



TOWN OF BROOKLINE

Massachusetts

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To: Town-School Partnership Committee

From: Charles Carey, Town Administrator

Date: February 7, 2025

Subject: School Department Deficit Review
Scope of Work & Next Steps

At the last meeting of the Town-School Partnership Committee (“TSP”), the body finalized a proposed scope of work for an “audit” that aimed to analyze three concrete issues: (1) a complaint of fiscal mismanagement by a senior member of the School Department’s administrative staff, (2) school cost overruns in Fiscal Year (“FY”) 2025, and (3) a significant projected school deficit in FY2026. The scope was also reviewed by the Audit Committee and School Committee. The School Committee ultimately accepted it with minor modifications and transmitted it to the Advisory Committee to seek a Reserve Fund transfer in order to pay for it.

The Advisory Committee referred the scope back to TSP. Its members offered several overlapping reasons for doing so, including but not limited to its limited breadth, the need for follow-up commitments for an in-depth analysis in FY2026, the capability of the firm identified to take on such work, concerns that past school commitments for fiscal controls were not met, and more. Today’s special meeting of TSP was called to address that referral.

As stated at the last TSP meeting, time is of the essence: there is an existing and potentially growing budget deficit in the current fiscal year that threatens municipal operations more broadly, not just within the schools, and the budget season for FY2026 is already well underway. Accordingly, Town staff drafted the attached revised scope of work for a broader “deficit review”, taking into account the Advisory Committee’s feedback, that is still targeted at addressing the above three issues.

Additionally, Town staff reached out to the Town of North Andover, which encountered a very similar situation last year, to review the scopes of work that community put together in order to investigate their current and projected school budget deficits. Lessons learned from those scopes were folded into the attached scope, and the Town intends to reach out to the firm that conducted the deficit review in North Andover to gauge its interest and pricing for conducting one here.

Town staff respectfully propose that the TSP review, modify as appropriate, approve, and transmit the attached scope of work to both the School Committee and the Select Board at

today's meeting. Once both bodies approve it, the Town will pay for the scope of work to be completed by an outside entity with relevant experience and expertise in addressing Massachusetts school budgetary issues.¹

However, and again in keeping with the Advisory Committee's recommendations, the deficit review should not be the end of our efforts. In North Andover, where the school overrun caused a 10% across-the-board reduction in other departments' operating budgets, multiple cuts elsewhere, and the use of one-time funds that would have been earmarked for other purposes, the town, schools, and finance committee entered into a Memorandum of Agreement ("MOA") that committed the parties to fiscal transparency and controls for a two-year period. A copy of that MOA is attached.

While not all of the items in the MOA are relevant to our current situation, some sort of similar enforceable agreement between the constituent bodies of TSP will be necessary to ensure transparency, accountability, and public trust going forward, so that we can assure residents that the causes of the current situation will be understood, resolved and not repeated.

END OF MAIN DOCUMENT

Attachments as stated

cc: Linus J. Guillory Jr., Ph.D., Superintendent of Schools
Melissa Goff, Deputy Town Administrator for Policy & Fiscal Affairs
Lincoln Heineman, Finance Director
Paul Healy, Audit Committee Chair

¹ The Town will likely utilize funds in the Town Administrator's professional services budget and other budgets to engage a vendor promptly. The loss of availability of those funds for other purposes may prompt a need to draw on the reserve fund at a later date.