

# School Committee



## Fiscal Year 2012 Annual Town Meeting Budget Request

As voted: February 15, 2011

<http://lps.lexingtonma.org/businessandfinance.html>

# Revenue Offsets

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## Revenue Offsets

The Town follows a revenue sharing model that provides for the prior year appropriation, adjusted for new revenue under an allocation model of 71.6%/28.4%. This year the allocation was modified for one-time to allow the school department to receive more than its normal allocation. The agreement with the Town for FY13 is to have the School Department's base budget be reduced by the amount it received in excess (\$250,000 in unallocated revenue and \$548,198 ARRA offset transferred to the Health Insurance Account) of the revenue model. In addition, the School Department has agreed to transfer at a future Town Meeting, funds to cover the Unemployment Insurance account, should that account be in deficit as a result of School Department position consolidations or layoffs.

### *Town Meeting Appropriation Request and Funding Sources*

	Revised Request	FTE
Salary & Wages w/benefits (net adjustments through Jan. 25, 2011)	\$ 60,727,208	3.59
Benefits Transfer of New Positions	\$ (53,501)	
SFSF Funds (Off budget, funds will be directly charged)	\$ (37,654)	
Salary & Wages Town Meeting (net adjustments through Jan. 25, 2011)	\$ 60,636,053	
Expenses (net adjustments through Jan. 25, 2011)	\$ 12,646,833	
LABBB Credit (Off budget, Tuition will be directly charged)	\$ (138,000)	
Expenses (net adjustments through Jan. 25, 2011)	\$ 12,508,833	
<b>Total 1100 Lexington Public Schools</b>	<b>\$ 73,144,886</b>	<b>3.59</b>

General Fund - Base	\$ 69,243,526
General Fund - Revenue Adjustments	
General Fund - Revenue Increase as of Summit III	\$ 2,648,964
General Fund - Revenue Adjustment Request -School Department	
Medicaid Reimbursement	\$ 39,479
General Fund - Revenue Increase as of Summit IV	
Minuteman H.S. Assessment	\$ 35,000
Use of Unallocated Revenues	\$ 250,000
General Fund	<u>\$ 72,216,969</u>
Transfers	
Avalon Bay Education Mitigation Fund	\$ 250,000
DPF Estabrook PCB Reduction	\$ 100,000
Health Insurance Account Offset	
Net new positions funded in FY12 School Budget	\$ (53,501)
Combined positions - benefit savings	\$ 82,500
Ed Jobs Grant Funds (benefit offset)	\$ 548,918
	<u>\$ 927,917</u>
Town Meeting Appropriation Request	\$ 73,144,886



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**Local Receipts**

The school district collects revenue for the Town through fees that offset programs and services. The following is the detail of the projected revenue for the upcoming fiscal year. Through the course of the budget discussions, the revenue projected may change based on review of the "Total Cost of the Program" generating revenue.



**Town of Lexington**

**Revenue Projections**

**Table 3-G: Local Receipt Detail - Schools Departmental Revenue**

Local Receipt Category	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Estimated	FY12 Projected
10010070-41801	\$ 1,103,689	\$ 901,701	\$ 415,914	\$ 347,505	\$ 417,908	\$ 298,500	\$ 373,534
10010200 43401 TUITION		\$ -		\$ -	\$ 9,800		
10010200 43402 SCHOOL BUS TICKETS	\$ 711,129	\$ 131,521	\$ 12,946	\$ -	\$ -	\$ -	\$ -
10010200 43403 ATHLETIC FEES	\$ 240,634	\$ 409,080	\$ -	\$ -	\$ -	\$ -	\$ -
10010200 43601 RENTALS OF SCHOOL BUILDINGS	\$ 117,078	\$ 131,548	\$ 132,647	\$ -	\$ -	\$ -	\$ -
10010200 48403 MEDICAID REIMBURSEMENT	\$ 34,848	\$ 117,342	\$ 77,989	\$ 156,610	\$ 227,477	\$ 117,000	\$ 193,434
10010200 43404 MUSIC FEES		\$ 97,925	\$ 104,250	\$ 112,987	\$ 110,905	\$ 105,000	\$ 109,300
10010200 43405 STUDENT PARKING FEES		\$ 14,286	\$ 16,013	\$ 8,716	\$ 14,149	\$ 13,000	\$ 12,900
10010200 43406 TRANSCRIPT FEES			\$ 28,068	\$ 26,472	\$ 23,334	\$ 25,000	\$ 25,900
10010090 43299 E-Rate Filing Reimbursement		\$ 33,000	\$ 44,000	\$ 42,720	\$ 32,244	\$ 38,500	\$ 32,000

