

School Committee Finance Subcommittee
Wednesday, April 6, 2022
5:00 PM-6:30 PM
Remote via Zoom

Finance Subcommittee members present: Mariah Nobrega (Chair), Steven Ehrenberg, and David Pearlman.

Finance Subcommittee members absent: Susan Wolf Ditkoff.

Other School Committee members present: Helen Charlupski, Valerie Frias, Andy Liu, and Suzanne Federspiel.

Staff present: Sam Rippin, Donna Chisholm, and Robin Coyne

Others present: Advisory Committee School Subcommittee Members Cliff Brown and Katherine Florio.

Ms. Nobrega called the meeting to order at 5:00 PM.

1) Approval of Minutes: March 16, 2022

On a motion of Dr. Ehrenberg and seconded by Mr. Pearlman, the Finance Subcommittee voted unanimously (by roll call), with a vote of 3 in favor (Ms. Nobrega, Dr. Ehrenberg, and Mr. Pearlman), 0 opposed and 0 abstentions, to approve the March 16, 2022 Finance Subcommittee meeting minutes.

2) Acceptance of Grants

Ms. Nobrega commented that the Grants include an \$80,000 Workforce Investment Grant and a \$10,000 Brookline Community Foundation Safety Net Grant.

On a motion of Ms. Nobrega and seconded by Mr. Pearlman, the Finance Subcommittee voted unanimously (by roll call), with a vote of 3 in favor (Ms. Nobrega, Dr. Ehrenberg, and Mr. Pearlman), 0 opposed and 0 abstentions, to recommend that the School Committee vote to accept the Grants (Attachment A).

3) FY 2022 Budget Update, including FY 2022 3rd Quarter Financial Report

Mr. Rippin referred to the following documents: April 6, 2022 FY 2022 Budget Update (Attachment B), FY 2022 Budget Projection (Attachment C), and FY 2022 3rd Quarter Office of Student Services Financial Projection (Attachment D). As of March 31, 2022, the District has expended and encumbered \$87,087,047 against the Local Education Appropriation (LEA) of \$121,066,547, or 71.93 percent of the total. At this time, he projects that the Budget will not finish in deficit assuming the following: that FY 2022 Collective Bargaining Agreements are settled in line with budget assumptions carried for FY 2022; that Special Education Out-of-District placements do not exceed last year's total of 80; and that major revolving funds do not finish the year in a deficit (would have to be absorbed by the LEA). Mr. Rippin explained how statute determines how much money can be carried over in revolving funds. Members commented on the increase in translation services.

4) FY 2023 Budget Update

Ms. Nobrega reported that Version 1.1 of the Superintendent's FY 2023 Budget has been posted on the Public Schools of Brookline Website.

Ms. Nobrega provided an update on the FY 2023 Budget process, including recent and upcoming meetings on the Budget and American Rescue Plan Act (ARPA) funds: March 17, 2022 and March 23, 2022 meetings with the Advisory Committee School Subcommittee, March 31, 2022 Advisory Committee School Subcommittee presentation to the full Advisory Committee, District's April 4, 2022 presentation to the full Advisory Committee, April 11, 2022 ARPA Submission Review Committee Public Hearing, District's April 12, 2022 presentation to the Select Board, and Select Board's April 19, 2022 initial vote on ARPA allocations. The House is expected to release its Budget on April 13, 2022.

Advisory Committee members seemed to appreciate the District's responsiveness to questions. The Advisory Committee decided to table the vote on the FY 2023 School Department Budget until late April so that it follows the Select Board's vote on ARPA funding and consideration of the School Budget, and release of the House Budget.

Select Board member John VanScoyoc will confirm whether one School Committee will be able to make a 5-minute statement during the April 11, 2022 ARPA Submission Review Committee Public Hearing vs having 5 members making sequential 90-second statements. Subcommittee members suggested that the School Committee's statement(s) convey the following: the potential impact of underfunding the School Budget on students' pandemic recovery, the District's ability to hire and retain educators of color, and the Superintendent's long-term success; and the impact of level funding the School Budget for the past three years.

