

PUBLIC SCHOOLS of **BROOKLINE**

FY24 Budget Overview

Provided to Town Meeting May 2023

Our sincere gratitude and appreciation is extended to the entire Brookline community following the results of the townwide election on Tuesday, May 2, which allowed for this budget to occur and for PSB to continue to provide an extraordinary education for every child.

**Additional Budget information is available at
brookline.k12.ma.us/budget**

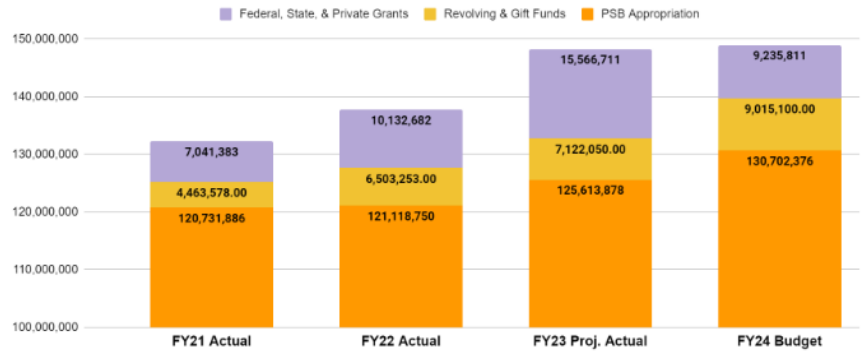
PSB Budget Overview

The PSB appropriation request for this year is \$130,702,376. The preliminary PSB request was \$131,864,685. During the budget refinement period in early 2023, PSB reduced the request by \$1.85M and added \$690K in new initiatives, as shown in the table at right.

FY2024 Superintendent's Initial Request	\$131,864,685
Programmatic Adjustments	(1,850,000)
Athletics and Student Services Support	375,000
South Brookline Bus	200,000
World Language Redesign	115,000
Final Town Adjustment	(2,309)
FY2024 Appropriation Request	\$130,702,376

The \$1.85M in reductions will be accomplished by reducing the number of K-8 sections from ~250 to ~240 (-13.0FTE, including associated reductions to programs such as art and PE), and reducing the number of math and literacy coaches/specialists who provide teacher training (-7.3FTE).

The appropriation request represents the largest portion (87.7%) of the PSB all-funds budget, which is projected at \$148,953,287 for FY24. The balance is comprised of grants, gifts, and revolving funds, as shown in the chart at right.



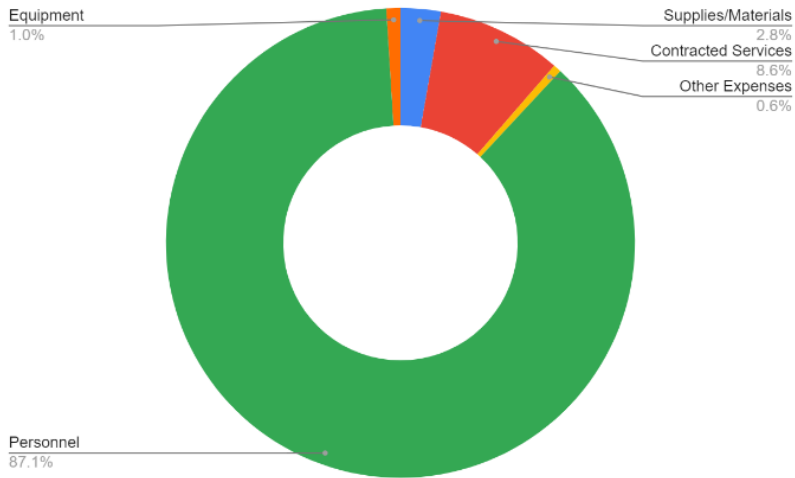
Compared to FY23, the FY24 all-funds budget represents just a 0.4% increase.

