



# Framingham Public Schools

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

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## MEMORANDUM

Date: June 14, 2020  
To: Framingham Public Schools School Committee  
From: Lincoln D Lynch IV, Executive Director of Finance and Operations  
Re: FY20 Budget Projection Update

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### FY20 Budget Update

Due to COVID-19, the District has put cost saving measures in place. We froze most hiring and most non-COVID-related expenses back in March. By slowing spending before the last quarter of the fiscal year, an increased available balance could be attained to help close the FY21 budget gap. The funding gap between the school department's FY21 request of a 6.40% increase and the City's recommended School Department FY21 budget at 1.78%, is a difference of \$6,401,500. While in typical times such dependence on a previous year's funds to the extent we may be currently choosing does not constitute an ideal budget management strategy, the current dire financial climate is forcing us into an atypical budgetary path to avoid detrimental cuts to educator positions and core services.

Since the hiring freeze back in March, we have only approved general education, special education, and ESL teachers who were - and continue to be - directly in front of students providing remote learning and legally required services. By hiring these positions only and keeping other positions open, savings have occurred. These savings - combined with turnover savings, leaves of absences and step holds - results in a projected **\$2,080,167** available balance and represents 2.01% of the total current fiscal year 2019-2020 salary budget of \$103,604,403. We are only projecting a 2.01% savings because our hard working salaried and hourly employees have been and continue working to support remote learning.

Furthermore, we have borne witness to savings in our additional salaries category in line items such as custodial overtime, substitutes, summer custodians, as well as special education summer and associated medical costs. We have committed to pay in full, staff stipends and coaches stipends as they continue to provide remote learning, engagement opportunities, and communication with our students. The projected available balance in additional salaries is **\$494,827**, which is 11.00% of the total current fiscal year 2019-2020 additional salaries budget of \$4,497,401.

Savings can also be seen in the expenditure category of the budget. The following expenditures have been reduced based on the COVID-19 situation: in-person professional development, conferences, home to school day busing (which includes the absence of fuel costs, and the recently negotiated June reduced invoice saving an additional \$186,765), late bus costs, field trip transportation costs, athletic event transportation costs, special education out of district and in district transportation, homeless transportation, utilities (including reduced gas and electric costs), day to day school supplies, copy paper, buildings & grounds department supplies and materials, etc. The projected balance on the expense side of the operating budget is **\$1,730,104**, which is 5.69% of the total current fiscal year 2019-2020 expense budget of \$30,383,182.

Please keep in mind there are many variables that will affect the final available balance number. Even though the fiscal year ends June 30th, invoices continue to come in and can be processed through the middle of July. Changes can still occur that will swing the available balance in either direction. The current projections include a 100% COVID-related expense reimbursement rate which is a significant variable that can change the end result. Also, the current projections include the full payment of out of district tuition invoices for April, May and June at a 100% rate. We are looking into only paying the daily rate price for residential placements that have closed which will significantly impact the final available balance. These variable combined with other changes may affect the following total FY20 available balance projection:

Salaries:	\$2,080,167 projected available balance
Additional Salaries:	\$494,827 projected available balance
Expenses:	\$1,730,104 projected available balance
<b>Total:</b>	<b>\$4,305,098 projected balance on 6/30/2020 (3.11% of FY20 Operating budget)</b>

It is important to note that of this total number, \$1,500,000 of Circuit Breaker carryover funds was previously planned for the end of year available balance in the approved FY20 budget, to offset out of district special education tuitions as part of the annual budget submission.

Projections are calculated to the best of my ability and are based on the current financial climate, historical spending, year-to-date spending, current encumbrances as well as conversations with principals, directors and other staff.

**Recommendation:**

My recommendation, consistent with what was previously presented to the City Council and School Committee at multiple FY21 budget meetings, is to carry \$4,358,804 in the FY20 Circuit Breaker account to balance the FY21 budget. As shown above, the projected ending balance in the FY20 Circuit Breaker account is \$1,041,584 (subject to change). In order to carry the amount needed to balance the FY21 balance the recommendation will be to journal entry \$3,317,220 (subject to change) of expenses from the FY20 Circuit Breaker account to the operating budget. Please remember, the Department of Elementary and Secondary Education emphatically allows the carryover of Circuit Breaker to offset the following year's out of district tuition costs. A survey of dozens of Massachusetts communities offers examples upon your request. If the carry of Circuit Breaker is not approved by the Committee, the FY21 Operating budget will have to be increased by the recommended amount to avoid detrimental cuts to core services. The journal entries will increase operating budget expenses and bring down the available balance. With the appropriate journal entries, the available balance in the FY20 Circuit breaker account will increase allowing for the needed carryover. ***If needed, I am asking The School Committee to vote to allow me to transfer funds between the salary and expense side if necessary to close the fiscal year.***

Any amount remaining in the balance column after journal entries are completed to balance the FY21 budget through the FY20 Circuit Breaker account will be highly beneficial and will assist in covering any unexpected out of district tuition costs in FY21.

Further, if the decision is to return any funds above and beyond the needed amount to balance FY21 to the City's General Fund, I fully support that. I understand the need to help the City's overall budget situation due to COVID-19.