



Overview

Lowell Public Schools is committed to its mission of continuous improvement in student achievement and success by maximizing and realigning its limited resources. The District’s general fund budget (local budget) provides baseline funding for Pre-K through grade 12 educational programming. It is a process that is focused on identifying ways to deliver high quality teaching and learning for our students and staff to ensure outstanding results within the constraints of the available budget that is expected. More specifically, this process reviews the current spending plans and data to make the changes necessary to realign resources to identified academic and support areas to ultimately increase student achievement. The budgeting process includes a thorough analysis and understanding of the current plan and priorities and articulates specifically where the district needs to go. Thus, this information provides a roadmap for the district to get there both programmatically and fiscally.

Budgeting Process

The Lowell Public School’s fiscal year begins on July 1st of each year and ends on June 30. The budgeting process begins in October when student data is submitted to the state for the purpose of calculating the foundation budget (minimum spending) which differentiates between districts based on student grades, programs and socio-economic status. This “fair and adequate” foundation amount is determined using this October 1st student count data multiplied by an assigned rate for each student based on defined criteria/components. (See column headings below.) The Foundation Budget download is attached at the end of the Narrative.

Massachusetts Department of Elementary and Secondary Education
Office of School Finance

FY22 Chapter 70 Foundation Budget

160 Lowell

	Base Foundation Components							Incremental Costs Above the Base							TOTAL
	----- Kindergarten -----		Elementary	Junior Middle	High School	Vocational	Special Ed In-District	Special Ed Tuitioned-Out	English learners PK-5	English learners 6-8	English learners High School/Voc	Low income			
	Pre-school	Half-Day											Full-Day	8	
Foundation Enrollment	491	0	1,175	6,687	4,303	3,326	310	607	155	2,497	816	676	11,207	16,047	
1 Administration	99,521	0	476,310	2,710,709	1,744,307	1,348,261	125,685	1,698,210	464,177	236,616	81,200	57,021	797,042	9,839,037	
2 Instructional Leadership	179,735	0	860,253	4,895,753	3,150,355	2,435,064	226,960	0	0	414,053	142,098	99,791	3,776,087	16,180,150	
3 Classroom & Specialist Teachers	824,153	0	3,944,510	22,448,192	12,711,750	14,449,242	2,289,477	5,603,660	0	2,898,343	994,639	698,491	36,862,064	103,724,521	
4 Other Teaching Services	211,371	0	1,011,687	5,757,574	2,666,999	1,716,149	159,954	5,232,061	7,091	414,053	142,098	99,791	0	17,418,828	
5 Professional Development	32,593	0	156,075	888,368	619,675	464,443	71,567	270,315	0	18,283	40,596	28,507	1,788,301	4,478,722	
6 Instructional Materials, Equipment & Technology	119,284	0	570,521	3,249,146	2,090,765	2,595,699	421,746	295,941	0	295,720	101,494	71,271	274,123	10,016,129	
7 Guidance & Psychological Services	65,107	0	311,645	1,773,593	1,439,569	1,355,678	126,356	0	0	177,437	60,898	42,764	1,492,560	6,845,706	
8 Pupil Services	23,848	0	114,198	974,697	1,024,544	1,826,107	170,202	0	0	59,154	20,302	14,257	7,756,253	11,983,562	
9 Operations & Maintenance	228,860	0	1,095,335	6,233,621	4,348,698	3,259,147	568,521	1,896,978	0	709,797	243,584	171,062	0	18,755,604	
10 Employee Benefits/Fixed Charges*	283,950	0	1,369,017	7,734,519	5,173,970	3,600,595	471,867	2,149,005	0	650,643	223,282	156,805	5,962,684	27,766,336	
11 Special Education Tuition*	0	0	0	0	0	0	0	0	4,407,110	0	0	0	0	4,407,110	
12 Total	2,068,421	0	9,899,951	56,666,173	34,970,653	33,040,384	4,632,315	17,086,170	4,878,379	5,974,097	2,050,192	1,439,758	58,709,214	231,415,707	
13 Wage Adjustment Factor	100.0%														
													Foundation Budget per Pupil	14,421	

*The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

Once the total “foundation budget” is calculated, the state determines the amount that the local City can afford using property taxes and income to calculate its “ability to pay.” The Chapter 70 state aid is then identified by taking the Foundation Budget total less the required city contribution.

$$\text{FOUNDATION BUDGET} - \text{CITY CONTRIBUTION} = \text{CHAPTER 70 ASSISTANCE}$$

Per the Foundation Budget shown above (final column), the state calculated minimum spending for Lowell Public Schools is \$231,415,707 for the FY21/22 school year. This equates to approximately \$14,421 per student for the 16,047 reported on October 1st. Please note that the 16,047 count includes the charter school students. It is also a reduction of 305 students from the previous year which equates to a loss of more than \$4 million in per student revenue.

The budget process is summarized below:

- Use the October 1st enrollment count to project total revenue
- Prepare an algorithm to determine school allocations based on projected enrollment by school using predetermined weights with the Fair Student Funding process
- Prepare projected expenses based on known contractual increases for salaries and other contracts
- Using these projections, prepare a preliminary draft budget
- Present this preliminary data to the School Committee in January
- In late January, download the released budget recommendations from the Governor
- Update the preliminary budget with these figures and begin the process of prioritizing and redesigning based on whether cuts or additions need to be made
- Schools work with School Site Councils to determine school priorities and then use the school allocation amounts to build their budgets
- Principals present their budgets in late March and early April
- In April, update the budget with the released Massachusetts House of Representatives budget recommendations
- City Manager determines the general fund allocation for the Lowell Public Schools that will be recommended to the City Council
- Finalize the Lowell Public School's budget using these figures
- Present to School Committee
- Hold public hearings
- School Committee approves
- City Manager submits this to the City Council for approval in May
- Senate releases state budget recommendation in May
- House and Senate reconcile differences and forwards final state budget to Governor for approval
- City Council votes on the overall City budget in June
- Any necessary changes will be made over the summer after the final state budget is released

All in all, the budgeting process for underfunded urban districts includes determining how to live within our means while still giving each student the education they need to succeed in this global society.

