

AGENDA ITEM SUMMARY

LEXINGTON SCHOOL COMMITTEE MEETING

TODAY'S DATE: October 26, 2016

ITEM NUMBER:
LEAVE BLANK

REQUESTED MEETING DATE: November 1, 2016

AGENDA ITEM TITLE: Fiscal Year 2016 Fourth Quarter Financial Report

PRESENTER:

Ian Dailey, Assistant Superintendent for Finance and Operations

SUMMARY:

The School Department returned \$2,778,202 from the approved 2015-16 Fiscal Year Budget. This represents a return of approximately 3% of the total School Department budget. The Salary & Wages portion of the budget attributed to \$2,321,916, or 2.5%, of the total dollars returned. The Expense portion of the budget attributed to \$456,286, or 0.50 % of the total dollars returned. This is summarized in the table below:

Table 1

Appropriation Summary	FY 2016 Budget	Transfers/ Adjustments	FY 2016 Budget (adj)	YTD Expended	YTD Encumbered	Favorable/ (Unfavorable)	Percent Available
Salary and Wages	\$ 78,675,324	\$ (131,197)	\$ 78,544,127	\$76,108,867	\$ 113,345	\$ 2,321,916	2.52%
Expenses	\$ 13,384,992	\$ 131,197	\$ 13,516,189	\$11,656,382	\$ 1,403,521	\$ 456,286	0.50%
Total 1100 Lexington Public Schools	\$ 92,060,316	\$ -	\$ 92,060,316	\$87,765,249	\$ 1,516,865	\$ 2,778,202	3.02%

Description of Activities – Salaries & Wages:

The Fiscal Year 2015-16 budget surplus is largely derived from four main factors: savings experienced from turnover in staff, gaps in positions being filled due to turnover, leaves of absence, and improved planning/budgeting for required positions to deliver services.

In Fiscal Year 2015-16, \$500,000 was included as a budget offset estimated to capture savings that would be generated during the implementation of the budget year. Upon reviewing past trends in the budget, an adjustment was made in the Fiscal Year 2016-17 budget to more accurately represent savings generated from staff turnover. This budget offset was increased from \$500,000 to \$1,000,000 in the Fiscal Year 2016-17 budget process. Additionally, when positions are vacated during the year, there is often savings generated. This is a function of the lag in receiving a resignation and the time it takes to actually fill that position. During Fiscal Year 2015-16 leaves of absence were experienced by the District, which triggered savings, particularly further into the year. While a substitute is often required, creating a long-term substitute cost impact, the cost of substitutes is often less than the original teacher on the leave of absence. Finally, improvements in the budget development and budget administration process have yielded additional savings to the District in implementing the budget. After the adoption of prior budgets, additional position requests were made and approved for various reasons throughout the budget year. These positions had been approved on a one-year basis and re-evaluated as part of the coming year's budget development process. Improvements in the budget planning process,

coupled with improvements in the administration and execution of the budget year, have resulted in additional savings in Fiscal Year 2015-16. These trends are closely monitored and adjustments will be made in coming budget cycles to best align resources.

Description of Activities – Expenses:

The Fiscal Year 2015-16 budget balance is largely derived from four main factors: overall savings in program/building budgets, savings in our Special Education Out-of-District Tuition, deficits in our District Transportation services, and savings in our Legal Services budget. A summary table of this activity can be seen below:

Table 2

Expense Budget Summary	FY16 Budget (adj)	FY 2015-16 Budget Surplus
Building-Based Program Budgets	\$ 533,413	\$ 59,636
K-5 Curriculum Program Budgets	\$ 364,627	\$ 12,092
6-8 Curriculum Program Budgets	\$ 281,462	\$ 5,582
9-12 Curriculum Program Budgets	\$ 349,250	\$ 2,833
K-12 Curriculum Program Budgets	\$ 1,710,283	\$ 186,517
Special Education Program Budgets	\$ 677,835	\$ 158,581
Counseling Program Budgets	\$ 86,249	\$ 8,544
Out of District Tuition	\$ 5,358,954	\$ 72,296
District-wide Transportation	\$ 2,767,616	\$ (198,886)
District-wide Administration	\$ 1,386,502	\$ 149,090
Total	\$ 13,516,189	\$ 456,286

The Administration plans to make adjustments to re-align funding in Fiscal Year 2016-17 to reduce some recurring surpluses that have been identified. This will assist the planning process by more efficiently allocating funds for the Fiscal Year 2017-18 budgeting process that is currently underway.

