



## 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 74%/26% between the School and Town.

| Funding Sources                     | FY 15 Actual  | FY 16 Actual  | FY 17 Actual  | FY 2018 Budget | FY 2018 Budget (adj) | FY 2019 Recommended | Dollar Increase | Percent Increase |
|-------------------------------------|---------------|---------------|---------------|----------------|----------------------|---------------------|-----------------|------------------|
| Tax Levy                            | \$ 84,622,156 | \$ 91,546,226 | \$ 96,708,616 | \$ 101,204,582 | \$ 101,204,519       | \$ 108,201,041      | \$ 6,996,522    | 6.91%            |
| Avalon Bay Mitigation Fund          | \$ 49,088     | \$ -          | \$ -          | \$ -           | \$ 45                | \$ -                | \$ (45)         | -100.00%         |
| School Bus Stabilization Fund       |               |               |               |                | \$ 18                | \$ -                | \$ (18)         | -100.00%         |
| Fees & Charges (Table 3-G)          | \$ 601,557    | \$ 514,090    | \$ 584,683    | \$ 450,600     | \$ 450,600           | \$ 443,500          | \$ (7,100)      | -1.58%           |
| Total 1100 Lexington Public Schools | \$ 85,272,801 | \$ 92,060,316 | \$ 97,293,299 | \$ 101,655,182 | \$ 101,655,182       | \$ 108,644,541      | \$ 6,989,359    | 6.88%            |

## Revenue Allocation Process

The Town of Lexington has established a collaborative budget development process that is conducted through a series of budget summit meetings. These budget summit meetings begin in October and end in February. These meetings include the Board of Selectman, School Committee, Appropriations Committee, and Capital Expenditures Committee. Topics covered at these meetings include:

- Summit I: Financial Indicators & Three-year budget projection
- Summit II: Revenue Projections
- Summit III: Revenue Allocation Model
- Summit IV: Preliminary Budget and Financing Plan
- Summit V: Gap Closing

The Revenue Allocation Model, first presented at Summit III on December 7, 2017 and later updated by the Board of Selectman, provides for a projected 6.9% increase over the School Departments FY2018 budget. The detail of which is broken out down below:



**Lexington Public Schools**  
 FY 2019 School Committee Recommended Budget

| <b>FY2019 Revenue Allocation</b> |                  |  |
|----------------------------------|------------------|--|
| 1                                | \$ 221,900,289   | Projected FY2019 Revenue   |
| 2                                | \$ (101,655,182) | FY2018 School Budget   |
| 3                                | \$ (35,710,743)  | FY2018 Municipal Budget  |
| 4                                | \$ (2,147,678)   | FY2019 Minuteman Budget  |
| 5                                | \$ (6,005,537)   | FY2019 Contributory Retirement   |
| 6                                | \$ (15,070)      | FY2019 Non-contributory Retirement   |
| 7                                | \$ (27,936,909)  | FY2019 Benefits  |
| 8                                | \$ (200,000)     | FY2019 Unemployment  |
| 9                                | \$ (831,350)     | FY2019 Workers' Comp   |
| 10                               | \$ (770,000)     | FY2019 Property and Liability Insurance  |
| 11                               | \$ (250,000)     | FY2019 Uninsured Losses  |
| 12                               | \$ (410,000)     | FY2019 Solar Production Payment  |
| 13                               | \$ (7,213,508)   | FY2019 Debt Service  |
| 14                               | \$ (900,000)     | FY2019 Reserve Fund  |
| 15                               | \$ (10,716,027)  | FY2019 Facilities Department Budget  |
|                                  |                  | Set-aside for as yet identified needs - \$1,000,000;<br>Unanticipated Current Fiscal Year Needs - \$200,000;<br>Debt Service Mitigation - \$2,095,000;<br>Capital Stabilization Fund - \$2,500,000;<br>Pay Down Land Purchases (principal & interest) - \$2,600,000;<br>Cash Capital - \$4,150,000;<br>OPEB - \$1,829,721;<br>Street Improvement Program - \$2,600,000;<br>Building Envelope Program - \$198,893;<br>Senior Work-off Program - \$30,000; |
| 16                               | \$ (17,693,614)  | Getting to Net Zero - \$40,000   |
| 17                               | \$ 9,444,671     | <b>Incremental Revenue</b>   |
| 18                               | 74.0%            | FY2018 School Spending as % of FY2018 General Fund budget exclusive of Shared Expenses and Minuteman   |
| 19                               | 26.0%            | FY2018 Municipal Spending as % of FY2018 General Fund budget exclusive of Shared Expenses and Minuteman  |
| 20                               | \$ 6,989,359     | School Share of Incremental FY2019 revenue (6.9% increase over FY2018 School Budget)   |
| 21                               | \$ 2,455,312     | Municipal Share of Incremental FY2019 revenue (6.9% increase over FY2018 Municipal Budget)   |



