

School Committee Finance Subcommittee
Friday, May 29, 2020
8:00 AM-12:00 PM
Remote by Webex Event

Finance Subcommittee members present: Susan Wolf Ditkoff (Chair), Sharon Abramowitz, Suzanne Federspiel, and David Pearlman.

Other School Committee members present: Julie Schreiner-Oldham and Helen Charlupski.

Staff present: Ben Lummis, Mary Ellen Normen, Casey Ngo-Miller, Donna Chisholm, and Robin Coyne.

Others present: Advisory Committee members Michael Sandman, Cliff Brown, Dennis Doughty, David Lescohier, and Paul Warner.

Ms. Ditkoff called the meeting to order at 8:00 AM.

1) FY 2020 Budget Update

Ms. Normen provided an update on the FY 2020 Budget, including COVID-19 related expenses (Attachment A). The projected deficit is \$1,468,698. This amount includes \$470,000 in reserves for unknown and unanticipated expenses. Ms. Normen summarized efforts to close out the FY 2020 Budget. Members requested increased scrutiny of Services accounts for any possible savings. The Subcommittee discussed possible sources of external funding, including the Reserve Fund. In response to a question, Ms. Normen provided an update on efforts to work with the bus companies to try to mitigate expenses.

2) FY 2021 Budget Update

Mr. Lummis provided an update on the FY 2021 Budget. On June 1, 2020, he will be presenting the Interim Superintendent's Recommended FY 2021 Budget. His presentation will note the following: the challenges of building a budget when there is so much uncertainty; budget and planning assumptions (e.g., the need to build a budget with maximum flexibility), budget planning priorities for a COVID-19 School Year, and categories of reductions/savings/cuts (including proposed reductions in central administration).

Mr. Lummis provided an update on the issuance of Reduction in Force (RIF) notices. The Subcommittee discussed the fear, anxiety, and uncertainty caused by these notices and discussed sending a letter to explain the circumstances that necessitated the notices, clarify the implications, identify the steps being taken to try to address the budget challenges, and note efforts and possible paths forward to recall as many employees as possible as quickly as possible.

On a motion of Ms. Ditkoff and seconded by Mr. Pearlman, the Finance Subcommittee voted, with a vote of 3 in favor (Ms. Ditkoff, Dr. Abramowitz, and Mr. Pearlman), 1 opposed (Ms. Federspiel), and 0 abstentions, to request that the School Committee Chair

and Vice Chair send a communication on behalf of the School Committee regarding the RIF notices, per the discussion above.

3) Review/Approval of May 19, 2020 Finance Subcommittee Meeting Minutes

On a motion of Ms. Ditkoff and seconded by Mr. Pearlman, the Finance Subcommittee voted unanimously (by roll call) to approve the May 19, 2020 Finance Subcommittee meeting minutes.

4) Possible Executive Session

By unanimous roll call vote at 9:00 AM, the Finance Subcommittee entered into Executive Session pursuant to Massachusetts General laws chapter 30A section 21(a) for Purpose 2, to conduct strategy sessions in preparation for negotiations with nonunion personnel (non-aligned personnel; for Purpose 3, to discuss strategy with respect to collective bargaining with the Brookline Educators Union (BEU) (Unit A, Unit B, and Paraprofessionals), and with AFSCME (Building Service Employees, Brookline Educational Secretaries Association, and School Food Service Employees) because the Chair declared that an open meeting may have a detrimental effect on the bargaining or litigating position of the public body; and for Purpose 7, to review and approve executive session minutes from the following meeting: May 11, 2020. Ms. Ditkoff announced that the meeting will not reconvene in open session at the end of the Executive Session. By unanimous roll call vote at 12:00 PM, the Finance Subcommittee reconvened in public session for the purpose of adjournment.