Line 41 - Tuition

The Fiscal Year 2016 budget included a 50% reduction to the High Risk Category of the Special Education Out-of-District Tuition budget, effectively lowering the budget by \$773,580. This had a direct effect on Line 41 of the expense budget. As described in prior quarterly reports, this budget line continues to be monitored closely. The School Committee approved a transfer in of \$576,716 to partially offset the reduction in this budget line. As a result, a surplus of \$72,296 was recorded as described in the table above.

A year-over-year comparison of the Tuition budget and it’s surpluses/(deficits) relative to the High Risk portion of the Special Education Out-of-District Tuition budget, controlled for adjustments to the high-risk portion, can be found below:

Table 3

1		FY2014	FY2015	FY2016
2	High Risk Budget	\$1,645,452	\$1,195,325	\$1,547,160
3	High Risk Budget Reduction			-\$773,580
4	Net High Risk Budget	\$1,645,452	\$1,195,325	\$773,580
5	Tuition Surplus / (Deficit)	\$852,485	\$61,145	-\$504,420
6	High Risk Budget Cut Reversal	\$0	\$0	\$773,580
7	Normalized High Risk Budget	\$1,645,452	\$1,195,325	\$1,547,160
8	Normalized Tuition Surplus / (Deficit)	\$852,485	\$61,145	\$269,160
9	Percent of High Risk Returned	51.81%	5.12%	17.40%

Line 5 in Table 3 under Fiscal Year 2016 is meant to capture the deficit that would have been experienced in the Special Education Out-of-District Tuition budget had the School Committee not approve any transfers to address the High Risk Budget Reduction. Line 8 under Fiscal Year 2016 is meant to demonstrate the surplus that would have been experienced in the Special Education Out-of-District Tuition budget line had no adjustment been made to the High Risk portion of the Tuition budget. The approved School Committee transfer (\$576,716) did not fully reverse the High Risk Budget Reduction, which is why Table 2 referenced earlier reflects a different budget surplus. This purpose of Table 3 is to provide a consistent year-over-year analysis of the Tuition budget. The Fiscal Year 2016-17 budget re-instated the high risk portion of the Tuition budget fully and discontinued the practice implemented in Fiscal Year 2015-16. While \$269,160 is an increase over the FY2014-15 Tuition surplus, this only represents 5% of the net general fund tuition budget. When examining the full tuition budget, before circuit breaker reimbursements, this represents 3% of the total budget.

Description of Activities – Transfers:

A summary of all Fiscal Year 2015-16 budget transfers can be found in the table below, along with notes:

