

**Lowell Public Schools**

# **End of Fiscal Year Budget Transfer**

*Aligning our finances with our educational plan  
with every budget decision*

*June 2<sup>nd</sup> , 2021*



**LOWELL**

**PUBLIC SCHOOLS**



*Our projections are made with all current known information in addition to assumptions based on prior and planned future spending. With the continued uncertainty of the current environment, these forecasted savings may change prior to the close of the fiscal year.*



# Review of Prior March 3 Transfer

From:

Substitutes \$1 million  
Transportation \$2 million  
Sped Transportation \$2.1 million  
Salaries \$3.2 million

To:

Facilities \$1.6 million  
Administrative Tech Hardware \$2 million  
Instructional Tech Hardware \$2.2 million  
Professional Development \$2.5 million

LAST ACTION TAKEN BY SCHOOL COMMITTEE

## Current Budget to Actual Analysis

- The Professional Development line that was funded with \$2.5 million with the last approved transfer still has \$2.3 million remaining.
- Due to vacancy savings and the timing of hires, the salary accounts still have \$2.4 million remaining.
- With the above balances, we have \$4.7 to reallocate.



## Mitigating Risks Associated with Spending Savings

- To avoid bad bills, we want to keep some purchase orders open to ensure that the funds are available to pay for late arriving invoices
- On the other hand, we don't want to keep money tied up in purchase orders unnecessarily since this means the money will eventually flow to City rather than students
- Some planned spending may not occur if deadlines are not met which would mean the year end surplus would be higher than we anticipate right now. For instance, if capital projects were not already bid, it is nearly impossible for the bid and contract process to complete before the June 4<sup>th</sup> City deadline for spending. Thus, these funds would flow into a surplus that would flow to the City unless it is identified before the June 16<sup>th</sup> proposed date of voting for moving available funds into the sped stabilization account.



## Recommended Uses of Savings

Take funds (\$4.7 million) from Professional Development and Salaries to fund the following:

- Replenish CB revolving account through expense transfers (\$1 million)
- Internal transfer to move funds into supply account for music, art, gym, uniforms, etc. (\$1 million)
- Instructional Tech Hardware \$1.5 million
- Sped Transportation \$200k
- Sick Leave Buy Back \$359k
- Employee Health Insurance \$267k
- Capitol Improvements (playgrounds) \$313k

*NOTE: All remaining funds identified after this transfer will be included in a transfer to the SPED stabilization account. This will be submitted to SC on June 16<sup>th</sup> and then City Council on June 22<sup>nd</sup>. This will help offset any risks we have with increased out of district costs.*