



THE PUBLIC SCHOOLS OF BROOKLINE
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 FOR ADMINISTRATION AND FINANCE

Memorandum

TO: Mary Ellen Dunn, Deputy Superintendent for Administration and Finance

FROM: Michael D’Onofrio, Director of Administration and Finance

RE: FY18 First Quarter Financial Report

DATE: November 3, 2017

The FY18 First Quarter Draft Financial Expenditure Report shows a projected deficit on the Operating Budget of (\$270,298).

The first quarter salary projection shows a slight surplus, including actuals through September 30th, an estimate for current unfilled positions, and a projection for substitute costs not yet realized. The second quarter report will include a review of projected salaries by bargaining unit, as we continue to analyze the data from our Paraprofessional Unit, and the implementation of detailed schedules and differentiation pay for specialized programs.

The primary factors affecting non-salary accounts are a substantial increase of utilization of in-town transportation for Special Education programs and an initial surplus in Special Education tuitions and a revenue gap in Circuit Breaker. These accounts will be further refined throughout the year as actuals are realized and students are placed out of district, brought back into district, and settlements are reached.

The first quarter projection assumes the full expenditure of all non-salary line items, except for Transportation and Special Education contracted services costs. Both of these accounts are subject to variability based on students service needs, out-of-district tuition placements, and the impact of transporting students both out-of-district and to in-district programs in Brookline.

Table 1 – Summary of Expenses

Salaries / Expenses	Original Appropriation	Transfers/ Amendments	Revised Budget	YTD Expended	Encumbrance/ Requisitions	Available Budget
Salaries	\$ 92,865,697	\$ -	\$ 92,865,697	\$ 10,705,826	\$ 82,066,477	\$ 93,394
Expenses	\$ 11,845,215	\$ -	\$ 11,845,215	\$ 2,487,984	\$ 9,720,923	\$ (363,692)
Grand Total	\$ 104,710,912	\$ -	\$ 104,710,912	\$ 13,193,810	\$ 91,787,400	\$ (270,298)

Budget Transfer Requests:

- 1) Transfer \$224,872 from the Special Education Reserve Account (313028-558080) to the Special Education Transportation Account (313028-524631).
- 2) Benefits Reserve: \$111,996, TBD. The FY18 budget has a gap of \$877,557, and the district needed to carve deeper into the overall budget to manage the shortfall by:
 - Eliminating \$70,000 in technology innovation funds
 - Postponing the Year three Override 2.0 FTEs for Technology;
 - Postponing \$276,750 of year three Override Technology funds;
 - Postponing the funding for 4.0 Unallocated Special Education FTEs; and
 - Reducing curriculum non-salary accounts by 1%, or \$151,291.

The Benefits Reserve can be used to restore some of these cuts, pending a review and approval by the Administration.

Table 2 details all positions currently unfilled and posted for hire. These vacancies are factored into the first quarter salary projection. The dollars listed below are budgeted amounts and FTE, and will change pending the final decision on hiring.

Table 2 – Personnel Costs - Vacancies

Position	FTE	Salary
Coordinator of Therapeutic Programs	1.00	\$ 103,579
ABA Direct Service Provider	1.00	\$ 5,942
Special Education Teacher	1.00	\$ 63,168
Inclusion Specialist	1.00	\$ 68,629
Administrative Assistant - A&F	1.00	\$ 73,033
Human Resources Manager	1.00	\$ 98,838
Finance Manager - OSS	1.00	\$ 75,000
Coordinator - Student Affairs	1.00	\$ 74,909
LAHB Paraprofessional	0.84	\$ 21,225
Learning Center Paraprofessional	0.84	\$ 20,551
Learning Center Paraprofessional	0.84	\$ 23,396
Learning Center Paraprofessional	0.84	\$ 22,325
Adaptive Learning Center Para	0.84	\$ 20,551
	12.22	\$ 671,146

Table 3 summarizes transportation spending through the end of the first quarter. The projection includes actuals through 9/30/17 and projects full known utilization for the remainder of FY18. There has been a significant increase in the use of in-town special education transportation this year, accounting for \$220,700 of the projected \$224,872 deficit.