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**Revenue Allocation History & Trends:** Below is the growth factor approved during the last five budget cycles:

- FY2019: 6.9%
- FY2018: 6.6%
- FY2017: 7.2%
- FY2016: 8.5%
- FY2015: 7.9%

**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.

| <b>Town of Lexington</b><br><b>Revenue Projections</b>         |             |             |             |             |             |                |                  |
|--|-------------|-------------|-------------|-------------|-------------|----------------|------------------|
| Table 3-G: Local Receipt Detail - Schools Departmental Revenue |             |             |             |             |             |                |                  |
| Local Receipt Category   | FY13 Actual | FY14 Actual | FY15 Actual | FY16 Actual | FY17 Actual | FY18 Estimated | Projected FY2019 |
| 10010070-41801   | \$272,741   | \$ 801,591  | \$ 601,557  | \$514,090   | \$584,683   | \$450,600      | \$ 443,500       |
| 10010200 43401 TUITION   | \$ 13,000   | \$ 41,815   | \$ 64,739   | \$ 23,496   | \$ 10,390   | \$ -           | \$ -             |
| 10010200 48403 MEDICAID REIMBURSEMENT                          | \$ 151,494  | \$ 711,015  | \$ 453,360  | \$ 374,687  | \$ 489,458  | \$ 400,000     | \$ 400,000       |
| 10010200 43404 MUSIC FEES                                      | \$ 150      |             | \$ -        | \$ -        | \$ -        | \$ -           |                  |
| 10010200 43405 STUDENT PARKING FEES                            | \$ 13,800   | \$ 4,800    | \$ 12,420   | \$ 11,944   | \$ 17,325   | \$ 12,000      | \$ 12,000        |
| 10010200 43406 TRANSCRIPT FEES                                 | \$ 27,341   | \$ 28,176   | \$ 29,490   | \$ 33,075   | \$ 31,978   | \$ 29,000      | \$ 31,500        |
| 10010090 43299 E-Rate Filing Reimbursement                     | \$ 66,956   | \$ 15,785   | \$ 41,548   | \$ 41,533   | \$ 27,065   | \$ 9,600       | \$ -             |
| 10010200-43402 SCHOOL BUS TICKETS                              | \$ -        |             | \$ -        | \$ -        | \$ -        | \$ -           |                  |
| 10010200-43407 Homeless Student Transportation                 | \$ -        | \$ -        | \$ 37,460   | \$ 29,354   | \$ 8,467    | \$ -           | \$ -             |

**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. At this time, there are no anticipated cases, therefore this is budgeted at \$0.

**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 in the Operations Office.

Claim processing includes contacting parents, mining expense and personnel data for eligible costs, and monitoring the completion of time studies by employees whose services are Medicaid eligible.



**Lexington Public Schools**  
*FY 2019 School Committee Recommended Budget*

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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."<sup>1</sup> 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. Due to the low amount of eligible reimbursements, the school district phased out its E-Rate claiming in the 2017-2018 school year.

## ***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 (both in-district and out-of-district) that cost greater than four times the statewide foundation budget (\$44,106 for costs incurred in FY2018 for reimbursement in FY2019). 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.<sup>2</sup> Lexington Public Schools has chosen to project current and future year reimbursement amounts as an offset to the Out-of-District Tuition budget. The foundation rate changes each year, which also impacts potential reimbursement to the school district.

**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.

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

<sup>2</sup> A Primer on Financial Aspects of Special Education is available at [www.doe.mass.edu/finance/circuitbreaker/finance.html](http://www.doe.mass.edu/finance/circuitbreaker/finance.html)



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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 FY2018 activity. The FY2019 budget is based on a projected reimbursement rate of 65%. The actual rate will not be known until three events occur:

- 1) Governor submits FY2018-19 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.