**Notes:**

FY2012 projections based on inspection of history of actual collections and projections of 3 and 5 year historical averages

10010200 43402 SCHOOL BUS TICKETS: the receipts have been reclassified as revenue of the School Bus Transportation Revolving Fund created at the 2008 ATM.

10010200 43403 ATHLETIC FEES: Effective FY08, these receipts were reclassified as revenues of the Athletic Fee Revolving Fund created by the School Committee.

10010200 43601 RENTALS OF SCHOOL BUILDINGS: the receipts have been reclassified as revenue of the Building Rental Revolving Fund created at the 2008 ATM.

**Local Receipt Category**

**Tuition:**

While the school district is not part of school choice program, periodically, the district will charge tuition for out-of-district or non-resident students on a temporary basis to complete the school year.

**School Bus Tickets:**

Annual Town Meeting 2007 removed school bus transportation bus pass revenue as a general fund receipt. These revenues are now used for direct delivery of the service. More information is available in the 3000 Other School Services section and the revolving fund summary document for this program.

**Athletic Fees:**

The 2007 Annual Town Meeting removed athletic fees as a general fund receipt. These revenues are now used for direct delivery of the service. More information is available in the 3000 Other School Services section and the revolving fund summary document for this program.

**Rental of School Buildings:**

Per School Committee policy, the school department charges a rental fee for the use of school space after school hours. Revenue from these receipts pays for custodial overtime and physical repairs; any remaining balance is a general fund receipt for other overhead costs not directly charged to the use of the



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renter. The revenue line has been transferred to the Department of Public Facilities and is now under the operations of a revolving fund. Reporting is not longer done by the School Department.

**Medicaid Reimbursement:**

The Town receives reimbursement from the Federal government through Medicaid for Administrative and Health Professional Services performed for students on an IEP who are Medicaid eligible. The Medicaid Program funding is dependent on continued support from the Federal government. Its continuation or modification is contingent upon legislative action. Prior to FY09, the school department handled Medicaid reimbursement claims in as a decentralized function. Since FY09, the district centralized claim submission and procedures by employing an additional 0.50 FTE in the Business Office to submit all claims. The FY12 budget increases the FTE by 0.25 due to the actual amount of time it takes to data mine personnel and expense records in order to maximize eligible expenses.

Claim processing includes contacting parents, mining expense and personnel data for eligible costs, and monitoring the completion of time studies by employees who services are Medicaid eligible. Centralizing the communication and monitoring for each claim submittal has proven to increase the amount of reimbursement eligible claims the district receives. We anticipate that the district’s base level should approach \$200,000 by the end of FY11.

**Music Fees:**

As a result of the 2004 failed override, the School Committee implemented an elementary music fee. The failed override of 2006 resulted in an increase of the fee to \$300. The fee offsets the cost of 2.90 FTEs (\$211,000) of providing lessons and instruction for instrumental music students in the elementary instrumental music program.

