



Lexington Public Schools

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Mary A. Czajkowski
Superintendent of Schools

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To: School Committee
From: Dr. Mary Czajkowski, Superintendent of Schools
Date: January 17, 2018
Re: FY2019 Budget Update: Revenue Allocation Model & Diversity Task Force

Revenue Allocation Formula

At Budget Summit III, on December 5, 2017, the Town Manager presented the FY2019 revenue allocation model. This model demonstrated the School Department's ability to increase by up to 6.9%, or \$7,000,279, in FY2019. During this meeting, members of the Boards and Committees discussed possible changes to items included "above the line" versus "below the line".

After this meeting, the Town Manager presented options to the Board of Selectman based on this feedback. The recommendation was to make changes beginning with the FY2020 budget process due to the timing of subsequent Budget Summit meetings. Ultimately, at the Board of Selectman's meeting on January 8, 2018, there was a desire to implement the changes in the FY2019 budget process. As such, we have been informed that the Town Manager will be preparing the Town Manager's White Book utilizing this updated revenue allocation model. The updated revenue allocation model incorporates the community center in the municipal budget going forward.

The updated revenue allocation model can be found attached on the page titled: *FY2019 Revenue Allocation Model – Move Community Center to Municipal*. This reduces our revenue allocation from the originally published \$7,000,279 to \$6,989,359, a reduction of \$10,920. These updates will be included in the School Committee's budget document upon approval.

As a result, the remaining revenue allocation totals \$29,878 in FY2019 (line 19 of Budget Summary table).

Diversity Task Force

The Town Manager and Superintendent jointly planned to fund \$15,000 each (\$30,000 total) for work to be completed by the Diversity Task Force. The Superintendent's Recommended Budget included this \$15,000 within the overall school department budget allocation. Upon further discussion with the Town Manager, a separate article will be included on the Annual Town Meeting warrant (tentatively article 7) and this funding will be appropriated there (line 15 of Budget Summary table).

An updated budget summary table has been provided below to note the change in the revenue allocation and diversity task force funding:

FY2019 Budget Summary Table

| 1 | 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 | |
|----|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|--|-----------------------|---------------------|--------------|
| 2 | Tax Levy | \$ 84,622,156 | \$ 91,546,226 | \$ 96,708,616 | \$ 101,204,582 | \$ 101,204,582 | \$ 108,201,041 | \$ 6,996,459 | 6.91% | |
| 3 | Avalon Bay Mitigation Fund | \$ 49,088 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| 4 | Enterprise Funds (indirects) | | | | | | | | | |
| 5 | Fees & Charges | \$ 601,557 | \$ 514,090 | \$ 584,683 | \$ 450,600 | \$ 450,600 | \$ 443,500 | \$ (7,100) | -1.58% | |
| 6 | 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% | |
| 7 | | | | | | | | | | |
| 8 | Appropriation Summary | FY 15 Actual | FY 16 Actual | FY 17 Actual | FY 2018 Budget | FY 2018 Budget (adj) | FY 2019 Recommended | Dollar Increase | Percent Increase | |
| 9 | Salary and Wages | \$ 73,057,650 | \$ 76,222,211 | \$ 81,061,911 | \$ 85,948,669 | \$ 86,001,326 | \$ 90,727,977 | \$ 4,726,651 | 5.50% | |
| 10 | Expenses | \$ 12,215,151 | \$ 13,059,903 | \$ 14,290,702 | \$ 15,706,513 | \$ 15,653,856 | \$ 17,428,661 | \$ 1,774,805 | 11.34% | |
| 11 | Total 1100 Lexington Public Schools | \$ 85,272,801 | \$ 89,282,114 | \$ 95,352,613 | \$ 101,655,182 | \$ 101,655,182 | \$ 108,156,638 | \$ 6,501,456 | 6.40% | |
| 12 | * Amounts shown are general fund only and does not reflect spending supported by Labbb Credit, Circuit Breaker Funds, Revolving Funds, or local/state/federal grant funds | | | | | | | | | |
| 13 | | | | | | | | | | |
| 14 | | | | | | | \$ 443,025 | 26.35 FTE | | |
| 15 | | | | | | | \$ 15,000 | | | |
| 16 | | | | | | | | | | |
| 17 | | | | | | | Total Recommended | \$ 108,614,663 | \$ 6,959,481 | 6.85% |
| 18 | | | | | | | | | | |
| 19 | | | | | | | Unallocated from Revenue Allocation Model | \$ 29,878 | | |