**FY2019 Circuit Breaker Claim Estimate**

| PROJECTED CIRCUIT BREAKER 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 | Total Adjusted Reimb |
| FY18                                    | In-district     | 43                    | \$ 2,642,712           |                  | \$ 2,642,712     | \$1,896,558  | \$ 746,154  | \$ 17,352      |                            | 65.0%   | \$ 485,000           |
|   | Out of District | 98                    | \$ 8,204,445           |                  | \$ 8,204,445     | \$4,145,964  | \$4,058,481 | \$ 41,413      |                            | 65.0%   | \$2,638,013          |
|   | FY19            | 141                   | \$ 10,847,157          |                  | \$10,847,157     | \$ 6,042,522 | \$4,804,635 | \$ 34,075      | 4.41%                      | 65.0%   | \$3,123,013          |

In the past, state reimbursements have ranged between 40% and 75%. Currently the school district is projecting a reimbursement rate of 65%. 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 utilizes the DESE projection generated as part of the prior year Circuit Breaker claim file. Lexington then adjusts DESE’s projection for students who have graduated/aged out, been placed out of district, or no longer attend the Lexington Public Schools. The out-of-district projection is based on current placements, adjustments to tuition rates, cost shares with other communities/state agencies, and next year’s Circuit Breaker foundation budget amount. Please see section 9000 Programs with Other School Districts for more information on the special education tuition budget.

Beginning in FY2017, the District began the practice of carrying forward balances in Circuit Breaker funding to the following fiscal year. This process, which is common across districts, was implemented to address potential spikes with out of district spending in a given fiscal year for out of district placements. A table has been provided below to outline the details:



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| Circuit Breaker Funding               | FY16 Actual   | FY17 Actual   | FY18 Budget   | FY18 Projected | FY19 Budget   |
|---------------------------------------|---------------|---------------|---------------|----------------|---------------|
| Circuit Breaker Balance - Prior Year  | \$0           | \$0           | \$0           | \$1,745,554    | \$1,986,526   |
| Circuit Breaker Source - Current Year | \$3,277,209   | \$3,473,980   | \$2,881,294   | \$2,715,500    | \$3,123,013   |
| Circuit Breaker Use - Prior Year      | \$0           | \$0           | \$0           | (\$1,745,554)  | (\$1,986,526) |
| Circuit Breaker Use - Current Year    | (\$3,277,209) | (\$1,728,426) | (\$2,881,294) | (\$728,974)    | (\$1,136,487) |
| Circuit Breaker Ending Balance        | \$0           | \$1,745,554   | \$0           | \$1,986,526    | \$1,986,526   |
| Circuit Breaker Receipts              | \$3,473,980   | \$3,473,980   | \$2,881,294   | \$2,715,500    | \$3,123,013   |
| Percent in arrears                    | 0%            | 50%           | 0%            | 73%            | 64%           |