5) Discussion of Future Year Budgets, including Potential Operating Budget Override Request to Select Board

The Subcommittee discussed a memo to the Select Board that would request consideration of an Operating Budget Override. Carolyn Thall provided public comment. She encouraged as much clarity and transparency as possible from the beginning. Members discussed the timeline for past Override requests.

The meeting adjourned at 6:30 PM.



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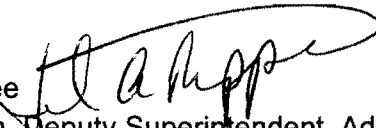
Request for Grant Acceptance

April 6, 2022

Motion: School Committee Accepts the grant award as determined by the awarding authority for the grants listed below:

Source	Grant	Award	FY22 Projected Balance/(Deficit)*	Account Number
State Department of Public Health (DPH)	Workforce Investment Grant	\$80,000.00	\$0	3222SEJ9
Brookline Community Foundation (BCF)	Brookline Community Foundation (BCF) Safety Net Grant	\$10,000.00	\$0	3105SE22

*Any deficit or balance will be the responsibility of the Superintendent to adjust. Grant managers should not assume that the operating budget will have funding available to cover any over expenditures of grant awards.

To: School Committee 
From: Samuel A. Rippin, Deputy Superintendent, Administration and Finance
Dt: April 6, 2022
Re: FY 2022 Budget Update as of 3/31/22 actuals

Please accept this memo as an Executive Summary of the Public Schools of Brookline (PSB) FY 2022 budget performance as of 3/31/22.

Summary:

In summary, as of 3/31/22, the PSB has expended and encumbered (committed) \$87,087,047 against the Local Education Appropriation (LEA) of \$121,066,547 (inclusive of \$1,196,071 supplemental appropriation voted at November, 2021 Town Meeting); or 71.93% of the total.

As of this writing, I project that the PSB will spend and encumber all \$121,066,547 at fiscal year end 6/30/22. I also project that the budget will not finish in deficit based on the following assumption listed below:

- That Collective Bargaining Agreements currently unsettled as of FY 2022 ultimately settle with COLA's in line with budget assumptions carried for FY 2022
- That Special Education Out-of-District placements do not exceed last year's total of 80 placements. As of 3/31/22; we have 82 placements
- That major revolving funds (BEEP, BACE, School Nutrition) do not finish the year in a deficit which would have to be absorbed by the LEA

LEA:

The LEA approved by Town Meeting for FY 2022 was \$119,870,476. Again, \$1,196,071 of supplemental funding was added to this amount as a budget revision making the **revised** LEA for FY 2022 \$121,066,447.

For FY 2022, the **operating budget**, as it is known for PSB included the following items below:

LEA	\$121,066,547
ESSER 2	\$ 1,347,688 (projected remaining balance)
ESSER 3	\$ 3,664,807
SPED CB	\$ 2,292,164
Materials Fee	\$ 520,150
Total Operating	\$128,891,336

As of this writing, ESSER 2 is on track to be fully spent, but the full balance of \$1,641,807 is available for FY 2022 due to tent rental expenses being charged to the FY 2021 LEA. ESSER 3

was adjusted slightly upward to \$3,667,388 since the original budget and SPED CB was approved at \$3,124,541. Those three events make for a favorable variance as of 3/31/22 of \$1,129,077.

Materials fees are still projected to account for \$520,150 of support for the FY 2022 operating budget.

It is expected that as much of ESSER 3 will be carried forward to FY 2023 by allocating FY 2022 ESSER eligible expenses to the LEA instead.

