

School Committee Finance Subcommittee

Monday, January 11, 2016

8:30 AM – 9:30 AM

5th Floor Conference Room, Town Hall

Finance Subcommittee members present: Ms. Stram (Chairman), Mr. Chang, Ms. Charlupski, and Mr. Pollak.

Other School Committee members present: Ms. Ditkoff and Ms. Stone.

Staff present: Dr. Connelly, Ms. Dunn, Mr. Lummis, and Ms. Coyne.

Others present: Advisory Committee members Michael Sandman and Bobbie Knable.

1) Approve Minutes of the December 18, 2015 Finance Subcommittee Meeting

On a motion of Mr. Chang and seconded by Mr. Pollak, the Finance Subcommittee voted unanimously to approve the minutes of the December 18, 2015 Finance Subcommittee meeting.

2) Update and Discussion of Town Revenue Allocation Process

Ms. Dunn referred to her January 10, 2016 email to the School Committee:

I am well informed about the budget development process Brookline has been using from Peter Rowe, Melissa Goff, and other staff and town committee members. It has taken me some time to understand and appreciate its impact on budget development, execution, and monitoring of the school department's financial operations.

At the meeting I will provide and express for consideration an alternative view that I believe will begin to address many of the concerns expressed by citizens, Town Meeting, Advisory, and others about the school budget in the Override Campaign and move the district forward in our ability to be proactive and plan for the future. Therefore, due to the complexity and the impact of the decisions made regarding calendar and delivery of a completed budget document, this is the reason it is the only item on the agenda. The discussion is not about individual elements of the revenue allocation and proposes no changes to the calculation methodology. The discussion is about how and when the allocation is used in the budget development process in preparation for Town Meeting.

To prepare for the discussion/dialog, please note the changes on pages 2 through 4. The reason for the change in calendar is due to the fact that the Town/School Partnership has not provided a budget allocation to the school department. The discussion will also surround the impact of the number of times the revenue allocation changes between December 2015 (Forecast) and November 2016 (after the school year begins) on the operational needs of the school department.

- *Concern: When does one know what the School Department budget will be and how can the department plan and open school in September with an unknown budget until November?*

I will explain in more detail the impact of the revenue allocation calendar to the school department's ability to plan and execute a budget for the next school year at the meeting.

As context, I am working with the following mechanics of delivering a well formed and completed budget plan ready for consideration:

- In a no-override budget planning process, the Interim Superintendent cannot present a budget that is outside of the revenue allocation. Staff need a number to use that will not change in order to complete this task for all parties to have time for deliberation. Additional impacts will be provided at the meeting to provide understanding as to why the number needs to be known and committed much earlier than Brookline's experience in the past.*
- Reminder: The revenue allocation changes up to four times before the tax rate is set in December. However it does not change as other major revenue is realized or known from December to June, i.e., Motor Vehicle Excise Tax Commitment #1 in February.*
- The School Committee must comply with the Town By-Law of February 15 for the Town Financial Plan document and*
- The School Committee should provide a budget document for review to the Advisory Committee with enough time to allow for their deliberations.*
- The School Committee should provide a budget document in the form of an executive summary to Town Meeting Members to prepare for their consideration and vote at Town Meeting.*

Therefore the calendar changes provides for the following:

- Superintendent will present a budget in compliance with the Town/School Partnership allocation in late January/early February using the Jan25/Feb 1 Town School Partnership Allocation number. Requests received from Program Leaders that exceed that amount will not be part of the Superintendent's recommendation.*
- Budget Vote by the School Committee of bottom line number by February 11.*
- School Committee submits their budget request for Town Financial Plan by February 11 (This is the overview that would have been in the back of the prior budget documents) along with the four line breakdown (with footnote) of the budget request similar to other departments.*
- Deliberation of the allocation of funds among programs by School Committee commences immediately after Superintendent presents recommendation and concludes by March 1.*
- School Committee submits electronic (printed soon after) copy of budget with completed program allocations by March 1 to Advisory Committee.*
- School Committee submits updated/revised electronic (printed soon after) copy of Executive Summary of the FY2017 budget by April ? to Town Meeting Members to prepare for Town Meeting in May. (This document provides Town Meeting with a reconciliation between the Town Financial Plan and the final Town Meeting warrant and coinciding vote on the school department budget.*

I look forward to the discussion/dialog and to produce a well formed and thoughtful budget to meet the needs of student learning and our obligations to the children of Brookline.

Comments:

Need a budget by the beginning of January so we can plan for the next school year and have access to the best qualified and most diverse pool of candidates.

In order for the school district to hire the best teachers and to have access to the most diverse pool of candidates, the School Department should be posting positions in late January/early February. By not having a voted budget by the School Committee or even a presented recommended budget by the Superintendent by mid-January, Brookline is late to hiring quality diverse teacher candidates. The positions would all be posted as anticipated vacancies.

The town's mindset has been to present initial revenue figures that are very conservative and then to increase the estimates as more information, e.g., GIC rate increase, becomes available.

The Advisory Committee would like the schools to submit their budget earlier.

In the past the Town-School Partnership met regularly and was the vehicle for staff to bring the committees into the process.

The Town and School need to work under the same assumptions for revenue.

With so much churn between May and November, it doesn't make sense to adjust the budget based on a single decision point that might represent less than 1% of the budget.

Need to look at how we budget reserves to ensure fiscal accountability.

There are three issues: 1) Timing – when the school budget process unfolds and better alignment with the town (there was consensus that we should try to address this); 2) Mindset of conservative assumptions and then changing revenue estimates as new information comes in; could have more realistic assumptions with a commitment to a figure on February 1, even if it fluctuates a bit; would need to better understand the revenue drivers – what they are, how much they could change, and when; 3) philosophy of reserve funds – ensuring that they are strategic against unknown factors that may come up during the year, e.g., 9c cuts and enrollment; be clear on the assumptions; their use has been thoughtful and transparent; and 4) role of the Town-School Partnership.

School Committee members expressed support for Ms. Dunn's approach and asked how they can be supportive.

We need to be clear on the unknowns, the range of estimates, and when we will have more information.

A significant issue in managing this year's budget is transportation (regular and special education). Out-of-district placements may increase, in part, because we don't have enough physical space. School Committee members asked that they have the opportunity to discuss the options before students are moved because of space limitations.

Ms. Dunn expects to present the 2nd Quarter Financial Report at the February 8, 2016 Finance Subcommittee meeting.

The meeting adjourned at 9:30 AM.