Table 3 – Transportation Costs

Transporation Summary			
Transportation FY2018 Contracts	FY18 Budget	Projected	Variance
Regular Transportation (Eastern Bus)	\$ 292,400	\$ 292,400	\$ -
Special Education Trasportation (YCN)	\$ 1,781,959	\$ 2,006,831	\$ (224,872)
McKinney-Vento (Homeless) Transportation	\$ 15,800	\$ 15,800	\$ -
Total	\$ 2,090,159	\$ 2,315,031	\$ (224,872)

Special Education Contracted Services: The Special Education Contracted Services budget (Tables 4 (Budgeted), 5 (Projected) and 6 (Reconciliation) includes Out of District Tuitions. While the initial assessment of these accounts indicates a substantial surplus in expenses, there are two caveats to keep in mind. First, this does not include any students on the ‘watchlist’, or potential costs from unilateral placements. This is a highly volatile and complex data set, which changes on a daily basis, and can lead to additional placements out of district or legal settlements. These groupings must be closely scrutinized and the risk factor adjusted, depending on the information at hand.

Second, we are facing a revenue gap between the Circuit Breaker account revenue we projected in February, and what actually was claimed and approved by DESE and published on October 2, 2017. We will continue to monitor spending in these accounts in order to close that gap going forward.

Table 4 – Special Education Tuitions (Budgeted)

<i>Public Schools of Brookline</i>				
DOE Function Code	DOE Function Title	Program Type	FY2018 Head Count	FY2018 Tuition Projection
9100	Tuition to Mass School	Day	4	\$231,927
		Extended Svs		
		Short Term		
		Summer	2-5	\$8,452
		Day		
	Tuition to Mass School	Total	4	\$240,379
9100 Total			4	\$240,379
9200	Tuition to Out-of-State	Residential	3	\$392,304
		Summer		
	Tuition to Out-of-State	Total	3	\$392,304
9200 Total			3	\$392,304
9300	Tuition to Non-Public Schools	1:01		
		Day	44	\$3,567,814
		PT		
		Residential	5	\$819,402
		Short Term		\$50,000
		Summer		\$78,870
	Tuition to Non-Public Schools	Total	49	\$4,516,087
9300 Total			51	\$4,516,087
9400	Tuition to Collaboratives (Member)	Day	1	\$63,630
		Extended Svs		
		Short Term		
		Summer		
		Day		
	Tuition to Collaboratives (Member)	Total	1	\$63,630
9400 Total			1	\$63,630
		Grand Totals:	59	\$5,254,960

Table 5 – Special Education Tuitions (Projected)

<i>Public Schools of Brookline</i>				
DOE Function Code	DOE Function Title	Program Type	FY2018 Head Count	FY2018 Tuition Projection
9100	Tuition to Mass School	Day	4	\$233,425
		Extended Svs		
		Short Term		
		Summer		\$8,161
	Tuition to Mass School	Total	4	\$241,586
9100 Total			4	\$241,586
9200	Tuition to Out-of-State	Residential	3	\$435,136
		Summer		\$13,692
	Tuition to Out-of-State	Total	3	\$448,828
9200 Total			3	\$448,828
9300	Tuition to Non-Public Schools	1:01		
		Day	45	\$3,039,645
		PT		
		Residential	6	\$813,716
		Short Term		\$16,763
		Summer		\$109,296
	Tuition to Non-Public Schools	Total	49	\$3,979,419
9300 Total			51	\$3,979,419
9400	Tuition to Collaboratives (Member)	Day	1	\$62,407
		Extended Svs		
		Short Term		
		Summer		
	Tuition to Collaboratives (Member)	Total	1	\$62,407
9400 Total			1	\$62,407
		Grand Totals:	59	\$4,732,240

Table 6 – Special Education Tuitions (Reconciliation)