Special Revenue Funds:

PSB has as of 3/31/22 a total of 62 special revenue funds. These funds are in four major categories:

- Revolving Funds (BEEP, BACE, Athletics, etc)
- Entitlement Grants (IDEA, METCO, ESSER, Titles, etc)
- Competitive Grants (BEF, Innovation, etc)
- Special Revenue by law (SPED CB)

Of the 62 funds, I am reporting on five revolving funds and the one special revenue fund that comprise the lion's share of the activity as of this quarter.

I have been meeting monthly with the directors of School Nutrition, BEEP and BACE to review their operations, set budget goals and to ensure that these programs do not finish in deficit.

As I write this, I am confident that BEEP and School Nutrition will not be in deficit on 6/30/22. Unfortunately, the same cannot be said for BACE. BACE is on track to finish with a smaller deficit than in FY 2021 which would need to be absorbed in the LEA. Michelle McGlone is embarking on a campaign to increase awareness of their programs and aggressively pursuing sponsors for its course catalog in order to expand BACE's stakeholder reach.

As promised, in the 9/30/21 budget update, listed below are updates to the major entitlement grants for FY 2022:

The Elementary and Secondary Schools Emergency Relief Fund (ESSER) provided to PSB \$3,667,388 for FY 2022 under ARP. The original budget for FY 2022 called for the entire allocation to be fully utilized and expended during FY 2022. Due to sound fiscal management during FY 2022 along with the favorable variances noted above, the FY 2023 PSB preliminary budget calls for \$1,000,000 of this funding to be available to carry over to FY 2023 as unspent for FY 2022.

The Metropolitan Council for Educational Equity (METCO) has received a FY 2022 allocation of \$2,132,433. It is expected that PSB will receive supplemental funds to be added during the second half of 2022 for a much smaller increment. PSB METCO enrolls approximately 300 students and is the second largest METCO program in the State of Massachusetts. The aforementioned funding supports the salaries of the METCO director, his assistant as well as instructional and counseling staff located in all PSB buildings. Additionally transportation as well as enrichment offerings are funded from this grant. Currently, this grant is on track to be fully expended at the end of FY 2022

The Individuals with Disabilities Education Act (IDEA) provides for funding to PSB for FY 2022 in the amount of \$2,715,430 inclusive of one-time ARP funds of \$490,905. This funding largely supports the salaries of roughly 40 paraprofessionals along with other support staff and the full cost of the extended year program for students at risk for regression during the summer. Currently, these grants are also on track to be fully expended at the end of FY 2022.

Lastly, the Title grants (1, 2A, 3 and 4A) funding for PSB totals \$527,238. These grants are to provide support to students who are economically disadvantaged, teacher training, and English Language Learners. This funding comprises a fraction of the needs in those areas but is much appreciated and will be fully utilized by the end of FY 2022.

Other Items of Note:

Again, I would like to emphasize that the category entitled 'Other Special revenue Funds' shows a budget deficit of \$717,990 as of 3/31/22. This deficit is carried primarily in the IDEA, American Rescue Plan (ARP) IDEA and ESSER 3 grants. These deficits will clear as cash draws (see attached) that are in transit which will be posted after 3/31/22 and be reflected in the 6/30/22 budget update.

I would like to highlight at this time that the budget deficit in the LEA in the category of Outside Services (52) of \$173,332 is due primarily to the additional 2 Out-of-District placements in excess of the 80 that were budgeted for in FY 2022. PSB has received additional monies from DESE that is solely for districts to offset the high cost of Out-of-District placements. PSB intends to move expenses from the LEA to the Special Education Circuit Breaker Fund to clear the budget deficit described here.

It is also my hope that all BEU (Units A and B) CBA's and in fact all AFSCME(Cafeteria, Custodial, Secretarial) CBA's are settled and the costs of those settlements will be incorporated into that report as well.

I look forward to discussing this report with you at the April 6 meeting.