	FY21 Actual	FY22 Actual	FY23 Proj. Actual	FY24 Budget
PSB Appropriation	120,731,886	121,118,750	125,613,878	130,702,376
Revolving & Gift Funds	4,463,578	6,503,253	7,122,050	9,015,100
Federal, State, & Private Grants	7,041,383	10,132,682	15,566,711	9,235,811
Total FY Budget	132,236,847	137,754,685	148,302,639	148,953,287

The budget is broken down into five

principal categories. Personnel is the largest expense, at 87+% of the budget; this category is described in more detail below. The other categories include:

- Supplies and Materials – consumable items used during the school year.
- Contracted Services – includes all contracts with individuals or organizations for repairs/maintenance, professional, technical, legal, translation, etc. Also includes transportation services and Out-of-District tuition.
- Other Expenses – includes the cost for professional education, conferences, and training, as well as membership dues, mileage, and subscriptions.
- Equipment – technology and maintenance equipment



Expense category	Revised	Percent
Personnel	\$113,831,865	87.1%
Supplies/Materials	3,613,637	2.8%
Contracted Services	11,271,373	8.6%
Other Expenses	722,703	0.6%
Equipment	1,262,798	1.0%
TOTAL	130,702,376	100%

Personnel

Personnel represents the largest expense in PSB, at 87.1% of the budget. As shown in the table below, 96% of personnel are unionized, requiring careful management of all contractual obligations.

Personnel by Job Classification	FTE	Percentage	Change from FY23	
District Leadership/Support	31.02	2.5%	+1.0 FTE (PK-8 special ed director), +1.0 FTE (WL redesign)	
School Leadership	19.20	1.6%		
Vice Principals/Curriculum Coordinators	40.00	3.3%		} 96% unionized
Secretaries	37.50	3.0%		
Teachers & other Unit A positions	810.03	65.9%	+1.0 FTE (nurse), -13.0 FTE (teachers), -7.3 FTE (math/literacy coaches/specialists)	
Paraprofessionals	247.58	20.1%		
Custodians	44.38	3.6%	+2.0 FTE (Driscoll)	
TOTAL PERSONNEL	1,229.71	100%	Net reduction of 15.3 FTE	

PSB has carefully managed the total number of personnel, balancing increased student need against the drop in enrollment that occurred immediately following the pandemic. The next chart shows the change in educator staff over time, as tracked by the state. [Note that the numbers in the following chart do not match the operating budget exactly as they reflect staff from all funding sources (not just the operating budget), and they do not include custodial staff (who are partially funded on the PSB operating budget) or food services staff (who are entirely funded on the food services revolving fund)].

As shown in the chart, **the total number of educator staff has followed enrollment trends** and in FY24, even with the override funding, **staffing will be proportionately below pre-pandemic levels.**

Year	Enrollment	FTE	Notes
19-20 (pre-pandemic)	7,777	1,378.4 (100%)	DESE educator data; does not include custodial and food services staff Source prior years: https://profiles.doe.mass.edu/profiles/teacher.aspx?orgcode=00460000&orgtypecode=5&leftNavid=817&
20-21	6,791 (87.3%)	1,348.2 (97.8%)	
21-22	6,928 (89.1%)	1,299.4 (94.3%)	
22-23	7,060 (90.8%)	1,270.77 (92.2%)	FY23 projected FTE - still undergoing final verification with DESE
23-24 (projected)	7,195 (92.5%)	1,253.47(90.9%)	FY23 projected FTE less net reduction of 17.3.

The chart below shows the change in personnel from FY23 to FY24 by job function (teachers are included in both the two first categories, this will be corrected in future reports). The functional categories are:

- **Schools:** Most K-12 classroom teachers, K-1 classroom paraprofessionals, building administration including general building aides and secretaries
- **Teaching and Learning:** Some K-12 subject area teachers, literacy and math specialists and coaches, curriculum coordinators and secretaries supporting CCs
- **Student Services:** health services, special education educators (specialists and paraprofessionals), guidance, social workers, psychologists
- **District Departments:** custodial and food services, administration and finance, HR, educational equity, registration & enrollment, superintendent, school committee

Area	FY23 FTE	FY24 FTE	Net FTE	Notes
Schools	444.37	431.37	-13	-13.0 FTE (teachers)
Teaching and Learning	295.61	289.31	-6.3	+1.0 FTE (WL redesign), -7.3 FTE (math/literacy coaches/specialists)
Student Services	430.38	432.38	+2	+1.0 FTE (PK-8 special ed director, +1.0 FTE (nurse)
District Departments	74.65	76.65	+2	+2.0 FTE (custodians)
TOTAL	1245.01	1229.71	-15.3	

PSB Budget Guidelines

The guidelines that informed the creation of the FY24 budget are:

1. EQUITY: Ensure equitable access to curriculum and services for all students, with particular emphasis on equitable access to student populations with identified disproportionality.
2. BUDGET: Build a budget to meet the needs of the District that is optimized for efficiency and sustainability.
3. ACADEMICS: Continuous improvement of academic programming including curriculum implementation, program support, and program review.
4. SOCIOEMOTIONAL: Continue to provide enhanced support for the social emotional needs of students.

