



Framingham Public Schools

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

OFFICE OF FINANCE AND OPERATIONS

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MEMORANDUM

Date: July 10, 2020
To: Framingham Public Schools School Committee
From: Lincoln D Lynch IV, Executive Director of Finance and Operations
Re: FY20 Budget Projection Update

FY20 End of Year Projection

The District has put cost saving measures in place including a soft freeze on hiring and on most non-COVID-related expenses back in March. By slowing spending before the last quarter of the fiscal year, it enabled the District to create an increased available balance to help balance the FY21 budget. While this 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 \$1,911,094 available balance and represents 1.84% of the total current fiscal year 2019-2020 salary budget of \$103,604,403.

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 \$472,980, which is 10.52% 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 \$1,518,305, which is 4.96% of the total current fiscal year 2019-2020 expense budget of \$30,383,182.

Please keep in mind there are still variables that will affect the final available balance number. Even though the fiscal year ended on June 30th, invoices continue to come in and can be processed through the middle of July. Purchase orders are still being closed out as they are every year at this time as vendors are

contacted to confirm 2019-2020 invoices have been received. 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.

Since my last memo regarding a FY20 budget projection update, we experienced unexpected invoices for special education tuition and billheads from staff. Additional work done in previous months submitted for pay through billheads were turned in within the last few weeks or so. Also, staff salaries that were paid will most likely not be able to be covered by FEMA or non-ESSER Cares Act funding, meaning it must be covered by the operating budget. For example, food service staff that did not prepare or distribute meals must be covered by the operating budget in the amount of \$199,579.

These variables combined with other changes may affect the following total FY20 available balance projection*:

Projected Salary balance:	\$1,911,094
Projected Additional Salary balance:	\$472,980
Projected Expense balance:	\$1,518,305
Proj. Operating at close of FY20:	\$3,902,379

Projected FY20 Circuit Breaker balance: \$1,107,260

Total Operating plus Circuit Breaker: \$5,009,639

Carried FY20 CB to balance FY21: \$4,358,804

Balance to be carried in FY20 CB: \$650,835

**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 vendors, principals, directors and other FPS staff.*

It is still very 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. 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 was not planned, the FY21 Operating budget would have to be increased to avoid detrimental cuts to core services.

It is also important to note that this plan is fully consistent with what was previously presented to the City Council and School Committee at multiple FY21 budget meetings.

Based on the School Committee votes on June 17th, there is no further FY20 close out action or vote necessary at this time. The total to be carried based on the projected available balance which can change over the next few weeks is \$5,009,639. The additional funds will be highly beneficial to the District especially if an increase in out of District special education student tuition occurs in FY21.