



## Revenue Offsets (General Fund)

The Town follows a revenue sharing model that provides for the prior year appropriation, adjusted for new revenue under an allocation model of 72%/28%.

General Fund - Base	\$ 66,958,293
General Fund - Projected Revenue Increase as of Summit III	\$ 1,921,712
ARRA Funds	\$ 818,090
Total Available Revenue to School Department	\$ 69,698,095

## Local Receipts

The school district collects revenue for the Town through fees that offset programs and services. The following is the detail of the projected revenue for the upcoming fiscal year. Through the course of the budget discussions, the revenue projected may change based on review of the "Total Cost of the Program" generating revenue.



### Town of Lexington Revenue Projections

**Table 3-G: Local Receipt Detail - Schools Departmental Revenue**

Local Receipt Category	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual	FY09 Actual	Projected FY2010	FY10 Recap	Projected FY2011
10010070-41801	\$ 871,522	\$ 1,103,689	\$ 901,701	\$ 415,914	\$ 326,431	\$ 292,720	\$ 292,720	\$ 291,500
10010200 43401 TUITION	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	
10010200 43402 SCHOOL BUS TICKETS	\$ 529,994	\$ 711,129	\$ 131,521	\$ 12,946	\$ -	\$ -	\$ -	
10010200 43403 ATHLETIC FEES	\$ 237,137	\$ 240,634	\$ 409,080	\$ -	\$ -	\$ -	\$ -	
10010200 43601 RENTALS OF SCHOOL BUILDINGS	\$ 27,377	\$ 117,078	\$ 131,548	\$ 132,647	\$ -	\$ -	\$ -	
10010200 48403 MEDICAID REIMBURSEMENT	\$ 77,014	\$ 34,848	\$ 117,342	\$ 77,989	\$ 135,537	\$ 113,000	\$ 113,000	\$ 110,000
10010200 43404 MUSIC FEES			\$ 97,925	\$ 104,250	\$ 112,987	\$ 101,080	\$ 101,080	\$ 105,000
10010200 43405 STUDENT PARKING FEES			\$ 14,286	\$ 16,013	\$ 8,716	\$ 15,140	\$ 15,140	\$ 13,000
10010200 43406 TRANSCRIPT FEES				\$ 28,068	\$ 26,472	\$ 25,000	\$ 25,000	\$ 25,000
10010090 43299 E-Rate Filing Reimbursement			\$ 33,000	\$ 44,000	\$ 42,720	\$ 38,500	\$ 38,500	\$ 38,500

**Notes:**

Projections based on inspection of history of actual collections with the exception of Medicaid reimbursement which is based on estimate from the Asst. Supt. of Administration and Finance

10010200 43402 SCHOOL BUS TICKETS: the receipts have been reclassified as revenue of the School Bus Transportation Revolving Fund created at the 2008 ATM.

10010200 43403 ATHLETIC FEES: Effective FY08, these receipts were reclassified as revenues of the Athletic Fee Revolving Fund created by the School Committee per authority granted to it by Mass. General Laws

10010200 43601 RENTALS OF SCHOOL BUILDINGS: the receipts have been reclassified as revenue of the Building Rental Revolving Fund created at the 2008 ATM.



**Lexington Public Schools**  
**2011 Recommended Budget**

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Local Receipt Category

Tuition:

Many years ago, the district accepted foreign students and charged tuition.

School Bus Tickets:

In FY08, school bus transportation bus pass revenue was removed as a general fund receipt. These revenues are now used for direct delivery of the respective service. More information is available in the budget section for this program.

Athletic Fees:

In FY08, athletic fees were removed as a general fund receipt. These revenues are now used for direct delivery of the respective service. More information is available in the budget section for this program.

Rental of School Buildings:

Per School Committee policy, the school department charges a rental fee for the use of school space after school hours. Revenue from these receipts pays for custodial overtime and physical repairs; any remaining balance is a general fund receipt for other overhead costs not directly charged to the use of the renter. This revenue source has moved to a Department of Public Facilities Revolving Fund.

Medicaid Reimbursement:

The Town receives reimbursement from the Federal Government through Medicaid for Administrative and Health Professional Services performed for students on an IEP who are Medicaid eligible. The Medicaid Program funding is dependent on continued support from the Federal Government. Its continuation or modification is contingent upon legislative action.