<i>Public Schools of Brookline</i>							
DOE Function Code	DOE Function Title	Program Type	FY2018 Head Count	FY2018 Tuition Budget	FY2018 1st Qtr Head Count	FY2018 Tuition Projeciton	FY2018 Variance
9100	Tuition to Mass School	Day	4	\$231,927	4	\$233,425	(\$1,498)
		Extended Svs					
		Short Term					
		Summer	2-5	\$8,452		\$8,161	\$291
		Day					
9100 Total			4	\$240,379	4	\$241,586	(\$1,207)
9200	Tuition to Out-of-State	Residential	3	\$392,304	3	\$435,136	(\$42,832)
		Summer				\$13,692	(\$13,692)
9200 Total			3	\$392,304	3	\$448,828	(\$56,524)
9300	Tuition to Non-Public Schools	1:01					
		Day	44	\$3,488,339	45	\$3,039,645	\$448,694
		PT					\$0
		Residential	5	\$830,788	6	\$813,716	\$17,072
		Short Term		\$50,000		\$16,763	\$33,238
		Summer		\$78,870		\$109,296	(\$30,426)
9300 Total			49	\$4,447,997	51	\$3,979,419	\$468,578
9400	Tuition to Collaboratives (Member)	Day	1	\$63,630	1	\$62,407	\$1,223
		Extended Svs					
		Short Term					
		Summer					
		Day					
9400 Total			1	\$63,630	1	\$62,407	\$1,223
9500	Tuition to Regional School Districts (Member)	Day			Transfer to Town Account		
		Total		\$42,561			
9500 Total							\$0
		Grand Totals:	57	5,144,310	59	4,732,240	\$412,069
	Operating Budget			(\$2,444,310)		(\$2,444,310)	\$0
	Vacational and Technical Program Account			\$0		\$0	\$0
	Circuit Breaker Account			(\$2,700,000)		(\$2,238,695)	(\$461,305)
	(Balance)/Deficit			(0)		49,235	(\$49,236)

FY18 Revolving Funds – Current Fund Balances

This section of the First Quarter Draft Report goes into greater detail for the Public Schools of Brookline's revolving funds. These funds were created under Massachusetts General Laws Ch. 41, Sec. 52 and 56 to administer programs that have a specific source of revenue from fees and charges to pay expenses in rendering the service for which those payments are made.

Brookline Adult and Community Education

Current Fund Balance: \$942,060

FY17 Performance: Net Loss, \$90,190

The Brookline Adult and Community Education is one of the oldest non-cred, public education programs in Massachusetts. Adult education has been a part of the Brookline community since 1832, beginning with the formation of the Brookline Lyceum Society. It is now one of the largest public programs in the state, with close to 800 courses and over 5,000 enrollments yearly. Today, BA&CE is the hub of an educational network serving students from more than 50 neighboring communities in the greater Boston area and beyond. A self-supporting program of the Brookline public schools, BA&CE's operating budget is funded entirely from course fees.

Use of School Buildings – SE23

Current Fund Balance: \$193,387

FY17 Performance: Net Loss, \$48,697

The Use of School Buildings fund reflects the expenses incurred to prepare and operate buildings throughout the year for events held after school and on weekends offset by revenues from the lease of school buildings. In FY18, it supplements the General Fund at \$225,000.

Non-Resident Tuition – SE52

Current Fund Balance: \$209,922

FY17 Performance: Net Gain, \$63,739

This fund traditionally supplements the General Fund through foreign exchange tuition payments and through the staff materials fee. These fees supplement the General Fund by \$675,744.

School Athletics – SE26

Current Fund Balance: \$0

FY17 Performance: Net Loss, \$122,363

This fund contains the student athletic fee which supplements the operating budget of the athletics program.

The program continues to struggle with a balanced budget, showing a net loss in FY17 of \$122K. The Department continues to struggle with collections, and rising transportation costs and facilities rental have adversely affected the bottom line of the program.