Table 4

Line #	Program	Fiscal Year 2015-16 Budget Transfers	Notes
Salaries & Wages			
1	UNIT A -LEA	-\$131,197	1. \$12,000 to fund K-12 Counseling HHT, 504, Prog Review 2. (\$60,000) to fund tuition reimbursement expense line 3. (\$83,197) to fund approved Available Funds purchases
Subtotal - Salaries & Wages		-\$131,197	
Expenses			
4	Fiske	-\$3	1. (\$3) to correct Expense Line amount
5	Harrington	\$5,012	1. \$5,012 to fund approved Available funds purchase
6	Hastings	\$2,196	1. \$2,196 to fund approved Available funds purchase
7	Clarke	\$15,708	1. \$15,708 to fund approved Available funds purchase
23	9-12 Math	-\$5,200	1. (\$5,200) to fund Math Team Budget
23.1	9-12 Math Team	\$5,200	1. \$5,200 to fund Math Team Budget
29	K-12 Curriculum	-\$236,712	1. (\$236,712) to fund Special Education OOD Budget
31	K-12 Technology	\$25,750	1. \$25,750 to fund approved Available funds purchase
39.3	9-12 Counseling	\$7,546	1. \$7,546 to align Counseling budget with spending
39.4	K-12 Counseling	-\$134,062	1. (\$134,062) to align Counseling budget with spending
40.1	K-5 Special Education	-\$71,283	1. (\$71,283) to align Special Education budget with spending; fund OOD tuitions
40.2	6-8 Special Education	-\$39,827	1. (\$39,827) to align Special Education budget with spending; fund OOD tuitions
40.3	9-12 Special Education	-\$20,709	1. (\$20,709) to align Special Education budget with spending; fund OOD tuitions
40.4	PreK-22 Special Education	-\$172,586	1. (\$172,586) to align Special Education budget with spending; fund OOD tuition
41	Tuition	\$576,716	1. \$576,716 to partially fund High Risk budget reduction
43	Special Educ. Consultants	\$78,917	1. \$78,917 to align Special Education budget with spending
48.1	School Committee	\$7,759	1. \$7,759 to align School Committee budget with spending
48.2	Superintendent	\$65,254	1. \$65,254 to align Superintendent budget with spending
48.3	Finance and Operations	\$81,404	1. \$67,453 to align Finance and Operations budget with spending 2. \$13,951 to fund approved Available funds purchase
48.4	Human Resources	-\$59,883	1. (\$80,463) to align Human Resources budget with spending 2. \$20,580 to fund approved Available funds purchase
Subtotal - Expenses		\$131,197	
Grand Total		\$ -	

Description of Activities – Prior & Current Year Return to General Fund:

The School Department returned \$632,285 in prior year encumbrances that had been carried forward from prior years. The total return to the general fund for both current year funds (\$2,778,202) and prior year funds (\$632,285) totals \$3,410,487.

WHAT ACTION (IF ANY) DO YOU WISH SCHOOL COMMITTEE TO TAKE?

- No action requested, this is a short update or a presentation of information.
 Request input and questions from the School Committee, but no vote required.
 Request formal action with a vote on a specific item.

If formal action is requested, please check one:

This item is being presented

- for the first time, with a request that the School Committee vote at a subsequent meeting
or
 with the request that the School Committee take action immediately

If formal action is requested:

Include a suggested motion or let _____ know if you need assistance preparing a motion.

SUGGESTED MOTION:

FOLLOW-UP:

AMOUNT OF TIME REQUESTED FOR THE AGENDA ITEM: 10 minutes

ATTACHMENTS:

