



Lexington Public Schools

146 Maple Street ♦ Lexington, Massachusetts 02420

Mary Ellen N. Dunn.
Assistant Superintendent for Finance and Business

Tel: (781) 861-2563
Fax: (781) 863-5829

mdunn@sch.ci.lexington.ma.us

To: Paul Ash, Superintendent
From: Mary Ellen Dunn, Assistant Superintendent for Finance and Business
Date: October 30, 2009
Re: FY10 1st Quarter Report

Executive Summary:

The 1st quarter report is forecasting a projected deficit range of 0.50% to 2.5% for FY10 or \$363,203 if most of the available offsets can be applied without restriction. The primary causes of the deficit are due to a large reduction in state special education Circuit Breaker reimbursement and reductions in our federal Title I, Title II grants and additional reductions in Kindergarten and Department of Public Health Nursing grants. We have also had program realignment within our MST, Fine Arts and Performing Arts programming requiring additional FTEs to be added to the budget.

TYPE2	LINE NUMBER	ROL L UP	Sum of FY10 APPROP	Sum of FY10 ADJSTMTS	Sum of FY10 REVISED BUDGET	Sum of FY10 Proj. Exp YTD	Sum of FY10 Proj Balance
SALARIES & WAGES	Sum		\$55,926,576	\$364,369	\$56,290,945	\$57,529,376	(\$1,238,431)
EXPENSES	Sum		\$11,031,717	(\$364,369)	\$10,667,348	\$11,110,209	(\$442,861)
Grand Total			\$66,958,293	\$0	\$66,958,293	\$68,639,586	(\$1,681,293)

While the budget appears to be in deficit, there are multiple ways it can be managed without impacting program. Available to the School Committee and the Superintendent are

- ARRA funds that need to offset expenditures currently being charged to the budget as we wait for final approval on our grant application (818,090).
- Remove authorization to expend funds that are currently reserved for non-teacher vacancies. (no funds are reserved for any teacher vacancies at this time – staffing is complete) (approximately \$500,00 could be released)
- The LABBB Credit, now over \$600,000, is available for single one-time use to offset LABBB collaborative tuition bills, thus freeing up the tuition account for other purposes approved by the School Committee and Superintendent. We are not recommending at this time to use the use of the LABBB credit to offset the overall projected deficit as shown below.

TYPE2	LINE NUMBER	ROL L UP	Sum of FY10 APPROP	Sum of FY10 ADJSTMTS	Sum of FY10 REVISED BUDGET	Sum of FY10 Proj. Exp YTD	Sum of FY10 Proj Balance
Grand Total			\$66,958,293	\$0	\$66,958,293	\$68,639,586	(\$1,681,293)
ARRA Grant Adjustment						(409,045.00)	818,090.00
Release of Vacancies Budgeted						(690,000.00)	500,000.00
Adjusted Grand Total			\$66,958,293	\$0	\$66,958,293	\$67,540,541	(\$363,203)

Budget Transfers:

This year we started with two large transfers of expense funds to salary and wages. The first was a transfer of all funds related to the payment of teacher substitutes from Expenses Line #47 to Salary & Wages Line #17. Upon award of the Substitute Contract, it was discovered that the district would need to pay the substitute as district employees. The second transfer was the termination of our assistive technology contract and hiring an employee trained in assistive technology. The funds from the Student Services Consultant line were transferred to fund the salary of the employee.

