



THE PUBLIC SCHOOLS OF BROOKLINE
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FOR ADMINISTRATION AND FINANCE

To: Joseph Connolly, Interim Superintendent
From: Mary Ellen N. Dunn, Deputy Superintendent for Administration and Finance
Mike D'Onofrio, Director of Finance
Date: November 24, 2015
RE: FY 2016 1st Quarter Financial Report

The FY 2016 School Department budget has a projected balance at the close of the 1st Quarter of \$100,142. While there are significant changes highlighted within the report, it appears at this time that the FY 2016 budget can support the variances being experienced.

Salaries / Expenses	Original Appropriation	Transfers/ Amendments	Revised Budget	YTD Expended	Encumbrance/ Requisitions	Available Budget
Salaries	\$ 84,489,064		\$ 84,489,064	\$ 6,052,760	\$ 84,215,636	\$ 273,428
Expenses	\$ 14,767,929		\$ 14,767,929	\$ 2,649,283	\$ 14,941,215	\$ (173,286)
Grand Total	\$ 99,256,993	\$ -	\$ 99,256,993	\$ 8,702,043	\$ 99,156,851	\$ 100,142

Personnel: Salaries and Wages are shown by bargaining group to highlight in summary the cost and FTE changes for the FY 2016 budget (Table 1). The First quarter focuses on ensuring that all positions budgeted are filled and any unfunded positions are accounted for and disclosed.¹ Included as factors in calculating the Salaries and Wages projection are vacant positions yet to be filled by the close of the quarter (Table 2) and unfunded positions (Table 3). In the second quarter and subsequent quarter financial reports requests for transfers and reclassifications of positions will be included as positions are finalized in conjunction with the FY 2017 budget development process.

Of note, the Substitute line will show a growing deficit throughout the year and in future reports will be broken out into two categories; Daily Substitutes and Long Term Substitutes. Long Term Substitutes, in theory, should be funded through salary savings in Unit A due to the length of leaves of absence and a cap on the use of sick time. In the first quarter, or the first 12 weeks of a leave we do not experience savings as we are paying both the employee and the substitute until the employee's paid sick leave allocation has ended.

The likelihood of a deficit emerging within the Salaries and Wages lines are dependent upon the special education enrollment needs during the year. New students and student needs are being identified regularly. The new positions in the reorganization have been implemented for FY 2016 and their financial impact has been included and will be updated as the positions are filled.

¹ October 13, 2015 School Committee Meeting: Update on Authorization of Unfunded FTEs

Expenses: In general, the overall program expense budget (Table 4) is as expected with the exception of Transportation and Out-of-District Tuition. Quarterly review of program budgets looks for accounts that show variances of \$10,000, \$25,000, or over \$50,000 in either direction from what was budgeted. Some are on target with their spending plan and while their balances are high, program managers are following their spending plan. In the case of Transportation and Out-of-District Tuitions, they fall into a highlighted category due to significant changes in what was originally their budget plan.

A review of capital accounts will be in a future report due to the encroaching use of reserves to fund Old Lincoln curriculum equipment and materials that appear to be approaching \$75,000 that were not funded by the project or the Classroom Capacity Article. We are still awaiting the arrival of final invoices for supplies and services that are still in process. Included also in the report will be a review of the practices and procedures that allowed over expenditures to occur without identified funding. We are not anticipating that this will not repeat when the 5th and 6th grade move to the facility next year.

Also of note, funds to move and make minor improvements to 24 Webster Street were also not funded by the Classroom Capacity Article. A full accounting of these expenses will also be provided as part of the 2nd Quarter report. The move date has not been set due to ongoing installation of telephone, network, furniture maintenance and adjustments. Much of the furniture in the building is being reused; however there are reconfigurations and repairs that need to be made prior to employees moving to the location. We are anticipating approximately \$30,000 in unfunded capital costs for this move.

