Lowell Public Schools

Budget Update

As of January 15th, 2020

LOWELL
PUBLIC SCHOOLS

Agenda

- FY22 Possibilities
- Fiscal health improved
- MGL 44 S64
- Unpaid obligations from FY19/20 (approved by City Council)
- Course reimbursements owed
- Examples of issues that cause bad bills
- Additional delayed bills being analyzed
- Pandemic delays
- Steps taken

FY22 Possibilities

This table shows estimates of the amount school districts will receive from the $54.3 billion elementary and secondary school emergency relief fund (HR 133). Each state must allocate no less than 90% to districts. The funds must be used by September 2022. These numbers are based on the USED's preliminary FY20 Title I allocations. The State's share of that DOES NOT take out 1% for state admin nor 7% for SIG. The district's relative share data DOES NOT include charter schools or non-traditional LEAs, so the "LEA est. ESSER" amount will likely be a bit lower than what is in the table. Remember the saying: "all models are wrong. Some are useful." (Updated Jan 7, 2021).

State	HR133 ESSER State Share (est.)	ESSER State 10%
MASSACHUSETTS	$814,890,396	$81,489,040

District Search

Lowell

	School Age Pop 5-17*	LEA Est. ESSER	Estimate per-pupil amount
Column Avg.	17,300	20,755,258	$1,200
Lowell School District	17,300	20,755,258	$1,200

K-12 portions of 2021 Federal COVID Relief Package

ESSER = $54B ~ $1000pp

- 90% allocated to LEAs via Title I formula.
- LEAs can multiply CARES/ESSER allocation by 4 to get new sum.*
- It's equivalent to 3X typical Title I part A.
- LEAs not eligible for Title I get none of this portion.
- Broad flexibility in use of funds (NOT subject to Title I rules).
- Emphasis on "addressing learning loss."
- Must be spent by 9/2022, so funds can be stretched across three school years.

SEA discretion over 9.5%

0.5% = SEA admin

GEER = $4B

$1.25B for Governor's discretion for K-12 & HE

$2.75B for non-public schools (no scholarships)

$10B for Child Care and Development Block Grant Program

$3.2B for emergency broadband for families

Fiscal Health Improved

Due to accurate forecasting and strategic use of funds, our fiscal health has improved substantially!!!

- **FY19/20 savings of over $8 million dollars were strategically used to avoid losing funds that should be used for students including a first time ever investment in a 1 to 1 device initiative for students**
- **FY20/21 savings of approximately $7.5 million dollars will be used to fill areas of needs that will most benefit the students including continuing to build revolving accounts, investments in digital learning and lifting the hiring freeze to help with the expansion of in person learning**
- **Revolving account balances have shown a steady increase which has resulted in us now having to ensure that we don't pass the "ceiling" on account balances**
- **Food service repayment was paid back in 1.5 years rather than 4 years**
- **Two years of pre-purchasing curriculum, supplies and technology**

Section 64: Payment of bills incurred in excess of appropriations

Section 64. Any town or city having unpaid bills of previous fiscal years which may be legally unenforceable due to the insufficiency of an appropriation in the fiscal year in which such bills were incurred may, in the case of a town, at an annual meeting by a four fifths vote, or at a special meeting by a nine tenths vote, of the voters present and voting at a meeting duly called, and, in the case of a city which accepts this section, by a two thirds vote of the city council, appropriate money to pay such bills; but no bill or payroll shall be approved for payment or paid from an appropriation voted under authority of this section unless and until certificates have been signed and filed with the selectmen or the city auditor, as the case may be, as hereinafter provided, stating under the penalties of perjury that the goods, materials or services for which bills have been submitted were ordered by an official or employee of the town or city and that such goods and materials were delivered and actually received by the town or city or that such services were rendered to or for the town or city, as the case may be.