**Circuit Breaker Claim History**

| CIRCUIT BREAKER REIMBURSEMENT HISTORY |             |                       |                        |                  |                     |                     |                     |                  |                            |              |                      |
|---------------------------------------|-------------|-----------------------|------------------------|------------------|---------------------|---------------------|---------------------|------------------|----------------------------|--------------|----------------------|
| 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 |
| <b>In-district</b>                    |             | 51                    | \$ 3,103,240           |                  | \$ 3,103,240        | \$2,197,794         | \$ 905,446          | \$17,754         |                            | 64.6%        | \$ 584,839           |
| <b>Out of District</b>                |             | 87                    | \$ 6,877,480           |                  | \$ 6,877,480        | \$3,598,349         | \$3,279,131         | \$37,691         |                            | 64.6%        | \$ 2,130,661         |
| <b>FY17</b>                           | <b>FY18</b> | <b>138</b>            | <b>\$ 9,980,720</b>    |                  | <b>\$ 9,980,720</b> | <b>\$ 5,796,143</b> | <b>\$ 4,184,577</b> | <b>\$ 30,323</b> | <b>-11.88%</b>             | <b>64.6%</b> | <b>\$ 2,715,500</b>  |
| <b>FY16</b>                           | <b>FY17</b> | 137                   | \$ 10,574,927          |                  | \$ 10,574,927       | \$ 5,826,240        | \$ 4,748,687        | \$ 34,662        | 8.77%                      | 73.2%        | \$ 3,473,980         |
| <b>FY15</b>                           | <b>FY16</b> | 133                   | \$ 9,738,265           |                  | \$ 9,944,476        | \$ 5,578,552        | \$ 4,365,924        | \$ 32,826        | 3.79%                      | 75.0%        | \$ 3,277,209         |
| <b>FY14</b>                           | <b>FY15</b> | 126                   | \$ 9,523,208           |                  | \$ 9,403,311        | \$ 5,196,704        | \$ 4,206,607        | \$ 33,386        | 9.69%                      | 73.5%        | \$ 3,094,431         |
| <b>Fy13</b>                           | <b>FY14</b> | 117                   | \$ 10,024,230          |                  | \$ 8,554,572        | \$ 4,719,648        | \$ 3,834,924        | \$ 32,777        | 0.38%                      | 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 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%. 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**

| <b>CIRCUIT BREAKER</b> |                   | <b>Additional/(Unrealized) Revenue Compared to M.G.L. c 71B, § 5A</b> |                     |                                       |                          |                          |
|------------------------|-------------------|---|---------------------|---------------------------------------|--------------------------|--------------------------|
| <b>Claim Year</b>      | <b>Reimb Year</b> | <b>Total Adjusted Reimb</b>   | <b>If 75%</b>       | <b>Gained Revenue/ (Lost Revenue)</b> | <b>Budget Projection</b> | <b>Budget vs. Actual</b> |
| <b>In-district</b>     |                   | \$ 584,839  |                     |                                       |                          |                          |
| <b>Out of District</b> |                   | \$ 2,130,661  |                     |                                       |                          |                          |
| <b>FY17</b>            | <b>FY18</b>       | <b>\$ 2,715,500</b>   | <b>\$ 3,138,433</b> | <b>\$ 435,563</b>                     | <b>\$ 2,881,291</b>      | <b>\$ (165,791)</b>      |
| <b>FY16</b>            | <b>FY17</b>       | \$ 3,473,980  | \$ 3,561,515        | \$ 87,535                             | \$ 3,306,288             | \$ 167,692               |
| <b>FY15</b>            | <b>FY16</b>       | \$ 3,277,209  | \$ 3,274,443        | \$ (2,766)                            | \$ 3,029,205             | \$ 248,004               |
| <b>FY14</b>            | <b>FY15</b>       | \$ 3,094,431  | \$ 3,154,955        | \$ 60,524                             | \$ 2,950,250             | \$ 144,181               |
| <b>Fy13</b>            | <b>FY14</b>       | \$ 2,876,202  | \$ 2,876,193        | \$ (9)                                | \$ 2,629,751             | \$ 246,451               |
| <b>FY12</b>            | <b>FY13</b>       | \$ 2,674,367  | \$ 2,865,394        | \$ 191,027                            | \$ 2,318,438             | \$ 355,929               |
| <b>FY11</b>            | <b>FY12</b>       | \$ 2,859,169  | \$ 3,120,995        | \$ 261,826                            | \$ 1,402,149             | \$ 1,457,020             |
| <b>FY10</b>            | <b>FY11</b>       | \$ 1,483,705  | \$ 2,548,477        | \$ 1,064,772                          | \$ 1,251,591             | \$ 232,114               |
| <b>FY09</b>            | <b>FY10</b>       | \$ 1,117,880  | \$ 2,096,025        | \$ 978,145                            | \$ 1,720,001             | \$ (602,121)             |
| <b>FY08</b>            | <b>FY09</b>       | \$ 1,914,856  | \$ 1,994,637        | \$ 79,781                             | \$ 1,804,515             | \$ 110,341               |
| <b>FY07</b>            | <b>FY08</b>       | \$ 2,047,607  | \$ 2,132,924        | \$ 85,317                             | \$ 1,954,739             | \$ 92,868                |
| <b>FY06</b>            | <b>FY07</b>       | \$ 1,737,905  | \$ 1,769,425        | \$ 31,520                             | \$ 1,800,000             | \$ (62,095)              |
| <b>FY05</b>            | <b>FY06</b>       | \$ 1,293,260  | \$ 1,293,260        | \$ (1)                                |                          |                          |
| <b>FY04</b>            | <b>FY05</b>       | \$ 1,366,566  | \$ 1,366,562        | \$ (5)                                |                          |                          |
| <b>FY03</b>            | <b>FY04</b>       | \$ 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 fees<sup>3</sup> 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               | FY18 Fee   | FY19 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> <li>• \$10.00 per official transcript for each college application requested for post-graduates.</li> </ul> | <ul style="list-style-type: none"> <li>• \$6 per official transcript for each college application requested.</li> <li>• \$10.00 per official transcript for each college application requested for post-graduates.</li> </ul> | No Change         | \$30,235 Three year average |
| Student Parking Fees: | \$175 per semester   | \$175 per semester  | No Change         | \$12,538 Three year average |

