



# LINCOLN PUBLIC SCHOOLS

Mary Ellen Normen  
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To: School Committee  
Parry Graham, Superintendent  
From: Mary Ellen Normen, Administrator for Business and Finance  
Date: October 13, 2023  
Subject: FY23 Budget Status – Year End Summary

The Lincoln Public Schools ended FY23 with a budget surplus and with all obligations met. Details of the status of the FY23 budgets for both campuses follow. The report also provides for the prior year encumbrance balances and activity.

**Lincoln Campus:** For the past several years, the School Committee has been able to accomplish some strategic purchasing at the end of the fiscal year to support the opening of the Lincoln School. FY 23 is the end to the additional needs for supplies and materials required for opening the building. At the end of FY23, when the Town Finance Director closed the books, the Lincoln appropriated budget returned the following amounts:

Lincoln	Budget	YTD	ENC BAL	Funds Returned to General Funds
Departmental Revenue (General Fund Receipts)				\$ 146,901.27
Medicaid Receipts for appropriation FY25				\$ 58,379.76
FY23 Encumbrance Carry Forward (CFWD)	\$ 697,937.22	\$ 505,580.32	\$ 89,279.35	\$ 103,077.55
Unspent FY23 budget amounts released in FY223	\$ 12,670,221.00	\$ 11,631,962.52	\$ 385,339.49	\$ 652,918.99
<b>Total</b>			<b>\$ 474,618.84</b>	<b>\$ 961,277.57</b>

**Revenue and Revenue Offsets:** The Public Schools generated \$147,000 in additional general fund revenues through receipt of rebates or credits for part of the solar implementation project (\$140,000).

**Medicaid Receipts Reserved for Appropriation FY25:** Significant in FY 22, was the dramatic increase in Medicaid Reimbursement. In FY 23, the MEDICAID reimbursement generated \$58,379.76 that will be applied to the Lincoln Budget for FY 25. The history of these funds is not yet consistent but greatly improved. The variable from year to year are the number of students and staff supporting Medicaid Eligible Students.

Fiscal Year	Amount	# of Payments	FY Year Applied
2018	25,990.37	4	FY 2020
2019	25,281.51	6	FY 2021
2020	14,333.76	4	FY 2022
2021	17,282.12	3	FY 2023
2022	82,829.24	5	FY 2024
2023	58,379.76	4	FY 2025
2024	62,377.43	Estimate for 4 payments	FY 2026

The average quarterly Medicaid payment dropped from \$17,000 to \$11,000 and FY24's current estimate is based on \$11,000 for three Quarters and \$29,000 for the administrative claim quarter. Due to the negotiation environment last fiscal year, the School Administration and School Committee made a conscious choice to budget these funds against our teacher contract costs. These funds generate from the work they perform for the district to receive these funds. We very much appreciate the work of our Special Education Service Providers who make this revenue stream possible.

Carry Forward Encumbrances: The School Department has reduced the amount of funds that carries forward each year in open encumbrances. FY21 CF to FY22 was \$1,225,993.51 with a return of \$130,000 to the General Fund. The FY22 CFWD to FY23 was halved and included \$697,937.22 with \$103,000 returned to the General Fund. The Total Carry Forward from FY 23 to FY24 is \$474,619 with a little more than half already expended.

The balance of unspent FY23 budget encumbrances carried forward (\$474,618.84) will be released in FY24 and returned to the Town's Free Cash at the end of FY23. As of October 12, 2023, The Encumbrance Carry Forward (CFWD) balance is as follows:

Encumbrances Carried Forward (CFWD)	Budget	YTD	ENC BAL	Balance released to date
as of 10/12/2023	474,618.84	254,132.29	214,465.46	6,021.09
Utilities	\$ 89,257.66			
Maintenance	\$ 33,037.86			
Summer Payroll	\$ 17,319.78			
Legal Services	\$ 16,013.99			
Professional Development	\$ 19,872.23			
Transportation	29,163.03			
Technology Support and Infrastructure	\$ 125,846.32			
Collaborative Tuition	\$ 24,133.28			
Supplies and Materials	\$ 119,974.69			

Operating Budget Balance: The most significant return of funds (\$652,919) was generated from Personnel Costs. The Lincoln School experienced savings due to maternity leaves, turnover of positions/delayed hiring (Teachers and Custodians), unfilled positions (Communications). Due to this significant return of personnel funds a monitoring system has been put in place to identify these funds sooner. In addition, the budget methodology for each budget year requires the Personnel portion of the budget to be reset using active payroll from mid-October and reconcile the positions against the current year staffing plan to identify additional FTE or reclassified FTEs.