Summary of Revenue Allocation Methods

FY2019 Revenue Allocation - Model Presented at Summit III

| | <i>Shared</i> | <i>Municipal</i> | <i>Schools</i> | <i>Total</i> |
|-----------------------|---------------|------------------|----------------|---------------|
| Base Budget | \$75,303,985 | \$35,496,451 | \$101,655,182 | \$212,455,618 |
| % Used for Allocation | | 25.88% | 74.12% | 100.0% |
| Allocated Revenue | | \$2,444,392 | \$7,000,280 | \$9,444,671 |
| % of Base | | 6.89% | 6.89% | |

FY2019 Revenue Allocation - Move Community Center to Municipal

| | <i>Shared</i> | <i>Municipal</i> | <i>Schools</i> | <i>Total</i> |
|-----------------------|---------------|------------------|----------------|---------------|
| Base Budget | \$75,089,693 | \$35,710,743 | \$101,655,182 | \$212,455,618 |
| % Used for Allocation | | 26.00% | 74.00% | 100.0% |
| Allocated Revenue | | \$2,455,312 | \$6,989,359 | \$9,444,671 |
| % of Base | | 6.88% | 6.88% | |

FY2019 Revenue Allocation - Move Multiple Shared Items to Municipal/School

| | <i>Shared</i> | <i>Municipal</i> | <i>Schools</i> | <i>Total</i> |
|-----------------------|---------------|------------------|----------------|---------------|
| Base Budget | \$71,993,045 | \$38,579,636 | \$101,882,937 | \$212,455,618 |
| % Used for Allocation | | 27.47% | 72.53% | 100.0% |
| Allocated Revenue | | \$2,594,086 | \$6,850,585 | \$9,444,671 |
| % of Base | | 6.72% | 6.72% | |

FY2019 Revenue Allocation - Model Presented at Summit III

| | \$ 221,900,289 | Shared | Municipal | School | Projected FY2019 Revenue |
|------|-----------------------|-----------------|---------------------|---------------------|---|
| (1) | \$ (101,655,182) | \$ - | \$ - | \$ (101,655,182) | FY2018 school budget |
| (2) | \$ (35,496,451) | \$ - | \$ (35,496,451) | \$ - | FY2018 municipal budget |
| (3) | \$ (2,147,678) | \$ (2,147,678) | \$ - | \$ - | FY2019 Minuteman |
| (4) | \$ (6,005,537) | \$ (6,005,537) | \$ - | \$ - | FY2019 Contributory Retirement |
| (5) | \$ (15,070) | \$ (15,070) | \$ - | \$ - | FY2019 Non-Contributory Retirement |
| (6) | \$ (27,936,909) | \$ (27,936,909) | \$ - | \$ - | FY2019 Benefits |
| (7) | \$ (200,000) | \$ (200,000) | \$ - | \$ - | FY2019 Unemployment |
| (8) | \$ (831,350) | \$ (831,350) | \$ - | \$ - | FY2019 Workers' comp |
| (9) | \$ (770,000) | \$ (770,000) | \$ - | \$ - | FY2019 Property and Liability Insurance |
| (10) | \$ (250,000) | \$ (250,000) | \$ - | \$ - | FY2019 Uninsured Losses |
| (11) | \$ (410,000) | \$ (410,000) | \$ - | \$ - | FY2019 Solar Production Payment |
| (12) | \$ (7,213,508) | \$ (7,213,508) | \$ - | \$ - | FY2019 Debt Service |
| (13) | \$ (900,000) | \$ (900,000) | \$ - | \$ - | FY2019 Reserve Fund |
| (14) | \$ (10,716,027) | \$ (10,716,027) | \$ - | \$ - | FY2019 Facilities Department Budget |
| | | \$ (1,000,000) | \$ - | \$ - | Set-Aside for as yet identified needs - \$1,000,000; |
| | | \$ (200,000) | \$ - | \$ - | Unanticipated Current Fiscal Year Needs - \$200,000; |
| | | \$ (2,095,000) | \$ - | \$ - | Debt Service Mitigation - \$2,095,000; |
| | | \$ (214,292) | \$ - | \$ - | Tax Levy Support of Community Center Program (Transfer to Article 5) - \$214,292; |
| | | \$ (2,500,000) | \$ - | \$ - | Capital Stabilization Fund - \$2,500,000; |
| (15) | \$ (17,907,906) | \$ (3,050,000) | \$ - | \$ - | Pay Down Land Purchases (principal & interest) - \$3,050,000; |
| | | \$ (4,150,000) | \$ - | \$ - | Cash Capital - \$4,150,000; |
| | | \$ (1,829,721) | \$ - | \$ - | OPEB - \$1,829,721; |
| | | \$ (2,600,000) | \$ - | \$ - | Street Improvement Program - \$2,600,000; |
| | | \$ (198,893) | \$ - | \$ - | Building Envelope Program - \$198,893; |
| | | \$ (30,000) | \$ - | \$ - | Senior Work-Off Program - \$30,000; |
| | | \$ (40,000) | \$ - | \$ - | Getting to Net Zero - \$40,000. |
| (16) | | \$ (75,303,985) | \$ (35,496,451) | \$ (101,655,182) | Base Budget - Used for Allocation |
| | | | 25.9% | 74.1% | Percentage - Municipal and School Only |
| (17) | \$ 9,444,671 | | \$ 2,444,392 | \$ 7,000,280 | Incremental Revenue |
| | | | 6.9% | 6.9% | Percent of Current Budget |

