



Lexington Public Schools

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To: Paul Ash, Superintendent
From: Mary Ellen Dunn, Assistant Superintendent for Finance and Business
Date: February 8, 2010
Re: Lexington Children's Place: Revolving Fund Program Update

Attached you will find updated narrative pages for the Early Childhood Tuition & Gift account¹ from the Superintendent's budget document. The funds within this account are specifically for the Lexington Children's Place program. The sources of revenue are from typically developing students and cash donations. There are two additional funding sources for this program; IDEA Early Childhood #262² and the general fund.³ In the past, all staffing was budgeted to the operating budget and the balance of the funds would be cleared out of the account at the close of the fiscal year. It has taken some time to unravel the various funding components of the Early Childhood components to make sure that typical students were only paying their pro-rata share of the costs. We are now ready in FY11 to begin directly charging staffing and expenses to all available funding sources. In addition, this will allow us to document what the tuition rate is covering and how it was arrived at.

Tuition for this program is recommended at slightly below market preschool tuition rates in the area. These are checked annually by the program coordinator. The reason the coordinator recommends a slightly lower tuition is to acknowledge the additional commitment that is required of parents who enroll their students in this program. While all preschools promote parent involvement, Lexington Children's Place student population is significantly different. Integrating a typical child with a special needs class requires a higher level of commitment on the part of the typical child's parent. Thus, the tuition is lower to acknowledge the "extra" that parents need to give to participate in this program. In addition, the actual recommendation for tuition can be problematic and knotty due to the following Mass. General Law guidance for revolving funds states:

- Programs should only charge the actual costs of providing the service to the users of the program, and
- Parents/users should not be charged a hirer rate to cover financial assistance.

The above requirements are further compounded by the realization that if the tuition is too low, the type of families that seek out the preschool are often not those that are fully aware of or committed to the integration model and the requirements of parents and end up leaving unhappy. Thus the disaggregation and apportionment of a program take time and effort and is never in a static state. We finally established the rate on the maximum number of slots available to typical students and are in the process of establishing a financial assistance budget within the operating budget.

While there is no tuition rate change proposed for the upcoming school year, a specific financial change in cost allocation is occurring. Over the past three years, work has been ongoing to separate and attempt to allocate costs across all three funding sources. During this investigatory time, the district did not sweep the account at the close of the fiscal year.⁴ We are now one year away from completing a full cost recovery from all funding sources. To catch up, the district will begin charging for past and current overhead costs of the Coordinator and Teacher to this program of \$30,000 per year for FY07, FY08, FY09, and FY10. In FY 11 the overhead charge will be \$35,000 for the Program Coordinator Teacher and Nursing overhead. The source of the financial assistance fund will come from the staffing that had been historically funded in the operating budget. Any residual benefit/deficit will flow to the bottom line.

¹ <http://lps.lexingtonma.org/Current/FY11bud/Revolving.pdf>

² FY11 Superintendent's Budget Document, School Grant Funds, [page 6 - 7 http://lps.lexingtonma.org/Current/FY11bud/Grant.pdf#10](http://lps.lexingtonma.org/Current/FY11bud/Grant.pdf#10)

³ FY11 Superintendent's Budget Document, K-12 Student Services, [pages 79-81](http://lps.lexingtonma.org/Current/FY11bud/FY11_82.pdf)

http://lps.lexingtonma.org/Current/FY11bud/FY11_82.pdf

⁴ "Sweep the account" refers to the practice of taking the June 30, balance giving it to the Town's general fund for inclusion in the Free Cash calculation.



Early Childhood Tuition & Gift

Fund Number 25330740

Director/Program Coordinator: Elizabeth Billings Fouhy, Director
Administrator: Linda Chase, Director of Student Services

MGL Authorization: Ch. 71 § 47

Year Established: September, 1991

Program Description: Lexington Children's Place serves children between the ages of 2 years 9 months and kindergarten entry age. Class size will vary as the year progresses but cannot, by law, be greater than 15 per class. Slightly more than one half of the children (8 children) are "typically developing" and pay tuition to attend, and the other half (7 children) of the children may have some combination of language, motor and/or social delays. The program is staffed by the child development teacher and two assistant teachers. An additional assistant teacher may be added as the group needs dictate. Children receive speech and language, OT and PT services throughout their school day. The program follows the LPS school calendar and begins early in September.

The goal of the program is an active partnership with parents in their child's early development and to provide a model, developmental preschool program that is based on an "inclusive" multicultural curriculum in which diversity is celebrated and all children learn to grow together as they explore their world.