Transportation: The Transportation budget (Table 5) is currently over expended by \$ (509,779). The Regular Education Transportation Budget is projected to be over expended by \$(202,870). The deficit is being caused by Devotion School transportation services. The transportation costs are not part of the Devotion Building Project. In FY17 the estimated expense for Devotion transportation will double and planning for an additional \$421,000 is underway, including rebidding the transportation contract with better timing and routing information.

The Special Education projected deficit is down from \$321,000 in July to \$(306,909). We anticipate this to continue to decline until such time as new students are added to the transportation roles for out of district placements. The deficit is currently being offset by \$339,491 savings in the tuition budget, and other budget reserves.

Tuition: The Tuition budget (Table 6) appears to be experiencing some stress. Currently the budget is holding approximately \$910,000 in reserve for Unilateral and Watch list placements. The amount held in reserve is anticipated to continue to decline as the year progresses and known expenditures for this group are determined. However, at the same time, there are new Unilateral and Watch List students being added at 1 to 2 students per month since the opening of school. Due to space restrictions in our schools it is highly likely that we will experience a rise in the number of out-of-district tuition students. The district maintains its strong commitment to provide services within the district. However, the lack of physical

space and classrooms is a major hurdle when needing to expand some of our more intense service programs.

In addition, the second quarter will also reflect a \$49,667 reduction in estimated Circuit Breaker Revenue.

Description	Budget	Projected	Variance
Circuit Breaker Offset	\$ (1,556,509)	(\$1,506,842)	\$ (49,667)

Also within the tuition budget, an item of note is that agricultural and vocational school tuitions are included within the Special Education Tuition Budget. This is not an appropriate location for these tuitions to be charged. These items will be removed from this program line and a request for the Town to establish two line items outside of the school department budget will be made. Tuition to Agricultural (e.g. Norfolk Agricultural School) and Vocation Schools (e.g. Minuteman Regional Vocational School) are not obligations of the school district. They are mandatory obligations of the Town of Brookline. Students have choice as to what school they attend (public, agricultural, or vocational). The School Department should not be using its allocation to fund these obligations without a specific Town adjustment to our budget or they should be funding the line items as a separate Town Meeting action. This change does not mean that the public schools do not have a role, but it is a minimal role that is driven by parent and student choice.² The current funds being used for this purpose would follow the transfer request as they were built as part of the operating budget and tuition budget. However, future increases or decreases should be borne by the Town of Brookline and not through a reallocation of local district dollars.