The meeting adjourned at 12:00 PM.

| | 5/19/20 | 5/28/20 | Change | |
|-----------------------------------------------------|------------------------------------------------|-----------------------|------------------|---------------------------|
| Total Deficit | \$ (1,515,131) | \$ (1,468,698) | \$ 46,433 | |
| COVID-19 Related Expense | \$ 300,909 | \$ 705,571 | \$ 404,662 | Will Continue to increase |
| Unknown/Unanticipated | \$ 960,845 | \$ 470,000 | \$ (490,845) | |
| Food Service Deficit | \$ 788,667 | \$ 290,391 | \$ (498,276) | Moved \$225K to COVID-19 |
| BEEP Deficit | \$ 711,391 | \$ 712,726 | \$ 1,335 | |
| Rental of Facilities Deficits | | | \$ - | Recon Pending Review |
| Grant Deficits | | | \$ - | Recon Pending Review |
| What fund balance could be | \$ 1,246,681 | \$ 709,990 | \$ (536,691) | |
| | | | | |
| Change in Expenses | | | | |
| Personnel | \$ 106,033,997 | \$ 107,116,511 | \$ 1,082,514 | |
| Total YTD Expenses | \$ 15,347,787 | \$ 14,218,840 | \$ (1,128,947) | |
| Total Estimated Expenditures | \$ 121,381,784 | \$ 121,335,351 | \$ (46,433) | |
| | | | | |
| Total Revenue | \$ 119,866,653 | \$ 119,866,653 | \$ - | |
| | | | | |
| | \$ (1,515,131) | \$ (1,468,698) | \$ 46,433 | |
| | | | | |
| Notes: | | | | |
| | | | | |
| COVID-19 | Will continue to rise and can not be projected | | | |
| Unknown and Unanticipated Payroll Hours | | | TBD | |
| Funds Held in Reserve for Unknown and Unanticipated | | | \$470,000 | |

Copy of FY 20 Budget Closing Analysis and Reporting

| Projected Year End | Original Approp | Transfer/ Adjustments | Revised Budget | YTD Expended | Enc/Req | Balance Available | 5/28-6/30 Projection | (Over)/ Under Available Funds | Total Year End Projection (E+F+H) | (Over)/ Under Budget |
|-----------------------------------------------------------------------|-----------------|-----------------------|----------------|------------------------|--------------|-------------------------------|----------------------|-------------------------------|-----------------------------------|----------------------|
| Operating Budget | | | | <i>as of 5/28/2020</i> | | <i>Budget Freeze 4/8/2020</i> | | | | |
| 51 Salaries | \$ 103,296,766 | \$ 14,865 | \$ 103,311,631 | \$ 92,710,930 | \$ - | \$ 10,600,701 | \$ 12,651,528 | \$ (2,050,827) | \$ 105,362,458 | \$ (2,050,827) |
| 52 Outside Services | \$ 9,732,770 | \$ 407,382 | \$ 10,140,152 | \$ 7,953,050 | \$ 1,418,829 | \$ 768,273 | \$ 187,865 | \$ 580,408 | \$ 9,559,744 | \$ 580,408 |