School Restaurant - SE27

Current Fund Balance: \$214,390

FY17 Performance: Net Gain, \$18,258

The School Restaurant Revolving Fund accounts for the revenue generated by the School Restaurant at Brookline High School. This program provides real-life training for students interested in the culinary arts as a part of our Career Education program at BHS. It continues to operate on a moderate profit, which is used to support the replacement of equipment needed to maintain the program.

Summer School – SE28

Current Fund Balance: \$0

FY17 Performance: Net Loss, \$15,663

The Summer School Program at Brookline High School provides both required and enrichment based courses. This program has consistently operated at breakeven performance over the past several years, pending outstanding collections of tuition fees owed to the District.

Early Childhood – SE20

Current Fund Balance: \$513,085

FY17 Performance: Net Gain, \$289,806

The Brookline Early Education Program (BEEP) operated by the Public Schools of Brookline is a fee for service model. These programs are subsidized by the General Fund for both Special Education and collective bargaining costs and supplemented by external grants – primarily the several grants distributed by the Massachusetts Department of Elementary and Secondary Education. BEEP increased its current fund balance in FY17 from increased tuition costs and salary savings from personnel leaves.

Food Service – SE25

Current Fund Balance: \$4,648

FY17 Performance: Net Loss, \$107,001

The Food Service Program has moved to a contracted service model in FY18. FY17 saw a decrease in revenue from sales, while food costs held even. Participation is the key to addressing this shortfall.

Circuit Breaker - SEB3

Current Fund Balance: \$549,991

FY17 Performance: Net Loss, \$222,782

FY18 Budgeted Claim: \$2,700,000

FY18 Actual Claim: \$1,688,705

Net Revenue Shortfall: (\$1,011,295)

The state special education reimbursement program, commonly known as the Circuit Breaker program, was started in FY04 to provide additional state funding to districts for high-cost special education

students. The FY17 budget utilized \$223K from the Circuit Breaker account to cover the gap between the FY17 projected claim and the actual final award from DESE.

