

MEMORANDUM

Date: April 1, 2022
To: Framingham School Committee
From: Lincoln D Lynch IV, Executive Director of Finance and Operations
Re: FY22 End of Year Budget Projections

The following are FY22 budget projections which reflect the projected amount of funding available on June 30, 2022. The plan to utilize the available funds to support our students to the best of our ability has been and will be a collaborative effort between the School Committee and the District's administration. As you review these numbers, please note that change can still occur as we move through the final quarter of the fiscal year such as filling currently open positions or having to make an unexpected expenditure due to a buildings and grounds emergency or a special education student move in that requires an out of district placement. Even with an unexpected cost, I am confident with the balance amounts below and that it will not dip to levels that will jeopardize the FY23 budget approved this past week.

My recommendation later this fiscal year will be to request approval from the School Committee to journal entry costs to close out the year with a \$0.00 available balance in the operating budget and carry the balance in the FY22 Circuit Breaker account as we have done the past three years I have been in the District. The recommended process is allowable and will support special education students currently in-District and any students that may move into the City. Per the Department of Elementary and Secondary Education (DESE), regulations allow communities and school districts to carry forward up to one year's worth of state reimbursement, Division of Local Services advises communities build balances in their Special Education circuit breaker accounts in years when actual costs compare favorably with the budget so that in years when Special Education costs increase unexpectedly or the circuit breaker reimbursement drops, there will be some circuit breaker revenue to cover any unforeseen costs. Building a circuit breaker balance is a good management practice as it eliminates some of the risk associated with these unpredictable Special Education costs. As you will see below, following this process will allow us to balance the FY23 budget as planned with available Circuit Breaker funds.

I look forward to working with the full Committee as well as the Finance Subcommittee to fine tune the projections as we get close to the end of the fiscal year. I appreciate the support and



again am confident we will be able to support our students through this end of year close out process. Please see projected amounts here:

FY22 June 30 2022 Available Balance Projections

Salaries + Additional Salaries Balance:	\$1,461,791
Expenses Available Balance:	<u>+ \$450,000</u>
Total Projected 6/30 Operating Balance:	\$1,911,791
FY22 Circuit Breaker Projected Balance:	<u>+ \$1,825,970</u>
Total Operating + Circuit Breaker Balance:	\$3,737,761
FY22 Circuit Breaker to balance FY23:	<u>- \$2,500,000</u>
FY22 Circuit Breaker Reserve for FY23:	\$1,237,761