



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 growth under an allocation model of 73.3%/26.7% between the School and Town.

Funding Sources	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 2016 Budget	FY 2016 Budget (adj)	FY 2017 Recommended	Dollar Increase	Percent Increase
Tax Levy	\$ 74,403,031	\$ 78,907,700	\$ 84,622,156	\$ 91,558,316	\$ 91,558,316	\$ 98,149,743	\$ 6,591,427	7.20%
Avalon Bay Mitigation Fund	\$ 250,000	\$ 250,000	\$ 49,088	\$ -	\$ -	\$ -	\$ -	
Enterprise Funds (indirects)								
Fees & Charges	\$ 272,741	\$ 807,116	\$ 601,557	\$ 502,000	\$ 502,000	\$ 504,580	\$ 2,580	0.51%
Total 1100 Lexington Public Schools	\$ 74,925,772	\$ 79,964,816	\$ 85,272,801	\$ 92,060,316	\$ 92,060,316	\$ 98,654,323	\$ 6,594,007	7.16%

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	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Estimated	FY17 Projected
10010070-41801	\$ 549,295	\$ 576,164	\$ 272,741	\$ 807,116	\$ 601,557	\$ 502,000	\$ 504,580
10010200 43401 TUITION	\$ -		\$ 13,000	\$ 41,815	\$ 64,739.28		\$ -
10010200 48403 MEDICAID REIMBURSEMENT	\$ 359,676	\$ 444,360	\$ 151,494	\$ 711,015	\$ 453,360	\$ 435,623	\$ 435,000
10010200 43404 MUSIC FEES	\$ 126,535	\$ 84,935	\$ 150		\$ -		\$ -
10010200 43405 STUDENT PARKING FEES	\$ 14,472	\$ 14,821	\$ 13,800	\$ 4,800	\$ 12,420	\$ 10,500	\$ 12,000
10010200 43406 TRANSCRIPT FEES	\$ 29,080	\$ 29,435	\$ 27,341	\$ 28,176	\$ 29,490	\$ 28,317	\$ 28,300
10010090 43299 E-Rate Filing Reimbursement	\$ 19,532	\$ 2,614	\$ 66,956	\$ 15,785	\$ 41,548	\$ 28,452	\$ 29,280
10010200-43402 SCHOOL BUS TICKETS	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
10010200-43407 Homeless Student Transportation	\$ -	\$ -	\$ -	\$ 5,525	\$ 37,460	\$ -	\$ -

Local Receipt Category Descriptions

Tuition:

While the school district is not part of the 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 government. Its continuation or modification is contingent upon legislative action. Prior to FY09, the school department handled Medicaid reimbursement claims in a decentralized function. Since FY09, the district centralized claim submission and procedures with the Business Operations Office.



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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 (0.87 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. 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."¹ The school district files for applicable internet and technology purchases on behalf of the Town. Category One telecom was phased out over a number of years and as of FY2015-16 this particular category has been eliminated.

Other Reimbursement Programs

Circuit Breaker

The Circuit Breaker Program which started in FY04 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 (\$42,840 in FY2017). The school district may be reimbursed subject to state appropriation, for up to 75% of these costs. Each year, there is potential for a change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account.² Lexington Public Schools has chosen to project current and future year reimbursement amounts as an offset to the projected budget. 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,

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

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



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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.

Circuit Breaker Claiming Timeline:

The district does not know the actual reimbursement rate for a 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. Sometimes the state provides a fifth and final payment in August or September to fully fund its prior year obligations. 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.

Included in the table below is the Circuit Breaker claim estimate based on FY16 activity. The FY17 budget is based on a projected reimbursement rate of 73%. The actual rate will not be known until three events occur:

- 1) Governor submits FY17 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.

FY17 Circuit Breaker Claim Estimate

Claim Year	Reimb Year	PROJECTED CIRCUIT BREAKER REIMBURSEMENT							PROJECTED REIMBURSEMENT				
		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	Adjustments	Total Adjusted Reimb
In-district		54	\$ 3,319,122		\$ 3,319,122	\$2,313,360	\$1,005,762	\$ 18,625		73.0%	\$ 734,206		\$ 734,206
Out of District		85	\$ 7,164,801		\$ 7,164,801	\$3,641,400	\$3,523,401	\$ 41,452		73.0%	\$ 2,572,082		\$2,572,082
FY16	FY17	139	\$ 10,483,922		\$10,483,922	\$ 5,954,760	\$4,529,162	\$ 32,584	3.74%	73.0%	\$ 3,306,288		\$3,306,288

In the past, state reimbursements have ranged between 35% and 75%. Currently the school district is projecting a reimbursement rate of 73%. 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.