| 53 Supplies | \$ 1,799,606 | \$ 116,248 | \$ 1,915,854 | \$ 1,168,451 | \$ 171,642 | \$ 575,762 | \$ 275,000 | \$ 300,762 | \$ 1,615,092 | \$ 300,762 |
| 55 Other Charges | \$ 1,280,371 | \$ (473,900) | \$ 806,471 | \$ 256,725 | \$ 54,091 | \$ 495,654 | | \$ 495,654 | \$ 310,817 | \$ 495,654 |
| 56 Utilities | \$ 10,350 | \$ - | \$ 10,350 | \$ 6,027 | \$ 4,323 | \$ - | | \$ - | \$ 10,350 | \$ - |
| 5A Budgeted Capital | \$ 1,234,348 | \$ (33,700) | \$ 1,200,648 | \$ 1,004,590 | \$ 37,905 | \$ 158,153 | | \$ 158,153 | \$ 1,042,495 | \$ 158,153 |
| | \$ 117,354,211 | \$ 30,895 | \$ 117,385,106 | \$ 103,099,773 | \$ 1,686,790 | \$ 12,598,543 | \$ 13,114,392 | \$ (515,850) | \$ 117,900,956 | \$ (515,850) |
| Special Revenue Offset Accounts (Revolving Funds & Grants) | | | | | | | | | | |
| 51 Salaries | \$ 717,523 | \$ (207,523) | \$ 510,000 | \$ 15,285 | | \$ 494,715 | \$ 1,738,768 | \$ (1,244,053) | \$ 1,754,053 | \$ (1,244,053) |
| 52 Outside Services (SEB3) | \$ 1,769,814 | \$ 201,733 | \$ 1,971,547 | \$ 1,031,264 | \$ 649,078 | \$ 291,205 | | \$ 291,205 | \$ 1,680,342 | \$ 291,205 |
| 53 Supplies | \$ 33,891 | \$ (33,891) | | | | | | | | |
| 55 Other Charges | \$ (188,508) | \$ 188,508 | | | | | | | | |
| 56 Utilities | \$ - | \$ - | | | | | | | | |
| 5A Budgeted Capital | \$ (42,663) | \$ 42,663 | | | | | | | | |
| | \$ 2,290,057 | \$ 191,490 | \$ 2,481,547 | \$ 1,046,549 | \$ 649,078 | \$ 785,919 | \$ 1,738,768 | \$ (952,848) | \$ 3,434,395 | \$ (952,848) |
| Budget Summary As Presented | | | | | | | | | | |
| 51 Salaries | \$ 104,014,289 | \$ (192,658) | \$ 103,821,631 | \$ 92,726,216 | \$ - | \$ 11,095,415 | \$ 14,390,295 | \$ (3,294,880) | \$ 107,116,511 | \$ (3,294,880) |
| 52 Outside Services | \$ 11,699,864 | \$ 411,835 | \$ 12,111,699 | \$ 8,984,314 | \$ 2,067,907 | \$ 1,059,478 | \$ 187,865 | \$ 871,613 | \$ 11,240,086 | \$ 871,613 |
| 53 Supplies | \$ 1,833,497 | \$ 82,357 | \$ 1,915,854 | \$ 1,168,451 | \$ 171,642 | \$ 575,762 | \$ 275,000 | \$ 300,762 | \$ 1,615,092 | \$ 300,762 |
| 55 Other Charges | \$ 1,091,863 | \$ (285,392) | \$ 806,471 | \$ 256,725 | \$ 54,091 | \$ 495,654 | \$ - | \$ 495,654 | \$ 310,817 | \$ 495,654 |
| 56 Utilities | \$ 10,350 | \$ - | \$ 10,350 | \$ 6,027 | \$ 4,323 | \$ - | \$ - | \$ - | \$ 10,350 | \$ - |
| 5A Budgeted Capital | \$ 1,191,685 | \$ 8,963 | \$ 1,200,648 | \$ 1,004,590 | \$ 37,905 | \$ 158,153 | \$ - | \$ 158,153 | \$ 1,042,495 | \$ 158,153 |
| | \$ 119,841,548 | \$ 25,105 | \$ 119,866,653 | \$ 104,146,322 | \$ 2,335,869 | \$ 13,384,462 | \$ 14,853,160 | \$ (1,468,698) | \$ 121,335,351 | \$ (1,468,698) |

