



***Arlington Public Schools***  
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Diane Fisk Johnson, Chief Financial Officer  
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November 3, 2016

Dear Members of the School Committee:

Attached please find the November 2016 monthly tracking reports, which consist of:

- Monthly Summary Report
- Budget Tracking Report as of November 1, 2016
- Grant Expenditure Report as of November 2, 2016
- Revolving Expenditure Report as of November 3, 2016
- Revolving Revenues as of November 2, 2016
- FY17 Revised Funding Summary as of November 3, 2016
- Staff Adds Beyond FY17 Budget as of November 3, 2016

The Budget Tracking report is showing a significant overage of \$591,533.

At this time of year, we encumber our estimates for the entire year where we can. We also do the majority of our repair and upgrade work during the summer months while school is out of session. Of course, supplies and instructional materials are also purchased heavily during the summer months in anticipation of the school year. At this point, we project each budget line as if it will be fully expended, which is contrary to our experience, but is the most conservative way to consider our expenditure patterns.

A good example of this would be 85103 – Instructional Materials, which is \$174,876 over budget. At the same time 85106 – Textbooks is showing that there is \$320,354 still left to spend this year. Although I am projecting that it will be fully spent, this would be contrary to past experience, and I expect that these two lines will at least offset each other.

However, the true area of concern is 83201 - Out of District Tuition. As you can see, I've offset the total expended and encumbered amounts by the full allocation of Circuit Breaker, and we are still showing an overage of \$359,609. This is worrisome, since it is relatively early in the school year, and we often see additional out of district placements as we approach the spring. There is \$325,000 in Special Education Stabilization which we can call upon in the spring Town Meeting if we need to do so.

Substitutes, both day and long term (81203 & 81204) are running under budget. This is due to a shortage of available subs, despite our best efforts to recruit more. With the low



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unemployment rates currently in Massachusetts, and with our relatively low day rates, we are unable to staff up to the current demand. We may need to examine our rates during the budget process.

Also, this fiscal year we began tracking stipends in three new object codes: 81205 – Student Activities Stipends, 81210 – Leadership Stipends, and 81215 – Admin Stipends. In past years these expenses were charged to either 81201 or 81202 – Temporary Salary. I hope this will bring greater clarity to the area of stipends as we move forward in time. For now, I have not moved budget amounts from 81201 and 81202, but those unspent balances will be used to offset these three stipend categories.

In the Revolving Expense Report we are seeing higher than normal expenditures in the Building Rental area, due to the Gibbs design services.

The FY17 Revised Funding Summary shows the changes that have taken place since the proposed budget. There have been increases in Town Appropriation, Grants, and Circuit Breaker for a total increase of \$535,948.

I have also included a report on additional positions that were added beyond what was requested in the budget. The total cost of these increases in positions comes to \$615,858, which is covered by additional revenue and turnover savings.

Sincerely,

Diane Fisk Johnson