Every such certificate that goods, materials or services were so ordered shall be signed and filed by the official or employee of the town or city who ordered the same or, if he has ceased to be an official or employee of the town or city, by any official or employee of the town or city; every such certificate of delivery to the town or city of goods or materials shall be signed and filed by the vendor thereof or, if such vendor is a corporation, shall be signed and filed by the treasurer thereof; every such certificate that goods or materials were received by the town or city shall be signed and filed by an official or employee of the town or city; and every such certificate of services rendered to or for a town or city shall be signed and filed by the person who rendered such services.

This section shall not prohibit or prevent appropriations by a majority vote for bills or obligations of previous fiscal years due to any other town or to a district, a city, a county or the commonwealth, or for legally incurred debt and interest the payment of which is provided for by any general or special law.

MGL 44 S64

- The law states that we need this vote for unpaid bills that may have been **legally unenforceable due to the insufficiency of an appropriation; in other words, it would be unenforceable without City Council vote if we had OVERSPENT our budget.**
- We had spent all of our FY19/20 dollars as of June 30th but ended up with a cash balance of $157,110 after purchase orders were cancelled. Thus, there were sufficient funds to pay the $37,779 unpaid bills. This is a matter of TIMING due to the pandemic – NOT insufficient appropriation.
- We had submitted certifications from Business Office and all vendors that the goods and services were received.
- We are obligated to pay for goods and services received.

What are the unpaid obligations from FY19/20?

- Bills received after the close of City's books from private vendors/purchase order closed by City Hall before bill received

- Bills received after the close of City's books from other municipalities, schools, districts

- Requests from employees after the close of City's books

- Other, which includes:
    1) Invoice came in higher than the purchase order
    2) Shipping and fees not included in the purchase order
    3) Service rendered without a purchase order

Bills received after close of City's books from private vendors:

AAA CONSTABLE SERVICES	$ 65.00		Did not receive invoice (purchase order was closed)
E2E EXCHANGE	$ 1,250.00		Did not receive invoice (purchase order was closed)
E2E EXCHANGE	$ 500.00		Did not receive invoice (purchase order was closed)
HP INC	$ 773.02		Order date 6/2 [illegible] invoiced until 9/2; the po was clos[illegible]
OCKERS	$ 607.0[illegible]		[illegible] company's end; email received [illegible] company
SCHOOL SPECIALTY	[illegible]	MURKLAND	Invoice came in higher than po; they sent revised after we contested but the PO was closed
SCHOOL SPECIALTY	$ 8,099.01	DALEY	Invoice came in higher than po; they sent revised after we contested but the PO was closed
WB MASON	$ 1,249.20	BAILEY	Rep inadvertently sent our bills to City Hall and they were not rerouted to school district
WB MASON	$ 1,249.20	GREENHALGE	Rep inadvertently sent our bills to City Hall and they were not rerouted to school district

APPROVED BY CITY COUNCIL on 1/12/21

WESTFORD PUBLIC SCHOOLS $ 4,562.50 Bills received late after close of books from other municipalities, schools, districts

Note: Due to DSS and placement of homeless/foster children, one school district may receive students and not know until residence of parents has been determined which school district must share the cost. So, we often get billed for a student that we didn't even know that we would have to pay for. Thus, this often happens AFTER the fact.

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Other:

AMERICAN ALARM	$ 4,671.95		Other: multiple purchase orders -
ICCD PARTNERS	$ 2,520.00		Other
ICCD PARTNERS	$ 1,900.00		
ORIENTAL TRADING	$	MCAVINNNUE	Other: the PO did not cover the shipping and handling fee
WEST MUSIC	$ 8.95	LINCOLN	Other: the PO did not cover the shipping and handling fee
WEST MUSIC	$ 579.92	MCAVINNNUE	Other: Auditor closed PO before bill came in

APPROVED BY CITY COUNCIL ON 1/12/21

Zoom reimbursements for employees	$ 198.08		Requests from employees after close of books
TUITION (COURSE) REIMB.	$ 5,207.19		Requests from employees after close of books
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Waiting for solution from City Auditor

- There are 29 reimbursement requests included in the tuition reimbursement amount. It is a contractual benefit that employees are entitled to. Many courses ended in the spring or at the end of June but due to the pandemic, they could not get the necessary signatures or grades that must be submitted. We get numerous emails from frustrated teachers about this. They SHOULD NOT be penalized due to timing issues out of their control. The City Auditor is researching a solution.
- Other employees paid for Zoom and other costs out of their pocket to help us survive the ever changing needs of the pandemic and SHOULD BE REIMBURSED.

