

To: Dr. Linus Guillory
School Committee
From: Ruth Anne Quinn, Consultant
Date: May 17, 2023
Re: FY2023 Budget Status Update Report as of May 14, 2023

Included with this memorandum is a summary of the Salary and Non-Salary expenditures from the following funding sources as budgeted in the FY2023 budget documents:

- 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. A status update for the Special Revenue Funds is also included with this memorandum. 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 mandated payments to the Massachusetts Teachers Retirement System (MTRS). This amount is equal to 9% of the total salaries paid to staff that 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. **Except for the funds appropriated by Town Meeting, the budget amounts on this report have not been adjusted.**

Based on current information, I am projecting an overall surplus in the School Committee Operating Budget. The largest portion of this surplus is from the Personnel Expense accounts. The surplus is mainly due to vacancies in key leadership positions, a slightly lower draw on the substitute teaching account and staff turnover that was higher than the \$500,000 planned when developing the FY2023 budget. I am also projecting a surplus in the Non-Salary Expense accounts. The Out-of-District tuition account is projected to have a \$1 million surplus. A significant portion of this surplus is being transferred to cover deficits in the Special Transportation account and special education settlements. I would recommend that a portion of the overall remaining surplus be transferred to the Information Technology department in order to restore programmatic reduction made during the pandemic. Feng Yang estimates the amount would be approximately \$128K.

In order to provide the School Committee and the public a complete picture of the sources and uses of funds supporting the Public Schools of Brookline, I am including a status update for all special revenue funds. The special revenue funds are reported on a cash basis. A negative fund balance indicates that the anticipated revenue has not yet been requested, received and/or posted to the account. Due to staffing shortages and personnel turnover in the Town's Comptroller's and Treasurer's offices, we experience a delay with posting some of the revenues earlier this year. That is no longer the case. Bus Transportation revenue has not yet been reconciled which is why that account is highlighted on the document. Revenue has been incorrectly posted to the account. Further research and working with

the Treasurer's office to correct the error is needed. The revenue shown on the attached report for the Bus Transportation account DOES NOT include the posting error.

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 BUDGET STATUS REPORT as of MAY 14, 2023

	AMENDED BUDGET*	EXPENDED	ENCUMBERED	BALANCE AVAILABLE	PROJECTED ADDITIONAL EXPENDITURES <small>(5/9/23 - 6/30/23)</small>	SURPLUS/ (DEFICIT)	NOTES
School Committee Operating							
Personnel Expense	112,009,692	92,683,731		19,325,961	17,779,000	1,546,961	(1)
<u>Non-Salary Expense</u>							
Outside Services/Contracts	10,077,319	6,756,570	1,822,802	1,497,947	645,000	852,947	
Supplies and Materials	2,606,487	1,868,472	471,714	266,301	150,000	116,301	
Other Expenses	633,648	262,701	107,577	263,370	559,148	(295,778)	
Utilities	97,732	21,155	31,293	45,284		45,284	
Capital	<u>189,000</u>	<u>30,600</u>	<u>162,164</u>	<u>(3,764)</u>		<u>(3,764)</u>	
Total Non-Salary Expense	13,604,186	8,939,498	2,595,550	2,069,138	1,354,148	714,990	(2)
TOTAL School Committee Operating	125,613,878	101,623,229	2,595,550	21,395,099	19,133,148	2,261,951	
ARPA	3,000,001	2,748,688	224,455	26,858	26,858	0	
ESSER	1,000,000	1,818,126		(818,126)	0	(818,125)	(3)
Circuit Breaker	3,124,541	2,498,298	626,243	626,243	0	0	x
Materials Fee	500,000	481,702		18,298	18,298	0	
GRAND TOTAL - ALL REPORTED SOURCES	133,238,420	109,170,043	3,446,248	21,248,372	19,178,304	1,443,826	

*** 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 BUDGET STATUS REPORT as of MAY 14, 2023

NOTES ON SURPLUS/(DEFICIT)

