



**LOWELL PUBLIC SCHOOLS**  
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## **Memorandum**

To: Jeannine Durkin, Superintendent  
From: Billie Jo Turner, Assistant Superintendent of Finance  
Re: Business Office Update for School Committee  
Date: August 30, 2018

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The budget review is one of our main priorities. However, this Business Office Update has numerous non-budget items since our focus this past week has been on back to school requirements and facing unanticipated obstacles (e.g. step schedule/salary increases for all staff were due to City Hall). We will present the budget findings as we discover them to provide you with the information in a timely manner. After which, we will summarize all of our findings for a net effect.

Below are Business Office updates for the September 6, 2018 School Committee Meeting:

- In years past, salary updates have been completed by the previous Assistant Business Manager/HR Director using a well maintained data source that included all of the necessary required information such as years of service and degree advancement. This past week, we have struggled to update the salaries without access to a maintained data source. After updating staff using the tools available, we asked Human Resources to review the data to ensure accuracy. A sample review identified numerous erroneous step increases which would have resulted in overpayment to employees. To avoid further error and problematic repayments from staff, we spoke to both the UTL and City Hall to discuss delaying the teacher step increases for one week so that we could review and correct such issues. An email was sent to teachers to assure them of the step increase with retro pay. All other employees have been updated according to their bargaining unit contracts.
- Transportation is a concern. NRT was not notified prior to the March deadline for additional buses for the Rogers. This has resulted in a shortage of vehicles and drivers. This did not pose a problem for the first week of school due to the availability of both vehicles and drivers that are assigned to other districts with later start dates. However, the bus company is trying to solve this problem. We will keep the School Committee apprised of any updates.
- The Special Education 240 Grant will fund four (4) 1:1 paras as well as a nurse for a medically fragile student that was not included in the budget. This will alleviate some of the paraprofessional hiring needs. The following positions will be filled based on IEPs

and student specific needs: 1) Nurse for the Bartlett that has not been budgeted for, 2) 1:1 Para at the Butler, 3) CSA Para at the Robinson and 4) One additional TBD. There was a small increase between this year's and last year's 240 Grant allocation. Additionally, to help with this immediate need for staff, we reduced the amount of professional development to ensure students have the 1:1 services they need. It is important to note that in addition, there are currently students moving into the district with 1:1 paraprofessionals in their IEP plans which have not been accounted for to date. This is a yearly phenomenon which needs to be addressed. We are also conducting a thorough audit of all paraprofessional positions across the district. We anticipate this to be completed within two (2) weeks.

- The Corrective Action Plan for the Food Service Administrative review was filed with DESE on Friday, August 24, 2018. We now have to wait for DESE review and approval.
- We met with the Special Education Director to discuss the Circuit Breaker budget. After review of the FY17/18 tuitions, the "75% of above foundation tuition formula" does justify an approximate \$4 million Circuit Breaker revenue budget. However, the budgeting method for expenses leaves us concerned. The method used was to reduce last year's tuition expenses by the fourteen (14) students moving to our new day school. The transfer of students to the day school is not guaranteed as such moves are determined by their IEPs and team decision. In addition, this expense budget did not consider the automatic 5% increase for long term placements, incoming students needing out of district placements, students that were being evaluated at year end, etc. The Special Education Department is now preparing reports so that we can revisit this to determine adequate funding based on the current predictions of student placement.
- We have been compiling the top ten facilities issues (see attachment) submitted by each school to address a motion made by Jacqueline Doherty on February 14, 2018 to "*Direct each school to develop a list of "Top Ten Most Pressing Facility Needs" to share with the Facility Subcommittee as a way to get an immediate handle on issues of primary concern in our buildings.*" We are categorizing each need for each school so that we can sort to identify our top needs as a district.
- The Audio Visual Department budget has two positions that were funded by the city. The Media Associate Producer/Scheduler and Educational Television Program Coordinator positions were both eliminated. The job descriptions for these positions are attached for your review.
- We are working to determine if the LHS Clubs were funded at the original funding level or the approved increased budget. In addition, we are establishing a Task Force to review the stipends. We will have this information soon.
- We need to fund an unbudgeted part time custodian for the day school since we learned that the lease does not include janitorial services. At this time, we are researching the following options: 1) hiring a part time custodian, 2) revisiting the Administrative Building contract to include custodian services to free up the current custodian for coverage at the Rogers and Day School, or 3) working with the owner of the Day School to include such services. Quotes are forthcoming. In the interim, we are covering the custodial needs at the Day School with overtime which is not cost effective.
- We are researching the feasibility of contracting with another community to provide education for one of their students. Establishment of a Non-Resident Tuition fund may

not be necessary due to the creation of such an account by previous administrators. We are reviewing this with DESE and will notify you of any votes necessary.

- Since the budget review is taking longer than expected due to the obstacle of trying to understand the methodology or rationale used for each number, we cannot advise any reinstatement of costs. Below is a summary of where we stand with the budget review:
  - First review included a team effort to review the budget page by page to identify known issues.
  - Second review included research on each of the big issues easily identified during the first review such as food service, offsets, and sick leave buy back.
  - Currently, we are working on updating all salaries to reflect the ratified contract salaries (for City Hall salary updates). This extensive update process will result in a more accurate comparison of budgeted salaries with actual.
  - Currently, we are working with Department Heads on Circuit Breaker and Technology projections to ensure adequate funding.
  - Next, we will compare actual grant allocations with budgeted appropriations and conduct a thorough review of the health insurance offsets. We will then adjust the budget document to reflect all known issues so that we have an overall impact of budget concerns and bring forward further recommendations for the Committees consideration.

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