



Lexington Public Schools

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To: Paul Ash, Superintendent
From: Mary Ellen Dunn, Assistant Superintendent for Finance and Business
Date: April 26, 2013
Re: FY 2013 – 3rd Quarter Financial Report

The projected surplus for FY 2013 is \$185,400 based on the assumption that program leaders will spend the remaining amounts in their budget which close on May 1. On April 22, \$989,311 is the unspent balance in program budgets. The source of funds is due to normal changes in staffing, lower out-of-district tuition costs, surplus program funds, and additional special education circuit breaker funds. Currently, \$391,325 is being held in reserve for 23 high risk placements for May and June. Use of substitutes (Long-Term and daily subs) will also need to be monitored as there is approximately \$190,000 being held in reserve to cover these unknown expenses for May and June. The current FY13 projected surplus is likely to increase during the next month as encumbered funds are released (e.g. extra program expense funds, substitute costs, funds needed for high risk placements).

3rd Quarter Financial Summary with known transfers

TYPE	Sum of BUDGET	Sum of YTD PROJ	Sum of Balance	% Remaining	Known 4th Qtr Adjustments	Revised Balance	Revised % Remaining
SALARIES & WAGES	\$ 64,481,248	\$ 64,485,360	\$ (4,112)	0.49%	\$ 37,766	\$ (41,878)	-0.06%
EXPENSES Sum	\$ 12,147,107	\$ 10,930,379	\$ 1,216,728	9.19%	\$ 989,311	\$ 227,417	1.87%
Grand Total	\$ 76,628,355	\$ 75,415,738	\$ 1,212,617	1.58%	\$ 1,027,077	\$ 185,540	0.24%

3rd Quarter Financial Summary without known transfers

TYPE	Line #	Program Description	Sum of BUDGET	Projected Payrolls	Sum of YTD PROJ	PROJ YTD	Sum of Balance	% Remaining
SALARIES & WAGES	Sum		\$ 64,481,249	\$ 19,194,365	\$ 45,290,995	\$ 64,485,360	\$ (4,110)	-0.01%
EXPENSES	0	PROGRAM EXPENSES	\$ 4,430,822		\$ 3,441,511	\$ 3,441,511	\$ 989,311	
	41	TUITION	\$ 5,588,952		\$ 5,054,729	\$ 5,054,729	\$ 534,223	
	42	TRANSPORTATION - Spec. Educ.	\$ 1,015,000		\$ 1,033,309	\$ 1,033,309	\$ (18,309)	
	44	TRANSPORTATION	\$ 889,973		\$ 889,973	\$ 889,973	\$ -	
		TRANSPORTATION - Aggie/Homeless	\$ -		\$ 32,856	\$ 32,856	\$ (32,856)	
	46	LEGAL SERVICES	\$ 222,360		\$ 478,000	\$ 478,000	\$ (255,640)	
EXPENSES	Sum		\$ 12,147,107	\$ -	\$ 10,930,379	\$ 10,930,379	\$ 1,216,728	10.02%
Grand Total			\$ 76,628,356	\$ 19,194,365	\$ 56,221,374	\$ 75,415,738	\$ 1,212,618	1.58%

Lexington Public Schools – FY2013 2nd Quarter Report as of March 30, 2013

Salaries and Wages (projected deficit \$4,112): Since the district is currently negotiating the three remaining union contracts, final wage settlements are not yet known. The third quarterly projection is based on current personnel information and estimated wage settlements. It is also based on an estimate for substitutes needed from April 22 through to the end of the school year. All of these variables could shift the balance towards a deficit due to the number of temporary supplemental positions added this year.

These transfers are needed:

1. Transportation Coordinator - \$31,630
2. Title I Salaries and MTRS - \$3,887
3. Title IIA Salaries and MTRS - \$2,249

These transfers are required under the terms of the grants and the transportation budget. It will reduce the Salary and Wage budget balance to a deficit of \$41,878. The Transportation Coordinator is charged in full to the Revolving fund and then apportioned to the operating budget to cover the district portion of regular and special education transportation.

Expenses: The expense budget surplus is projected to be \$1,216,728. However, if all program budget managers expend their full budget allocation, then the potential balance is \$227,417. These available funds have already been earmarked for the following purpose and a vote finalizing the transfer is required.

1. Teacher Evaluation Training \$95,000 for training and stipends

In addition, there are three accounts that significantly vary from the budget allocation: Transportation (In-district, Out-of-District, Homeless/Agricultural School), Special Education Out-of –District Tuitions, and Legal Services.

Out-of-district Tuition (projected surplus: \$534,223): The out-of-district tuition budget currently supports 127 students (102 active out-of-district, 23 high risk, and 2 unilateral placements). The budget included 116 students (95 active out-of-district, 13 high risk, and 8 unilateral placements). Even though there has been a shift in placement activity, the budget continues to be controlled.

Tuition Projection as of March 31, 2013

	FY 13 Budget	Revised Revenue	FY13 Proj	FY13 Balance
Total Projected tuition FY13	\$ 8,157,380		\$ 7,829,096	\$ 328,284
FY 13 Circuit Breaker	\$ 2,318,428	\$ 355,939	\$ 2,674,367	\$ (355,939)
LABBB Credit	\$ 250,000	\$ (150,000)	\$ 100,000	\$ 150,000
	<u>\$ 5,588,952</u>	<u>\$ (205,939)</u>	<u>\$ 5,054,729</u>	<u>\$ 534,223</u>

The LABBB Credit used has been reduced from \$250,000 to \$100,000. The difference of \$150,000 will be applied to the FY14 budget and is earmarked for the following purposes and a vote finalizing the transfer is required.