	Number of Students Enrolled	Anticipated Full Collection @ \$300	Actual Fees Collected	Collection Rate on Full Participation	General Fund Projected Revenue	Actual vs. General Fund	Collection Rate on General Fund
FY12*	432	\$129,600	\$126,471	97.53%	\$109,300	\$17,171	115.71%
FY11	432	\$129,600	\$126,545	97.59%	\$105,000	\$21,545	120.52%
FY10	400	\$120,000	\$110,905	91.80%	\$101,080	\$9,825	109.72%
FY09	394	\$118,200	\$112,987	95.39%	\$94,253	\$18,734	119.88%
FY08	362	\$108,600	\$104,250	95.83%	\$121,500	(\$17,250)	85.80%
FY07	314	\$94,200	\$97,925	103.80%	\$121,500	(\$23,575)	80.60%
* projected							

**Student Parking Fees:**

Licensed student drivers are charged parking fees for a parking permit at the high school. A limited number of senior student parking spots are assigned by lotteries held early in the fall and spring semesters. Student parking at Lexington High School is a privilege, and it is expected that each student will abide by the posted signs and all rules and regulations. Parking stickers are required no matter how infrequently the student may be bringing his or her own vehicle or parents’ vehicle to school. Stickers will be granted to seniors as space permits. Parking stickers cost \$108 per semester. Fees support the general operating budget for campus monitor (0.90 FTE) plowing, and traffic management.



## **Lexington Public Schools**

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### Transcript Fees:

Students are charged \$6.00 per official transcript for each college application requested. The fee for transcripts went from \$2.00 each to \$6.00 each on August 1, 2007 in order to fund an Assistant Registrar (0.50 FTE). Any transcript requests from post-graduates are \$10.00 per official transcript.

### E-Rate Filing Reimbursement:

“The Schools and Libraries Program of the Universal Service Fund makes discounts available to eligible schools and libraries for telecommunication services, Internet access, and internal connections. The program is intended to ensure that schools and libraries have access to affordable telecommunications and information services.”<sup>1</sup> The school district files for applicable telephone, cell phone, internet, and technology purchases on behalf of the Town. The school department employs an additional 0.25 FTE in the Business Office to submit all claims on behalf of the Town and School District.

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<sup>1</sup> Universal Service Fund: <http://www.universalservice.org/sl/>



**Other Reimbursement Programs**

**Circuit Breaker**

The Circuit Breaker Program reimburses a school district for students with disabilities who require individual education program (IEP) services that cost greater than four times the statewide foundation budget. Lexington Public Schools has chosen to project current- and future-year reimbursement amounts as an offset to the projected out-of-district tuition budget. The foundation rate changes each year, which also impacts potential reimbursement to the school district. For budgeting purposes and to provide the Town with the best information available we calculate the projected circuit breaker reimbursement for the new fiscal year on known tuitions only. The budget practice is to use the Circuit Breaker account for residential tuition payments, resulting in the residential tuition line being a “net” figure. This will allow transparency and consistency in maintaining what the total cost of each tuition category (Day, Collaborative, and Residential) is for future years.

Below is the Circuit Breaker claim history since the beginning of the current program. The FY12 budget is based on a projected reimbursement rate of 40%.The governor’s FY12 budget request projects a 60-70% reimbursement rate. The actual rate will not be known until two events occur,

- 1) The legislature approves the governor’s budget recommendation, and
- 2) The DESE determines the actual rate, based on reimbursement claims submitted by all districts in July and apportions the legislatively approved budget for the program to all school district.