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. 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.

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



Circuit Breaker Claim History

CIRCUIT BREAKER REIMBURSEMENT HISTORY										
Claim Reimb Year 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	54	\$ 3,270,740		\$ 3,270,740	\$2,264,976	\$1,005,764	\$ 18,625		73.0%	\$ 732,347
Out of District	79	\$ 6,467,525		\$ 6,673,736	\$3,313,576	\$3,360,160	\$ 42,534		73.0%	\$ 2,457,763
FY15 FY16	133	\$ 9,738,265		\$ 9,944,476	\$ 5,578,552	\$ 4,365,924	\$ 32,826	3.79%	73.0%	\$ 3,190,110
FY14 FY15	126	\$ 9,523,208		\$ 9,403,311	\$ 5,196,704	\$ 4,206,607	\$ 33,386	9.69%	73.5%	\$ 3,094,431
Fy13 FY14	117	\$ 10,024,230		\$ 8,554,572	\$ 4,719,648	\$ 3,834,924	\$ 32,777	0.38%	75.0%	\$ 2,876,202
FY12 FY13	110	\$ 8,081,827			\$ 4,261,302	\$ 3,820,525	\$ 34,732	-8.19%	70.0%	\$ 2,674,367
FY11 FY12	107	\$ 8,230,322			\$ 4,068,996	\$ 4,161,326	\$ 38,891	22.47%	68.7%	\$ 2,859,169
FY10 FY11	97	\$ 7,870,593		\$ 7,145,661	\$ 3,747,692	\$ 3,397,969	\$ 35,031	21.59%	43.7%	\$ 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
FY08 FY09	70	\$ 5,138,076		\$ 5,138,076	\$ 2,478,560	\$ 2,659,516	\$ 37,993	-6.48%	72.0%	\$ 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
FY06 FY07	80	\$ 4,964,705	\$ 93,561	\$ 4,572,353	\$ 2,213,120	\$ 2,359,233	\$ 29,490	36.82%	73.7%	\$ 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
FY04 FY05	86	\$ 4,449,306	\$ 105,704	\$ 4,343,602	\$ 2,521,520	\$ 1,822,082	\$ 21,187	-3.84%	75.0%	\$ 1,366,566
FY03 FY04	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 comparing budget to actuals and M.G.L. c. 71B, §5A

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 73.5%. Since FY14, the School Department budget practice has been to use the prior year reimbursement rate for the next budget year. 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.



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Circuit Breaker Claim History comparing budget to actuals and M.G.L. c. 71B, §5A

CIRCUIT BREAKER		Additional/(Unrealized) Revenue Compared to M.G.L. c 71B, § 5A				
Claim Year	Reimb Year	Total Adjusted Reimb	If 75%	Gained Revenue/(Lost Revenue)	Budget Projection	Budget vs. Actual
In-district		\$ 732,347				
Out of District		\$ 2,457,763				
FY15	FY16	\$ 3,190,110	\$ 3,274,443	\$ 95,395	\$ 3,029,205	\$ 160,905
FY14	FY15	\$ 3,094,431	\$ 3,154,955	\$ 60,524	\$ 2,950,250	\$ 144,181
Fy13	FY14	\$ 2,876,202	\$ 2,876,193	\$ (9)	\$ 2,629,751	\$ 246,451
FY12	FY13	\$ 2,674,367	\$ 2,865,394	\$ 191,027	\$ 2,318,438	\$ 355,929
FY11	FY12	\$ 2,859,169	\$ 3,120,995	\$ 261,826	\$ 1,402,149	\$ 1,457,020
FY10	FY11	\$ 1,483,705	\$ 2,548,477	\$ 1,064,772	\$ 1,251,591	\$ 232,114
FY09	FY10	\$ 1,117,880	\$ 2,096,025	\$ 978,145	\$ 1,720,001	\$ (602,121)
FY08	FY09	\$ 1,914,856	\$ 1,994,637	\$ 79,781	\$ 1,804,515	\$ 110,341
FY07	FY08	\$ 2,047,607	\$ 2,132,924	\$ 85,317	\$ 1,954,739	\$ 92,868
FY06	FY07	\$ 1,737,905	\$ 1,769,425	\$ 31,520	\$ 1,800,000	\$ (62,095)
FY05	FY06	\$ 1,293,260	\$ 1,293,260	\$ (1)		
FY04	FY05	\$ 1,366,566	\$ 1,366,562	\$ (5)		
FY03	FY04	\$ 591,254				



