



THE PUBLIC SCHOOLS OF BROOKLINE
BROOKLINE, MASSACHUSETTS 02445

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Financial Update
 2nd Quarter Report
 As of February 15, 2021
 (Operating Budget Only)

The Public Schools of Brookline continues to experience a budget deficit as we have reopened schools in a hybrid schedule and offer a Remote Learning Academy. The deficit increased from the last report on J from \$715K to just over \$803,000 as we continue to add staff to support students in the Remote Learning Academy and pay for both a long-term substitutes and leave of absence costs. School Committee also voted to carry up to \$200K for BA&CE deficit that will close out to them as the fiscal year closes.

Category	ORIGINAL APPROP	TRANFRS/ADJ SMTS	REVISED BUDGET	YTD Proj	Proj Yr End
51 SALARIES	\$ 105,221,815	\$ 1,837,470	\$ 107,059,285	\$ 108,502,559	\$(1,443,274)
52 CONTRACTED SERVICES: Out of District Tuition, Transportation, Software	\$ 9,758,338	\$ (90,260)	\$ 9,668,078	\$ 10,550,917	\$ (882,839)
53 SUPPLIES : Textbooks, instructional materials	\$ 1,737,101	\$ 14,352	\$ 1,751,453	\$ 1,271,958	\$ 479,495
55 OTHER CHARGES: Prof.Dev., Financial Assistance \$175K, Special Education Reserve \$475K	\$ 1,065,096	\$ (11,562)	\$ 1,053,534	\$ 910,297	\$ 143,237
56 UTILITIES	\$ 7,350	\$ -	\$ 7,350	\$ 7,350	\$ -
5A EQUIPMENT: Computer Hardware, classroom furniture/equipment	\$ 1,209,290	\$ -	\$ 1,209,290	\$ 1,109,576	\$ 99,714
Grand Total	\$ 118,998,990	\$ 1,750,000	\$ 120,748,990	\$ 122,352,656	\$(1,603,666)
Town Cares Fund*				\$ (1,000,000)	\$ 1,000,000
Projected Year End Deficit				\$ 121,352,656	\$ (603,666)
BA&CE Deficit Support					\$ (200,000)
Projected Year End Deficit					\$ (803,666)

*The \$1.1M has been reduced by \$100,000 as Town Cares eligible expenses were moved out of the Operating Budget by December Closing. Extension to 12/30/21 allows for payroll to be removed and charged directly to the Town Cares Grant. Work is being done to complete the direct charge.

The offset of the RLA has not yet been moved from the operating budget to the Town Cares Fund. Thus, it still shows as an offset. The Finance Team is in conversation with the Town on how and when they would like to do this transfer. The Finance Team has been able to identify more than \$2.6 Million in staffing costs and over \$100,000 in instructions supplies and materials already transferred to the Town Cares funds that were necessary to operate the RLA.

Even though we have frozen approximately \$1.2M in expense lines (Contracted Services, Supplies, Other, Equipment). We are currently managing an expense deficit of \$160K. The components of which are made up of the following:

- Reviewing open purchase orders and open requisitions for the necessity of those funds as the fiscal year begins to wind down into the spring.
- Reviewing expenditure transactions in Departments that have negative balances. We are confirming if transfers to ESSER I, Town Cares, CvRF, Technology grants were processed or other miscoding of charges is occurring.
- Releasing for use the funds generated from Transportation of approximately \$392K due to the shorter school year and fewer special education vans needed.
- Holding in Special Education: Special Education Reserve of \$475K. Funds have been used transfers are in process as of the writing of this report.
- Holding \$255K in reserve for Custodial Expenses
- Holding \$492K is reserve to fund unknown and unanticipated special education expense lines for settlements, legal expenses, compensatory services, and other identified student supports in process of being implemented.
- Holding Financial Assistance reserve of \$175K for distribution as the spring comes forward, vaccine is available, and field trips or other fee-based activities may resume.

Please note: Special Education Tuition and six (6) grade level teachers are encumbered against the Special Revenue Accounts used to offset the Operating Budget (Circuit Breaker and Materials Fee/Tuition respectively). They are not shown as an expense or an offset as typically included our reports.

