



# Lexington Public Schools

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To: School Committee  
From: Dr. Mary Czajkowski, Superintendent of Schools  
Date: January 19, 2018  
Re: FY2019 Budget Update: Miscellaneous Requests

## Transportation Fees

During the FY2019 Superintendent's Recommended Budget presentation on January 2, 2018, the School Committee requested staff to conduct research with respect to transportation fees.

Staff examined the potential impact on revenues for across four fee increase scenarios. It's important to note that fee increases may have adverse affects on participation rates. These adverse affects (i.e. participation reductions) are difficult to quantify and estimate. School Administration assembled the below table to articulate the potential impacts.

Scenario 1 - \$10 fee increase (\$300 to \$310)							
Revenue Impacts		\$10 increase; 0% deflection		\$10 increase; 1% deflection		\$10 increase; 5% deflection	
Ridership Categories	Ridership	Ridership Impact	Fee impact	Ridership Impact	Fee impact	Ridership Impact	Fee impact
Fee Riders	3040	0	\$ 30,400	-30	\$ 20,976	-152	\$ (16,720)
Non Fee Riders	739	0	\$ -	0	\$ -	0	\$ -
<b>Total</b>	<b>3779</b>	<b>0</b>	<b>\$ 30,400</b>	<b>-30</b>	<b>\$ 20,976</b>	<b>-152</b>	<b>\$ (16,720)</b>
Expenditure Impacts							
Rider/Cost Impact		0	\$ -	-30	\$ -	-152	\$ -
<b>Total General Fund Program Cost Impact</b>			<b>\$ 30,400</b>		<b>\$ 20,976</b>		<b>\$ (16,720)</b>
Scenario 2 - \$30 fee increase (\$300 to \$330)							
Revenue Impacts		\$30 increase; 0% deflection		\$30 increase; 1% deflection		\$30 increase; 5% deflection	
Ridership Categories	Ridership	Ridership	Fee impact	Ridership	Fee impact	Ridership	Fee impact
Fee Riders	3040	0	\$ 91,200	-30	\$ 81,168	-152	\$ 41,040
Non Fee Riders	739	0	\$ -	0	\$ -	0	\$ -
<b>Total</b>	<b>3779</b>	<b>0</b>	<b>\$ 91,200</b>	<b>-30</b>	<b>\$ 81,168</b>	<b>-152</b>	<b>\$ 41,040</b>
Expenditure Impacts							
Rider/Cost Impact		0	\$ -	-30	\$ -	-152	\$ -
<b>Total General Fund Program Cost Impact</b>			<b>\$ 91,200</b>		<b>\$ 81,168</b>		<b>\$ 41,040</b>

Scenario 3 - \$50 fee increase (\$300 to \$350)							
Revenue Impacts		\$50 increase; 0% deflection		\$50 increase; 1% deflection		\$50 increase; 5% deflection	
Ridership Categories	Ridership	Ridership	Fee impact	Ridership	Fee impact	Ridership	Fee impact
Fee Riders	3040	0	\$ 152,000	-30	\$ 141,360	-152	\$ 98,800
Non Fee Riders	739	0	\$ -	0	\$ -	0	\$ -
<b>Total</b>	<b>3779</b>	<b>0</b>	<b>\$ 152,000</b>	<b>-30</b>	<b>\$ 141,360</b>	<b>-152</b>	<b>\$ 98,800</b>
Expenditure Impacts							
Rider/Cost Impact		0	\$ -	-30	\$ -	-152	\$ -
<b>Total General Fund Program Cost Impact</b>			<b>\$ 152,000</b>		<b>\$ 141,360</b>		<b>\$ 98,800</b>

  

Scenario 4 - \$100 fee increase (\$300 to \$400)							
Revenue Impacts		\$100 increase; 0% deflection		\$100 increase; 1% deflection		\$100 increase; 5% deflection	
Ridership Categories	Ridership	Ridership	Fee impact	Ridership	Fee impact	Ridership	Fee impact
Fee Riders	3040	0	\$ 304,000	-30	\$ 291,840	-152	\$ 243,200
Non Fee Riders	739	0	\$ -	0	\$ -	0	\$ -
<b>Total</b>	<b>3779</b>	<b>0</b>	<b>\$ 304,000</b>	<b>-30</b>	<b>\$ 291,840</b>	<b>-152</b>	<b>\$ 243,200</b>
Expenditure Impacts							
Rider/Cost Impact		0	\$ -	-30	\$ -	-152	\$ -
<b>Total General Fund Program Cost Impact</b>			<b>\$ 304,000</b>		<b>\$ 291,840</b>		<b>\$ 243,200</b>

The provided tables highlight the ridership and revenue impacts for four scenarios with varying participation impact assumptions.

It should be noted that the School Department has partnered with Lexpress to charge an additional fee of \$50, which allows students to ride the bus in the afternoons from the middle school and/or high school. The combined fee of \$300 for the bus and \$50 for Lexpress totals \$350, which currently aligns with the cost of an annual pass with Lexpress. If the School Department's bus fee portion were increased, this could have an impact on participation with this program.