5. WORKFORCE: Improve the experience of a PSB employee, including employee growth through professional development and leadership opportunities.

In addition to the budget guidelines, revenue and expense drivers and trends are also considered in the development of the budget. The most impactful of these are described next.

PSB Budget Drivers

Enrollment and class size

Enrollment continues to be the largest, most dynamic challenge for PSB to manage and forecast. PK-12 enrollment has gone from 7777 (pre-pandemic in Oct 2019) to 6891 (Oct 2020) to 6928 (Oct 2021) to 7060 (Oct 2022). The reduction was squarely in K-8; BHS has slightly increased from pre-pandemic enrollment. Survey data show a combination of factors that have contributed to the pandemic enrollment drop, primarily international students who left and were not replaced due to border restrictions, and families departing to independent schools. Given this enrollment reduction, staffing has already been significantly reduced as described earlier.

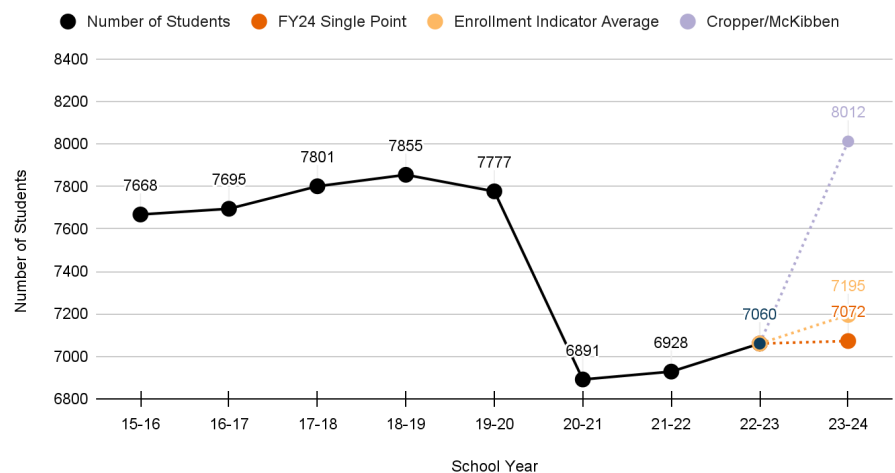
While we are experiencing an increase in net student enrollment since 2020, enrollment remains fluid. A few reasons for this include:

- International student travel
- Deferred program acceptance for medical and academic positions
- Financial constraints, including housing costs and rising mortgage rates
- The current political environment

Given these uncertainties, similar to the FY22 and FY23 budget seasons, the district has determined a range of enrollment will better serve

us in budgeting and planning for FY24. The range is created by using prior-year forecasts and historical data. This *Cone of Uncertainty* allows PSB to plan for best-guess forecasts while remaining sufficiently staffed to respond to increased student enrollment. The district is focusing on a mid-range projection of 7,195 students for next year (see chart) but with significant flexibility above and below that number.