Fee Programs

The Lexington School Committee provides students with books and other educational materials at the 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 materials. 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 fees annually during the budget process or when information becomes 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), 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	FY16 Fee	FY17 Proposed Fee	Reason for Change	Revenue Collected
Transcript Fees:	<ul style="list-style-type: none"> • \$6.00 per official transcript for each college application requested. 	<ul style="list-style-type: none"> • \$6 per official transcript for each college application requested. 	No Change	\$28,336 Three year average Offsets portion of the cost of Asst. Registrar at High School

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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Program	FY16 Fee	FY17 Proposed Fee	Reason for Change	Revenue Collected
Student Parking Fees:	\$175 per semester	\$175 per semester	No Change	\$10,340 Three year average Offsets portion of 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 in the Revolving Funds section of the budget book. Below is a highlight of specific revolving funds that impact the calculation of the operating budget.

Revolving Fund Fee Summaries

Program	FY16 Fee	FY17 Proposed Fee	Reason for Change	Revenue Collected
Preschool Tuition	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	No Change	No Change	\$130,000 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	FY16 Fee	FY17 Proposed Fee	Reason for Change	Revenue Collected
Athletics	<p>High School:</p> <ul style="list-style-type: none"> ▪ \$325.00 1st sport per student, ▪ \$325.00 2nd sport per student, ▪ 3rd sport free. \$650 maximum per high school only family (LHS Family Plan). ▪ All home game admissions free except MIAA tournament games and Thanksgiving Football Games <p>Middle School:</p> <ul style="list-style-type: none"> ▪ \$150.00 per varsity sport. ▪ \$125.00 per junior varsity sport. ▪ \$75.00 per session for intramural programs ▪ \$300 MS Family Plan Only ▪ \$850 maximum per family (LHS & MS Family Plan). <p>Before School Sports:</p> <ul style="list-style-type: none"> ▪ \$75 per session, or ▪ \$200 for three sessions ▪ FAMILY PLAN: discontinued. 	<p>High School:</p> <ul style="list-style-type: none"> ▪ \$325.00 1st sport per student, ▪ \$325.00 2nd sport per student, ▪ 3rd sport free. \$650 maximum per high school only family (LHS Family Plan). ▪ All home game admissions free except MIAA tournament games and Thanksgiving Football Games <p>Middle School:</p> <ul style="list-style-type: none"> ▪ \$150.00 per varsity sport. ▪ \$125.00 per junior varsity sport. ▪ \$75.00 per session for intramural programs ▪ \$300 MS Family Plan Only ▪ \$850 maximum per family (LHS & MS Family Plan). <p>Before School Sports:</p> <ul style="list-style-type: none"> ▪ \$75 per session, or ▪ \$200 for three sessions ▪ FAMILY PLAN: discontinued. 	No Change	\$500,000 Revolving Fund: Offsets the cost of staff, equipment, transportation, and other program needs
Transportation	\$300.00 (due by May 16)	\$300.00 (due by May 16)	No Change	\$815,000 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)	\$500.00 (due by May 16 – July 1)	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	FY16 Fee	FY17 Proposed Fee	Reason for Change	Revenue Collected
School Lunch	<p>Student Lunch price increased from \$3.25 to \$3.50 per lunch.</p> <p>Adult lunch price increased from \$4.25 to \$4.50</p> <p>Breakfast price remained at the same price \$2.00 per breakfast.</p>	<p>No Change</p> <p>Student Breakfast - \$2.00</p> <p>Student Lunch - 3.50</p> <p>Adult Lunch - \$4.50</p>	No Change	<p>\$2,000,000</p> <p>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.</p>

Agency Funds: Student Activities

Student Activities Fund Summaries: 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 a full overhaul to comply with the latest regulations. New policies and procedures are being developed in FY16 to ensure compliance and improve reporting, reconciliations, and routine audits of these accounts. 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. Additional funding has been added to elementary school principal budgets for the purpose of funding financial assistance eligible students. Funds can only be used to directly benefit students. Use of funds for curriculum supplies, materials, or personnel are prohibited by statute.

Program	FY16 Fee	FY17 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 in the Grants section of the budget book.