**Circuit Breaker Claim History**

PROJECTED CIRCUIT BREAKER REIMBURSEMENT										PROJECTED REIMBURSEMENT				
Claim Year	Reimb Year	Est. Students Claimed	Projected Claim Amount	Total Cost Share	Adj Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	% Reimb	Reimb Rate	Total Reimb	Audit Adj	Total Adjusted Reimb
FY11	FY12	67	6,093,984		6,093,984	2,588,612	3,505,372	\$ 52,319	3.16%	40%	\$ 1,402,149			1,402,149
CIRCUIT BREAKER REIMBURSEMENT HISTORY										ACTUAL REIMBURSEMENT				
Claim Year	Reimb Year	Actual Students Claimed	Claim Amount	Total Cost Share	Adj Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	% Reimb	Reimb Rate	Total Reimb	Audit Adj	Total Adjusted Reimb
FY10	FY11	97	\$ 7,870,593		\$ 7,145,661	\$ 3,747,692	\$ 3,397,969	\$ 35,031	21.59%	40%	\$ 1,359,190			\$ 1,359,190
FY09	FY10	88	\$ 4,479,314		\$ 6,042,236	\$ 3,247,536	\$ 2,794,700	\$ 31,758	5.08%	40%	\$ 1,117,880			\$ 1,117,880
FY08	FY09	70	\$ 5,138,076		\$ 5,138,076	\$ 2,478,560	\$ 2,659,516	\$ 37,993	-6.48%	72%	\$ 1,914,856			\$ 1,914,856
FY07	FY08	91	\$ 5,994,627	\$ 84,028	\$ 5,910,599	\$ 3,066,700	\$ 2,843,899	\$ 31,252	20.54%	72%	\$ 2,047,607			\$ 2,047,607
FY06	FY07	80	\$ 4,964,705	\$ 93,561	\$ 4,572,353	\$ 2,213,120	\$ 2,359,233	\$ 29,490	36.82%	74%	\$ 1,769,425	\$ 1,769,425	\$ (31,520)	\$ 1,737,905
FY05	FY06	66	\$ 3,794,719	\$ 67,933	\$ 3,726,786	\$ 2,002,440	\$ 1,724,346	\$ 26,126	-5.36%	75%	\$ 1,293,260	\$ 1,293,260		\$ 1,293,260
FY04	FY05	86	\$ 4,449,306	\$ 105,704	\$ 4,343,602	\$ 2,521,520	\$ 1,822,082	\$ 21,187	-3.84%	75%	\$ 1,311,904	\$ 1,311,904	\$ 54,662	\$ 1,366,566
FY03	FY04	89	\$ 4,556,061	\$ 150,504	\$ 4,405,557	\$ 2,536,163	\$ 1,894,747	\$ 21,289		31%	\$ 663,161		\$ (71,907)	\$ 591,254

**Circuit Breaker Overview:**

During FY04, the Circuit Breaker Reimbursement Program replaced a program referred to as the 50/50 account, where the State paid 50% of the residential tuitions directly to the residential school in which the placement had been made; the school district paid the other 50%. The program reimburses a school district for students with disabilities who require individual education program (IEP) services that cost greater than four times the statewide foundation budget. The school district may be reimbursed subject to appropriation, for up to 75% of these costs. In FY05, The state shifted from a pay-as you go reimbursement program for residential tuitions to a broader-based, still-partial, special education reimbursement program. The 2004 legislation expanded the types of expenditures eligible for reimbursement. Each year, there is a potential for a



change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account.<sup>2</sup>

Below is a historical chart showing the loss of Circuit Breaker reimbursement due to the percentage being reduced from the 75% rate quoted in the statute to rates between 35-75%.

**Circuit Breaker Reimbursement History**

Claim Year	Reimb Year	Net Claim	% Reimb	Total Adjusted Reimb	If 75%	Lost Revenue/(Gained Revenue)	IF Prior Year %	Lost Revenue/(Gained Revenue)	Budget Projection	Lost Revenue/(Gained Revenue)
FY10	FY11	\$ 3,397,969	40%	\$ 1,359,190	\$ 2,548,477	\$ 1,189,287	\$ 1,359,187.60	\$ (2)	\$ 1,251,591	\$ (107,599)
FY09	FY10	\$ 2,794,700	40%	\$ 1,117,880	\$ 2,096,025	\$ 978,145	\$ 2,012,188.71	\$ 894,309	\$ 1,720,001	\$ 602,121
FY08	FY09	\$ 2,659,516	72%	\$ 1,914,856	\$ 1,994,637	\$ 79,781	\$ 1,914,851.26	\$ (5)	\$ 1,804,515	\$ (110,341)
FY07	FY08	\$ 2,843,899	72%	\$ 2,047,607	\$ 2,132,924	\$ 85,317	\$ 2,094,929.28	\$ 47,322	\$ 1,954,739	\$ (92,868)
FY06	FY07	\$ 2,359,233	74%	\$ 1,737,905	\$ 1,769,425	\$ 31,520	\$ 1,769,425.43	\$ 31,520	\$ 1,800,000	\$ 62,095
FY05	FY06	\$ 1,724,346	75%	\$ 1,293,260	\$ 1,293,260	\$ (1)	\$ 1,293,263.76	\$ 4		
FY04	FY05	\$ 1,822,082	75%	\$ 1,366,566	\$ 1,366,562	\$ (5)	\$ 568,578.96	\$ (797,987)		
FY03	FY04	\$ 1,894,747	31%	\$ 591,254						