FY2019 Revenue Allocation - Move Community Center to Municipal

| | \$ 221,900,289 | Shared | Municipal | School | Projected FY2019 Revenue |
|------|-----------------------|-----------------|---------------------|---------------------|---|
| (1) | \$ (101,655,182) | \$ - | \$ - | \$ (101,655,182) | FY2018 school budget |
| (2) | \$ (35,496,451) | \$ - | \$ (35,496,451) | \$ - | FY2018 municipal budget |
| (3) | \$ (2,147,678) | \$ (2,147,678) | \$ - | \$ - | FY2019 Minuteman |
| (4) | \$ (6,005,537) | \$ (6,005,537) | \$ - | \$ - | FY2019 Contributory Retirement |
| (5) | \$ (15,070) | \$ (15,070) | \$ - | \$ - | FY2019 Non-Contributory Retirement |
| (6) | \$ (27,936,909) | \$ (27,936,909) | \$ - | \$ - | FY2019 Benefits |
| (7) | \$ (200,000) | \$ (200,000) | \$ - | \$ - | FY2019 Unemployment |
| (8) | \$ (831,350) | \$ (831,350) | \$ - | \$ - | FY2019 Workers' comp |
| (9) | \$ (770,000) | \$ (770,000) | \$ - | \$ - | FY2019 Property and Liability Insurance |
| (10) | \$ (250,000) | \$ (250,000) | \$ - | \$ - | FY2019 Uninsured Losses |
| (11) | \$ (410,000) | \$ (410,000) | \$ - | \$ - | FY2019 Solar Production Payment |
| (12) | \$ (7,213,508) | \$ (7,213,508) | \$ - | \$ - | FY2019 Debt Service |
| (13) | \$ (900,000) | \$ (900,000) | \$ - | \$ - | FY2019 Reserve Fund |
| (14) | \$ (10,716,027) | \$ (10,716,027) | \$ - | \$ - | FY2019 Facilities Department Budget |
| | | \$ (1,000,000) | \$ - | \$ - | Set-Aside for as yet identified needs - \$1,000,000; |
| | | \$ (200,000) | \$ - | \$ - | Unanticipated Current Fiscal Year Needs - \$200,000; |
| | | \$ (2,095,000) | \$ - | \$ - | Debt Service Mitigation - \$2,095,000; |
| | | \$ - | \$ (214,292) | \$ - | Tax Levy Support of Community Center Program (Transfer to Article 5) - \$214,292; |
| | | \$ (2,500,000) | \$ - | \$ - | Capital Stabilization Fund - \$2,500,000; |
| (15) | \$ (17,907,906) | \$ (3,050,000) | \$ - | \$ - | Pay Down Land Purchases (principal & interest) - \$3,050,000; |
| | | \$ (4,150,000) | \$ - | \$ - | Cash Capital - \$4,150,000; |
| | | \$ (1,829,721) | \$ - | \$ - | OPEB - \$1,829,721; |
| | | \$ (2,600,000) | \$ - | \$ - | Street Improvement Program - \$2,600,000; |
| | | \$ (198,893) | \$ - | \$ - | Building Envelope Program - \$198,893; |
| | | \$ (30,000) | \$ - | \$ - | Senior Work-Off Program - \$30,000; |
| | | \$ (40,000) | \$ - | \$ - | Getting to Net Zero - \$40,000. |
| (16) | | \$ (75,089,693) | \$ (35,710,743) | \$ (101,655,182) | Base Budget - Used for Allocation |
| | | | 26.0% | 74.0% | Percentage - Municipal and School Only |
| (17) | \$ 9,444,671 | | \$ 2,455,312 | \$ 6,989,359 | Incremental Revenue |
| | | | 6.9% | 6.9% | Percent of Current Budget |