Additional Delayed Bills that have been reviewed (Notified City Council on 1/12/20 that more bills were received AFTER the bills that were currently being reviewed)

2300: SPECIAL EDUATION INSTRUCTION		
DEVEREUX FOUNDATION	$ 6,162.86	Summer school services in June
WAYSIDE YOUTH & FAMILY	$ 4,230.08	Summer school services in June
WALKER, INC	$ 5,941.74	Summer school services in June
WALKER, INC	$ 5,941.74	Summer school services in June
WALKER, INC	$ 2,970.80	Summer school services in June
VALLEY COLLABORATIVE	$ 7,884.00	DCF placement
VALLEY COLLABORATIVE	$ 7,008.00	DCF placement
VALLEY COLLABORATIVE	$ 8,760.00	DCF placement
VALLEY COLLABORATIVE	$ 7,884.00	DCF placement
THE GUILD FOR HUMAN SERVICES	$ 7,790.64	Contested - overcharged by 30 days
	$ 64,573.86	

Examples of Issues that Cause Bad Bills

- DCF placed a student who had previously attended Tyngsborough Public Schools in a residential program. We received bills for this student who did not attend Lowell AFTER THE FACT simply because DESE determined that we had fiscal responsibility due to the father of the child living in Lowell. We have no way of knowing if we will receive bills after the fact for DCF placed or homeless students.
- We call vendors to see if there are outstanding invoices before we close the purchase orders. During these pandemic months, it has been difficult to reach many vendors. We have a paper trail of one vendor stating that they had no additional invoices since COVID interrupted their work. Now, months later they are invoicing despite that earlier message. Before I will submit that bill, I need proof from them that the work was done since they expressly stated in the email to us that they had not.
- We are contesting another bill since they overcharged us 30 days for a student that is no longer attending that school. The bill should not include days past the child's last day.
- Another example is of a vendor who was told via email that they should not service a student until the contract is received. Despite this written directive, they serviced the student in February when the contract is not dated and executed until March 28th.

Pandemic Delays

- Vendors were remote – invoicing delayed and no responses when we reached out to them during open purchase order report review
- Mail Couriers for schools- remote; mail was delayed even with post offices (we had to pick mail up from Billerica)
- Schools were closed and teachers were not allowed in the buildings; thus, they could not scan or get signatures needed by principals
- Central office was remote
- City Hall was remote
- Colleges were remote so grades were delayed

All in all, during the pandemic, the world was remote and numerous delays occurred. The teachers should still get their reimbursements.

What we have done to prevent delayed bills …..

(Last year, we dealt with employee corrections and this year it is vendor oriented)

- We offer **training** to the 28 school clerks in the district and work with City Hall's purchasing department to offer additional training.
- We send out **frequent reminder emails** to the school clerks and departments on the importance of entering purchase orders prior to ordering.
- We send out **quarterly open purchase order reports** rather than just at year end to have the school clerks/administrators review their open orders to determine which can be closed or which might have missing invoices.
- We do a **year end review** with schools on open purchase orders to trigger an investigation for missing invoices.
- Developed a **partnership** between sped and finance to track individual student payments to identify missing invoices. Assistant SPED Director now oversees fiscal end of out of district placements.
- We could potentially add a **policy** to let vendors know that if invoice is not submitted in timely manner, we wont pay.
- Since one problem is bills going to various individuals, we are setting up an **Accounts Payable email address** for LPS and will advertise this on invoices and purchase orders