I recommend a comprehensive review of the transportation and athletic fees (as well as any other major fees of interest) over the next 6 months to determine if adjustments should be made in the FY2020 budget. This would provide for a comparative analysis of other communities and allow for overall policy objectives to be set by School Committee with respect to fee recovery rates for programmatic operational costs. At this time, transportations fees recover 32% of program costs (based on FY2017) and athletic fees recover 34% of program costs (based on FY2017).

### Elementary Health Education

During the FY2019 Superintendent's Recommended Budget presentation on January 2, 2018, the School Committee requested staff to conduct research with respect to elementary health education. On January 9, 2018, a portion of the Administrative Council met to discuss this topic including:

- Superintendent
- Elementary Principals
- Assistant Superintendent for Curriculum, Instruction, Professional Learning
- Assistant Superintendent for Finance and Administration

At this meeting, we discussed elementary health education and how any form of implementation would impact the elementary schedule and curriculum. This was the first discussion that was had with the elementary principals on this topic.

During this meeting, the following feedback was gathered:

- Time availability concerns:
  - Currently challenged meeting Science and Social Studies (among other) curriculum needs already
- Items implemented since discontinuation of elementary health education to address social/emotional elements:
  - Social/Emotional blocks – 1x30 per week
  - PE/Wellness – 2x30 per week
  - Counseling lessons
  - Morning meetings
  - Responsive classroom
  - Expanded Social Worker FTE
    - Now fund 1.0 FTE in all 6 elementary schools
      - FY18: +0.50 FTE at Hastings
      - FY19: +0.50 FTE at Harrington and Fiske
- Items implemented since elimination have provided continuity and “familiar faces” in the building rather than a floating staff member rotating across the buildings, as was done in the final year(s) of elementary health education

I recommend that elementary health education be examined further through the District’s curriculum review process, which is currently in year 1 for PE/Wellness. There are still a number of important questions to answer to ensure changes are successful. Layering this program on top of a busy elementary schedule would be very challenging and may compromise other programming. The specific impacts of these changes have not been fully vetted by the stakeholders tasked with implementing the program. It will be important for the new Superintendent, the Assistant Superintendent for Curriculum, Instruction, and Professional Learning, elementary principals, and the PE/Wellness Department to provide updates and presentations surrounding this possible change in the curriculum as they work further into the process.

### **Special Education Stabilization Fund**

In November, 2016, the Municipal Modernization Act provided for increased flexibility with establishing Special Education Stabilization funds. This was enacted through the Municipal Modernization Act’s Special Education Stabilization Fund under MGL Chapter 40, Section 13E.

The new legislation is established language under MGL Chapter 40, Section 13E, which allows for a Special Education reserve fund to be established by vote of Town Meeting. This fund allows School Committee to transfer money to the reserve fund to be utilized in upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education, out-of-district tuition or transportation. In order to spend these funds, it requires a majority vote of the School Committee and the Board of Selectman.

The balance of this fund cannot exceed 2% of net school spending for Lexington. Based on the FY2018 Chapter 70 funding data published, this caps the maximum balance of this fund at \$1,475,812. This cap would change annually based on the published net school spending requirements.

MGL Chapter 40; Section 13E:

*Any school district which accepts this section, by a majority vote of the school committee and a majority vote of the legislative body or, in the case of a regional school district by a majority vote of the legislative bodies in a majority of the member communities of the district, may establish and appropriate or transfer money to a reserve fund to be utilized in the upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education, out-of-district tuition or transportation. The balance in such reserve fund shall not exceed 2 per cent of the annual net school spending of the school district.*

*Funds shall only be distributed from the reserve funds after a majority vote of the school committee and a majority vote of the board of selectman or city council, or, in the case of a regional school district by a majority vote of the board of selectmen or city council in a majority of the member communities of the district.*

*The district treasurer may invest the monies in the manner authorized in section 54 of chapter 44 and any interest earned thereon shall be credited to and become part of the fund.*

Website Link: <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40/Section13E>

At this time, Lexington has the following funding sources available to address Special Education funding fluctuations:

SPED Stabilization Fund (FY17): \$1,088,001

SPED Circuit Breaker (FY17): \$1,745,554

LABBB Pre-Paid/credit (FY18): \$891,116

**Total: \$3,724,671**

### **Budget Timeline**

The following dates highlight the remaining milestones with the FY2019 budget process:

Town Manager's White Book distribution: January 19th

FY2019 Public Hearing #2 and continued budget discussions: January 23rd

Summit IV: January 24th

Summit V: TBD at Summit IV

FY2019 Budget Approval (tentative): January 30th

FY2019 Budget Approval (back-up): February 6th

FY2019 School Committee Budget Distribution: March 2nd

Town Meeting begins: March 26th

FY2019 Budget Presentation to ATM (tentative): April 2nd

The amended dates are also reflected in our current Budget Timeline posted on the Finance and Operations section of the website here:

<http://lps.lexingtonma.org/Page/10641>