



THE PUBLIC SCHOOLS OF BROOKLINE
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TO: School Committee
 Ben Lummis, Interim Superintendent

FROM: Mary Ellen Normen, Deputy Superintendent for Admin and Finance

DATE: November 19, 2020

RE: FY 20 Budget Update

The Public Schools of Brookline budget is anticipating continuing to work on balancing a preliminary structural deficit for FY 20 of approximately \$517,000. Some of the items being identified are a result of FY 20 personnel and expense budget changes as well as changes in the known costs vs. budgeted costs as the fiscal year commences.

FY 20 Projected 1st Quarter Budget Summary

	FY 2020 Annual Town Meeting	Post FY 20 Special Town Meeting	Change from FY 20 ATM Budget to FY 20 STM Budget	1st QTR Projection	(Over) Under Budget
Operating Budget					
Personnel	\$ 104,014,289	\$ 104,045,184	\$ 30,895	\$ 104,477,317	\$ (432,133)
Services	\$ 11,699,864	\$ 11,840,864	\$ 141,000	\$ 11,925,864	\$ (85,000)
Supplies	\$ 1,833,497	\$ 1,833,497		\$ 1,833,497	\$ -
Other	\$ 1,091,863	\$ 1,091,863		\$ 1,091,863	\$ -
Utilities	\$ 10,350	\$ 10,350		\$ 10,350	\$ -
Capital	\$ 1,191,685	\$ 1,191,685		\$ 1,191,685	\$ -
	\$ 119,841,548	\$ 120,013,443	\$ 171,895	\$ 120,530,576	\$ (517,133)
Revenue Offsets					
Town Appropriation	\$ 117,354,211	\$ 117,385,106	\$ 30,895	\$ 117,385,106	\$ -
Materials Fee/Tuition	\$ 717,523	\$ 717,523	\$ -	\$ 717,523	\$ -
Circuit Breaker	\$ 1,769,814	\$ 1,910,814	\$ 141,000	\$ 1,910,814	\$ -
Revolving Fund Reimbursement					\$ -
Other Revenue					\$ -
Total Revenue	\$ 119,841,548	\$ 120,013,443	\$ 171,895	\$ 120,013,443	\$ -
Balance/(Deficit)	\$ -	\$ -	\$ -	\$ (517,133)	\$ 517,133

FY 20 Revenue Budget Update/Status (\$30,895 Chapter 70 revenue and \$141,000 Circuit Breaker)

Be it confirmed, November 2019 Special Town Meeting will appropriate an additional \$30,895 in Chapter 70 funds to the School Committee FY 20 budget. In addition, the estimated Circuit Breaker funds received in July for FY 19 special education claims increased \$141,000 and will be available to support Special Education Tuitions and Consulting services. It will allow a transfer of a portion of the Special Education Reserve fund special education transportation and the projected grant salary deficits.

FY 20 Known Deficit Issues (\$517,000 Projected)

Personnel: (\$ 444,539)

Personnel costs are continuing to outstrip the budget along with position control due to previously funded grants positions transferring to the operating budget unfunded. Below is a listing of how less than a dozen decisions or lack of execution can create a very grave budget situation. Prior to the Grant position situation being known, the decision to move these specific positions to the operating budget and adjust pay classifications, there were savings identified. Additional and ongoing analysis and monitoring of positions will be reported in the 2nd Quarter Report.

Unbudgeted	FTE	\$	
OTL Staff – Grant support	2.000	\$197,526	Grant Indirect Costs do not cover expense
New Teacher Mentor	0.500	\$ 53,260	Budget reduction not executed
Math Specialist	1.000	\$106,520	Budget reduction not executed
Language Para	0.931	\$ 33,342	Budget reduction not executed
1.5 for 1 OSS trade	0.500	\$ -	No Cost Trade

2020 Individual Contracts Exceeded Budget

Across four positions (\$19,346 - Principal (2), Supt. Admin. Asst., Deputy Supt. Oss) there were unbudgeted salary increases that we were unaware of until we began our projections. In order to hire the most qualified candidates, two positions were purposely increased with identified salary savings from the transition of positions (\$35,545 - Director of Professional Development and Budget Analyst/Payroll Manager).

Operating Budget: Leadership continues to monitor for unknown deficit issues

- Pre-programmed budget amount for Salary Savings \$(800,000),
- Substitutes and Leaves of Absences,
- All salary/personnel accounts fully funded for support and services historically provided,
- The Second Quarter Report Personnel Update will address:
 1. Grant Personnel – Full Reconciliation and identification of unfunded positions: Underway this month, the Budget Analyst/AP Manager is working with OTL and OSS grants administrative staff to complete FY 19 final grant reports, update, and reconcile FY 20 grants for personnel and expenses. A reporting of the unfunded positions will come to School Committee with transfer requests to support these positions through June 30. The unfunded positions will be placed on the FY 21 FTE budget request list for School Committee action.

