

ARTICLE 37

PETITIONER'S EXPLANATION

This Warrant Article is a resolution that would call for a detailed review of the Brookline School Department budget and budgetary practices and priorities to ensure that these conform to M.G.L. c. 71 and other applicable statutory requirements. M.G.L. c. 71, Section 34, states:

“Every city and town shall annually provide an amount of money sufficient for the support of the public schools as required by this chapter, provided however, that no city or town shall be required to provide more money for the support of the public schools than is appropriated by vote of the legislative body of the city or town. In acting on appropriations for educational costs, the city or town appropriating body shall vote on the total amount of the appropriations requested and shall not allocate appropriations among accounts or place any restriction on such appropriations. The superintendent of schools in any city or town may address the local appropriating authority prior to any action on the school budget as recommended by the school committee notwithstanding his place of residence. The city or town appropriating body may make nonbinding monetary recommendations to increase or decrease certain items allocating such appropriations. The vote of the legislative body of a city or town shall establish the total appropriation for the support of the public schools, but may not limit the authority of the school committee to determine expenditures within the total appropriation. (Emphasis supplied.)

The Town Administrator Act, Chapter 270, Acts of 1985 Section 2(f) (as amended), states that the Town Administrator is responsible for the "formulation of the annual financial plan, including detailed projections of all revenues and expenditures."

Pursuant to Article 2.2 Section 2.2.5 of the Town's General By-laws, "The Advisory Committee shall submit a budget at the annual town meeting. It may examine the books and records of any board, committee or officer of the town so far as permitted by law."

Thus, Town Meeting, and not the School Committee or School Department, has the sole authority and responsibility to review, modify, and ultimately to approve all components of the Town's operating and capital budgets and other related financial decisions. Under relevant legislation, the proposed annual budget is prepared by the Town Administrator and staff, then provided to the Advisory Committee where its details are examined and, in some cases, modified, and ultimately presented at the Annual Town Meeting for approval by Town Meeting. Subject to procedures established by the Moderator, individual Town Meeting Members may offer motions to modify specific elements of the proposed budget, which motions are then also subject to Town Meeting approval.

The Town Administrator and staff, at the highest level, confer with individual department heads and other senior department staff and, based thereon, recommend allocations of total Town revenues among the various Town departments. Below these Department-level allocations, the

Town Administrator's budget recommendation also includes line-item allocations within individual Departmental budgets. The Advisory Committee's review similarly involves a line-item level examination of the proposed operating expenditures with input from individual Department heads and senior staff. The AC's recommendations may involve downward or upward adjustments to the individual line-item amounts and to overall Department level allocations.

In the case of the School Department budget, however, the process is considerably different. As noted above, approval of the total School Department budget, like all other Departmental budgets, lies unambiguously within the purview and scope of the Town's legislative body -- Town Meeting. However, the allocation of individual expenditures within the School Department budget is the sole responsibility of the School Committee, not Town Meeting. But it is Town Meeting, not the School Department, that is authorized to determine the total School Department allocation.

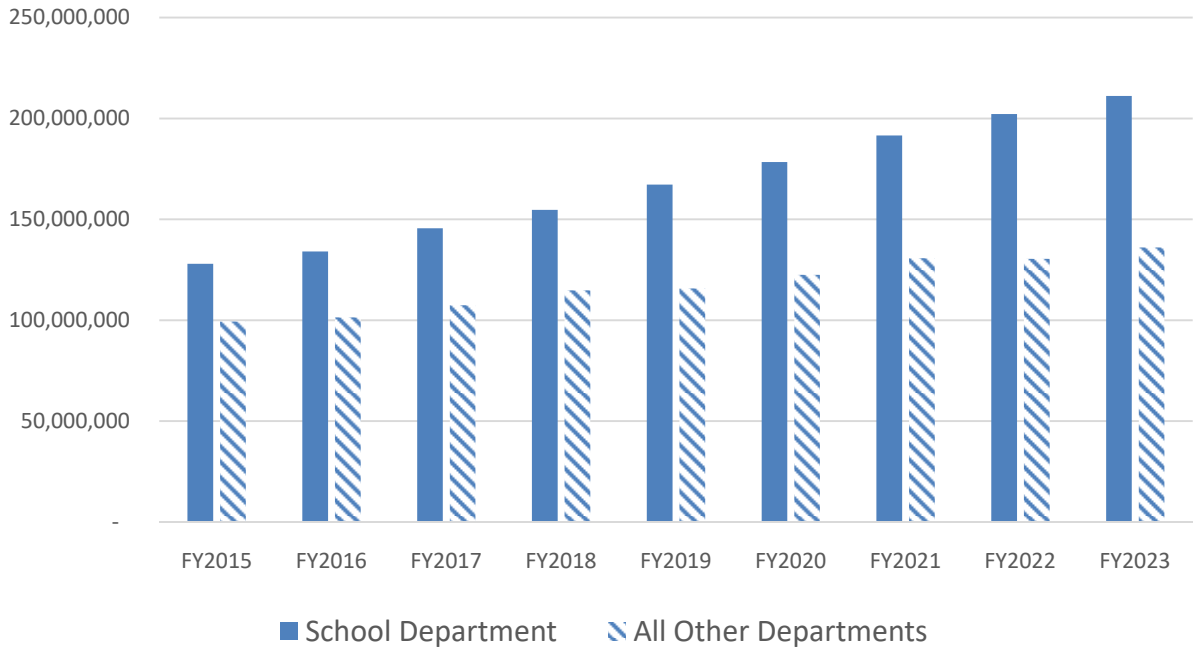
The Brookline School Department's budget has been increasing at a far greater rate than that of all other Town Departments, and has been afforded an ever-increasing share of total Town operating revenues.