Fourth Quarter Salaries and Wages Budget – Detail

Fourth Quarter Expenses Budget - Detail

Fourth Quarter Salaries and Wages Budget – Detail

Line	Category Description	FY16 FTE (adj)	FY16 Adj Budget	Current FTEs (through 7/8/16 payroll)	FTE Difference -Favorable (Unfavorable)	Salaries Total (through 7/8/16 payroll)	\$ Difference - Favorable (Unfavorable)	Notes (illustrates material changes)
1	UNIT A -LEA	686.39	55,996,761	678.72	7.67	\$ 52,852,987	\$ 3,143,774	1. FTE Adjustment: Grant Transfers and misc. internal transfers (0.32 & 0.50) 2. 7.1 FTE Vacancy 3. +0.70 FTE Supplemental Positions
2	UNIT A - STIPENDS	-	734,747	-	-	\$ 988,659	\$ (253,912)	1. Mentor stipends exceeding budget 2. FY15 Curriculum stipends being paid against FY16; covered in encumbrance being released 3. FY16 Curriculum stipend budget exceed; covered by surplus in Expense budget
3	UNIT A - COACHES	-	633,404	-	-	\$ 553,873	\$ 79,531	1. +4.30 FTE Supplemental Positions 2. Net FTE Transfer: -2.47 FTE 3. 1.27 FTE Vacancy
4	UNIT D - LEA	79.71	3,374,871	82.61	(2.90)	\$ 3,384,926	\$ (10,055)	1. Net FTE Transfer: 1.75 FTE 2. 1.25 FTE Supplemental
5	NON-UNION SUPPORT/MGRS	26.90	2,239,042	28.15	(1.25)	\$ 2,260,601	\$ (21,560)	1. Net FTE Transfer: 3.38 FTE 2. 1.70 FTE Supplemental Positions 3. 5.9 FTE Vacancy
7	UNIT C - LEA	156.08	5,715,377	151.70	4.38	\$ 5,272,848	\$ 442,529	1. FTE Adjustment: Kind Asst grant transfer and additional 3 hours 2. +3.50 FTE Supplemental Positions 3. 0.72 FTE Vacancy
7.1	NON-UNION SUPPORT/PARA	8.67	745,566	11.28	(2.61)	\$ 688,399	\$ 57,167	4. Includes Summer School (EYS)
8	ABA/BCBA INSTRUCTORS	3.91	407,748	3.91	-	\$ 367,275	\$ 40,474	1. FTE Adjustment: BCBA schedule adjustments
10	SPECIAL CLASS AIDES	6.00	339,732	6.00	-	\$ 211,216	\$ 128,516	1. Net FTE Transfer: 3.38 FTE
13	TECHNOLOGY UNIT - LEA	16.00	932,391	14.00	2.00	\$ 858,577	\$ 73,813	1. 2.0 FTE Vacancy
14	CENTRAL ADMINISTRATORS	6.00	1,091,657	6.00	-	\$ 1,031,440	\$ 60,217	
15	PRINCIPALS	9.00	1,277,849	9.00	-	\$ 1,292,148	\$ (14,299)	
16	ALA - ASST PRINC/SUPERVISORS	41.05	4,496,280	41.05	-	\$ 4,501,687	\$ (5,406)	
17	NURSE SUBS		15,300	-	-	\$ 11,640	\$ 3,660	
18	TEACHER SUBSTITUTES		850,210	-	-	\$ 624,721	\$ 225,489	
18.1	LONG TERM PROFESSIONAL SUBSTITUTES			-	-	\$ 1,208,691	\$ (1,208,691)	
18.2	SECRETARY SUBSTITUTES		16,193			\$ 49,294	\$ (33,101)	
18.3	PARAPROFESSIONAL SUBSTITUTES		50,000			\$ 63,228	\$ (13,228)	
20	Sal Dif		(500,000)			\$ -	\$ (500,000)	
	All other - operating					\$ -	\$ -	
	Grant/Revolving Activity		127,000			\$ -	\$ 127,000	
	Adjustments (Salary Encumbrance)		-			\$ -	\$ -	
SALARIES & WAGES Total		1,039.71	\$ 78,544,127	1,032.42	7.29	\$ 76,222,212	\$ 2,321,916	