2. Salary Savings: The Budget Analyst/Payroll Manager is working on reporting net salary savings of all positions that experienced turnover from the beginning of the fiscal year were identically replaced. Positions that were modified increased, or otherwise not a “1 for 1” will be separated into a different table similar to what was presented above.
3. Substitute Costs are significant concern for the 2nd Quarter: Typically, the substitute overage should be covered by the unexpended balance in UNIT A lines as the primary use of this account is substitute teachers. However, there are two other costs that are affecting the ability to forecast substitutes. The first is the PARA classroom coverage of \$31 per day above their regular hourly pay. Often times it is helpful and appropriate to have PARAs perform the duties of a substitute IF a daily sub is not hired to backfill the PARA duties. One financial burden to this coverage is that a para will be paid \$15.50 (1/2 day) to cover anywhere from 20 minutes to half a school day when a teacher is at a meeting or otherwise out of the classroom for a short period of time.

What has been surprising is the Long Term Substitutes and Daily Substitutes over the last five years has outpaced the cost savings of teachers on leaves. More analysis is needed to determine the utilization of per diem substitutes and savings offsets from teachers on unpaid leave beyond the eight weeks Family Medical Leave Allowance.

	FY 20 Proj	FY 19	FY 18	FY 17	FY16
ORIGINAL Budget	\$ 917,895	\$ 899,897	\$ 1,007,576	\$ 910,123	\$ 816,520
Expenditure History	\$ 1,580,906	\$ 1,408,858	\$ 1,966,935	\$ 1,701,319	\$ 1,246,513
Ending Balance	\$ (663,011)	\$ (508,961)	\$ (959,359)	\$ (791,196)	\$ (429,993)

Expenses

Operating Budget: Leadership continues to monitor for unknown deficit issues

- Status of Special Education Tuition and Contracted Services (see attached), and
- Status of Special Education Transportation (\$180,000K): A transfer is required from the \$475k Contingency to fund these additional and unknown expenses. A full and final reconciliation of the Special Education Transportation budget is underway to know funding needs and to identify funds for the Regular Education Transportation budget correction.
 - 6 more total OOD placements
 - 3 more van monitors
 - churn in OOD placements were not closer to Brookline, so per diem costs went up more than just inflation
 - Summer transport did not prove to be cheaper than the year before, even with fewer ESY days in summer of FY 20. We have not been able to reduce summer transportation costs in any of the last 4 years
- Regular Education Transportation (\$46,000): It appears we reduced the wrong line item resulting in an underfunded transportation budget. Once funds are identified for the Special Education Transportation requirements a transfer will be requested as part of the Second Quarter Report to resolve this issue.

Continuing Ongoing Budget Monitoring:

In order to prevent, curtail, or be forewarned about the scope and magnitude of any future deficit the following will be in place for fiscal year close

1. A personnel freeze may be called December or January for all positions that become vacant. Each unfilled position will be reviewed to determine if there is necessity to fill the position. The district will need to consider notifying employees who occupy unfunded FY 20 positions that their position will end June 2020.
2. A supplies and materials budget will be frozen when or if the projected budget increases to over \$800k in the second or third quarter.
3. All Operating Budget and State Grants will close for ALL spending, excluding regular compensation on May 1.
4. Federal Grants and Revolving Funds will close for ALL spending, excluding regular compensation on June 1.
5. All professional development workshops that will be conducted after May 1 will be encumbered against the workshop payroll account until such time as the sign in sheets are received by June 30 and paid through payroll.
6. Ongoing work to identify all additional compensation will continue. Each will be reviewed to confirm funding, ideally, prior to work being completed. If funding is not available, and it is a reoccurring expenditure, funding will be identified and added to the FY 20 budget.
7. Additional process, procedures, systems will be reviewed during the summer and training developed and delivered to administrative assistants and budget managers throughout the school year.

Change in Practice for FY 20

It was initially planned that all Grants and Revolving Funds will be budgeted as part of the FY 20 budget document to advance knowledge for unsupported expenditures by revenue. Going forward Grants will be monitored for impact on the level funded grant awards. Revolving Funds will be monitored, and fee increases requested for FY 21 when and where warranted or costs will need to be reduced. The second quarter report will reflect the final indirect costs, personnel projections, and other grant and revolving fund revenue updates and share projected balances and any anticipated adjustments that will be needed to end the year in balance.

Revolving Funds: (\$38,430.67)

The School Committee voted in July to fund the final portion of the Food Service Revolving Funds deficit. Approximately \$257K of the \$300K was funded out of FY 19 balances.

In addition, the district began the BACE assessment for use of School Buildings to be paid to the School Rental of Facility Account. The June 30 balance of the Rental of Facilities Account, approximately \$180,000) funds the Public Building Division's MINI CIP project in the FY 21-26 Capital Improvement Plan.

Athletics will also be monitored to assure that the fund stays in balance and does not develop a deficit now that we have moved all but \$35,000 in coaching and leadership staff to the Operating Budget. The Revolving Fund can now better absorb the officials, transportation, and other expenses related to the number of students participating.