PSB Actual vs. Enrollment Range

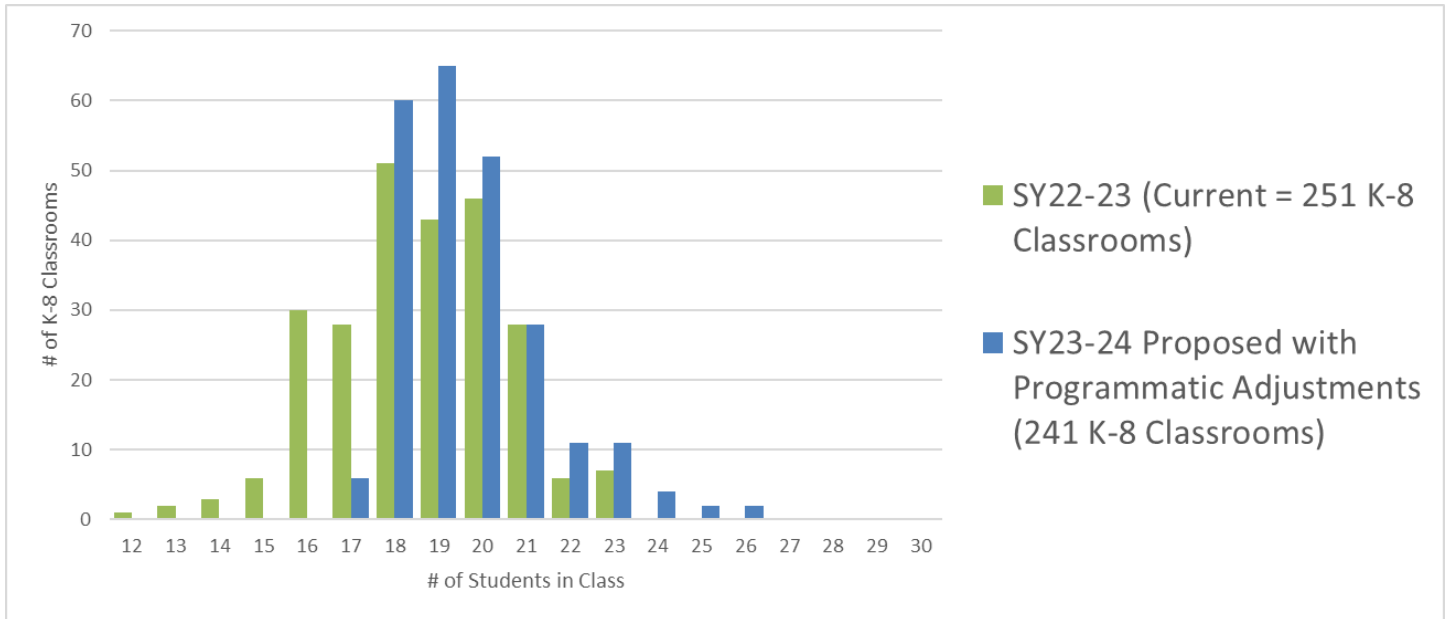


Impact of class size on academics and social-emotional learning

Data on both academics and socio-emotional needs shows both that the entire student population has not returned to its pre-pandemic achievement levels, and that certain

groups were disproportionately negatively impacted. Large class sizes mean reduced ability to mitigate ongoing pandemic impacts.

To address this critical challenge, PSB has invested in smaller class sizes. Standard PSB class size guidelines are less than 22 students in K-2 and 25 students in 3-8. While class sizes are projected to increase from FY23 to FY24, due to the reduction in K-8 sections mentioned earlier, modeling shows class sizes will remain within acceptable parameters given the challenges that need to be addressed. K-8 class sizes (see histogram below) are estimated to range from 17-26 students each, with an average class size of 19.7 students. 2 of 241 (1%) are projected to exceed PSB class size guidelines.



Contractual Obligations

Salary increases in the collective bargaining agreements represent the largest routine expense driver, and therefore greatly affect the budget and must be managed carefully: as noted above, staff salaries are 87 percent of the budget, and 96 percent of staff are unionized. The negotiation of collective bargaining agreements with the Brookline Educators Union (BEU) is therefore critical. BEU contains Unit A (teachers, 66 percent of staff, the paraprofessional unit (20 percent of staff), and Unit B (mid-level administrators unit, 3 percent of staff.) The remaining unionized staff are secretarial, food service and custodial.

Educator salaries increase based on a so-called cost of living adjustment that is bargained, in addition to “steps and lanes”, which are built-in pay increases most educators receive. Contractual obligations bargained under this pay structure routinely grow by a larger percentage than revenue, creating a structural deficit.

In spring 2022, PSB successfully negotiated a collective bargaining agreement for Units A and Unit B covering the periods of 2020-2023 and 2023-2026. The terms of the most recent contracts acknowledge the needs of students and educators, as well as the financial reality of the town; these terms are in keeping with other contracts between other unions and the Town, and did not create the need for an operating override.

Financial commitments include a 6% increase in all wages and stipends for 2020-2023, followed by 8% for 2023-2026 with an additional 1% on the last day of the contract. Additional budget implications of the contract include an increase in longevity pay (additional compensation for long-term Brookline teachers who have reached the highest salary step) and additional commitments to daily teacher prep time (which has some staffing impacts.)

Currently, PSB is negotiating with the BEU for the paraprofessional contract for 2023-2026; all other contracts are settled through 2024. The cost of the contract is as yet unknown and an estimate has been included in the budget.

Out-of-District Expenses (Tuition, Transportation)

This year, the Commonwealth Operational Services Division inflated tuition payments for Out-of-District (OOD) placements at a rate of 14% (memo dated October 1, 2022.) The 14% does not include “extraordinary relief”, in which OOD programs apply to the state for approval of higher tuition charges. The FY24 budget is projected to be only minimally impacted by this increase due to the aging out of school by some of the approximately 70 OOD students, but PSB will continue to monitor this as it represents an area of volatility. Due to the high price of fuel, OOD transportation costs will also certainly be higher than recent years; this is the case for the current year as well. OOD expenses are offset by the state’s Circuit Breaker program; see more discussion of Circuit Breaker under revenue drivers.