Attached are two additional department reports on Transportation and Tuition for your information and review.



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CASEY NGO-MILLER
 DEPUTY SUPERINTENDENT FOR
 OFFICE OF STUDENT SERVICES

MICHAEL D'ONOFRIO
 FINANCE MANAGER FOR THE OFFICE THE
 OF STUDENT SERVICES

TO: V. James Marini, Interim Superintendent of Schools, Mary Ellen Normen,
 Deputy Superintendent for Administration and Finance, Casey Ngo-Miller,
 Deputy Superintendent for the Office of Student Services

FROM: Michael D'Onofrio, Finance Manager, Office of Student Services

RE: 2nd Quarter Special Education Projection

DATE: January 14, 2021

The memo serves as the second quarter FY2021 Projection for Special Education. The 2nd Quarter report shows projected expenditures of \$6,962,835 against a budget of \$6,921,000, leaving a deficit of \$41,835. We have added 12 students to our projection from February upon which the budget was built, with 9 of these coming since the 1st Quarter Report. Some of these costs are one time retroactive payments, while others had program reconstruction cost increases approved by OSD during the 2nd quarter. For example, one schools daily rate jumped from \$298.43 to \$407.82, a \$25K increase for the year. Another school, where we have 4 students placed, had their daily rate increase from \$462.79 to \$554.31. This had a \$79,073.28 impact on our projection for the rest of the year, and further impacts FY2022's budget need. Some agreements had retroactive payments which will not impact FY2022.

9000 Series	Programs with Other School Districts	FY2020 Budgeted Head Count	FY2020 Budget	FY2020 Actual	FY2021 Budgeted Head Count	FY2021 Budget*	Q2FY2021 Projected Head Count	Q2FY2021 Projected	Variance (Head Count)	Variance \$
9100	Tuition to Mass. Schools	1	\$ 44,376	\$ 53,257	1	\$ 48,034	1	\$ 46,762	-	\$ 1,272
9200	Tuition to Out-of-State Schools	4	\$ 254,326	\$ 222,880	2	\$ 306,642	2	\$ 222,880	-	\$ 83,762
9300	Tuition to Non-Public Schools	62	\$ 5,619,590	\$ 5,599,049	61	\$ 6,425,136	71	\$ 6,448,058	10	\$ (22,922)
9400	Tuition to Collaboratives	3	\$ 133,568	\$ 74,103	3	\$ 141,188	5	\$ 245,135	2	\$ (103,947)
Total		70	\$ 6,051,860	\$ 5,949,290	67	\$ 6,921,000	79	\$ 6,962,835	12	\$ (41,835)

*9300 Series includes \$2,572,839 in Circuit Breaker Funding

The second quarter projection includes all students currently at out of district placements. While we continue to monitor potential additional outplacements (i.e.: 'The Watchlist'), the number of students currently placed out has increased from September 30th from 70 to 79.

Additionally, we have not used any of the \$475,000 in the Special Education Reserve Fund budgeted in the Operating Budget.

We will continue to monitor the impact that new, unanticipated placements will have on the FY2021 Budget.

Contractual Services

Our contracted services projection is under budget as of 12/31/2020 by \$334,316, which includes IDEA Grant funding, but this expense is highly variable based on the predictability of services provided, particularly in regards to 45-day placements and the need for evaluations in other languages, and, as will be detailed later in this report, by a spike in Legal Services costs.

We have four contracts that currently exceed \$50,000:

- The Brookline Center for Community Mental Health, which administers the BRYT (Bridge for Resilient Youth In Transition) Program and provides program coordination and consultation services, as well as Crisis Intervention Services on an as needed basis.
- Gateways Access to Jewish Education, who manages our Proportionate Share Allocation Services for private schools in Brookline who access therapeutic services as required by the IDEA (Individuals with Disabilities Education Act) grant funding that the district receives.
- The Landmark School, which oversees the Landmark School Outreach Program, designed to administer professional development to program staff in the areas of language based learning disabilities. Our staff is trained in intensive interventions in reading and writing, using nationally acclaimed techniques such as the Wilson Reading and Orton-Gillingham methods.
- Stoneman, Chandler and Miller, our legal services provider.