Transfer Requests: No action required

² www.doe.mass.edu/finance/schoolchoice/choice_guide.html

Table 1: Salary & Wages Summary

Bargaining Unit	Budgeted FTE	FTE	FTE Variance	Budgeted Salaries	Projected Salaries	Salaries Variance	Notes
SAD1 SUPT, DPTY SUPT AND ASST SUPT	5.00	5.00	-	\$ 807,510.00	\$ 853,167.50	\$ (45,657.50)	Interim Superintendent effective November
SAD2 PRINCIPALS AND BHS HEADMASTER	11.80	12.80	(1.00)	\$ 1,578,166.00	\$ 1,682,805.65	\$ (104,639.65)	Additional Principal at Driscoll, plus reclassification of VP to Principal at Devotion
SAD3 DEANS AND DIRECTORS	12.00	12.00	-	\$ 1,421,705.00	\$ 1,345,690.18	\$ 76,014.82	Director of Operations; Start Date January 2016
SAD4 INDIVIDUAL CONTRACTS	10.80	9.80	1.00	\$ 901,417.00	\$ 763,256.16	\$ 138,160.84	Resignation of Facilities Manager (1.0) and addition of Full Time SC Admin Assitant (.2)
SAFC AFSMCE CUSTODIANS	40.93	39.45	1.48	\$ 2,244,024.00	\$ 2,110,013.80	\$ 134,010.20	
OVERTIME	-	-	-	\$ 186,030.00	\$ 335,135.00	\$ (149,105.00)	
SUBSTITUTES	-	-	-	\$ 816,520.00	\$ 1,220,950.00	\$ (404,430.00)	Projected Daily Subs and Long Term Subs
SINB SCHOOL NO BENEFITS	-	-	-	\$ 666,632.00	\$ 666,632.00	\$ -	
SS45 SECRETARY 45 WEEKS	8.37	8.37	0.00	\$ 368,070.00	\$ 331,441.34	\$ 36,628.66	
SS47 SECRETARY 47 WEEKS	9.53	9.53	(0.00)	\$ 541,426.00	\$ 501,398.41	\$ 40,027.59	
SS52 SECRETARY 52 WEEKS	22.30	23.30	(1.00)	\$ 1,203,118.00	\$ 1,244,106.31	\$ (40,988.31)	Additional FTE in Math/ELL
STRN TRANSPORTATION	-	0.50	(0.50)	\$ 29,483.00	\$ 16,115.44	\$ 13,367.56	
SUMM SUMMER SCHOOL	-	-	-	\$ -	\$ 9,458.50	\$ (9,458.50)	
SUNA: Unit A- TEACHERS	773.50	765.49	8.01	\$62,631,353.00	\$61,962,730.39	\$ 668,622.61	Savings due to LOA teachers
SUNA: Unit A- STIPENDS, WORKSHOPS & COACHES	-	-	-	\$ 1,295,377.00	\$ 1,295,377.00	\$ -	
SUNB: Unit B- CURRICULUM COORDINATORS	39.00	36.13	2.88	\$ 3,854,052.00	\$ 3,820,092.07	\$ 33,959.93	Reclassification of VP (Unit B) to Principal at Devotion
SUNC: Unit C- PARAS BIWEEKLY	209.24	207.24	2.00	\$ 5,240,339.00	\$ 5,323,733.68	\$ (83,394.68)	Unfunded positions and hours expansion
SUND: Unit D- PARAS WEEKLY	12.00	12.00	-	\$ 703,842.00	\$ 700,263.04	\$ 3,578.96	
SUNE IND PARA LIKE CONTRACTS	1,154.47	1,000.00	1.00	\$ -	\$ 33,269.46	\$ (33,269.46)	
Total	1,154.47	1,142.60	11.87	\$84,489,064.00	\$84,215,635.94	\$ 273,428.06	

Table 2: Vacancies

Description	FTE	Projected Cost	Comment
Central Office Administrator	1.00	\$ 125,000	Filled after close of quarter, Transfer in Second Quarter
Office of Teaching and Learning - Secretarial Staff	1.00	\$ 50,000	Filled after close of quarter, Transfer in Second Quarter
Bus Monitor	0.50	\$ 14,583	
Digital Learning Specialist	1.00	\$ 70,000	
Data Manager	1.00	\$ 70,000	
RTI Instructors	4.20	\$ 273,000	
Houseworkers	0.48	\$ 18,420	
Supervisor of Custodians	1.00	\$ 84,084	Filled after close of quarter, Transfer in Second Quarter
Total Cost / Savings	10.18	\$ 705,087	

