

To: Dr. Linus Guillory
School Committee
From: Ruth Anne Quinn, Consultant
Date: January 25, 2023
Re: FY2023 Second Quarter Report as of December 31, 2022

Included with this memorandum is a summary of the Salary and Non-Salary expenditures from the following funding sources:

- School Committee Operating Funds
- ESSER Grant Funds (salary expenditures only)
- ARPA Grant Funds
- Circuit Breaker Funds
- Materials Fee Revolving Account Fund

The budget shown on this report reflects the original budget amounts approved at the annual Town Meeting. In addition, the report includes the additional \$514,995 approved at the Fall Town Meeting. In closing out FY2022, we were able to carry forward a greater portion of ESSER salary funds than originally anticipated when developing the FY2023 budget. The budget amount of \$1,000,000 reflected on this report is the **original** salary portion of the ESSER grants included in the FY2023 budget documents. The actual funds available, as reported to the School Committee in the FY2022 Budget Recap dated October 18, 2022, include both the salary and non-salary portion of the ESSER grants. In previous budget documents and reports, the non-salary portion of our grants and revolving funds were not reported. A portion of the non-salary ESSER funds are reserved for required payments to the Massachusetts Teachers Retirement System (MTRS). This amount is equal to 9% of the total salaries paid to staff who are enrolled in MTRS. We will be completing the final reconciliation of the MTRS payment over the next few weeks and determining the availability and use of any remaining non-salary funds. A full accounting of all grant and revolving funds will be included with the Third Quarter Report. Except for the funds appropriated by Town Meeting, the budget amounts on this report have not been adjusted.

I had planned to report the status of all grant and revolving fund accounts beginning with this Second Quarter Report in order to provide the School Committee a complete picture of the sources and uses of funds supporting the Public Schools of Brookline. However, due to staffing shortages and personnel changes in the Town's Comptroller's and Treasurer's offices, there has been a slight delay with posting some of revenues. The Town staff is working diligently to clear this backlog on our behalf. They have been very helpful and cooperative in posting transactions that we have marked as urgent. The Third Quarter Report will include a recap of the grant and revolving accounts. I hope to provide an interim update on the grant and revolving accounts prior to issuing the Third Quarter report. I will keep you updated on the status.

For additional clarity, in reading the report, items summarized in the Non-Salary Expense categories are noted below:

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

Please let me know if you have any questions.

FY23 SECOND QUARTER STATUS REPORT as of DECEMBER 31, 2022

	AMENDED BUDGET*	EXPENDED	ENCUMBERED	BALANCE AVAILABLE	PROJECTED ADDITIONAL EXPENDITURES <small>(1/1/23 - 6/30/23)</small>	SURPLUS/ (DEFICIT)	NOTES
School Committee Operating							
Personnel Expense	112,009,692	42,354,062		69,655,630	68,809,857	845,773	(1)
<u>Non-Salary Expense</u>							
Outside Services/Contracts	10,077,319	3,428,814	3,951,782	2,696,723	2,593,723	103,000	(2)
Supplies and Materials	2,606,487	1,165,753	379,432	1,061,302	1,061,302	0	
Other Expenses	633,648	241,603	62,787	329,258	329,258	0	
Utilities	97,732	14,619	36,181	46,932	46,932	0	
Capital	<u>189,000</u>	<u>29,663</u>	<u>0</u>	<u>159,337</u>	<u>159,337</u>	<u>0</u>	
Total Non-Salary Expense	13,604,186	4,880,452	4,430,182	4,293,552	4,190,552	103,000	
TOTAL School Committee Operating	125,613,878	47,234,514	4,430,182	73,949,182	73,000,409	948,773	
ARPA	3,000,001	1,986,865	799,531	213,605	213,605	0	
ESSER	1,000,000	1,367,986		(367,986)	0	(367,985)	(3)
Circuit Breaker	3,124,541	1,223,695	1,900,845	1,900,846	0	0	
Materials Fee	500,000	349,876		150,124	150,124	0	
GRAND TOTAL - ALL REPORTED SOURCES	133,238,420	52,162,936	7,130,558	75,845,771	73,364,138	580,788	

* Amended budget includes additional funding voted at Fall Town Meeting (\$514,995). The ARPA, ESSER, Circuit Breaker and Materials Fee budget amounts shown reflect the original anticipated budget amounts.

FY23 SECOND QUARTER STATUS REPORT as of DECEMBER 31, 2022

NOTES ON SURPLUS/(DEFICIT)

- 845,773 (1) The projected surplus includes the additional funds appropriated at the Fall Town Meeting. In addition, the substitute account is projected to have a slight surplus based on information currently available. Vacancies in key leadership positions have also contributed to the projected surplus in the personnel account.
- 103,000 (2) The projected additional expenses continue to assume that all budget managers will fully expend their non-salary budgets. At the end of the first quarter, we anticipated a surplus of \$406,000 in the Out-of-District tuition account. In addition, we did not expect a need to use any of the \$475,000 Out-of-District tuition contingency. A portion of this first quarter projected surplus is being used to offset the costs of additional, unanticipated special education settlements, (approximately \$478,000) and increased special education transportation (\$300,000). The expenses for Out-of-District tuition programs are unpredictable. We continue to closely monitor these expenses and are exploring cost saving measures in the area of special education transportation.
- (367,985) (3) At the end of FY22, we were able to carry over a larger portion of ESSER salary funds than anticipated when developing the FY23 budget. The budget amount of \$1,000,000 reflected on this report is the original amount shown in the FY23 budget documents. This amount is only the salary portion of ESSER funds. The actual funds available, as reported to the School Committee in the FY22 Budget Recap include non-salary ESSER grant funds. The non-salary portion of our grants were not previously reported in budget documents and reports. A full accounting of all grant and revolving funds will be included with the Third Quarter Report.