Lexington Public Schools – FY2010 1st Quarter Report as of September 30, 2009

TYPE2	LINE NUMBER	ROLL UP	Sum of FY10 APPROP	Sum of FY10 ADJSTMTS	Sum of FY10 REVISED BUDGET	Sum of FY10 Proj. Exp YTD	Sum of FY10 Proj Balance
SALARIES & WAGES	1	UNIT A -LEA	\$42,991,217	\$59,000	\$43,050,217	\$43,385,838	(\$335,621)
	2	UNIT A - STIPENDS	\$302,110	\$396	\$302,506	\$302,506	\$0
	3	UNIT A - COACHES	\$513,605	\$0	\$513,605	\$513,605	\$0
	4	LESA - SECRETARIES	\$2,513,117	\$0	\$2,513,117	\$2,635,747	(\$122,630)
	5	CO - SUPPORT	\$422,900	\$0	\$422,900	\$411,018	\$11,882
	7	UNIT C - INSTR ASST.	\$3,149,353	\$0	\$3,149,353	\$3,193,953	(\$44,600)
	7.1	NONB INSTRUCT PARAPROFESSIONAL	\$438,139	\$0	\$438,139	\$3,388	\$434,751
	7.2	NONB INSTRUCT PARAPROFESSIONAL	\$167,808	\$0	\$167,808	\$896,298	(\$728,490)
	8	ABA TUTORS	\$469,220	\$0	\$469,220	\$573,639	(\$104,419)
	9	OT ASSISTANTS	\$157,303	\$0	\$157,303	\$155,702	\$1,601
	10	SCHOOL AIDES	\$358,670	\$0	\$358,670	\$437,775	(\$79,105)
	13	TECHNOLOGY	\$600,480	\$0	\$600,480	\$606,957	(\$6,477)
	14	CO - ADMINISTRATION	\$865,384	\$0	\$865,384	\$894,824	(\$29,440)
	15	PRINCIPALS	\$1,133,300	\$0	\$1,133,300	\$1,164,013	(\$30,713)
	16	ALA - ASST PRINC/SUPVR	\$1,620,547	\$0	\$1,620,547	\$1,571,494	\$49,053
	17	NURSE SUBS	\$10,000	\$0	\$10,000	\$15,661	(\$5,661)
		TEACHER SUBSTITUTES	\$128,423	\$304,973	\$433,396	\$727,227	(\$293,831)
	18	INSTRUC. ASST. SUBS	\$50,000	\$0	\$50,000	\$2,545	\$47,455
		SECY SUBS	\$35,000	\$0	\$35,000	\$37,186	(\$2,186)
	20	SICK LEAVE BUY BACK	\$0	\$0	\$0	\$0	\$0
TOWN	CROSSING GUARDS	\$0	\$0	\$0	\$0	\$0	
	SHARED EXPENSES	\$0	\$0	\$0	\$0	\$0	
SALARIES & WAGES Sum			\$55,926,576	\$364,369	\$56,290,945	\$57,529,376	(\$1,238,431)
EXPENSES	1	BOWMAN	\$25,704	\$0	\$25,704	\$25,704	\$0
	2	BRIDGE	\$23,274	\$0	\$23,274	\$23,274	\$0
	3	ESTABROOK	\$22,032	\$0	\$22,032	\$22,032	\$0
	4	FISKE	\$26,892	\$0	\$26,892	\$26,892	\$0
	5	HARRINGTON	\$21,978	\$0	\$21,978	\$21,978	\$0
	6	HASTINGS	\$21,924	\$0	\$21,924	\$21,924	\$0
	7	CLARKE	\$23,593	\$0	\$23,593	\$23,593	\$0
	8	DIAMOND	\$23,781	\$0	\$23,781	\$23,781	\$0
	9	LHS	\$128,090	\$0	\$128,090	\$128,090	\$0
	10	K-5 LITERACY	\$87,100	\$0	\$87,100	\$87,100	\$0
	11	K-5 MATH	\$63,879	\$0	\$63,879	\$63,879	\$0
	12	K-5 SCIENCE	\$29,719	\$0	\$29,719	\$29,719	\$0
	13	K-5 SOCIAL STUDIES	\$24,338	\$0	\$24,338	\$24,338	\$0
	14	6-8 ENG/LANG ARTS	\$31,610	\$0	\$31,610	\$31,610	\$0