Table 3: Unfunded Positions

Description	FTE	Projected Cost	Comment
Special Education Teacher @ BHS	1.00	\$ 58,338	Additional Science program (self-contained classroom)
Special Education Aide @ BHS	0.84	\$ 19,284	Supporting system wide programs
World Language - 7th & 8th Grade	0.20	\$ 13,000	.2 @ Pierce School
BHS Social Studies Teacher	0.20	\$ 13,000	31 ELL students in the World History Class
ELL Teacher @ Upper Devotion	0.20	\$ 13,000	Additional ELL students at Upper Devotion
ELA Teacher @ BHS	0.25	\$ 16,250	Enrollment and Class Size concerns per The Headmaster
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Math Teacher @ BHS	0.20	\$ 13,000	Enrollment and Class Size concerns per The Headmaster
Building Aide @ Pierce	1.00	\$ 26,338	Additional space (Pierce Loft)
SC Admin. Assistant	0.20	\$ 25,372	Increasing School Committee AA from .8 to 1.0 FTE
Library Assistant	1.00	\$ 65,000	Providing support for Elementary Schools due to Enrollment
ELA @ Runkle	0.20	\$ 13,000	Literacy Collaborative doubled the Math component
Elementary Math Teachers	1.00	\$ 65,000	1.0 @ Pierce for new 8th Grade - may be mix of Science & Math
Elementary Phys. Ed	0.10	\$ 6,500	.1 @ Devotion School
K-6 World Language	0.10	\$ 6,500	.1 @ Lawrence (originally a .1 add, now .2 FTE)
Math Specialists	0.40	\$ 26,000	ELL/Math Specialists combo (.1 @ Baker & Lincoln & .2 @ BHS)
Performing Arts Conservatory	0.10	\$ 6,500	.1 @ Upper Devotion at Old Lincoln School
Total Cost / (Savings)	7.24	\$402,332	

Table 4: Expense Summary by Program

Program/ Function	FY16 Total Adj. Budget	Expended Amount	Encumbered Amount	Committed Amount	Budget Committed	Current Projection	Surplus/ (Deficit)
Administration 31050	\$342,475	\$143,627	\$136,209	\$279,836	81.00%	\$342,475	\$0
Supervision 31100	\$380,012	\$119,966	\$17,682	\$137,648	36.22%	\$380,012	\$0
Transportation 31300	\$1,643,900	\$0	\$131,769	\$131,769	8.02%	\$2,153,680	(\$509,780)
Student Body Activities 31350	\$0	\$0	\$0	\$0	0.00%	\$0	\$0
Educ Tech & Info Science 316031	\$1,597,277	\$1,027,953	\$191,556	\$1,219,509	76.35%	\$1,597,277	\$0
Athletics/After School 31720	\$149,900	\$26,742	\$43,836	\$70,578	47.08%	\$149,900	\$0
Psychological Services 31750	\$41,258	\$2,862	\$7,004	\$9,865	23.91%	\$41,258	\$0
Medical Services 31770	\$32,671	\$5,947	\$222	\$6,169	18.88%	\$32,671	\$0
Information Services 31780	\$499,674	\$196,933	\$136,781	\$333,713	66.79%	\$499,674	\$0
Guidance 31790	\$38,770	\$1,967	\$1,394	\$3,361	8.67%	\$38,770	\$0
School Within A School 32200	\$10,324	\$3,223	\$1,292	\$4,515	43.73%	\$10,324	\$0
World Languages 32250	\$104,967	\$24,721	\$5,543	\$30,264	28.83%	\$104,967	\$0
ELL / ESL 32270	\$106,482	\$2,870	\$8,667	\$11,537	10.83%	\$106,482	\$0
Visual Arts 32400	\$110,843	\$13,558	\$47,910	\$61,469	55.46%	\$110,843	\$0
English/Language Arts 32500	\$222,174	\$27,215	\$8,359	\$35,573	16.01%	\$222,174	\$0
Mathematics 32600	\$207,993	\$27,948	\$32,057	\$60,006	28.85%	\$207,993	\$0
Performing Arts 32650	\$73,841	\$9,468	\$1,909	\$11,376	15.41%	\$73,841	\$0
Physical Education 32700	\$39,405	\$10,034	\$18,232	\$28,267	71.73%	\$39,405	\$0
Special Education 32760	\$6,126,076	\$417,497	\$2,770,281	\$3,187,779	52.04%	\$5,786,625	\$339,451
Literacy Specialists 32770	\$142,392	\$0	\$25,000	\$25,000	17.56%	\$142,392	\$0
Health Education 32780	\$58,999	\$0	\$1,700	\$1,700	2.88%	\$58,999	\$0
Science 32850	\$165,679	\$40,712	\$49,508	\$90,219	54.45%	\$165,679	\$0
Social Studies 32900	\$125,079	\$45,711	\$77,315	\$123,026	98.36%	\$125,079	\$0
Career & Ed. Techn. 32920	\$67,478	\$7,808	\$26,506	\$34,314	50.85%	\$67,478	\$0
Kindergarten 33150	\$118,765	\$2,937	\$3,736	\$6,672	5.62%	\$118,765	\$0
Elementary 33200	\$564,043	\$136,358	\$94,442	\$230,800	40.92%	\$564,043	\$0
High School 33300	\$427,727	\$25,635	\$42,865	\$68,500	16.01%	\$427,727	\$0
General Instruction 33400	\$506,323	\$15,201	\$3,976	\$19,177	3.79%	\$506,323	\$0
Building Services 34250	\$863,395	\$312,391	\$435,615	\$748,006	86.64%	\$863,395	\$0
Total Non-Salary Expenses	\$14,767,922	\$2,649,283	\$4,321,364	\$6,970,648	47.19%	\$14,938,251	(\$170,329)