	Budget	YE Balance
<b>Personnel Total</b>	\$ 10,153,442.00	\$ 551,717.71
<b>Expense Total</b>	\$ 2,516,779.00	\$ 101,201.28
	\$ 12,670,221.00	\$ 652,918.99

The Expense portion of the budget net balance of \$101,201 generated from \$68,766 in Tuition, \$31,449.91 from Utilities, \$31,068.22 Facilities Maintenance, and \$60,724.30 CASE Credits. We were over budget in Legal Services and Settlements and Supplies and Materials. The Committee was previously informed about Legal Services and Settlements in earlier communications from School Administration. The Supplies and Materials (\$21,000) was the result of year end spending and Athletic equipment and uniforms.

**Hanscom Campus:** All balances remaining in the Hanscom allocated budget were to be returned to the Hanscom Reserve Account.

Hanscom	Budget	YTD	ENC BAL	Funds Turned over to Reserve
FY22 Encumbrance Carry Forward (CFWD)	735,271.22	642,724.79	13,590.89	\$ 78,955.54
Unspent FY23 budget amounts released in FY23	\$ 17,138,568.00	\$ 15,583,184.28	\$ 736,011.51	\$ 819,372.21
<b>Total</b>			<b>\$ 749,602.40</b>	<b>\$ 898,327.75</b>

At the end of FY23, when the Town Accountant closed the books, the Hanscom allocated budget returned the following amounts:

Contract Budget Balance: The most significant return of funds (\$652,919) was generated from Personnel Costs. The Hanscom School experienced savings due to maternity leaves, turnover of positions/delayed hiring (Teachers and ESPs). unfilled positions (Communications). In addition, due to the enrollment fluctuation potential and history the Hanscom budget the full contract price as estimated as part of the contract all balances at the close of a fiscal year are put in reserve for future unfunded liabilities or enrollment shifts. In addition, like Lincoln, a monitoring system has been put in place to identify these funds sooner. In addition, the budget methodology for each budget year requires the Personnel portion of the budget to be reset using active payroll from mid-October and reconcile the positions against the current year staffing plan to identify additional FTE or reclassified FTEs.

	Budget	YE Balance
<b>Personnel Total</b>	\$ 13,021,196.00	\$ 735,190.77
<b>Expense Total</b>	\$ 4,117,372.00	\$ 84,181.44
	\$ 17,138,568.00	\$ 819,372.21

Carry Forward Encumbrances: The School Department has reduced the amount of funds that carries forward each year in open encumbrances. FY21 CF to FY22 was \$ \$1,901,920.19 with a return of \$385,111 to the General Fund. The FY22 CFWD to FY23 was \$1,456,132 with \$68,943 returned to the General Fund. The Total Carry Forward from FY 23 to FY24 is \$749,602 with a little more than 85% already expended and \$78,956 returned to the Town.

Encumbrance Carry Forward (CFWD) balance is as follows:

The balance of unspent FY23 budget encumbrances carried -forward will be released in FY24 and returned to the Hanscom Reserve account at the end of FY24. As of October 12, 2023, The Encumbrance Carry Forward (CFWD) balance is as follows:

Encumbrances Carried Forward (CFWD)	Budget	YTD	ENC BAL	Balance released to date
as of 10/12/2023	749,602.40	642,724.79	13,590.89	78,955.54
Utilities	\$ 55,952.35			
Maintenance	\$ 55,419.68			
Summer Payroll	\$ 24,470.11			
Benefits/Insurance Transfers	\$ 200,721.59			
Instructional Hardware	\$ 107,517.42			
Professional Development	\$ 27,159.29			
Collaborative Tuition	\$ 140,047.31			
Supplies and Materials	\$ 138,314.65			