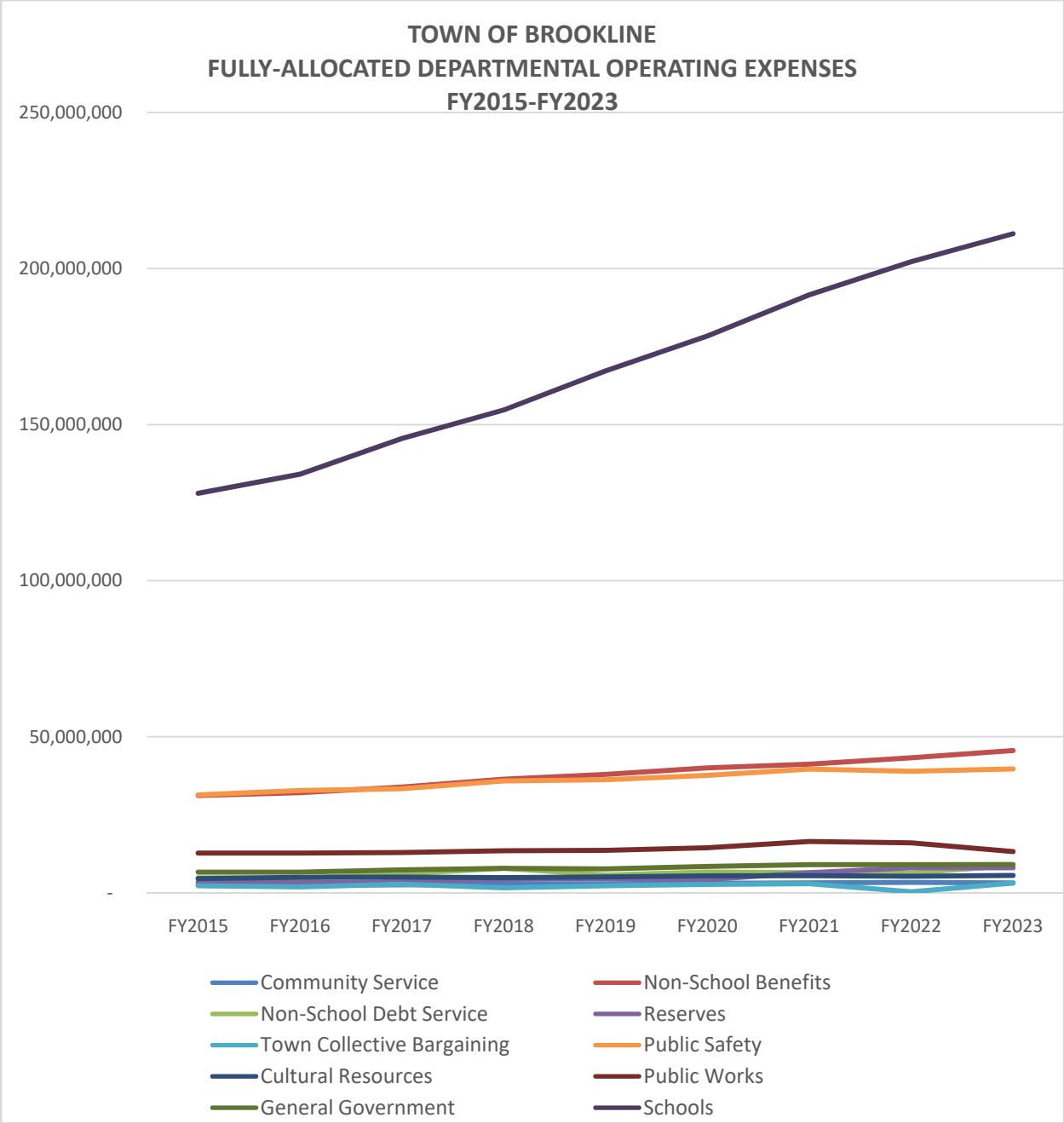
In addition to supporting the Town's public schools, the Town also provides a broad array of public services to its residents and businesses. These include Public Safety (police and fire), Public Works (street maintenance, snow plowing, trash collection, water and sewer), Public Health, Veterans services, Parks and Recreation, among others. Creating a budget for the Town involves making trade-offs among potentially competing needs for the Town's limited financial and other resources. Such inter-functional tradeoffs are a central part of the overall budget process. Put differently, as the Schools demand and receive an ever-increasing proportion of the Town's total operating budget, that much less is then available, in the aggregate, for the Town's Public Safety Departments, for necessary Public Works, for Public Health services, , and for all other non-School Town functions.

