



Framingham Public Schools

Robert A. Tremblay, Ed. D., Superintendent of Schools

OFFICE OF FINANCE AND OPERATIONS
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MEMORANDUM

Date: January 8, 2020
To: Framingham Public Schools School Committee
From: Lincoln D Lynch IV, Executive Director of Finance and Operations
Re: Student Management on School Buses

This is the first FY20 update on the status of the fiscal and operational aspects of the school district. As of January 8, 2020, the district has spent \$71.4 million, or 51.5% of the FY20 budget of \$138,484,986 (including encumbrances). The current financial forecast shows a projected positive balance of \$675,026 and includes projections for all areas of spending for the year. Please keep in mind we are only a little over six months into the fiscal year; there are many unknowns that could occur over the next six or so months that could swing the balance in either direction. I do not recommend allocating these funds to any school or department at this time. Even though we are only six months into the year, historical spending factored in with current year-to-date spending and many conversations with principals and directors allow me to project overall spending for the fiscal year.

Below is a list of the major budget categories with detailed numbers and descriptions to address the highlights from this financial forecast:

- **Salaries and Additional Salaries:** The combination of salaries and additional salaries are projected to end the year with a positive balance of \$1,032,927. Salaries include the cost of living adjustment (COLA) and step increases that have all been executed as planned in the budget for all staff. The projections also include estimates for an April 1, 2020 step and lane increase for some staff. Hiring for this school year is factored into this projection and matches the FY20 plan with minor shifts between categories. There are also a number of positions still in the process of being filled which is also factored into this projection. Turnover savings are already factored in at \$1,000,000. The positive balance in salaries is mainly comprised of savings in hiring staff at a lower rate than was budgeted. The salary projection also includes retro payments and new rates for custodians (Unit C) based on the settlement of a contract. Salaries alone account for a \$1,371,047 positive balance. Additional salaries are projected to end the year with a negative balance of -\$338,120. Additional salaries are payments to staff members for work done above and beyond any contractual obligations. The work includes, but is not limited to, substitute teachers, coaches salary, translation hours, custodian overtime, longevity payments, tuition reimbursements, supply reimbursements and summer work. Again, when the balances of salaries and additional salaries are added together, they create a positive balance of \$1,032,927.

- **Expenses:** Based on all schools; and department's current and projected expense(non salary) spending, the balance is negative in the amount of -\$357,901. A breakdown of major expense categories is below:
 - **Utilities:** Utilities are projected to end the year with a positive balance of \$98,164. The projection for utilities takes into account current electric and gas costs, projecting out the rest of the year while factoring in historical spending. We will watch these utilities closely as the year progresses.
 - **Tuition:** Tuition projections show a negative balance of -\$231,065. The increase in costs is due to an additional 32.5 unexpected students that have been placed in out-of-district placements since the budget had been implemented.
 - **Homeless Transportation:** Homeless transportation is estimated to be underfunded and projected to show a negative balance of -\$300,000. The operating budget was increased this fiscal year by \$300,000 but the projected number is above that. The projections here will play a role in the FY21 budget process.
 - **Supplies, Materials and Equipment:** Spending for supplies and equipment are projected conservatively to be over budget by close to -\$50,000 at this time. I encourage all schools and departments to make sure the appropriate expenditures are made based on individual budgets. The expectation is to spend all budget lines fully with additional expenditures for supplies and equipment throughout the year as needed.
 - **Budget Reserve:** A reserve for over expenditures is held within the current projection at \$125,000.

Thank you to the many individuals and departments that contributed to this report. Their conscientious work is represented by the range of information presented and is truly appreciated.