We also contract with a number of consultants and providers in the range of \$10,000 - \$50,000. These varied district wide programs include:

- The Public Schools of Brookline's District Wide Physician
- Behavioral Safety Training Services
- Online specialized learning platforms/subscriptions
- Orientation and Mobility Services
- Medicaid Claiming Processing Services
- Tutoring Services for Students
- Neuropsychological Evaluations
- Individualized Services for students who are in Out of District Programs, but require additional therapeutic services.

Many of the contracted services we provide are a collection of individual evaluations that are required but not frequent enough that we would hire staff to perform them. Typically these are related to language based evaluations in speech, language or auditory/visual disabilities.

Legal Services

Over the past 8 years, our Legal Services budget has been extremely stable, until last year. In FY20, our legal costs almost doubled, leading to a \$30K deficit in that line item. Anticipating that this might not be a one year anomaly, we increased our budget 25% (from \$40,000 to \$50,000). Unfortunately, there were an even higher number of settlement agreements that had to be negotiated as we advocate to place our students in schools where they can best succeed. We have worked with the Town's Counsel in past years to utilize in house attorneys when possible to mitigate costs. This may be worth pursuing as more students seek outside placements, particularly in light of the effects of the pandemic.

Outside Legal Counsel - Stoneman, Chandler and Miller LLP (and other engaged firms pending individual settlement agreements)			
Fiscal Year	Legal Budget	Legal Expense	Surplus/Deficit
FY14	\$ 40,000.00	\$ 30,496.99	\$ 9,503.01
FY15	\$ 40,000.00	\$ 40,180.47	\$ (180.47)
FY16	\$ 40,000.00	\$ 40,328.46	\$ (328.46)
FY17	\$ 40,000.00	\$ 21,502.39	\$ 18,497.61
FY18	\$ 40,000.00	\$ 43,610.85	\$ (3,610.85)
FY19	\$ 40,000.00	\$ 40,481.72	\$ (481.72)
FY20	\$ 40,000.00	\$ 70,087.21	\$ (30,087.21)
FY21 (YTD through December)	\$ 50,000.00	\$ 65,653.00	\$ (15,653.00)
FY21 (Projected)	\$ 50,000.00	\$ 101,066.68	\$ (51,066.68)

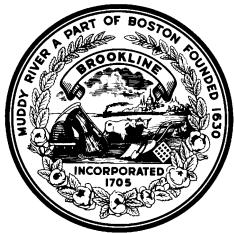
Transportation Services

Conversely, our Transportation Services costs for Special Education are significantly below our budgeted figure. In FY21, the transportation budget was level funded at \$2,133,722. The latest projection calculates our final expense to be \$1,662,805, leaving us with a surplus of \$470,917. This can be utilized to offset overages in out of district tuition costs, but it should be expected that FY2022 will be more in line with the FY2021 budgeted amount as schools move from a hybrid model (transporting many students 2-3 days per week in our day placements) to a fully in person learning experience next year.

Other Factors/Concerns

- There are students who are placed unilaterally by their parents out of district without the Districts approval. That number currently sits at 20 as of December 31st.
- The financial impact of new placements have a diminishing effect on the current years' budget as we move through the school year, but do result in a negative way on FY2022's budget projection as they will most likely attend that school for the entirety of next year.

- We currently have no students in 45-day placements. We did have one in early November that led to one of the nine additional placements since 9/30/2020. As a reminder, 45 day evaluations often lead to additional placements out of district, which has financial implications not only in the current year, but against next years' budget and, cumulatively, ones going forward.
- FY2021's projection includes anticipated Program Reconstruction costs for students identified in those schools/programs. While these applications have not been approved yet by DESE, it is expected that they will cause the 3rd Quarter projection to rise slightly depending on when and if they are approved and the effective date of the increased rate. We have 2 students remaining who are currently in schools that have applied for Program Reconstruction this year. The other 8 students who previously were identified (of the 10 total at the beginning of the year) are
- The FY2020 Circuit Breaker revenue amount used to establish the FY2021 budget was approved by School Committee at \$1,971,547. The FY2021 Initial Circuit Breaker Claim, posted by DESE on October 19, 2020 and based on a 70% reimbursement rate was \$2,139,353. In December, DESE increased the reimbursement rate from 70% to 75%, raising the allocation to \$2,292,164. This did not include additional transportation funding that was established under the Student Opportunity Act of 2019, which has been deferred until FY2022. Additionally, there was a carryforward fund balance in the Circuit breaker account of \$280,675. The net increase to the FY2021 adjusted budget, pending school committee approval, is \$601,292.