- 1,546,961 (1) The projected surplus includes the additional funds appropriated at the Fall Town Meeting. 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. Finally, turnover, which was budgeted at \$500,000 was higher, approximately \$975,000.
- 852,947 (2) The projected additional expenses include \$559,148 to pay the treble damages award resulting from last summer's payroll processing timing error. These funds will be transferred from the personnel expense line into the Other Expenses line. Based on guidance from DESE, the damages are to be reported as a legal settlement. In addition, \$645,000 will be transferred from the Out-of-District tuition account to cover Special Transportation costs, (\$545,000) and special education settlements (\$100,000). At the end of the first and second 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. The actual projected surplus in the Out-of-District tuition account is approximately \$1 million. 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 for FY24 and beyond.
- (818,125) (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 is included with this report.

SPECIAL REVENUE FUNDS
STATUS AS OF MAY 14, 2023

GRANTS	FY23 REVENUE			EXPENDED	ENCUMBERED	FY23 FUND BALANCE (to-date)
	FY22 FUND BALANCE	RECEIVED (to-date)	AVAILABLE FUNDS			
ESSER						
ESSER I	27,465	-	27,465	27,465		-
ESSER II	(82,619)	430,580	347,961	243,601	129,289	(24,929)
ESSER III	698,421	945,312	1,643,733	1,658,633	-	(14,900)
TOTAL ESSER	643,267	1,375,892	2,019,159	1,929,699	129,289	(39,829)
FEDERAL GRANTS						
Title I	63,281	376,846	440,127	277,431	31,047	131,649
Title IIA	64,678	124,257	188,935	102,670	42,469	43,796
Title III	46,321	85,848	132,169	67,849	1,975	62,344
Title IV-A Student Support	(21,252)	56,251	34,999	38,382		(3,383)
IDEA	113,223	1,563,053	1,676,276	1,617,105	238,210	(179,039)
ARP - IDEA	82,721	269,605	352,326	143,530	148,800	59,996
Early Childhood	3,101	24,826	27,927	30,713		(2,786)
ARP - Early Childhood	44,099		44,099	29,115	1,485	13,499
Perkins	30,035	39,948	69,983	43,262	9,250	17,471
High Quality Summer Lrng		80,000	80,000	39,475		40,525
SEL and Mental Health		81,143	81,143	96,154	95	(15,106)
Afghan Refugee Support		12,980	12,980		5,350	7,631
STATE GRANTS						
Circuit Breaker	2,667,161	1,737,786	4,404,947	2,576,561	645,000	1,183,386
METCO	(717,108)	2,430,326	1,713,218	1,755,353	80,025	(122,160)
METCO Targeted PAC	-	390,686	390,686	435,095		(44,409)
SEL and Mental Health	25,406	46,087	71,493	71,328		165
Investigating History Pilot		3,240	3,240			3,240
Enhanced School Health Services	34,955	4,000	38,955	74,186	482	(35,713)
Coordinated Family & Community Engi	(32,752)	150,206	117,454	120,783	3,471	(6,800)
DPH Workforce Investment	22,852	50,000	72,852	65,174	5,400	2,278
MCC Stars Residency Program	475		475			475
My CAP Develop/Implementation		4,500	4,500			4,500
Civics Teaching/Learning		12,350	12,350	7,424		4,926
Hate Crime Prevention		15,000	15,000			15,000