Cc: Linus J. Guillory Ph.D., Superintendent

March Requests 03/31/2022					
DOE		MUNIS		FUNDS EXPENDED	Requested Amount
Ed Grants Online Submissions - https://edgrants.eoe.mass.edu/grantium/frontOffice.jsf					
FY20 ESSER 113		SEi3		\$347,843.00	\$20,715.00
FY21 ESSER II		SEJ2		\$597,267.00	\$146,717.00
FY21 Title I 305		SE04		\$370,000.00	\$16,141.00
FY21 Title IIA 140		SE99		\$29,628.00	\$23,775.00
FY21 Title III 180		SE15		\$70,920.00	\$13,723.00
FY21 Title IV 309		SEG4		\$3,808.00	\$7,000.00
FY22 Title IIA 140		SE99		\$19,173.00	\$8,673.00
FY22 METCO 317		SE13		\$950,449.00	\$149,531.00
FY22 PERKINS 400		SE10		\$25,064.00	\$9,732.00
FY22 ESSER III		SEJ6		\$1,577,977.00	\$226,749.00
FY22 SUMMER 437		SEJ8		\$200,000.00	\$108,962.00
EEC Requests - https://massfinance.state.ma.us/VENDORWEB/vendor.asp?login=1					
237	EEC	SED1		\$84,071.34	\$31,785.56

Public Schools of Brookline								
FY 2022 Budget Projection								
As of March 31, 2022 Actuals								
LEA (Local Education Appropriation):								
Expense Category	Budget	Revisions	Budget	@ 3/31/22	@ 3/31/22	Committed	Available	Committed
Salaries	\$103,886,892	\$1,196,071	\$105,082,963	\$72,396,816	\$0	\$72,396,816	\$32,686,147	68.89%
Outside Services	\$11,696,849	\$16,915	\$11,713,764	\$7,878,755	\$4,008,241	\$11,886,996	-\$173,232	101.48%
Supplies	\$2,303,353	-\$24,915	\$2,278,438	\$1,252,684	\$267,698	\$1,520,382	\$758,056	66.73%
Other Charges	\$794,033	\$5,750	\$799,783	\$166,995	\$32,186	\$199,181	\$600,602	24.90%
Utilities	\$8,436	\$0	\$8,436	\$5,320	\$3,116	\$8,436	\$0	100.00%
Operating Capital	\$1,180,913	\$2,250	\$1,183,163	\$1,052,542	\$22,694	\$1,075,236	\$107,927	90.88%
Total LEA	\$119,870,476	\$1,196,071	\$121,066,547	\$82,753,112	\$4,333,935	\$87,087,047	\$33,979,500	71.93%
Special Revenue Funds:								
Major Special Revenue Funds:								
Fund Name	Balance @	@ 3/31/22	@ 3/31/22	@ 3/31/22	Committed	Balance @		
Brookline Early Educ Program	\$188,853	\$2,138,326	\$1,073,005	\$14,816	\$1,087,821	\$1,239,358		
School Nutrition	\$205,227	\$2,687,371	\$2,161,740	\$277,310	\$2,439,050	\$453,548		
Athletics BHS	\$243,888	\$241,420	\$247,072	\$132,308	\$379,380	\$105,928		
Athletics K-8*	\$0	\$44,377	\$14,233	\$3,360	\$17,593	\$26,784		
Athletics Total	\$243,888	\$285,797	\$261,305	\$135,668	\$396,973	\$132,712		
Culinary Program BHS	\$146,746	\$52,487	\$73,516	\$42,891	\$116,407	\$82,826		
Materials Fee	\$887,343	\$404,164	\$33,371	\$0	\$33,371	\$1,258,136		
Special Education Circuit Breake	\$1,137,076	\$1,562,270	\$912,748	\$531,131	\$1,443,879	\$1,255,467		
Total Major Special Revenue Fun	\$2,809,133	\$7,130,415	\$4,515,685	\$1,001,816	\$5,517,501	\$4,422,047		
Other Special Revenue Funds**	\$875,894	\$7,249,350	\$8,075,699	\$767,535	\$8,843,234	-\$717,990		
Grand Total	\$3,685,027	\$14,379,765	\$12,591,384	\$1,769,351	\$14,360,735	\$3,704,057		
* Athletics separated into BHS, K-8 effective FY 2022								
** Other funds include entitlement and competitive grants and gift accounts, please note expenses reimbursed in arrears								