Currently we have 5 class groups that are integrated:

- Two Morning and Two Afternoon 10 hour programs: 4 days week at 2 1/2 hours day
- Morning 15 hour program: 5 days a week at 3 hours day
- Lunch Bunch: 4 days a week at 1 hour per day

Fee Structure: Tuition for the complete preschool program (September, 2009-June, 2010) is:
\$3,000 for 4 day program
\$4,250 for 5 day program
\$ 1,200 for 4 days a week of lunches
Tuition for children who enter at various points in the year is prorated.
Tuition is paid in monthly installments.

The program wishes to enroll children from a variety of socioeconomic backgrounds so a limited amount of financial assistance (operating budget funded) and/or a varied payment schedule for families in need of assistance and/ or modifications are available by completing a LPS Financial Assistance Application.

Monies deposited into the Gift line are specifically for the Playground project or other purposes as specified by the donor.



Staffing History:

	Actual FY08	Actual FY09	Budget FY10	Projected FY11
Staffing				
Administrator			1.00	1.00
Teachers			4.30	4.30
Psychologist			0.40	0.40
Occupational Therapist			1.50	1.50
Speech/Language Specialist			2.00	2.00
Instruc Asst/Sec/Aides			4.57	4.57
Student Support Instructor			4.81	3.21
Home Hospital Tutor			0.27	0.27
Applied Behavioral Analysis - Tutor			0.10	0.10
Secretary			0.45	0.45
Total	-	-	19.40	17.80

Budget History:

	Actual FY07 Cash Flow	Actual FY08 Cash Flow	Actual FY09 Cash Flow	Budget FY10	Projected FY11
	25330740	25330740	25330740	25330740	
Revenue					
Prior Year Balance	4,404	35,650	88,973	103,510	5,228
Fees Tuition	46,691	69,905	85,112	97,500	97,500
Donations - Playground	14,034	1,640	415	700	
Total Projected Revenue	65,128	107,195	174,500	201,710	102,728
Expenses					
Salary & Wages					
Coordinator/Teacher Overhead*				120,000	35,000
Secretary			12,352	12,352	12,352
Instr Assistant	19,024	13,674	33,868	31,130	31,590
Total Salary & Wages	19,024	13,674	46,220	163,482	78,942
Operating Expenses					
Other Consultant Svs	4,186	0			
Subscriptions/Supplies	5,365	0			
Supplies & Materials	523	3,967	4,770	7,000	7,000
Replacement Equipment	380	581	20,000	26,000	6,000
Total Operating Expenses	10,454	4,548	24,770	33,000	13,000
Total Expenses	29,478	18,222	70,990	196,482	91,942
Projected Final Balance**	35,650	88,973	103,510	5,228	10,786

* The district will begin charging for past and current overhead costs of the Coordinator and Teacher to this program of \$30,000 per year for FY07, FY08, FY09, and FY10. FY 11 the overhead charge will be \$35,000 for the Program Coordinator and Teacher overhead.

** FY07-FY09 \$18,219.50 reserved from Playground Donations.



Recent Developments: In FY06 a gift account line was added to this revolving account to accommodate donations made for the new playground for Early Childhood. The Playground Fund supported the costs of the landscape design and modifications necessary. The Community Partnership Act monies were allocated and used to complete a fully accessible, fenced preschool playground in the Spring of 2009. Additional monies will be used to update and enhance the existing structure and area (landscaping, signage).

In FY08, a formal “Lunch Bunch” was added to the preschool programming allowing for more inclusion opportunities and the ability to string AM and PM programming together for longer day preschool experiences. Staffing for the assistants needed for this program is supported by the additional fees charged to families of children without special needs who attend this component of preschool programming.

Current Challenges: Space is the perpetual problem of integrated preschool programming. In FY 10 the “service only” children’s programming was moved to the Old Harrington School lower floor to allow for an additional integrated preschool classroom at LCP. Since OT, PT and Speech Therapists provide direct service all week to both preschool attendees and “service only” children, flexible, parent and child centered scheduling has become increasingly difficult and sometimes impossible.

Significant Proposed Changes for the Upcoming Fiscal Year and Budget Impact: Additional administrative assistant time will be requested via the EC ARRA grant to provide support to the Program Administrator for clerical and Early Intervention Transition processing.

Proposed FY11 Fee: To be determined via School Committee fee determination process.

On the Horizon: Managing a “split “ program with “services only children “ in one site and preschool program children in another site, using shared staff is an ongoing challenge this year for both staff and parents. The current space configuration of class groups (1 sub-separate room and 5 integrated classes) should meet the educational and therapeutic needs of the children who attend LCP in the next year, based on children moving on to Kindergarten and incoming children via the preschools or Early Intervention service network.

The ongoing medical needs of children in the preschool, both those with and without special needs, are increasing and impacting the Harrington Nurse’s time and schedule. Currently two of the “typically developing” students have chronic medical issues that require daily intervention by the Harrington Nurse who is already stretched thin.