Fourth Quarter Expenses Budget - Detail

Line #	Program	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budget (approved by ATM)	FY16 Budget (rev)	FY 16 Projected Expenditures	Favorable/ (Unfavorable)	Percent Spent
1	Bowman	\$ 42,837	\$ 21,912	\$ 35,757	\$55,052	\$55,052	\$52,011	\$3,041	94%
2	Bridge	\$ 41,385	\$ 27,346	\$ 54,246	\$56,315	\$56,315	\$44,112	\$12,203	78%
3	Estabrook	\$ 25,052	\$ 23,732	\$ 25,619	\$46,847	\$46,847	\$42,177	\$4,670	90%
4	Fiske	\$ 25,844	\$ 26,975	\$ 39,794	\$45,425	\$45,425	\$45,372	\$52	100%
5	Harrington	\$ 24,602	\$ 23,981	\$ 37,431	\$47,270	\$52,282	\$45,293	\$6,989	87%
6	Hastings	\$ 21,916	\$ 19,310	\$ 25,697	\$40,059	\$42,255	\$38,349	\$3,906	91%
7	Clarke	\$ 22,064	\$ 42,920	\$ 51,207	\$32,195	\$47,903	\$32,960	\$14,943	69%
8	Diamond	\$ 25,577	\$ 25,506	\$ 38,553	\$30,907	\$30,907	\$27,428	\$3,480	89%
9	Lexington High School	\$ 126,201	\$ 115,959	\$ 151,666	\$156,428	\$156,428	\$146,074	\$10,354	93%
10	K-5 Literacy	\$ 100,547	\$ 97,598	\$ 178,515	\$218,426	\$218,426	\$218,531	-\$106	100%
11	K-5 Math	\$ 76,979	\$ 71,054	\$ 70,501	\$79,189	\$79,189	\$76,625	\$2,564	97%
12	K-5 Science	\$ 33,012	\$ 32,982	\$ 34,239	\$36,842	\$36,842	\$34,637	\$2,205	94%
13	K-5 Social Studies	\$ 33,343	\$ 26,240	\$ 28,618	\$30,170	\$30,170	\$22,741	\$7,429	75%
14	6-8 English/Lang Arts	\$ 33,077	\$ 34,745	\$ 34,411	\$36,281	\$36,281	\$36,125	\$157	100%
16	6-8 World Language	\$ 26,584	\$ 29,068	\$ 30,840	\$44,992	\$44,992	\$45,596	-\$604	101%
17	6-8 Math	\$ 25,950	\$ 26,756	\$ 107,471	\$108,997	\$108,997	\$107,114	\$1,883	98%
18	6-8 Science	\$ 54,288	\$ 63,006	\$ 61,741	\$62,924	\$62,924	\$62,071	\$854	99%
19	6-8 Social Studies	\$ 23,574	\$ 25,876	\$ 28,063	\$28,267	\$28,267	\$24,975	\$3,292	88%
21	9-12 English	\$ 28,283	\$ 30,728	\$ 31,857	\$32,442	\$32,442	\$31,505	\$937	97%
22	9-12 World Language	\$ 33,209	\$ 37,063	\$ 37,745	\$39,551	\$39,551	\$39,318	\$233	99%
23	9-12 Math	\$ 22,325	\$ 106,468	\$ 68,184	\$70,512	\$65,312	\$65,472	-\$160	100%
23.1	9-12 Math Team				\$0	\$5,200	\$4,892	\$308	94%
24	9-12 Science	\$ 81,672	\$ 84,337	\$ 88,894	\$96,817	\$96,817	\$95,288	\$1,528	98%
25	9-12 Social Studies	\$ 39,705	\$ 37,482	\$ 37,315	\$40,261	\$39,533	\$44,747	-\$5,214	113%
25.1	Debate & Competitive Speech	\$ 2,124	\$ 71,361	\$ 70,618	\$69,668	\$70,396	\$65,194	\$5,201	93%
29	K-12 Curriculum	\$ 541,391	\$ 400,614	\$ 421,481	\$808,467	\$547,511	\$427,256	\$120,255	78%
30	K-12 Library Media Program	\$ 159,453	\$ 168,694	\$ 161,543	\$182,725	\$182,725	\$174,308	\$8,417	95%
31	K-12 Technology	\$ 448,926	\$ 658,670	\$ 493,955	\$504,830	\$530,580	\$486,627	\$43,953	92%
32	K-12 English Learner Education	\$ 31,637	\$ 30,112	\$ 27,450	\$32,366	\$32,366	\$32,368	-\$2	100%