Music Fees:

As a result of the 2006 failed override, the School Committee implemented an elementary music fee of \$300 to offset the instrumental music program. Revenue offsets the cost of providing lessons and instruction for instrumental music students.

Student Parking Fees:

Students are charged parking fees for parking at the high school. A limited number of senior student parking spots will be assigned by lotteries to be held early in the fall and spring semesters. Student parking at Lexington High School is a privilege, and it is expected that each student will abide by the posted signs and all rules and regulations. Parking stickers are required no matter how infrequently the student may be bringing his or her own car or parents' vehicle to school. Stickers will be granted to seniors as space permits. Parking stickers cost \$108 per semester. There are approximately 60 parking spots that are offered. Fees support the general operating budget for campus monitor, plowing, and traffic management.

Transcript Fees:

Students are charged \$6.00 per official transcript for each college application requested. The fee for transcripts went from \$2.00 each to \$6.00 each on 8/1/2007 in order to fund a portion of the part-time Assistant Registrar. Any transcript request from a post-graduate is \$10.00 per official transcript.

E-Rate Filing Reimbursement:

“The Schools and Libraries Program of the Universal Service Fund makes discounts available to eligible schools and libraries for telecommunication services, Internet access, and internal connections. The program is intended to ensure that schools and libraries have access to affordable telecommunications and information services.”<sup>1</sup> The school district files for applicable telephone, cell phone, internet, and technology purchases on behalf of the Town.

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<sup>1</sup> Universal Service Fund: <http://www.universalservice.org/sl/>



## Reimbursement Programs

### **Circuit Breaker**

During FY04, the Circuit Breaker Reimbursement Program replaced a program referred to as the 50/50 account, where the State paid 50% of the residential tuitions directly to the residential school in which the placement had been made; the school district paid the other 50%. In FY05, The state shifted from a pay-as-you go reimbursement program for residential tuitions to a broader-based, still-partial, special education reimbursement program.

The state's Circuit Breaker Fund reimburses the school district at the rate of 35-75% for in-district and out-of-district student costs which exceed four times per pupil foundation amount. The state sets this amount annually. Eligible costs include instructional services, various types of therapies, and specialized equipment. Circuit Breaker specifically excludes Transportation and Building Infrastructure costs.

Currently the state is projecting a reimbursement rate of 40% for FY10 and FY11. During FY10, the district lost \$600,000 in anticipated Circuit Breaker funding due to the current economic downturn.

During the fiscal year, the school district receives quarterly progress payments based on the prior-year's approved claim submission. At the end of the fiscal year, the school district submits a final claim form to the DESE (typically in July) for the prior fiscal year expenditures. A fifth and final payment is made in August or September to fully fund the prior year obligations. (If the progress payments totaled less than the Fund's full obligation, that final adjustment is an additional payment; if the progress payments totaled more than the Fund's full obligation, the excess would be netted from the next-following progress payment.). All Circuit Breaker funds received go into the Circuit Breaker Revolving Account, and does not require further appropriation, and must be expended by the following June 30.

Lexington Public Schools has chosen to project current- and future-year reimbursement amounts as an offset to the projected budget. Each year, there is a potential for a change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account. The foundation rate changes each year, which also impacts potential reimbursement to the school district. For budgeting purposes and to provide the Town with the best information available we have calculated the projected circuit breaker reimbursement for the new fiscal year on tuitions only. The budget practice is to use the Circuit Breaker account for residential tuition payments, resulting in the residential tuition line being a "net" figure. This will allow transparency and consistency in maintaining what the total cost of each tuition category (Day, Collaborative, and Residential) is for future years.