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Memorandum

TO: Mary Ellen Normen, Deputy Superintendent for Administration and Finance
FROM: Matthew J. Gillis, Director of Operations & Facilities
RE: **FY21 Transportation Budget Projection**
DATE: December 1, 2020

Budget Summary

ORG	OBJECT	ACCOUNT DESCRIPTION	Better Detailed Description	ORIGINAL APPROP	TRANSFER	REVISED BUDGET	YTD EXPENDED	ENCUMBR	AVAILABLE BUDGET
313010	522016	COMPUTER SOFTWARE R & M	Routing Software	\$0	\$0	\$0	\$2,750	\$0	-\$2,750
313010	524631	TRANSPORT-PRIVATE CARRIER	REG Ed - Elementary Transp	\$359,520	\$20,716	\$380,236	\$4,860	\$282,240	\$93,136
313028	524630	TRANSPORT-PUBLIC CARRIER	SPECIAL ED - MBTA Passes	\$0	\$0	\$0	\$0	\$11,500	-\$11,500
313028	524631	TRANSPORT-PRIVATE CARRIER	Special ED - Transportation	\$2,133,722	\$ -	\$2,133,722	\$210,792	\$1,586,093	\$336,837
313050	524631	TRANSPORT-PRIVATE CARRIER	HOMELESS Transportation	\$15,000	\$ -	\$15,000	\$1,005	\$13,345	\$650
313099	524631	TRANSPORT-PRIVATE CARRIER	REG Ed - BHS SOBRO Transp	\$108,600	\$ -	\$108,600	\$0	\$82,016	\$26,584
NEW	NEW	Foster CARE Transportation		\$0				\$10,000	-\$10,000
Transportation Subtotals				\$2,616,842	\$20,716	\$2,637,558	\$219,407	\$1,998,058	\$442,957

Significant line item availability is summarized below.

\$93,136 - reflects savings in intramural bus service and regular school day bus service as we operated fewer days than 180 and fewer buses until Grades 3-8 returned in the hybrid model.

\$336,837 is the estimated balance in special education transportation, which is a very dynamic line item. The following items can impact expenditures:

- Changing the maximum rider ship on in-town vans from 4 riders to 3 riders.
- Additional services (or reduction in services) for both in and out of district riders per the IEP.
- Parents declining mileage reimbursement and requesting transportation services.
- MBTA passes for travel training have always been covered by this line item, but charged separately as we are required to report expenses and riders to DESE separately.

Ridership Summary

Service	# of Riders as of 12/1/20	# of Vehicles
K-8 Regular Education	129	4
BHS - SOBRO	69	2
IN-Town Special Education	46	12.5
OOD -Special Education	32	22
Homeless Transportation	3	2
Foster care Transportation	1	1

The number of riders directly impacts the number of vehicles needed to provide services, and more so with social distancing guidelines in effect. Homeless and foster care line items are current estimates; we have consistently had to provide those services on and off in recent years.

User Fee Summary

The BHS user fee remained at \$400 per rider for the optional service from South Brookline to BHS and OLS. Ridership the past two years, pre-pandemic and hybrid service, was about 130 riders +/- . The GL budget does not reflect any use of revolving funds. The Nov and Dec invoices will be charged to the available fund balance below. As with prior years refunds have been permitted if the student cancelled service in the first week of school, though a little more latitude was granted with a November start of in-person learning.

BHS User Fee Revolving	As of 12/1/2020
GL Fund Balance	\$29,263.63
Deposits In Transit	\$400.00
Refunds in Transit	\$6,800.00
Actual Fund Balance	\$22,863.63