<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



## 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                  | FY18 Fee  | FY19 Proposed Fee   | Reason for Change | Revenue Collected   |
|--------------------------|---|---|-------------------|---|
| <b>Preschool Tuition</b> | 10 Hr/week program: \$3,240<br><br>15 Hr/week program: \$4,860<br><br>Lunch Bunch: \$1300 per year (1 hr – 4 day per week)<br><br>Program will limit financial assistance slots available | 10 Hr/week program: \$3,240<br><br>15 Hr/week program: \$4,860<br><br>Lunch Bunch: \$1300 per year (1 hr – 4 day per week)<br><br>Program will limit financial assistance slots available | No Change         | \$179,146 Three Year Average<br><br>Revolving Fund:<br><br>Offsets the cost of program staff and supplies and materials for typical students. It does not fund the Special Education component of this program. |



**Lexington Public Schools**  
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| Program                            | FY18 Fee   | FY19 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   | \$513,339 Three Year Average<br><br>Revolving Fund:<br>Offsets the cost of staff, equipment, transportation, and other program needs               |
| <b>Transportation</b>              | \$300.00<br>(due by May 16)  | \$330.00<br>(due by May 16*)   | \$30 increase   | \$916,384<br>Revolving Fund:<br>Offsets the cost of program staff and supplies and materials for riders not eligible for Town paid transportation. |
| Graduated Fee Schedule             | \$500.00<br>(due by May 16 – July 1)<br><br>Full Cost/Seat \$798 pp<br>(due after July 1 <sup>st</sup> )   | \$550.00<br>(due by May 16 – July 1)<br><br>Full Cost/Seat \$855 pp<br>(due after July 1 <sup>st</sup> )   | \$50 increase<br><br>Incremental cost increase per seat |  |
| After School Bus (Elementary ONLY) | \$500.00   | Discontinued in FY2019   | Program eliminated                                      |  |
| LEXPRESS Bus                       | \$50   | No Change  | No Change   |  |



**Lexington Public Schools**  
**FY 2019 School Committee Recommended Budget**

| Program      | FY18 Fee   | FY19 Proposed Fee  | Reason for Change | Revenue Collected  |
|--------------|--|--|-------------------|--|
| School Lunch | Student Breakfast (full) - \$2.00<br>Student Breakfast (red) - \$0.30<br>Student Lunch (full) – \$3.50<br>Student Lunch (red) – \$0.40<br>Student Lunch (Boar’s Head) - \$3.75<br>Student Lunch (Salad Bar) - \$3.75<br>Adult Lunch - \$4.50 | Student Breakfast (full) - \$2.00<br>Student Breakfast (red) - \$0.30<br>Student Lunch (full) – \$3.50<br>Student Lunch (red) – \$0.40<br>Student Lunch (Boar’s Head) - \$3.75<br>Student Lunch (Salad Bar) - \$3.75<br>Adult Lunch - \$4.50 | No Change         | \$2,336,164<br>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. |

\*- Due to construction at Hastings Elementary School during the 2018-19 school year, all students/families will be charged the discounted \$330 fee to promote ridership and improve site safety/congestion

**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 and audit to comply with the latest regulations. New policies and procedures are being finalized in January 2018 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                                    | FY18 Fee | FY19 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.