

**MEMORANDUM**

Date: July 29, 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 total amount of funding that may be available in the School Department's operating budget at the close out of our FY22 budget. The plan to utilize the available funds to support our students to the best of our ability has been 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 close out of the fiscal year. Changes include processing retro payments per collective bargaining agreements, last minute billhead submissions, invoices that may be short of the purchase order due to shipping delays and other unanticipated costs.

The numbers below show a projected available balance in the operating budget of \$2,404,277.91, or 1.64% of the total \$146,830,670 FY22 budget. Also shown is the FY22 Circuit Breaker account to have a projected available balance of \$1,941,855.18. The FY23 approved budget requires \$2,500,000 from the FY22 Circuit Breaker account to balance. My recommendations based on projected available balances are as follows:

1. My first recommendation is to move at least \$1,058,144.82 of charges from the FY22 Circuit Breaker account to the FY22 operating budget which will create a \$3,000,000 available balance in the Circuit Breaker account. This will allow us to cover the \$2,500,000 needed to balance the FY23 budget and give us \$500,000 for any additional special education student move-ins. The \$500,000 true reserve is enough as FY23 Circuit Breaker transportation reimbursements are projected to be approximately \$600,000 higher than expected as the State is looking to reimburse 75% of transportation costs. If this recommendation is approved, the FY22 operating budget available balance will be reduced to \$1,346,133.09.
2. My second recommendation is to move \$358,000 of charges from the Buildings & Grounds revolving account to the FY22 operating budget which will cover the cost difference of the Barbieri Elementary Cafeteria project which came in at \$508,000 versus the projected initial \$150,000 cost. If this recommendation is approved, the FY22 operating budget available balance will be reduced to \$988,133.09.
3. Finally, my recommendation is to discuss where to reclass the remaining \$988,133.09 available in FY22 operating after recommendation 1 and 2. Options are but not limited to shifting additional funding to FY22 Circuit Breaker to cover any additional out-of-district tuition costs, shifting additional funds to the Buildings & Grounds revolving account or returning funds to the City.

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. Following this process will allow us to balance the FY23 budget as planned with available Circuit Breaker funds.

<b>FY22 Operating Budget Available Balance Projection</b>	
Salaries/Additional Salaries Balance	\$1,516,477.82
Expenses Available Balance	\$887,800.09
<b>Projected 6/30 Total FY22 Operating Budget Balance</b>	<b>\$2,404,277.91</b>
<b>Move to Circuit Breaker to Balance FY23 (Recommendation 1)</b>	\$1,058,144.82
<b>Move to B&amp;G Revolving to cover Barbieri Cafe (Recommendation 2)</b>	\$358,000.00
<b>Remaining FY22 Balance after Recommendations 1 &amp; 2</b>	<b>\$988,133.09</b>