FY2019 Revenue Allocation - Move Multiple Shared Items to Municipal/School

| | \$ 221,900,289 | Shared | Municipal | School | Projected FY2019 Revenue |
|------|-----------------------|-----------------|---------------------|---------------------|---|
| (1) | \$ (101,655,182) | \$ - | \$ - | \$ (101,655,182) | FY2018 school budget |
| (2) | \$ (35,496,451) | \$ - | \$ (35,496,451) | \$ - | FY2018 municipal budget |
| (3) | \$ (2,147,678) | \$ (2,147,678) | \$ - | \$ - | FY2019 Minuteman |
| (4) | \$ (6,005,537) | \$ (6,005,537) | \$ - | \$ - | FY2019 Contributory Retirement |
| (5) | \$ (15,070) | \$ (15,070) | \$ - | \$ - | FY2019 Non-Contributory Retirement |
| (6) | \$ (27,936,909) | \$ (27,936,909) | \$ - | \$ - | FY2019 Benefits |
| (7) | \$ (200,000) | \$ (200,000) | \$ - | \$ - | FY2019 Unemployment |
| (8) | \$ (831,350) | \$ (831,350) | \$ - | \$ - | FY2019 Workers' comp |
| (9) | \$ (770,000) | \$ (770,000) | \$ - | \$ - | FY2019 Property and Liability Insurance |
| (10) | \$ (250,000) | \$ (250,000) | \$ - | \$ - | FY2019 Uninsured Losses |
| (11) | \$ (410,000) | \$ (410,000) | \$ - | \$ - | FY2019 Solar Production Payment |
| (12) | \$ (7,213,508) | \$ (7,213,508) | \$ - | \$ - | FY2019 Debt Service |
| (13) | \$ (900,000) | \$ (900,000) | \$ - | \$ - | FY2019 Reserve Fund |
| (14) | \$ (10,716,027) | \$ (10,716,027) | \$ - | \$ - | FY2019 Facilities Department Budget |
| | | \$ (1,000,000) | \$ - | \$ - | Set-Aside for as yet identified needs - \$1,000,000; |
| | | \$ (200,000) | \$ - | \$ - | Unanticipated Current Fiscal Year Needs - \$200,000; |
| | | \$ (2,095,000) | \$ - | \$ - | Debt Service Mitigation - \$2,095,000; |
| | | \$ - | \$ (214,292) | \$ - | Tax Levy Support of Community Center Program (Transfer to Article 5) - \$214,292; |
| | | \$ (2,500,000) | \$ - | \$ - | Capital Stabilization Fund - \$2,500,000; |
| (15) | \$ (17,907,906) | \$ (3,050,000) | \$ - | \$ - | Pay Down Land Purchases (principal & interest) - \$3,050,000; |
| | | \$ (3,922,245) | \$ - | \$ (227,755) | Cash Capital - \$4,150,000; (\$227,755 for School Building Envelope) |
| | | \$ (1,829,721) | \$ - | \$ - | OPEB - \$1,829,721; |
| | | \$ - | \$ (2,600,000) | \$ - | Street Improvement Program - \$2,600,000; |
| | | \$ - | \$ (198,893) | \$ - | Building Envelope Program - \$198,893; |
| | | \$ - | \$ (30,000) | \$ - | Senior Work-Off Program - \$30,000; |
| | | \$ - | \$ (40,000) | \$ - | Getting to Net Zero - \$40,000. |
| (16) | | \$ (71,993,045) | \$ (38,579,636) | \$ (101,882,937) | Base Budget - Used for Allocation 27.5% Percentage - Municipal and School Only |
| (17) | \$ 9,444,671 | | \$ 2,594,086 | \$ 6,850,585 | Incremental Revenue 6.7% Percent of Current Budget |