



TOWN OF BROOKLINE

Massachusetts

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To: Town-School Partnership
Paul Healy, Chair, Audit Committee

From: Charles Carey, Town Administrator

Date: May 20, 2025

Subject: School Budget Deficit Review

Late on Friday, May 16, 2025, CliftonLarsonAllen (“CLA”) transmitted the attached final deficit review to the Town of Brookline. CLA was engaged by the Select Board with support from the Town-School Partnership (“TSP”) and School Committee to answer several critical questions about the Fiscal Year (“FY”) 2025 and FY2026 budget and operational practices of the Public Schools of Brookline (“PSB”):

- What are the reason(s) for PSB’s FY2025 cost overruns and projected FY2026 deficit?
- Are PSB’s current or projected future deficits attributable in whole or in part to misfeasance, malfeasance, failure to follow established practices, or lack of appropriate controls?
- What caused delays, interruptions, or non-payment of special education services in both FY2024 and FY2025?
- What internal controls, processes, or procedures consistent with the best practices of Massachusetts public school systems could be established or modified to optimize or expedite PSB’s fulfillment of its legal obligations under state and federal law related to students’ rights?
- How do PSB’s financial or management practices compare to best practices for Massachusetts School districts? If PSB’s practices depart from those best practices, what recommendations would you make to correct them?
- Are there material expenditures that were inappropriately or inaccurately charged to a particular PSB office during FY2024 or FY2025 that should have been charged to a different office or department’s budget? If so, were such charges the result of error, intention, or policies or procedures governing allocation of costs across PSB operational units?
- What policies or procedures govern communication between the Office of Student Services (“OSS”) and the Office of Administration & Finance (“OAF”)? What additional policies or procedures, consistent with Massachusetts best practices, could be established to optimize communication between the two offices, and, by extension, OAF and any other PSB operational unit?

Over the course of the past eight weeks, CLA has interviewed numerous PSB employees and had full access to the MUNIS financial system of record to identify findings that could help answer the above questions. In total, CLA made 11 findings. Because how those findings map onto the questions asked is complicated, the attached chart provides a plain-language answer to the questions and CLA's recommendations for further action.

At the outset, on a positive note, it is worth highlighting the actions already taken by PSB to correct some of the problems identified by CLA's review. The difference between how the FY25 and FY26 budgets were initially drafted, for example, is cited as a positive development in CLA's findings. So too is the recommitment to interdepartmental coordination and a reasonable timeline for providing mandated special education services by OSS. It's encouraging to see that, with a better working relationship between departments, some of the FY25 issues are not being repeated in FY26.

At the same time, as the CLA findings show, better working relationships are no substitute for strong, clear, and well-enforced policies that function appropriately regardless of the people in place. The findings state that, even when controls were put in place by OAF, they were ignored or overridden in several cases. According to CLA, the School Committee was not, until this year, meaningfully briefed on a crucial component of the overall special education budget. And in some cases, essential requirements for safety and confidentiality were bypassed without consequence. These are only some examples contained in the 11 findings of areas that warrant attention.

Some of the recommendations CLA makes are concrete and immediate. For example: bring in an independent third party when a disagreement arises on the provision of special educational services so that PSB can insulate itself from pressure to override controls meant to avoid settlements that go beyond the requirements of the data presented and a student's Individualized Education Program ("IEP"). Conduct a comprehensive Human Resources assessment, covering culture, processes, policies, procedures, and systems to evaluate regulatory compliance and controls in place to mitigate inherent risks and improve operations. These recommendations and more can form part of any Memorandum of Agreement ("MOA") that comes out of the constituent TSP bodies as a result of this review.

Other aspects of the findings will require deeper and more searching inquiries to correct. For example, the cause of the FY26 overages are as PSB has described them: enormous and unsustainable growth in general fund salary costs and special education expenses. It was against this backdrop that the School Committee made the hard choices of determining how to close the gap between its proposed budget and the available revenues.

Similarly, the broader cultural questions that underpin some of the allegations CLA received about a "hostile work environment" will require increased School Committee oversight and accountability. The School Committee should ensure its administrators provide it with the information needed to make programmatic and budgetary decisions, empower those administrators to run the educational operations of the district free from outside interference, and face the challenges before it in the coming months about how best to provide educational services when the current model is unsustainable. As occurred in North Andover, which last year

found itself in a similar situation, it may be beneficial to have the MOA offer training for the School Committee so that it can feel confident in moving forward with its crucial role in addressing these issues and asking the right questions of interim leadership.

There is a significant amount of information to digest in CLA's report, and many areas to follow up on. It is not a full audit, nor was it intended to be one. Instead, it was intended to give the TSP's constituent bodies enough information to begin addressing the thorny questions of how we arrived at the present situation, and how to get out of it, all while maintaining PSB's commitment to educational excellence and supporting its diverse student body.

I strongly suggest all interested parties read CLA's full report (not just the attached summary) so that the TSP can begin the conversations about what an MOA governing next steps looks like. I realize the School Committee's administrative leadership is in transition, but any such MOA would ideally serve as guidance, endorsed by the full Committee, to interim leadership about the short- and long-term corrective actions that need to be taken during their tenure.

The success of the schools is not a zero-sum game. Brookline thrives when its schools do, which is why it is critically important for all of the TSP's constituent bodies to provide support for the searching inquiries that will be necessary to help the schools continue to do so. I look forward to speaking with you at the next TSP meeting on the 22nd to discuss next steps.

END OF MAIN DOCUMENT

Enc: Summary Questions/Answers/Recommendations Chart
CLA Deficit Review Report

cc: Select Board
School Committee
Advisory Committee (via Lisa Portscher, Secretary)
Linus J. Guillory Jr., Ph.D., Superintendent of Schools
Susan K. Givens, Ed.D., Deputy Superintendent
Melissa Goff, Deputy Town Administrator