33	K-12 PE/Wellness	\$ 59,535	\$ 67,177	\$ 69,285	\$71,941	\$71,941	\$71,682	\$259	100%
34	K-12 Visual Arts	\$ 73,974	\$ 84,120	\$ 79,767	\$85,197	\$85,197	\$83,741	\$1,456	98%
35	K-12 Performing Arts	\$ 79,217	\$ 108,691	\$ 73,768	\$98,783	\$98,783	\$88,226	\$10,556	89%
36	K-12 Athletics	\$ 54,127	\$ 64,481	\$ 126,837	\$141,810	\$141,810	\$138,662	\$3,148	98%
37	Early Childhood Education	\$ 45,249	\$ 45,887	\$ 60,186	\$71,025	\$73,371	\$79,189	-\$5,819	108%
38	Health Services	\$ 12,979	\$ 15,883	\$ 20,218	\$19,369	\$19,369	\$20,895	-\$1,526	108%
39.1	K-5 Counseling			\$ -	\$0	\$0	\$0	\$0	
39.2	6-8 Counseling			\$ -	\$4,100	\$0	\$28	-\$28	
39.3	9-12 Counseling	\$ 8,128	\$ 12,375	\$ 13,459	\$8,169	\$16,000	\$15,832	\$168	99%
39.4	K-12 Counseling	\$ 6,824	\$ 14,343	\$ 62,365	\$78,080	\$70,249	\$61,845	\$8,404	88%
40.1	K-5 Special Education	\$ 73,364	\$ 89,793	\$ 49,457	\$35,141	\$50,044	\$50,226	-\$182	100%
40.2	6-8 Special Education	\$ 27,961	\$ 53,256	\$ 20,428	\$114,362	\$32,403	\$23,810	\$8,593	73%
40.3	9-12 Special Education	\$ 3,407	\$ 13,100	\$ 9,008	\$30,416	\$24,453	\$25,373	-\$920	104%
40.4	PreK-22 Special Education	\$ 63,925	\$ 136,774	\$ 107,114	\$258,271	\$122,564	\$88,213	\$34,351	72%
41	Tuition	\$ 4,420,666	\$ 4,415,327	\$ 4,736,414	\$4,782,238	\$5,358,954	\$5,286,658	\$72,296	99%
42	Transportation: Special Education	\$ 1,011,002	\$ 1,164,885	\$ 1,289,360	\$1,387,574	\$1,387,574	\$1,480,637	-\$93,063	107%
42.1	Transportation: Homeless	\$ 31,868	\$ 85,088	\$ 23,425	\$25,000	\$25,000	\$32,795	-\$7,795	131%
43	Special Educ. Consultants	\$ 460,479	\$ 480,758	\$ 281,686	\$492,283	\$375,000	\$252,442	\$122,558	67%
44	Transportation: Regular Education	\$ 964,521	\$ 1,342,058	\$ 1,481,511	\$1,355,042	\$1,355,042	\$1,453,070	-\$98,028	107%
45	Print Center	\$ 272,559	\$ 256,381	\$ 276,306	\$283,662	\$283,662	\$326,839	-\$43,177	115%
46	Legal Services	\$ 374,810	\$ 250,845	\$ 219,992	\$378,690	\$378,690	\$232,583	\$146,107	61%
47	Teacher Substitutes	\$ 9,810	\$ 12,183	\$ 93,410	\$0	\$0	\$65,923	-\$65,923	
48	Administration	\$ 404,117	\$ 460,080	\$ 566,978	\$538,656	\$0	\$0	\$0	0%
48.1	School Committee				\$0	\$18,909	\$23,949	-\$5,040	127%
48.2	Superintendent				\$0	\$159,157	\$127,705	\$31,452	80%
48.3	Finance and Operations				\$0	\$90,496	\$79,027	\$11,469	87%
48.4	Human Resources				\$0	\$364,628	\$280,599	\$84,029	77%
56	Telephone	\$ 144,795	\$ 37,443	\$ 30,250	\$80,960	\$80,960	\$45,678	\$35,282	56%
58	Prior Year Unpaid Bills	\$ 50,000	\$ 50,000	\$ 50,000	\$0	\$0	\$49,766	-\$49,766	
60	Emergency Planning & Training		\$ 17,883	\$ 518	\$10,000	\$10,000	\$5,342	\$4,658	53%
61	Facility Improvements		\$ 60,769	\$ -	\$0	\$0	\$0	\$0	
Grand Total		\$10,804,874	\$11,700,076	\$12,215,151	\$ 13,384,992	\$ 13,516,189	\$ 13,059,904	\$ 456,286	96.6%