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 DEPUTY SUPERINTENDENT FOR
 OFFICE OF STUDENT SERVICES

MICHAEL D'ONOFRIO
 FINANCE MANAGER FOR THE OFFICE THE
 OF STUDENT SERVICES

TO: Linus J. Guillory, Jr. PhD, Superintendent of Schools, Samuel Rippin, Deputy Superintendent for Administration and Finance, Casey Ngo-Miller, Deputy Superintendent for the Office of Student Services

FROM: Michael D'Onofrio, Finance Manager, Office of Student Services

RE: 3rd Quarter OSS Financial Projection

DATE: April 4, 2022

The memo serves as the third quarter FY2022 Projection for The Office of Student Services.

Out of District Tuitions

The 3rd Quarter report shows projected out of district tuition expenditures of \$7,062,520 against a budget of \$7,144,727, leaving a surplus of \$82,207. We have expenses on behalf of 82 students, 75 who are in current placements, and 7 who have either exited their schools or were the result of retroactive settlements.

9000 Series	Programs with Other School Districts	FY2021 Budgeted Head Count	FY2021 Budget	FY2021 Actual	FY2022 Budgeted Head Count	FY2022 Budget*	Q2FY2022 Projected Head Count	Q2FY2022 Projected	Variance (Head Count)	Variance \$
9100	Tuition to Mass. Schools	1	\$ 48,034	\$ 62,414	1	\$ 57,184	1	\$ 58,716	-	\$ (1,532)
9200	Tuition to Out-of-State Schools	4	\$ 306,642	\$ 174,753	1	\$ 92,006	2	\$ 141,378	1	\$ (49,372)
9300	Tuition to Non-Public Schools	62	\$ 6,425,136	\$ 6,703,676	73	\$ 6,744,862	74	\$ 6,560,724	1	\$ 184,138
9400	Tuition to Collaboratives	3	\$ 141,188	\$ 338,113	5	\$ 250,675	5	\$ 301,702	-	\$ (51,027)
Total		70	\$ 6,921,000	\$ 7,278,956	80	\$ 7,144,727	82	\$ 7,062,520	2	\$ 82,207

The third quarter projection includes all students currently at out of district placements, retroactive settlements, and the actual costs associated with students who have left placement since the beginning of the school year. While we continue to monitor potential additional outplacements (i.e.: 'The Watchlist'), the number of students currently placed out is stable. Additionally, of our 75 students currently in out of district placements, 20 are as a result of settlement agreements. We anticipate that there will be more settlements over the remainder of the school year, which will lead to a higher projection once those are negotiated.

Contracted Services (Non – Tuition)

Our contracted services projection continues to be on target as of 4/4/2022, but this expense is highly variable based on the predictability of services provided, particularly in regards to 45-day placements and the need for evaluations in other languages.

There are two specific areas of concern this year that are negatively affecting our budget.

First, our Translation Services expenses have more than doubled our budget allocation. Some of this is due to COVID-19 letters being sent out district wide, but mostly it's to translate documents used in IEP meetings / evaluations. We have taken a look at several strategies which might be able to mitigate some of these requests in conjunction with the Office of Teaching and Learning.

Second, our Legal Services expenses have exceeded our budget for the year. One-time federal funding has helped lower our expenses in therapeutic services, which has helped us balance out our contracted services accounts, but this is not a sustainable plan and additional revenues/efficiencies will need to be identified.