FY18 Grants – Awards and Projected Fund Balances

MUNIS Code	GRANT	Manager	FY17	FY18	Change	FY18 Status	Overview	FY18 Questions/Concerns/Comments
SE04	Title I	OTL with K-8 ELA (Joanna)	\$ 487,987.00	\$ 426,702.00	\$ (61,285.00)	approved	Linc. Devo. Law = Title I targeted assistance schools. Funds a literacy specialist at each school, a 5 FTE inclusion specialist at law, and two 2 FTE inclusion specialist at Upper Devo. Funding for 6 Extended Learning Time coordinator available. One private school participates (New England Hebrew Academy).	Entitlement grant. Should we move Inclusion Specialists to GF and include Pierce as a 4th Title I school receiving additional literacy support?
SE99	Title IIA - Educator Quality	OTL (Amy & Gabe)	\$ 154,331.00	\$ 116,999.00	\$ (37,332.00)	approved	1.0 K teacher at Devo (class size reduction). Miscellaneous PD activities through OTL.	Entitlement grant. Should we move the 1.0 teacher to the GF? Use the funds for teacher
SE15	Title III - LEP Support	OTL/ELL (Mindy)	\$ 123,827.00	\$ 125,475.00	\$ 1,648.00	approved	Formula grant allocation. Funds 2 native language support aides at law; summer school programming; curric workshops; BHS homework	Entitlement grant. Two parasare funded through the grant, contingent upon DESE
SE04	Title III - Immigrant Grant	OTL/ELL (Mindy)	\$ 59,925.00		\$ (59,925.00)		Special allocation. Funds 5 Immigrant Family Advisor; various student and family engagement activities.	Assume that we will continue to be eligible for this grant
SE07	Title III - LEP Summer	OTL/ELL (Mindy)	\$ 3,300.00		\$ (3,300.00)		Additional ELL summer program activities. (through 9/30/16).	One time funding. Likely not available for FY18.
DESE								
SE10	Perkins (Occupational Education)	OTL/Career & Tech Ed (Arlie)	\$ 50,245.00	\$ 45,488.00	\$ (4,757.00)	approved	Primarily materials and supplies for BHS Career & Tech Ed; new focus on Makerspace; some PD and curric work.	Entitlement grant. Allocation is usually in the \$45-550K range.
SE18	Special Education 240	OTL/Special Ed	\$ 2,120,531.00	\$ 2,153,483.00	\$ 32,952.00	approved	32 Paraprofessionals, 1 secretary, ESY staff, materials, consultants	Entitlement grant. Anticipating small annual increase.
SE65	Special Education Program Improvement	OTL/Special Ed	\$ 59,010.00		\$ (59,010.00)		PD for Special Education	Entitlement grant - amount and area of focus varies annually.
SE03	Special Education Best Practices in Transition	OTL/Special Ed	\$ 18,000.00		\$ (18,000.00)	ended	Support for transition programming	
SE13	METCO	OTL/METCO (Suzie)	\$ 1,465,909.00	\$ 1,509,872.00	\$ 43,963.00	approved	Director, 1 K-8 Social Worker, 1 BHS Coordinator, 4 K-8 Liaisons, Transportation, Bus Monitor, METCO programming, general education	Should non-METCO teachers not be named on the grant? METCO proposals to increase
SE02	Early Ed/Special Ed Prog Improvement	OTL/Early Childhood (Vicki)	\$ 3,500.00		\$ (3,500.00)	not yet out	PD for Early Ed Special Education	
SE05	Creativity & Innovation Fund	OTL/BHS Science (Ed Wiser)	\$ 15,000.00		\$ (15,000.00)	ended	STEAM curriculum development	
SE04	Academic Support - School Year	OTL/BHS MCAS Coordinator (Lisa Gaffney)	\$ 7,700.00		\$ (7,700.00)	ended	Tutoring at BHS for students who did not pass MCAS	
NEW	LEAP grant	OTL/Special Ed (Sam)	\$ -	\$ 10,000.00			Special project grant for selected districts - to address overrepresentation of low income in special ed	
DPH								
SE84	Enhanced School Health Services	OTL/Student Health/Nursing	\$ 112,350.00	\$ 106,000.00	\$ (6,350.00)	approved	Supplemental nursing; monitoring systems; \$12,000 of grant goes to partner districts.	One more year of funding in current grant program.
EFC								
SE19	Early Ed Special	OTL/Early	\$ 34,013.00	\$ 31,075.00	\$ (2,938.00)	approved	1 pre-k aide (may need to amend to add another aide)	Entitlement. Need to review who it should
SE01	Coordinated Family & Community Engagement	OTL/Early Childhood (Vicki)	\$ 105,000.00	\$ 125,850.00	\$ 20,850.00	approved	Parent Child Home Program; Weekly playgroup; various required community activities	Will be competitive next year.
SE02	Inclusive Preschool Learning Environments	OTL/Early Childhood (Vicki)	\$ 137,218.00	\$ 100,251.00	\$ (36,967.00)	approved	Preschool aides in inclusive classrooms	Will be competitive next year. May decrease significantly - possibly to <\$50K.
Foundation Grants								
SE94	Twenty-first Century Fund	Admin & Finance/OTL/BHS	\$ 391,640.00	\$ 391,640.00	\$ -		BHS salaries (release for projects)	
SE06	Brookline Education Foundation system,	OTL	\$ 171,985.00	\$ 174,244.00	\$ 2,259.00	approved	PD: Teacher, Collaborative, System Grants, IDEA Lab, BEEP Music. Will increase over the year. Also funds additional programs directly.	
SE12	BU Consortium (formerly TATF)	OTL	\$ 12,515.00	\$ 8,000.00	\$ (4,515.00)	approved	Teacher directed projects - competitive process. Three projects funded.	
All Grants Sub-Total			\$ 5,533,986.00	\$ 5,325,079.00	\$ (218,907.00)			