**Circuit Breaker Claim History**

FY10 PROJECTED CIRCUIT BREAKER STUDENT DETAILS							FY11 PROJECTED REIMBURSEMENT				
Students Claimed	Projected Claim Amount	Total Cost Share	Adj FY09FY10 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	40% Reimb	Total Reimb	Adj	Total Adjusted Reimb
74	6,119,448		6,119,448	2,859,064	3,260,384	\$ 44,059	16.66%	1,304,154			1,304,154
FY09 CIRCUIT BREAKER STUDENT DETAILS							FY10 PROJECTED REIMBURSEMENT				
Students Claimed	Projected Claim Amount	Total Cost Share	Adj FY09 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	40% Reimb	Total Reimb	Adj	Total Adjusted Reimb
88	4,479,314		6,042,236	3,247,536	2,794,700	\$ 31,758	5.08%	1,117,880			1,117,880
FY08 CIRCUIT BREAKER STUDENT DETAILS							FY09 REIMBURSEMENT				
Students Claimed	Projected Claim Amount	Total Cost Share	Adj FY08 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	72% Reimb	Total Reimb	Adj	Total Adjusted Reimb
70	5,138,076		5,138,076	2,478,560	2,659,516	\$ 37,993	-6.48%	1,914,856			1,914,856
FY07 CIRCUIT BREAKER STUDENT DETAILS							FY08 REIMBURSEMENT				
Students Claimed	Projected Claim Amount	Total Cost Share	Adj FY07 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	72% Reimb	Total Reimb	Adj	Total Adjusted Reimb
91	5,994,627	84,028	5,910,599	3,066,700	2,843,899	\$ 31,252	20.54%	2,047,607			
FY06 CIRCUIT BREAKER STUDENT DETAILS							FY07 REIMBURSEMENT				
Students Claimed	Total Claim Amount	Total Cost Share	Adj FY06 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	75% Reimb	Total Reimb	Adj	Total Adjusted Reimb
80	4,964,705	93,561	4,572,353	2,213,120	2,359,233	\$ 29,490	36.82%	1,769,425	1,769,425	-31,520	1,737,905
FY05 CIRCUIT BREAKER STUDENT DETAILS							FY06 REIMBURSEMENT				
Students Claimed	Total Claim Amount	Total Cost Share	Adj FY05 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	75% Reimb	Total Reimb	Adj	Total Adjusted Reimb
66	3,794,719	67,933	3,726,786	2,002,440	1,724,346	\$ 26,126	-5.36%	1,293,260	1,293,260		1,293,260
FY04 CIRCUIT BREAKER STUDENT DETAILS							FY05 REIMBURSEMENT				
Students Claimed	Total Claim Amount	Total Cost Share	Adj FY04 Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	72% Reimb	Total Reimb	Adj	Total Adjusted Reimb
86	4,449,306	105,704	4,343,602	2,521,520	1,822,082	\$ 21,187	-3.84%	1,311,904	1,311,904	54,662	1,366,566
FY03 CIRCUIT BREAKER STUDENT DETAILS							FY04 REIMBURSEMENT				
Students Claimed	Total Claim Amount	Total Cost Share	Allowable Claim Amount	Foundation	Net Claim	Avg Claim Rate	% Change in Net Claim (\$)	35% Reimb	Total Reimb	Adj DOE Residential Payments	Total Adjusted Reimb
89	4,556,061	150,504	4,405,557	2,536,163	1,894,747	\$ 21,289		663,161		-71,907	591,254



**Lexington Public Schools**  
**2011 Recommended Budget**

**Fee Programs**

Fees are assessed for a number of programs in the district. The school committee sets these fees annually during the budget process or as information become available.