	16	6-8 FOREIGN LANGUAGE	\$27,240	\$0	\$27,240	\$27,240	\$0
	17	6-8 MATH	\$25,262	\$0	\$25,262	\$25,262	\$0
	18	6-8 SCIENCE	\$37,298	\$0	\$37,298	\$37,298	\$0
	19	6-8 SOCIAL STUDIES	\$21,345	\$0	\$21,345	\$21,345	\$0
	20	6-8 INFO TECH/BUSINESS	\$8,608	\$0	\$8,608	\$8,608	\$0
	21	9-12 ENG/LANG ARTS	\$28,634	\$0	\$28,634	\$28,634	\$0
	22	9-12 FOREIGN LANGUAGE	\$34,909	\$0	\$34,909	\$34,909	\$0
	23	9-12 MATH	\$23,690	\$0	\$23,690	\$23,690	\$0
	24	9-12 SCIENCE	\$85,453	\$0	\$85,453	\$85,453	\$0
	25	9-12 SOCIAL STUDIES	\$36,050	(\$1,000)	\$35,050	\$35,050	\$0
	26	9-12 POLICY DEBATE/SPEECH	\$4,120	\$0	\$4,120	\$4,120	\$0
	27	9-12 INFO TECH/BUSINESS	\$0	\$0	\$0	\$0	\$0
	28	9-12 GUIDANCE	\$7,210	\$0	\$7,210	\$7,210	\$0
	29	K-12 CURRICULUM	\$298,729	(\$396)	\$298,333	\$298,333	\$0
	30	K-12 LIBRARY/MEDIA	\$154,635	\$0	\$154,635	\$154,635	\$0
	31	TECHNOLOGY	\$211,762	\$0	\$211,762	\$211,762	\$0
	32	ENGLISH LANGUAGE LEARNERS	\$10,300	\$0	\$10,300	\$10,300	\$0
	33	K-12 PE/ WELLNESS	\$56,650	\$0	\$56,650	\$56,650	\$0
	34	K-12 VISUAL ARTS	\$72,100	\$1,000	\$73,100	\$73,100	\$0
	35	K-12 PERFORMING ARTS	\$77,250	\$0	\$77,250	\$77,250	\$0
	36	ATHLETICS	\$111,546	\$0	\$111,546	\$111,546	\$0
	37	EARLY CHILDHOOD PROGRAM	\$65,875	\$0	\$65,875	\$65,875	\$0
38	HEALTH SERVICES	\$12,595	\$0	\$12,595	\$12,595	\$0	
39	PSYCHOLOGIST	\$86,435	\$0	\$86,435	\$86,435	\$0	
40	K-12 STUDENT SERVICES	\$189,414	\$0	\$189,414	\$189,414	\$0	
41	TUITION* Budget & Projection Net Circuit Breaker Offset	\$5,237,079	\$0	\$5,237,079	\$5,794,898	(\$557,819)	
42	TRANSPORTATION SPECIAL EDUCATION	\$1,292,153	\$0	\$1,292,153	\$1,144,657	\$147,496	
43	SPECIAL EDUCATION CONSULTANTS	\$533,913	(\$59,000)	\$474,913	\$474,913	\$0	
44	TRANSPORTATION	\$444,434	\$0	\$444,434	\$476,972	(\$32,538)	
45	PRINT CENTER	\$278,100	\$0	\$278,100	\$278,100	\$0	
46	LEGAL SERVICES	\$208,000	\$0	\$208,000	\$208,000	\$0	
47	TEACHER SUBSTITUTES	\$415,973	(\$304,973)	\$111,000	\$111,000	\$0	
48	ADMINISTRATION	\$350,316	\$0	\$350,316	\$350,316	\$0	
56	TELEPHONE/Cell Phone/Pagers	\$30,725	\$0	\$30,725	\$30,725	\$0	
58	PRIOR YEAR EXPENSES	\$0	\$0	\$0	\$0	\$0	
59	REVOLVING FUND PROGRAMS	\$0	\$0	\$0	\$0	\$0	
60	PROGRAM ELIMINATION	\$0	\$0	\$0	\$0	\$0	
EXPENSES Sum			\$11,031,717	(\$364,369)	\$10,667,348	\$11,110,209	(\$442,861)
Grand Total			\$66,958,293	\$0	\$66,958,293	\$68,639,586	(\$1,681,293)