1. FY14 Teacher Evaluation Training (\$80,000)
2. REMS Training in August (\$30,000)
3. Other Professional Development needs (\$40,000)

Out of District Tuition Budget Summary

DOE Function Code	DOE Function Title	Status	Program Type	Sum of FY13 ATM Budget Head Count	Sum of FY 13 ATM Budget	Sum of FY13 CURRENT HEAD COUNT	Sum of FY13 anticipated cost	
9100	Tuition to Mass. Schools	High Risk Placement	1:1 Aide day summer	1	36,633	5	4,359 66,387	
			Tuition	5	276,124	7	313,361	
			day extended services summer short term	1	8,396 30,098	1	8,396 42,523	
					1		1	26,112
9100 Total				7	351,252	14	461,138	
9200	Tuition to Out-of-State Schools	Personnel	1:1 Aide residential		39,491		39,917	
		Tuition	residential day	1	264,431	2	375,555	
		Unilateral Placement - High Risk	day	1	21,416			
9200 Total				2	325,338	2	415,472	
9300	Tuition to Non-Public Schools	High Risk Placement	1:1 Aide day residential summer summer & day	9	526,383	15	257,509	
				1	93,641		87,955	
						6,806		
							1	40,000
		Personnel	1:1 Aide		69,244		59,452	
		Summer Program	summer program	2	18,771		27,973	
		Tuition	day	42	2,544,157	49	2,720,972	
			residential summer	10	2,035,897	9	1,875,143	
			summer short term	1	29,147	1	27,667	
			46,723				58,085	
Unilateral Placement - High Risk	day residential summer	7	221,040	1	43,400			
				1	187,282			
9300 Total				72	5,591,809	77	5,385,437	
9400	Tuition to Collaboratives	High Risk Placement	day summer summer & day	2	106,814	1	18,203	
						1	16,912	
		Personnel	1:1 Aide summer & day summer program		73,961 49,500		90,394	
				1	33,161	1	33,161	
		Tuition	1:1 Aide day extended services summer summer & day short term day	3	133,394 18,409 2,530	30	1,214,910 27,553 123,292	
				29	1,453,550		2,974	
					8,320		8,320	
9400 Total				35	1,879,640	34	1,567,049	
9299	Tuition to Non-Public Schools	Tuition	short term		9,343			
9299 Total					9,343			
Grand Total				116	8,157,381	127	7,829,096	

Transportation:

Regular Transportation: We have finished our negotiations with C & W for the cost impact of Elementary Afterschool Transportation and for the installation of camera and video equipment required by contract. The negotiations resulted in no change to the operating budget.

As reported in the October 24, 2012 memorandum “Update on School Bus Ridership”, the School Department will need to use \$285,365 of the \$316,000 Annual Town Meeting, Article 17 subsidy. The final determination of the subsidy used will be calculated in May when final payments for the 2012-2013 school year are received.

The program is charging a fee of \$300 for yellow bus transportation and \$50 for the FlexPass option. The increase in ridership, combined with the Town Meeting subsidy means parents are now paying 45% of the cost per seat. Last year, parents paid 80% of the cost per seat.

Homeless Transportation (projected deficit: \$32,856): The district is anticipating an increase in the need to transport homeless students from the Quality Inn (440 Bedford Street) in Diamond/Estabrook district. We have learned that this site is under contract with the U.S. State Department and Mass. Dept. of Housing and Community Development. Under the McKinney Vento Act, the cost of transportation is split between the school district where the student resides and the school district the student attends school. Currently, we are sharing costs for students from Boston, Somerville, Everett, and Burlington. These students do not attend our schools. Our current projected cost for this service is \$32,856, which will increase if we continue to have more homeless students living in our district for the remainder of the school year.

Special Education Transportation (projected deficit: \$18,309): While our out-of-district transportation costs are declining, the in-district transportation costs are increasing. The budget projection does not hold any transportation funds in reserve for any of the twenty-seven projected high risk students who may be placed in out-of-district schools before the close of the school year. Not included in this report is an additional van that will need to be added for the balance of the year. The projected cost is not available at this time.

Legal Services (projected deficit: \$255,640): Recent personnel and special education legal expenses have resulted in a growing deficit in this account. The amount projected is the current best estimate of what will be expended by the end of the fiscal year. This projection is currently reserving \$150,000 in unallocated funds to cover new expenses for April, May and June. The prior year actual expenditures for this account were \$360,559 for FY12 and \$316,622 for FY11. The FY14 budget maintains the current level of funding at \$222,360.

Recommended Transfers:

<u>Program</u>	<u>Amount</u>	<u>From</u>	<u>To</u>
Transportation Coordinator	\$31,630	Transportation Revolving	Salaries & Wages – Line 5
Title I Salaries and MTRS	\$3,887	Title I Grant	Salaries & Wages – Line 1
Title IIA Salaries and MTRS -	\$2,249	Title IIA Grant	Salaries & Wages – Line 1
Teacher Evaluation Training	\$95,000	Tuitions	Salaries & Wages and K-12 PD Budget
FY14 Teacher Evaluation Training	\$80,000	LABBB Credit	FY14 Salaries & Wages and K-12 PD Budget
REMS Training in August	\$30,000	LABBB Credit	FY14 Salaries & Wages and form new Emergency Response accounts
Other Professional Development needs	\$40,000	LABBB Credit	FY14 Salaries & Wages and K-12 PD Budget