Copy of FY 20 Budget Closing Analysis and Reporting

| Revenue Offsets | Original Approp | Transfer/ Adjustments | Revised Budget | | | | 4th Qtr Projection |
|------------------------------|-----------------|-----------------------|-------------------|------------------|----------------|-----------------|----------------------------------|
| Town Appropriation | \$ 117,354,211 | \$ 30,895 | \$ 117,385,106 | | | | \$ 117,385,106 |
| Materials Fee/Tuition (SE52) | \$ 717,523 | \$(207,523) | \$ 510,000 | | | | \$ 510,000 |
| Circuit Breaker | \$ 1,769,814 | \$ 201,733 | \$ 1,971,547 | | | | \$ 1,971,547 |
| Revolving Fund Reimbursement | | | | | | | |
| Other Revenue | | | | | | | |
| Total Revenue | \$ 119,841,548 | \$ 25,105 | \$ 119,866,653 | \$ - | \$ - | \$ - | \$ 119,866,653 |
| | \$ - | | \$ - | \$ (104,146,322) | \$ (2,335,869) | \$ (14,853,160) | GAP \$ (1,468,698) \$ (0) |
| | | | | as of | | | 5/28/2020 |

Public Schools of Brookline FY 2020 Budget Update

Year End Projection Detail

| Year End | BUDGET FREEZE: APRIL 8 COVID-19: MARCH 13 - JUNE 30 | Year End Projection | 5/28/20 |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------|------------------------------------------|
| 51 Salaries | (unbooked) | \$ 13,161,528 | |
| Estimated June Payrolls | | \$ 11,461,528 | |
| Unknown Unanticipated Add Comp (Stipends, unsubmitted hours/days,etc) | | \$ 220,000 | |
| Accrual Buy Back | | \$ 380,000 | further study |
| Estimated Payroll remaining for May | | | |
| Non- Aligned COLA (2%) | | \$ 100,000 | |
| BEU 1.5% Pay Increase MOA | | \$ 1,000,000 | |
| Custodial Double Pay for Cleaning (Total Paid to date:) May 14 - June 30 | | | Balance unpaid \$323,396 |
| Re-Open for Employee work and closing | | | |
| Long Term Substitutes Projection | | | Reduced for double count |
| 52 Outside Servi | (unbooked) | \$ 187,865 | |
| Simmons College - UnPaid Bill | | \$ 51,250 | |
| EDCO Settlement | | | Enc/Paid \$ 24,630 |
| Allocating Expenses for software and training that is now needed due to closure | | | Enc/Paid \$104,909 |
| Translation Services | | \$ 36,615 | NEW |
| Special Education Contract Reserve | | \$ 100,000 | Enc/Paid \$ 75,000 |
| Circuit Breaker Eligible Services | | | * |
| 53 Supplies | (unbooked) | \$ 275,000 | |
| Unknown Unanticipated Supplies and Materials without POs | | \$ 250,000 | * \$250,000 |
| Estimated Products on hand consumed by accelerated cleaning, disinfecting and hand washing = | | \$25,000 | Orders Pending \$105,000 |
| Estimated School Requisitions and Quotes over last 3 weeks, some quotes still in transit = | | | \$ 42,000 |
| 55 Other Charges | | | |
| 56 Utilities | | | |
| 5A Budgeted Capital | | | |
| Estimated Expenditures reserved for Projection | | \$ 13,624,392 | |
| | | | HOLDING \$470,000 |
| Revolving Fund Deficits | | | |
| Food Service Pay for Lunches (COVID-19) | | \$ 516,042 | Food Service Budget Deficit |
| Revolving Funds Deficits (BEEP) Suspension of Tuition April/May/June | | \$ 712,726 | |
| Revolving Funds Deficits (Rental of Facilities) - COVID-19 | | | Fund Balance Projected to cover Salaries |
| Grant Deficits in Personnel not reduced by Expenses | | | *New Reserve Hold Back |
| | | \$ 1,228,768 | |
| | | \$ 14,853,160 | |

| Deficit | \$ (1,468,698) | Potentially Eligible Costs | \$ | Special Revenue Funds | \$ | | |
|---------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------|------------------|------------------------------------|--------------------|--------------------|-----------------|
| | | Custodial Double Time for Cleaning - 3/17/20-5/28/20 | \$323,396 | BEEP Revolving Fund | \$ 712,726 | | Loss of revenue |
| FEMA/MEMA/ Cares Act Town | TBD \$ 5,200,000 | Food Service Work to provide Lunches (3/13-6/30) | \$225,651 | Food Service Program | \$ 290,391 | \$ 516,042 | Total Deficit |
| | | Special Education Supplies | \$ 15,000 | Rental of Facilities | \$ 90,000 | | Recon Pending |
| Cares Act School | \$ 433,000 | Translation Services | \$ 36,615 | Grant Personnel | \$115,000 | | Recon Pending |
| | | Software Acquisitions | \$104,909 | | | | |
| | | Total Projected Eligible FEMA/MEMA Costs | \$705,571 | Total Revolving Fund/Grants | \$1,208,117 | \$1,913,688 | |
| DESE Guidance Impacting Decision Making | | | | | | | |
| Payments to Hourly Employees — March 20, 2020 | | | | | | | |
| Update for Private Schools — March 19, 2020 | | | | | | | |
| Recommendation on Payments for Contracted Services — March 27, 2020 | | | | | | | |
| USDA Reimbursements for All Districts and Online Advanced Placement Tutoring — March 30, 2020 | | | | | | | |
| Pandemic Electronic Benefit Transfer (P-EBT) — April 14, 2020 | | | | | | | |
| Special Education Tuition Guidance from the Operational Services Division — April 17, 2020 | | | | | | | |
| FEMA Disaster Reimbursement — April 27, 2020 | | | | | | | |
| CARES Act RFP Available — May 8, 2020 | | | | | | | |
| New SOA Plan Deadline — May 14, 2020 | | | | | | | |
| Upcoming Grant for Summer and Vacation Programs — May 22, 2020 | | | | | | | |