Salaries and Wages:

Included in this report are changes in employee FTEs that show where the shifts in staffing have taken place. Both the ARRA grant will be offsetting our staffing budget for SSIs, as well as any funds that may be released by closing any open vacancies. In addition, we usually generate a surplus for individuals on leave who exhaust their 8 weeks of sick leave. Generally the long-term substitutes make less than the teachers on leave, resulting in savings by the close of the fiscal year.

While, there are still some unknown variables that can impact our salary and wages projection, our salary or contracted staff are fairly predicable and reliable and we have experience with our hourly employees not working all the hours for which they are budgeted. We have seen this trend for the last three years and are continuing to refine the FTE calculation to ensure that we are not inadvertently over budgeting or over projecting costs in our forecasts.

Our teaching FTEs have increased by a net of 6.5. This is a direct result of either student population shifts and service demands or the reductions in DPH Nursing, Title I, Title II, and Title III federal funds. In addition, we added high school art and music staff to replace the lost teaching components from the Fine and Performing Arts split.

Vacancies:

Due to the current economic condition, the hiring of all non-essential personnel will be frozen. Now that vacancies are known and tracked, more collaborative work needs to be done among Finance, HR and the impacted department regarding the real need for any vacant positions. We will have technical FTE corrections for the 10 month Secretaries and for the SSIs. These are FTEs that were never funded as part of the budget but were carried as authorized FTEs on all prior budget charts. In addition, we continue to focus on our Instructional Assistants, Applied Behavioral Assistants, Home Tutors, and other providers that may expand or contract their time and hours due to any change in service delivery required for students.

FTE Summary Chart: Net Changes Budget¹ vs. Actual as of October 15, 2009

NO	Roll Up	Additions/Deletions/Transfers	Position	Early Childhood Program	Bowman Elementary	Bridge Elementary	Estabrook Elementary	Fiske Elementary	Harrington Elementary	Hastings Elementary	Clarke Middle School	Diamond Middle School	Lexington High School	System Wide Instructional Staff
1	Unit A – LEA Teachers	(0.71)	Adaptive PE Teacher						(0.46)					1.00
	Unit A – LEA Coordinators	1.00	Assistive Technology Teacher											(1.00)
	Unit A – LEA Coordinators	(1.00)	Athletic Director Transferred from LEA											(1.00)
		(0.60)	Coordinator										(0.60)	
		0.15	ELL Teacher		1.00									
		1.00	Integration Specialist							1.00				
		1.50	Kindergarten Teacher		0.30	1.00								
		0.56	Math Specialist– grant reduction		0.18	0.09			0.21	0.11				
		(1.25)	Math Teacher											
		2.00	MST Program Leaders											2.00
		0.60	Music Teacher					0.10						0.50
		1.00	Nurse – grant reduction											1.00
		(0.30)	Occupational Therapist											1.00
		(0.29)	PE/Wellness Teacher											(0.30)
		0.25	Pre-School Teacher	0.25										
		0.40	Psychologist											
		(0.33)	Reading Specialist			0.20	0.20		1.00					(1.00)
		(0.75)	Reading Teacher		(0.27)	(0.42)	0.30	(0.24)	0.30					
		2.00	Science Teacher											
		0.60	Social Studies Teacher									1.00		1.00
		0.30	Social Worker											0.60
		1.48	Special Needs Teacher											0.30
		(1.00)	Speech/Language Specialist											1.15
		0.10	Visual Arts Teacher											(1.00)
		6.51	See Above											(0.50)
	Unit A – LEA Coordinators													(1.50)
2	Unit A - Stipends	No Change												
3	Unit A - Coaches	No Change												
4	LESA – Secretaries	(1.00)	Transfer to CO Support											
5	Central Office Support	1.00	Student Services Financial Operations											
7	Unit C - Instructional Assistants	3.41	Building Overages vs. Budget											
		11.71	Vacancies: \$263,379											
7.1	Paraprofessional	1.94	Home Tutor Overages – Explanation required											
7.2	Student Support Instructors	(2.00)	24 FTE were added to the budget but only funded for 36 or 32 hours for 224 day contract FTE authorization can be reduced											
8	ABA/RCBA Services													
9	Occupational Therapy Assistants													
10	School/Class Aides													
13	Technology Unit: Technology Facilitators	0.50	Technology Facilitator											0.50
13	Technology Unit: All others													
13	Technology Non-Bargaining													
13	Technology Administration													
14	Central Office Administration													
15	Principals	1.00	Athletic Director Transferred from LEA											1.00
	ALA – HS Deans, MS Asst	0.20	Asst Superintendent for Curriculum											0.20
	Principal, Dir. Guidance, HS Assoc	(1.00)	Deputy Superintendent											(1.00)
	Principal	1.00	Director of Technology & Assessment											1.00
16	Principal, Dir. Guidance, HS Assoc													
	Coordinator	(1.00)	MST Coordinator Position										(1.00)	
17	ALA – Elem Asst Principal													
	Teacher/Nurse (Long – Term													
	Substitutes)													
18	Instructional Asst/Secretary													
20	Sick Leave													
	NET CHANGE	22.27		1.57	2.83	3.09	3.04	1.01	1.52	2.11	1.58	1.88	3.50	4.14