SPECIAL REVENUE FUNDS
STATUS AS OF MAY 14, 2023

GRANTS (continued)	FY23 REVENUE			EXPENDED	ENCUMBERED	FY23 FUND BALANCE (to-date)
	FY22 FUND BALANCE	RECEIVED (to-date)	AVAILABLE FUNDS			
Steps to Success	14,040	10,400	24,440	10,400		14,040
BU Consortium	4,883	-	4,883	510		4,373
BU Saudi Teachers	22,508		22,508			22,508
Kraft Opportunity Fund	81,530		81,530	3,178	3,932	74,420
Whipple Writing Fellowship	25,155	27,600	52,755	24,012	504	28,238
Brookline Education Foundation	24,588	-	24,588	51,196	14,125	(40,733)
HS Innovation Fund	144,802	179,600	324,402	264,205		60,196
Assessment for Lrng Comm		2,450	2,450	2,311		139
BCF Racial Equity		50,000	50,000			50,000
BCF Safety Net		4,750	4,750	1,014		3,736
Project Bread		2,982	2,982		2,795	187
NE Grassroots Young Leader	1,875		1,875			1,875
TOTAL Grants			12,602,453	9,878,116	1,363,703	1,360,634

PRIVATE GRANTS

REVOLVING/GIFT/FEES	FY23 REVENUE			EXPENDED	ENCUMBERED	FY23 FUND BALANCE (to-date)
	FY22 FUND BALANCE	RECEIVED (to-date)	AVAILABLE FUNDS			
Food Services	1,269,484	2,959,306	4,228,789	3,165,371	384,141	679,277
BEEP	1,503,076	2,203,242	3,706,319	1,505,617	14,648	2,186,054
BACE	496,887	643,450	1,140,337	747,500	52,337	340,500
Summer School	12,000	12,280	24,280	12,500		11,780
Materials Fee	613,228	512,892	1,126,120	481,702		644,418
Athletics - High School	408,751	323,755	732,506	478,761	90,477	163,268
Athletics - K-8	23,318	35,858	59,176	27,766	3,284	28,126
Use of Building	199,216	234,998	434,214	340,104	220,754	(126,644)
HS Restaurant	119,485	100,964	220,449	137,207	10,538	72,704
Bus Transportation	6,253	19,029	25,283	21,847	629	2,807
Academic Testing	16,935	5,934	22,869	9,095		13,774
Lost Book Recovery	12,037	953	12,990	798	248	11,944
Culinary Arts Material Fee	10,337	18,955	29,292	20,844	3,059	5,389
Industrial Arts Materials Fee	4,263	625	4,888			4,888

SPECIAL REVENUE FUNDS
STATUS AS OF MAY 14, 2023

REVOLVING/GIFT/FEES (continued)	FY23 REVENUE					FY23 FUND
	FY22 FUND BALANCE	RECEIVED (to-date)	AVAILABLE FUNDS	EXPENDED	ENCUMBERED	BALANCE (to-date)
Performing Arts Materials Fee	3,859	16,808	20,667	5,931	5,700	9,036
Visual Arts Materials Fee	4,489	14,100	18,589	10,068	38	8,483
BEEP Gift Account	48,982	2,500	51,482			51,482
K-8 Schools Gift Accounts	32,065	5,826	37,891	7,826		30,065
High School Gift Accounts	27,172	26,728	53,899	15,641	4,000	34,258
High School Social Work Gift Account	6,588		6,588			6,588
District Gift Account	5,575		5,575	1,500		4,075
Food Services Zero Waste		74,025	74,025			74,025
ELE Summer Program Fee	2,090		2,090			2,090
TOTAL Revolving/Gifts/Fees			12,038,316	6,990,078	789,852	4,258,386

TOTAL FY23 FUNDS EXPENDED/ENCUMBERED/PROJETED FOR EDUCATION as of MAY 14, 2023	EXPENDED	ENCUMBERED/ PROJECTED	GRAND TOTAL
School Committee Operating Budget	101,623,229	21,728,698	123,351,927
Grants	9,878,116	1,363,703	11,241,819
Revolving/Gifts/Fees	<u>6,990,078</u>	<u>789,852</u>	<u>7,779,931</u>
GRAND TOTAL	118,491,423	23,882,254	142,373,677

Grants/Revolving/Gift/Fee accounts exclude monies encumbered during FY22 but expended in FY23 consistent with DESE reporting