Building Maintenance

In addition to the core educational program, school buildings must also be maintained. The PSB portion of the Building department expenses has increased significantly over the past five years, more than doubling from \$1.3M in FY17 to \$3.3M in FY23. PSB is grateful for the work of the building department staff and supportive of the need, but recognizes the budgetary challenges that this growth imposes. In addition to the Building Department operating budget, there are millions of dollars of deferred schools maintenance projects that have not been funded in the CIP for several years. This is not a driver of PSB operating expenses except insofar as deferred maintenance leads to increasing emergency repairs, which are funded from the school portion of the Building Department funding, potentially causing even greater increases in future fiscal years. **PSB is grateful for the \$1M in building maintenance funds received in the FY24 CIP, which will begin to address the deferred maintenance backlog.**

Technology Maintenance

The 2015 override provided additional funds targeted for equitable technology investment and was very successful for acquisition of laptops and classroom audiovisual (AV) equipment. The ubiquity of laptops in PSB that technology investment provided was also critical to the pivot to pandemic remote and hybrid learning in 2020. Several large laptop leases ended this year and were renewed within budget. However, inflationary pressures, as well as interest pressures on the lease terms may erode our ability to renew laptops going forward. The high school BYOD program (Bring Your Own Device) will mitigate this slightly by reducing the number of laptops needed for high school students. A second

area of technology maintenance that is critical is the inability to replace classroom AV (e.g. projectors) at the rate needed (50/year - each projector is ~\$4K installed).

Revenue Drivers and Trends

PSB revenue typically comes from five principal sources. Revenue from the town is the largest source of funds by far, making up about 87.7% of the total for FY24 (see second chart, page 2). While expenses tend to be highly predictable (principally driven, as mentioned earlier, by the teacher salary structure), revenue provided by the town is more variable. Discussion of the noteworthy revenue drivers follows.

Town Revenue/Local Education Appropriation

Our sincere gratitude and appreciation is extended to the entire Brookline community following the results of the townwide election on Tuesday, May 2, which provided significant new resources of \$3.7M for FY24 to PSB. **Because of the successful override vote, the recent significant year-to-year pressure on PSB budgeting will be substantially relieved** (although as noted earlier, PSB has made significant cuts, including for FY24 of \$1.85M, and has committed to further cuts in FY26.)

Circuit Breaker

Circuit breaker funding is provided by the state to offset extraordinary special education expenses. Each year the formula for calculating the circuit breaker funding is redetermined, and applied against the previous year's qualified expenses. The funding that is received is then applied against the current or next year's special education expenses (it cannot be held as a longer term reserve). Because the formula varies annually, the value of circuit breaker funding is not wholly predictable. In recent years the formula has led to higher circuit breaker funding (a positive budget trend) - these additional funds are used to offset special education services, reducing the demand on the operating budget.

Revolving Funds

Revolving funds are intended to provide revenue to sustain activities outside of the core PK-12 educational mission. Significant attention was paid recently (5-10 years) to developing strategies to maximize revolving fund sustainability. This was both for the stability of the programs supported through these funds, and because revolving funds cannot carry a negative balance from one fiscal year to the next (they can carry over excess funding.)

Unfortunately, the pandemic greatly disrupted the largest revolving funds, mostly negatively. The three largest revolving funds (Food Services, Brookline Early Education Program (BEEP), Brookline Adult and Community Education (BACE)) were impacted. Since then, federal pandemic funding to provide free school lunch has enabled Food Services to have positive cash flow for the first time in recent memory (this program is now being covered by the state). BEEP has also returned to pre-pandemic levels, while BACE continues to have difficulty but is projected to be cost-neutral this year, an encouraging sign.

Other smaller reserve funds have also been impacted negatively, e.g. Building User Fees, which previously absorbed significant custodial costs that now must be funded by the operating budget. With the return to more normal building usage, the School Committee voted updated FY24 Building User Fees in May 2023, hoping to increase revenue and offset the increased cost of building maintenance and utilities.

One-time Pandemic Relief Funds

It appears that the pandemic relief one-time federal funds (e.g. ESSER), which have been critical to closing funding gaps due to both pandemic-specific increased expenses and reduced LEA revenues, will be exhausted by the end of FY23. These funds were critical for PSB budgeting since FY20. PSB has been vocal about the challenges of relying on one-time funds for recurring operating expenses, but had no other option barring significant reductions which would severely and negatively impact student wellbeing.