Revenue Overview

Of the \$231,415,707 foundation budget (required minimum), \$177,325,054 will be provided through Chapter 70 state aid. This is \$10,371,571 higher than the aid received in FY20/21. The "required district contribution" also increased by \$2,281,885 to \$54,090,653. The City will give not give us additional cash. Rather the increase will be via maintenance of effort costs. Thus, the direct aid (cash) from the City will be \$15,736,053. The remaining City contribution of \$38,354,608 will be through charge offs to City

expenses per the Maintenance of Effort agreement. Some of the expenses historically charged to the schools as part of the City's required minimum contribution include the following:

- Approximately 44% of the City Treasurer's Office
- Approximately 44% of the City Auditor's Office
- Approximately 44% of the Purchasing Department
- Approximately 57% of the Administration of Insurance expense
- Medicare Tax
- Pensions, Insurance premiums for retired employees, workers compensation, unemployment, etc.
- Health Personnel (nurses) – Medicaid Reimbursement reimburses some of these costs
- School Resource Officers
- Building Maintenance
- Snow/Ice removal
- Trash removal
- Utilities
- Non-Employee insurance
- Interest paid for City bonds
- Public Safety inspections
- Parking fees
- Principal on LT Debt
- Interest on projects
- MSBA payments
- School choice
- Charter Schools (\$21.9 million)
- Greater Lowell Technical High School (\$8.5 million)
- Essex Agricultural High School (\$40,962)

If these services were not provided through the City, the District would have to obtain such services privately.

FY22 Chapter 70 Summary

160 Lowell

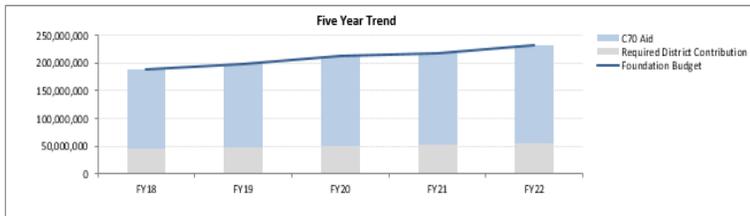
Aid Calculation FY22

Prior Year Aid	
1 Chapter 70 FY21	166,954,483
Foundation Aid	
2 Foundation budget FY22	231,415,707
3 Required district contribution FY22	54,090,653
4 Foundation aid (2-3)	177,325,054
5 Increase over FY21 (4 - 1)	10,370,571
Minimum Aid	
6 Minimum \$30 per pupil increase	481,410
7 Minimum aid amount (if line 6 - line 5 > 0, then line 6 - line 5, otherwise:	0
Subtotal	
8 Sum of 1,5,7	177,325,054
Minimum Aid Adjustment	
9 Minimum aid adjustment	167,435,893
10 Aid adjustment increment (if line 9 - line 8 > 0, then line 9 - line 8, otherwise:	0
Non-Operating District Reduction to Foundation	
11 Reduction to foundation	0
FY22 Chapter 70 Aid	
12 Sum of 1,5,7,10 minus 11	177,325,054

Comparison to FY21

	FY21	FY22	Change	Pct Chg
Enrollment	16,352	16,047	-305	-1.87%
Foundation budget	218,744,160	231,415,707	12,671,547	5.79%
Required district contribution	51,808,768	54,090,653	2,281,885	4.40%
Chapter 70 aid	166,954,483	177,325,054	10,370,571	6.21%
Required net school spending (NE)	218,763,251	231,415,707	12,652,456	5.78%
Target aid share	73.90%	74.08%		
C70 % of foundation	76.32%	76.63%		
Required NSS % of foundation	100.01%	100.00%		

ESSER II Allocation Available to Fund Increase in Required District Contribution	
(A) ESSER II allocation	17,872,494
(B) 75% of ESSER II allocation	13,404,371
(C) Change in required district contribution over FY2	2,281,885
(D) ESSER II allocation available to fund district contribution increase (if C > 0, then lesser of B or C, otherwise 0)	2,281,885



Other revenue sources that assist our district with providing each child with an adequate education despite their circumstances include grants. The majority of the Lowell Public Schools' grants include entitlement contracts such as the Title (I, IIa, III and IV) and Special Education 240 grants. One major rule with such grants is that we cannot "supplant" or cover costs that we would have had to provide anyway. For instance, we cannot cover a Principal or positions such as a classroom teacher. However, we can implement programs and cover teachers that are providing additional supports like interventions or enrichment. Our Title grants have been covering coaching/curriculum support for each school through Instructional Specialists, Literacy Specialists and Tutors these past few years. Other costs that the grants can and do cover include our assessment tools such as Iready, social emotional programs and supplies. The difficulty with budgeting using grant revenue is that the allocations are not released until after the budget is approved.

The final budget document will serve three purposes:

- 1) The Budget will allow the readers to understand our programs, services, goals and finances. More or less, it defines our policy management by depicting our strategic goals and executive direction.
- 2) The Budget will serve as a financial planning tool that allocates resources based upon the strategic and purposeful analysis of student achievement, enrollment, mandated services, high quality teaching and community values.
- 3) The Budget will function as a core communication device to keep staff, families and the community updated on the major budgetary decisions and issues facing the district. It "translates our priorities" as a district through transparency and clarity.