**Circuit Breaker Claiming Timetable:**

The state’s Circuit Breaker Fund reimburses the school district at the rate of 35-75% for in-district and out-of-district student costs which exceed four times per pupil foundation amount. The state sets this amount annually as part of the annual state budget deliberations. The district does not know the actual reimbursement rate for the fiscal year until after it submits its annual claim, each July, for all actual eligible costs of providing IEP services to out-of-district and in-district students. In addition to out-of-district tuitions, eligible costs include instructional services, various types of therapies, and specialized equipment. Circuit Breaker specifically excludes transportation and building infrastructure costs.

During the next fiscal year, the school district receives quarterly progress payments based on the prior-year’s approved claim submission. A fifth and final payment is made in August or September to fully fund the prior year obligations. (If the progress payments totaled less than the Fund’s full obligation, that final adjustment is an additional payment; if the progress payments totaled more than the Fund’s full obligation, the excess would be netted from the next-following progress payment.). All Circuit Breaker funds received go into the Circuit Breaker Revolving Account, and does not require further appropriation, and must be expended by the following June 30.

<sup>2</sup> A Primer on Financial Aspects of Special Education is available at [http://finance1.doe.mass.edu/education/CB\\_finance.html](http://finance1.doe.mass.edu/education/CB_finance.html)





### Fee Programs

The Lexington School Committee provides students with books and other educational materials at taxpayers' expense. Students who do not return their books or other articles in satisfactory condition must pay for the replacement cost of the book(s) or other material. Parents and guardians will be held responsible for books and materials issued to their children. Students may be denied certain privileges for the loss or damage of school property.

Furthermore, the School Committee establishes fees<sup>3</sup> for participants in certain activities to support these individual programs. The school committee sets these fees annually during the budget process or as information become available. Examples include, but are not limited to, field trips and community education, student transportation (grades seven through twelve and/or beyond 2.0 miles from the local school), kindergarten, preschool, student parking, and athletics. Unless qualified for financial assistance, all fees are due upon the schedule established by the individual program. If the payment is not received, the Superintendent or his/her designee may take one or more of the following actions, unless or until prohibited by state law or regulation:

1. Prohibit participation of the student in the program.
2. Prohibit participation of student or other students in the student's household from participating in any future fee-based program until or unless outstanding balances are resolved.
3. Prohibit student participation in senior activities or graduation exercises.
4. Referral to small claims court.

Financial reporting for all fees occur in three areas, General Fund, Special Revenue Funds known as Revolving Funds, and Agency Funds commonly referred to as Student Activities.

### General Fund Fees

Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
Elementary Instrumental Music	\$300	\$300	No Change	\$109,300 Three year average  Offsets the cost of providing lessons during the school day at the elementary level.

<sup>3</sup> Legal References:

M.G.L. Chapter 71: Section 47. Athletic programs; school organizations; student activity accounts  
M.G.L. Chapter 44: Section 69. Municipal or district services, fees or charges; insufficient funds checks; penalty  
M.G.L. Chapter 60: Section 57A. Payment by check not duly paid; penalty  
M.G.L. Chapter 93: Section 40A. Dishonored checks; demand for payment  
M.G.L. Chapter 71, Section 49 Purchase of textbooks by pupils  
DESE Full Day Kindergarten Regulations



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Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
Transcript Fees:	<ul style="list-style-type: none"> <li>\$6.00 per official transcript for each college application requested.</li> <li>\$10.00 per official transcript for each transcript requests from post-graduates</li> </ul>	<ul style="list-style-type: none"> <li>\$6.00 per official transcript for each college application requested.</li> <li>\$10.00 per official transcript for each transcript requests from post-graduates</li> </ul>	No Change	\$25,900 Three year average  Offsets the cost of Asst. Registrar at High School
Student Parking Fees:	\$108 per semester	\$108 per semester	No Change	\$12,900 three year average  Offsets the cost of campus monitor plowing, and traffic management.