Table 5: Transportation Summary

Transportation FY2016 PO estimates:	FY16 Budget	Actual	Variance
Regular Transportation (Eastern Bus)	\$ 269,630.00	\$ 472,500.00	\$ (202,870.00)
Special Education Transportation (YCN)	\$ 1,374,270.00	\$ 1,681,179.59	\$ (306,909.59)
Total	\$ 1,643,900.00	\$ 2,153,679.59	\$ (509,779.59)

Table 6: Special Education Out of District Tuition Summary

Description	Budget	Projected	Variance
Private Placements	\$ 5,141,798	\$ 4,330,611	
Ancillary Services	\$ 64,249	\$ 1,182,203	
Watch List		\$ 139,572	
Unilateral Placements		\$ 770,719	
Total	\$ 5,206,047	\$ 6,423,105	\$ (1,217,058)
Circuit Breaker Offset	\$ -	\$ (1,556,509)	\$ 1,556,509
Net Tuition & Ancillary Services	\$ 5,206,047	\$ 4,866,596	\$ 339,451

General Budgeting Practices and future changes:

The first quarter report provides a summary of the personnel changes in the School Department budget, Transportation and Tuition obligations. Time and attention to these three areas of the budget are critical and the most varied at this time of year. It is assumed that all expense budgets are 100% encumbered for the year and will remain so until the third quarter when those funds should be fully expended. Monitoring of expense lines or a total budget allocation that is over budget by \$10,000, \$25,000, \$50,000 or more is monitored.

There is a practice of reserve accounts or reserved funds. These funds are currently being reviewed and assumed expended. In the future, reserves will be reduced or eliminated by placing funds in the hands of the budget managers to make timely and appropriate educational material purchases or directly funding the personnel line item for which they are intended. Budgeting for Tuition and Transportation should include a justified and distinct reserve (Watch List and Unilateral Placements) only. Future quarterly report will provide transfers to the departments that need reserves to balance their budgets due to unfunded or centrally funded expenses.

Upcoming Reports in 2nd Quarter

1. Operating Budget
 - a. Personnel transfers as informed by the Budget development process, including but not limited to program and bargaining unit alignment; report on working/teaching outside of budget classification.
 - b. Financial Impact of savings/deficits in Capital ,Grant, and Revolving Fund activity
2. Capital Budget
 - a. Unfunded Expenses for Old Lincoln, 24 Webster, and other unknown expenditures
3. Grant Summary Projections
 - a. Update on Grant awards and any changes from anticipated budget projections
 - b. Update on known or anticipated savings or deficits
 - c. Expense projections based on known bargaining agreements
4. Revolving Fund Projections

- a. Status of revenue collections and online payment system
- b. Expense projections based on known bargaining agreements