Service Name	FY22 Budget Submitted	FY22 Budget (MUNIS)	FY22 Projected	Variance
Online Books	\$ 67,000	\$ 67,000	\$ 28,381	\$ 38,619
Education Equip	\$ -	\$ -	\$ 1,491	\$ (1,491)
Software Licenses	\$ -	\$ -	\$ 11,719	\$ (11,719)
Other Rentals	\$ 750	\$ 750	\$ -	\$ 750
Office/Clerical Services	\$ 250	\$ 200	\$ 1,000	\$ (800)
Medical Hospital Services	\$ 69,000	\$ 69,000	\$ 78,713	\$ (9,713)
General Consulting Services	\$ 112,210	\$ 152,210	\$ 146,200	\$ 6,010
Professional Tech Services	\$ 83,506	\$ 123,506	\$ 79,799	\$ 43,707
Translation Services	\$ 40,000	\$ 42,470	\$ 98,072	\$ (55,602)
Legal Services	\$ 80,000	\$ 80,000	\$ 116,787	\$ (36,787)
School COVID-19 Testing	\$ -	\$ -	\$ 507	\$ (507)
Ancillary Therapy Services	\$ 310,000	\$ 230,000	\$ 171,629	\$ 58,371
Fields Trips (BHS)	\$ 7,000	\$ -	\$ 462	\$ (462)
Wireless Communications	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Banking Services	\$ -	\$ -	\$ 83	\$ (83)
	\$ 773,716	\$ 769,136	\$ 738,760	\$ 30,376

Additionally, we have not used any of the \$475,000 in the Special Education Reserve Fund budgeted in the Operating Budget.

April 1st has passed, and the ‘Move In Law’ is now in effect throughout the remainder of the fiscal year. The Move In Law applies to students who are in out of district placements and move from one Massachusetts city or town to another. The ‘sending district’ retains financial responsibility for tuitioned students who move after April 1st. We will continue to monitor the impact that new, unanticipated placements (students for out of state, or newly identified through our own IEP review) will have on the FY2022 Budget.

Other Factors/Concerns:

- There are students who are placed unilaterally by their parents out of district without the Districts approval. That number currently sits at 12 as of April 4th.
- The financial impact of new placements have a diminishing effect on the current years' budget as we move through the school year, but do result in a negative way on FY2023's budget projection as they will most likely attend that school for the entirety of next year.
- We currently have two students in 45-day placements. Often, these lead to additional placements out of district, which has financial implications not only in the current year, but against next years' budget and, cumulatively, ones going forward.
- FY2022's projection includes anticipated Program Reconstruction costs for students identified in those schools/programs. While these applications have not been approved yet by DESE, it is expected that they will cause future projections to rise depending on when and if they are approved and the effective date of the increased rate. We have 11 students who are currently in schools that were approved for Program Reconstruction this year.
- The FY2022 Initial Circuit Breaker Reimbursement Listing, is usually posted by DESE in mid to late October. Our net claim was \$4,147,387. The Department of Elementary and Secondary Education announced on September 28th that circuit breaker would be reimbursed at 75% for last year's claim for both tuition and transportation costs, which makes our reimbursement amount \$3,124,541.
- FY2023's budget will factor in the Program Reconstruction costs we anticipate will happen next year. Currently, there are 20 programs that have applied for increases above the annual percentage increases that occur from year to year, as approved by the Operational Services Division of the Commonwealth of Massachusetts. Presently, we have 16 students in programs that will see a rise in tuition costs above the 2.54% approved rate of inflation by OSD for FY2023. As these requests are approved (and the rate increases finalized), this will help inform our budget impact for next year.

Special Education Transportation

Currently, our special education transportation projection reflects a surplus of \$120,557 as of the end of the 3rd Quarter, with spending of \$2,378,281 against a budget of \$2,498,838. With only three months left in the fiscal year, this number appears relatively stable. If additional transportation is needed for newly identified students/additional routes, the impact for this year should be minimal.