Program	FY10 Fee	FY11 Proposed Fee	Reason for Change	
Elementary Instrumental Music	\$300	\$300	None	General Fund: Offsets the cost of providing lessons during the school day at the elementary level.
Field Trips and Extracurricular Activities	At Cost	At Cost	None	Student Activities: Costs are calculated for total cost of providing experience divided by the number of students attending.
Preschool Tuition	10 Hr/week program: \$3,000 15 Hr/week program: \$4,250 Lunch Bunch: \$1200 per year (1 hr – 4 day per week)	No Change	Personnel Costs and supplies and materials	Revolving Fund: Offsets the cost of program staff and supplies and materials for typical students. It does not fund the Special Education component of this program.
Full-Day Kindergarten Tuition	\$1,075	\$1,075	None	Revolving Fund: Offsets the cost of teacher salaries and some free or reduced tuition through the Financial Assistance program.
Athletics	High School: \$300.00 1st sport per student, \$300.00 2nd sport per student, 3rd sport free. \$600 maximum per family (Family Plan).  Middle School: \$100.00 per varsity sport. \$65.00 per junior varsity sport. \$60.00 per session for intramural programs  For Before School Sports: \$60.00 per year.  FAMILY PLAN: If the user fee for school athletics exceeds \$600.00 for the entire family, grades 5 - 12, you qualify for the Family Plan.	High School: No Change  Middle School: \$200.00 per varsity sport. \$100.00 per junior varsity sport. \$75.00 per session for intramural programs  For Before School Sports: \$75.00 per year.  FAMILY PLAN: No Change.	The fee increase being proposed is for the Middle School and Elementary programs. Both Programs are well below market rate and are not covering their cost of providing the programs being offered. The result has been a reduction in funds available for uniform replacement and equipment replacement at the High School level.	Revolving Fund: Offsets the cost of equipment, transportation, and other program needs
Transportation	<ul style="list-style-type: none"> <li>• \$600 with a family cap of \$1,650</li> <li>• Early Bird Registration: \$550 with a family cap of \$1,600</li> <li>• Hayden Transportation: \$300 per seat; no cost for Fee rider</li> <li>• Joint Custody: \$300 per seat/route</li> </ul>	No Change	Personnel Costs and supplies and materials	Revolving Fund: Offsets the cost of program staff and supplies and materials for riders not eligible for Town paid transportation.



**Lexington Public Schools**  
**2011 Recommended Budget**

Program	FY10 Fee	FY11 Proposed Fee	Reason for Change	
School Lunch	<ul style="list-style-type: none"> <li>Breakfast: \$2.00 (all levels)</li> <li>Lunch: a maximum of \$3.50 (all levels)</li> <li>Milk: a maximum of \$0.60</li> <li>Sensible Sides are available at the Elementary schools from \$0.50- \$1.25.</li> <li>Middle and High Schools offer several a la carte options from \$ 0.50- \$1.25.</li> <li>Premium Lunches are available at the High School for \$4.50.</li> </ul>	<ul style="list-style-type: none"> <li>Breakfast: \$2.00 (all levels)</li> <li>Lunch: a maximum of \$3.75 (all levels)</li> <li>Milk: a maximum of \$0.60</li> <li>Sensible Sides are available at the Elementary schools from \$0.50- \$1.25.</li> <li>Middle and High Schools offer several a la carte options from \$ 0.50- \$1.25.</li> <li>Premium Lunches are available at the High School for \$4.50.</li> </ul>	<p>The cost of the program for food and delivery of products has been variable over the last year. The program is also going out to bid and will be embedding the School Wellness Policy and Nutrition Guidelines into the contract language. We anticipate that a management company will need additional room in the pricing structure to continue the work Chartwells started in upgrading the nutrition in our meals. Our goal would be to keep the pricing the same, however, administration would like permission to increase the lunch pricing if warranted.</p>	<p>Revolving Fund: All revenue is held by the School Department. We are installing a Point of Sale system to remove cash from our schools and improve our reporting of sales for meals and a la carte items.</p>

**Other Revenue Sources:**

**Avalon Bay Education Trust Fund Escrow Agreement:** Per the agreement dated May 31, 2006, the Avalon Bay Communities agreed to pay \$7,100 per student registered in the Lexington Public Schools over 111 students. Commencement of the payments started upon occupancy of 290 units. The estimated revenue for FY12 is \$370,000.

**American Recovery & Reinvestment Act (ARRA): \$818,045** According to the U.S. Department of Education, all ARRA funds are meant to be spent quickly to save and create jobs; used to improve student achievement through school improvement and reform, tracked accurately, with both uses and results reported publicly, and invested wisely to minimize the 'funding cliff' associated with commitments that cannot be sustained once the funding stream ends. Federal guidance and details are posted on the United States Department of Education website at: <http://www.ed.gov/policy/gen/leg/recovery/implementation.html>.<sup>2</sup> There are specific rules and guidelines as to how these funds are to be expended <http://www.doe.mass.edu/arra/idea.pdf>. Therefore due to the complexity, the district has chosen to include in the operating budget all ARRA funds for Special Education and Professional Development and offset the costs allowable that occur during the fiscal year. This ensures that when these funds are no longer available we can evaluate the continuation of the services that have been incorporated into the district program.

<sup>2</sup> <http://www.doe.mass.edu/arra/>