponds to the following Fiscal Years
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}
FY12	\$ 1,955,781	\$ 488,407	\$ 2,444,188	{FY09, FY10 & FY11}
FY13	\$ 1,700,966	\$ 498,215	\$ 2,199,181	{FY10, FY11 & FY12}
FY14	\$ 1,435,691	\$ 848,475	\$ 2,284,166	{FY11, FY12 & FY13}
<b>Total</b>	<b>\$ 10,385,475</b>	<b>\$ 4,642,734</b>	<b>\$ 15,028,210</b>	

**Sources of 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 <sup>5</sup>	\$ 567,962	FY11
Unexpended Program Budgets	\$ 122,845	FY11
Circuit Breaker reimbursement at 70%, budget was 40%	\$ 1,955,781	FY12
Unexpended Special Education Instruction and Tuitions	\$ 1,339,288	FY13
Unexpended Salaries and Wages	\$ 363,296	FY13
Special Education Expenses, Tuitions, & Consulting Services	\$ 546,483	FY14
Unexpended Salaries and Wages	\$ 889,208	FY14

<sup>5</sup> Salary and Wages for staff are reset to actual payroll as of October 15 for projecting the next budget year.