**Special Revenue Funds: Revolving Funds**

**Revolving Fund Summaries:** The School Department receives fees and donations for various programs. A complete description of each revolving funds and a five year financial summary is available at <http://lps.lexingtonma.org/Current/FY12Budget/FY12Revolving>. Below is a highlight of specific revolving funds that impact the calculation of the operating budget.

**Avalon Bay Education Mitigation Trust Fund Escrow Agreement:** Per the agreement dated May 31, 2006 the Avalon Bay Communities agreed to pay \$7,100 per student registered in the Lexington Public Schools over 111 students with a maximum payout of \$750,000. Commencement of the payments started upon occupancy of 290 units. The estimated revenue for FY10 to be available for FY11 is \$418,900 plus additional funds received from our February 2011 claim submission.

**Revolving Fund Fee Summaries:**

Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
Preschool Tuition	10 Hr/week program: \$3,000  15 Hr/week program: \$4,250  Lunch Bunch: \$1200 per year (1 hr – 4 day per week)	10 Hr/week program: \$3,312  15 Hr/week program: \$4,860  Lunch Bunch: \$1,800 per year (1 hr – 4 day per week)  Program will limit financial assistance slots available	The program is seeing a rise in the number of parents of typical children seeking financial assistance.  In addition, the program rate needs to stay current with recently negotiated labor contracts for employees within this program.	\$100,000  Revolving Fund: Offsets the cost of program staff and supplies and materials for typical students. It does not fund the Special Education component of this program.



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Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
Full-Day Kindergarten Tuition	\$1,075	No Change	No Change	\$400,000  Revolving Fund: Offsets the cost of teacher salaries and some free or reduced tuition through the Financial Assistance program.
Athletics	<p>High School:</p> <ul style="list-style-type: none"> <li>▪ \$300.00 1st sport per student,</li> <li>▪ \$300.00 2nd sport per student,</li> <li>▪ 3rd sport free.</li> <li>▪ \$600 maximum per family (Family Plan).</li> <li>▪ Family Pass: \$50 (full admission to all home games)</li> <li>▪ Athlete Pass: Free</li> </ul> <p>Middle School:</p> <ul style="list-style-type: none"> <li>▪ \$100.00 per varsity sport.</li> <li>▪ \$65.00 per junior varsity sport.</li> <li>▪ \$60.00 per session for intramural programs</li> </ul> <p>Before School Sports:</p> <ul style="list-style-type: none"> <li>▪ \$60.00 per year.</li> <li>▪ FAMILY PLAN: If the user fee for school athletics exceeds \$600.00 for the entire family, grades 5 - 12, you qualify for the Family Plan.</li> </ul>	<p>High School:</p> <ul style="list-style-type: none"> <li>▪ \$325.00 1st sport per student,</li> <li>▪ \$300.00 2nd sport per student,</li> <li>▪ 3rd sport free.</li> <li>▪ \$625 maximum per high school only family (LHS Family Plan).</li> <li>▪ Family/Athlete Passes: Discontinued – All home game admissions free except MIAA tournament games</li> </ul> <p>Middle School:</p> <ul style="list-style-type: none"> <li>▪ \$150.00 per varsity sport.</li> <li>▪ \$125.00 per junior varsity sport.</li> <li>▪ \$75.00 per session for intramural programs</li> <li>▪ \$825 maximum per family (LHS &amp; MS Family Plan).</li> </ul> <p>Before School Sports:</p> <ul style="list-style-type: none"> <li>▪ \$75 per session, or</li> <li>▪ \$200 for three sessions</li> <li>▪ FAMILY PLAN: discontinued.</li> </ul>	The fee increases being proposed will address market rate adjustments for similar programs and raise revenue to cover the cost of providing the programs being offered. Prior to this proposal, the LHS program has experienced an ongoing reduction of funds available for uniform and equipment replacement.	\$450,000  Revolving Fund: Offsets the cost of staff, equipment, transportation, and other program needs
Transportation	<ul style="list-style-type: none"> <li>• \$600 with a family cap of \$1,650</li> <li>• Early Bird Registration: \$550 with a family cap of \$1,600</li> <li>• Hayden Transportation: \$200 per seat; no cost for Fee rider</li> <li>• Joint Custody: \$275 per seat/route</li> </ul>	No Change	No Change	\$690,000  Revolving Fund: Offsets the cost of program staff and supplies and materials for riders not eligible for Town paid transportation.



Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
School Lunch	<ul style="list-style-type: none"> <li>Breakfast: \$2.00 (all levels)</li> <li>Lunch: a maximum of \$3.50 (all levels)</li> <li>Milk: a maximum of \$0.60</li> <li>Sensible Sides are available at the Elementary schools from \$0.50- \$1.25.</li> <li>Middle and High Schools offer several a la carte options from \$ 0.50- \$1.25.</li> <li>Premium Lunches are available at the High School for \$4.50.</li> </ul>	No Change	The cost of the program for food and delivery of products is often variable. The management services are bid every three years. Currently the School Wellness Policy and Nutrition Guidelines are embedded into the contract language.	\$1800,000  Revolving Fund: All revenue is held by the School Department. We are installing a Point of Sale system to remove cash from our schools and improve our reporting of sales for meals and a la carte items.

**Agency Funds: Student Activities**

**Student Activities Fund Summaries:** Five-year financial summaries are currently not available. In 1996, due to the enactment of a state law on student activity accounts as codified in Section 47 of Chapter 71 of the General Laws of Massachusetts (MGL), the Lexington Public Schools (LPS) prepared guidelines to assist Principals in properly safeguarding student funds. These guidelines and procedures which are currently undergoing extensive review and updates are necessary to achieve good accounting practices, and comply with the law.

The financial monitoring of these funds is undergoing an overhaul. The financial reporting is being moved from a paper-based record keeping system to a new module being added to MUNIS (Town’s Financial Application). These funds are student funds and are restricted to the following formula

$$\text{Formula for determining costs: } \frac{\text{Total costs of all expenses (tickets, transportation, meals, etc)}}{\text{\# of Students Attending}}$$

The Number of Student attending is not reduced by any financial assistance students. These students are funded from other sources determined by the Principal. Funds can only be used to directly benefit students. Use of funds for curriculum supplies, materials, or personnel are prohibited by statute.

Program	FY11 Fee	FY12 Proposed Fee	Reason for Change	Revenue Collected
Field Trips and Extracurricular Activities	At Cost	At Cost	No Change	Student Activities: Costs are calculated for total cost of providing experience divided by the number of students attending.



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Other Revenue Sources
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## Grant Funds

The School Department receives federal, state, and local grant funds. A complete description of each grant and a five year financial summary is available at <http://lps.lexingtonma.org/Current/FY12Budget/FY12Grants>. Below is a highlight of specific grant funds that impact the calculation of the operating budget.

**American Recovery & Reinvestment Act (ARRA) \$1,636,090:** Two installments of **\$818,045** each for FY10 and FY11. According to the U.S. Department of Education, all ARRA funds are meant to be spent quickly to save and create jobs; used to improve student achievement through school improvement and reform, tracked accurately, with both uses and results reported publicly, and invested wisely to minimize the 'funding cliff' associated with commitments that cannot be sustained once the funding stream ends. Federal guidance and details are posted on the USED website at <http://www.ed.gov/policy/gen/leg/recovery/implementation.html>.<sup>4</sup> There are specific rules and guidelines as to how these funds are to be expended <http://www.doe.mass.edu/arra/idea.pdf>. Therefore due to the complexity, the district has chosen to budget in the operating budget all funds for Special Education and Professional Development and offset the costs allowable that occur during the fiscal year. This ensures that when these funds are no longer available we can evaluate the continuation of the services that have been incorporated into the district program.