| Financing Plan | | Projected Deficit Balance | COVID 19* as of 5/21/20 | Net Projected Operating Budget Deficit (available balance) | Actions | Options |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating Budget | | \$ 515,850 | \$ 479,920 | \$ 35,930 | Budget Freeze April 8, Reducing Purchase Orders, Canceling Orders, Froze vacant positions, Released Circuit Breaker to be expended in full, Senior Staff reviews all purchasing requests, Holding \$570k of the original \$960k for unanticipated and unknown | Operating Budget allowed to be in deficit for all FEMA/MEMA eligible expenses. Waiting for DLS guidance on how to handle these expenses for filing FEMA/MEMA Applications |
| Circuit Breaker Tuition Offset | | \$ (291,205) | | \$ (291,205) | In the process of reclassifying Purchase Orders from Operating Budget to Circuit Breaker Account | Submitted and waiting for Town Comptroller's Office to complete the reclassification of Purchase Orders |
| Grant Fund Deficits (projection) *NEW | | | | \$ - | Eliminating Expenditures and amending to pay salaries not adjusted to the grant budget | No grant is accepted unless there is a balanced budget which includes absorbing staffing costs. Staffing deficits need to be declared and reviewed as part of the next year's budget development. Before each school year. |
| Operating Budget | | \$ 224,645 | \$ 479,920 | \$ (255,275) | | |
| Funding of Revolving Fund Revenue Challenges | | | | | | |
| | BEEP | \$ 712,726 | | \$ 712,726 | Combination of lost revenue and reconciliation of Payroll. Staffing needed to be shifted to Operating Budget | Amortize the deficit, Layoff employees (BEEP PARA), Working on a full reconciliation of positions being charged and overcharging of positions to the revolving fund that should be charged to the Operating Budget |
| | Rental of Facilities | | | \$ - | Loss of Rental Of Facilities Revenue and Net Payroll impact of 3.5 Custodians | Furlough and Layoff until buildings re-open for rental. Move Custodial Supervisor to Operating Budget for FY 21 |
| | Food Service | \$ 516,042 | \$ 225,651 | \$ 290,391 | Loss of School Lunch Revenue, Reimbursement for meals currently being prepared does not fully fund the meals being provided and offered. | Waiting for DLS guidance on how to handle these expenses for filing FEMA/MEMA Applications. Amortize the deficit due to payment of employees while not working, Layoff all employees except for 8-10 to run a COVID-19 program |
| Revolving Fund Projected Deficit | | \$ 1,228,768 | \$ 225,651 | \$ 1,003,117 | | |
| Total Projected Deficit | | \$ 1,453,412 | \$ 705,571 | \$ 747,842 | | |
| *Tuition offset expenses is the difference | | | | | | |
| Additional Action Steps and Guidance Being Followed: | | | | | | |
| Support for Finance Team | Hired retired school business administrator 10 -15 hours/week to backfill vacancy and assist Deputy and expedite reconciliations and payroll projections for Grants, Revolving Funds, and Payroll projections | | | | | |
| Following and Preparing for External Funding Applications | | | | | | |
| | | Applications due for FY 20 | End of Fiscal Year | Applications due for FY 21 | | |
| TOB Reserve Fund Transfer | | June 1, 2020 | July 7, 2020 | | | |
| FEMA/MEMA/ | TBD | June 15, 2020 | | TBD | | |
| Cares Act Town | \$ 5,200,000 | June 5, 2020 | | TBD | | |
| Cares Act School | \$ 433,000 | June 15, 2020 | | July 1, 2020 | | |
| DESE Guidance Impacting Decision Making during COVID-19 | | | | | | |
| | Payments to Hourly Employees — March 20, 2020 | | | | | |
| | Update for Private Schools — March 19, 2020 | | | | | |
| | Recommendation on Payments for Contracted Services — March 27, 2020 | | | | | |
| | USDA Reimbursements for All Districts and Online Advanced Placement Tutoring — March 30, 2020 | | | | | |
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| | Special Education Tuition Guidance from the Operational Services Division — April 17, 2020 | | | | | |
| | FEMA Disaster Reimbursement — April 27, 2020 | | | | | |
| | CARES Act RFP Available — May 8, 2020 | | | | | |
| | New SOA Plan Deadline — May 14, 2020 | | | | | |
| | Upcoming Grant for Summer and Vacation Programs — May 22, 2020 | | | | | |