



Business Office Update as of 9-27-18

To: Jeannine Durkin, Superintendent
From: Billie Jo Turner, Assistant Superintendent
RE: *Business Office Update for 10-3-18 School Committee Meeting*
Date: September 27, 2018

Below you will find updates on priority issues in the Business Office as of 9/27/18:

- Attached you will find Exhibit 1 which is a six year history on revolving fund balances. Revolving funds do not close out like the General Fund. These actuals are based on balances as of the end of the year. Please note that within the last two years, the Circuit Breaker, Food Service and Use of Facility accounts decreased by over \$4 million.
- Per the motion by Jackie Doherty "Requesting the Superintendent provide the Committee with a report that describes each elementary and middle school's outdoor play space," please see the attached summary (Exhibit 2).
- The Circuit Breaker reimbursement is based on a formula that takes the total tuition costs less the foundation amount to determine a net claim figure. We then apply the reimbursement rate to estimate our Circuit Breaker reimbursement. Using the 72% of recent years, our expected reimbursement was \$3,739,545. The actuals were just released on 9/19/18 and the reimbursement rate was 72% as expected. However, the adjustments increased our reimbursement to \$4,098,886. Please see Exhibit 3.
- Out of District tuition costs are very difficult to predict and based on both IEP and legal requirements of fiscal responsibility. The actual expenses for OOD last year were \$12 million dollars yet the budget was reduced to \$11 million. Despite some expected savings from bringing students into the Day School, our budget should include other considerations such as unexpected but frequent additions due to DCF placements, move ins, newly placed in programs, and advisory students. Since the budget was underfunded, the Special Education leaders have met with me several times to review all of the moving parts of this expense. I have created a summary tool (See Exhibit 4) that will track all of the changes/impacts (listed above) to Out of District tuition discussed at our bi-weekly meetings. This tool will update the expected shortfall monthly so that we have a clear projection of what the financial impact will be by year end. We did not include a contingency budget into this figure due to the budget concerns we are currently facing. Rather, we will share the actual projection as of today and keep you updated with changes each month. Please note that since 7/6/18, we have enrolled 108 new students to Lowell with IEPs.