



**LOWELL PUBLIC SCHOOLS**  
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To: Salah Khelfaoui, Superintendent

From: Gary N. Frisch, Assistant Superintendent for Finance and Operations

Re: Supplemental Appropriation of Funds from the City

Date: December 27, 2017

This memorandum requests the City Council appropriate a supplemental budget of \$472,116 from free cash for the following three items: 1) Budget gap of \$250,000; 2) E-rate 2016-17 funds of \$134,256 and School Choice Funds 2016-17 of \$87,860.

Free Cash is a revenue source that results from the calculation, as of July 1st, of a community's remaining unrestricted funds from its operations of the previous fiscal year. This calculation is based on the balance sheet as of June 30th.

Free Cash is not available for use until after the Division of Local Services certifies the Free Cash. The monies, once certified, can be appropriated by the City to support the current year budget (see attachment). Free cash for the City of Lowell is expected to be certified within the next few weeks.

Once Free Cash is certified by the Division of Local Services, we have three requests to be appropriated by the City Council from Free Cash

- 1) The budget gap of \$250,000 was agreed to by the City Manager, to fill a budget shortfall in the school department budget for 2017-18.

- 2) E-rate reimbursement is a federal Universal Service Schools and Libraries Program. It provides reimbursements for expenditures made for telecommunications and internet access. The City received \$134,256 this fiscal year for qualified expenditures made in 2016-17. In the past, the monies were credited to a budget account however, this year the auditor correctly made the entry to a revenue account. The request is made from Free Cash in order for the school department to access the \$134,256 in the 2017-18 budget.
  
- 3) Each year, School Committees consider whether their districts should be in the school choice program for the upcoming school year. Lowell has specified up to 15 students be included in the school choice program each year for grades 9-12 since 2016-17. The City received \$87,860 in 2016-17 for this program. The request is made from the Free Cash account in order for the school department to access the \$87,860 in the 2017-18 budget. The School Committee recently approved a new revolving fund for the monies to be deposited for future years.

We are recommending that a motion be made to request the City Council appropriate \$472,116 from Free Cash once it is certified.