**ARRA - State Fiscal Stabilization Fund (SFSF) \$37,654:** <sup>5</sup>The State Fiscal Stabilization Fund (SFSF) program, which is funded through the American Recovery and Reinvestment Act (ARRA) of 2009, is a one-time appropriation the U.S. Department of Education (ED) is awarding to Governors to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. While there is no requirement that districts spend a certain percentage of their SFSF funds on investment versus recovery activities, the Massachusetts Department of Elementary and Secondary Education (Department) is advising districts to split SFSF grant funds between saving jobs and strategic investment—that is, for program improvements that will provide enhanced educational opportunities and/or cost savings that will extend beyond the limited two-year life of this unprecedented grant program.

**The Education Jobs Fund Program (Ed Jobs) \$548,918:** The Education Jobs Fund Program (Ed Jobs) is a new, one-time appropriation the U.S. Department of Education (ED) is awarding to Governors to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

A school district must use its funds only for compensation and benefits, and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services. For purposes of this program, the phrase "compensation and benefits, and other expenses, such as support services" includes, among other things, salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

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<sup>4</sup> <http://www.doe.mass.edu/arra/>

<sup>5</sup> <http://finance1.doe.mass.edu/grants/grants11/rfp/780.html>



**All ARRA Funds have the following restrictions:**

Eligible expenses include any FY11 expenses directly related to the school district's operation, with the following exceptions\*:

1. Maintenance costs;
2. Stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
3. Purchase or upgrade of vehicles; and
4. Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration, operations, or logistical support facilities.



### Free Cash Contributions

The School Department has returned over \$6.4 million dollars over the last four years as a result of the development of in-district programs for special education, program efficiencies, and cost savings.

	Year End Balances Released as of Jun 30	Carry Forward Balances Released at the Close of the Next Fiscal Year	Total	Fiscal Year Carry Forward Balances Corresponds to
FY07 <sup>6</sup>	\$464,106		\$464,106	
FY08 <sup>7</sup>	\$1,007,534	\$531,579	\$1,539,113	{FY07}
FY09 <sup>8</sup>	\$584,687	\$827,373	\$1,412,060	{FY07 and FY08}
FY10 <sup>9</sup>	\$1,940,856	\$1,071,958	\$3,012,814	{FY08 and FY09}
Total	\$3,997,183	\$2,430,910	\$6,428,093	

#### Ongoing Annual Operating Budget Savings since FY08:

Description of Program Efficiencies and Savings	Amount of Annual Savings	Effort Began
<b>Expanded Special Education Programs</b>		
Augmented five special education programs	\$ 893,279	FY 08
Fiske Intensive Learning Program	\$ 172,532	FY 09
Initiated aggressive program to reduced energy and utility use:	\$ 580,648	FY 08
Outsourced cleaning services	\$ 44,532	FY 11
Led drive to create regional special education transportation system	\$ 408,798	FY 08-10
Eliminated private school transportation	\$ 65,000	FY 10
Reduced the number of benefits-eligible I.A. positions	\$ 233,173	FY 10
Reduced the number of benefits-eligible teacher positions	\$ 25,200	FY 10
Reduced the number of instructional assistants	\$ 115,920	FY 10
Collective Bargaining Savings	\$1,124,333	FY 10
	<u>\$3,663,415</u>	

<sup>6</sup> FY07 4<sup>th</sup> Quarter Report: <http://lps.lexingtonma.org/Current/FY07BudgetFinalSummary.pdf>

<sup>7</sup> FY08 4<sup>th</sup> Quarter Report: <http://lps.lexingtonma.org/Current/FY08YearEndFinancialReport.pdf>

<sup>8</sup> FY09 4<sup>th</sup> Quarter Report: [http://lps.lexingtonma.org/Current/FY09Qtr4QtrFinReportver1\\_3.pdf](http://lps.lexingtonma.org/Current/FY09Qtr4QtrFinReportver1_3.pdf)

<sup>9</sup> FY10 4<sup>th</sup> Quarter Report: <http://lps.lexingtonma.org/Current/Fy20104thquarter.pdf>