FTE Correction will be finalized for 2nd Quarter Report

¹ School Committee Recommended Budget as presented to Town Meeting 2009

Expenses:

Special Education Tuition: So far this year the special education tuition budget has had a thorough review and been impacted changes on the state level and transfers in and out of placements.

1. **Circuit Breaker:** Late in FY09 the state legislature cut the Circuit Breaker funding from 72% to 40%. This projected cut was over \$894,304 to the district based on our claim submittal in July. While the district only budgets circuit breaker reimbursement on known eligible tuition students, other students who are in district are part of the reimbursement application. However, the real budget impact was only \$602,121.² This reduction in reimbursement resulted in the district having to use ARRA funds to fill in the gap provided by the state legislature. This report does not contemplate further 9C reduction currently being proposed by the governor.
2. **ARRA Stimulus Funds – Recovery:** At this time, we are planning on using \$409,045 of the first round of the ARRA funding cycle.
3. **The Operational Services Division (OSD) of the Commonwealth of Massachusetts Executive Office of Administration and Finance** sets all tuition rates for private day and residential schools. These rates can increase anytime during the fiscal year and include an across the board increase annually. At this time, the state held the tuition rates down for this year with no increases. Our practice is to build in a 5% increase into all tuitions.
4. **LABBB Credit Status:** Since the school department did not use the LABBB credit last year, it is available for this year and for FY11 to help stave off additional revenue reductions or student placements. This is a single use offset that is approximately \$600,000 available to date.
5. **Currently, the new Student Services Finance Manager** is reviewing the details on the students who were part of the original budget projection and those that are in this quarter’s projection. While we know we have a new high cost student from out of state, we added 12 students to the tuition projection (93 budget³ vs. 105 projected). We need to know and understand the transition of students and the movement from one program to another.

Special Education Transportation: Currently, we are projecting a budget savings of \$147,000 for special education transportation. The savings is a direct result of the collaborative bid among LABBB and EDCO communities. In addition, we have reduced the projected rider rolls from 125 to 106. Last January, the Transportation Coordinator took over the management and oversight of the special education transportation. Due to the impending bid process and the placement assignment being critical information, all IEPs were verified as to eligibility and other pertinent student information that a new vendor would need to provide acceptable service.

	Students	Lexington Cost/year	3% Discount Inside Only	Final Cost - All Students	Total
Outside Totals	42	\$ 404,624.84		\$ 404,624.84	
Inside Totals	64	\$ 250,110.00	\$ 7,503.30	\$ 242,606.70	
LABBB/EDCO TOTALS				\$ 647,231.54	\$ 673,120.80
SUMMER TOTALS				\$ 133,401.91	\$ 133,401.91
Parent Reimbursements		tbd		\$ 24,634.69	\$ 24,634.69
Watch List Students		tbd		\$ 273,000.00	\$ 273,000.00
Extra PM Runs		tbd		\$ 40,500.00	\$ 40,500.00
	106				\$ 1,144,657.40

Regular Transportation: Currently, this year we had to add transportation for one Essex Agricultural School student and one half-day kindergarten student who lives more than 2 miles from school. Also encumbered at this time are funds to cover any fuel escalation that may occur between now and May. A more detailed report will be provided in the 2nd Quarter Report and the Superintendent’s Budget Recommendation to School Committee in December.

² The School Committee Recommended Budget {Page 40} provides the table showing that \$1,720,001 was used as the circuit breaker offset for FY10. The difference of \$292,183 is the lost revenue on the final claim submittal for the anticipated 72% reimbursement. However, the actual budget vs. budget impact is 602,121.

³ School Committee Recommended Budget, March 2009, Page 40