Since FY15, the Public Schools of Brookline's (PSB) share of the total Town operating budget has risen steadily, from 56.3% in FY15 to 60.8% in FY23. The following chart compares the growth in PSB and Non-PSB Town budgeted amounts over the FY2015 through FY2023 periods, and shows how the Schools' funding growth has far exceeded the funds available to all other Town Departments and services:

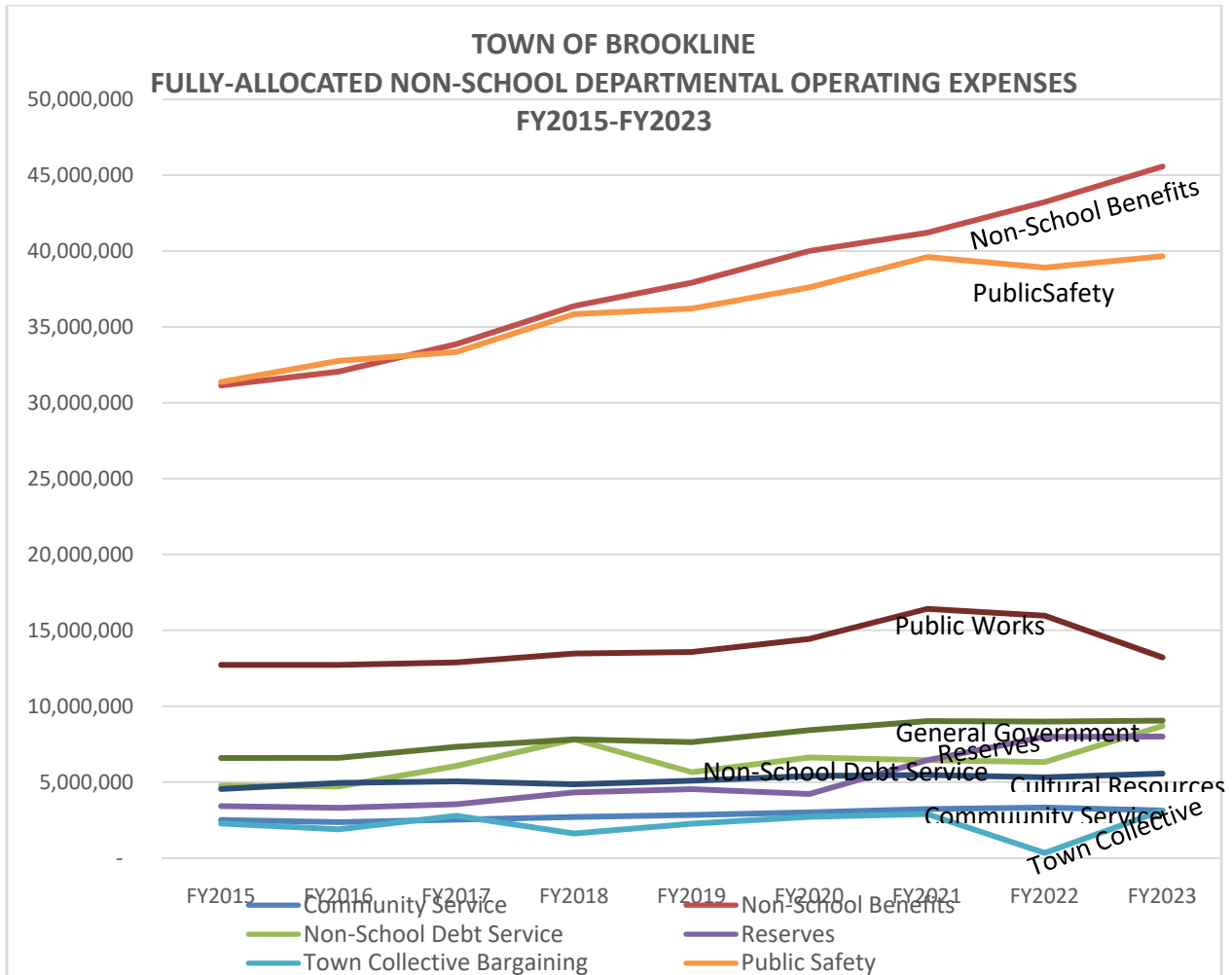
The Figure below provides department-level expenditure growth over this same FY2015 to FY 2023 period. School Department spending has far outpaced that of all other departments.

**TOWN OF BROOKLINE
CHANGE IN FULLY ALLOCATED DEPARTMENTAL OPERATING EXPENSES
FY15-FY23**





The next chart below provides the same data, but without the School Department component, and thus highlights how the individual non-School Town departments have been forced to make do with year-over-year budget increases that have in almost all instances been far less than the growth in the overall Town budget and revenues and, in fact, have often failed even to keep pace with year-over-year inflation:



PSB fully-allocated operating expenses, as estimated from the Town Budget documents increased 65.0%, from \$127.98-million in FY15 to \$211.17-million in FY23. Compare this change to the increases for all other (non-School) Town departments which, combined, experienced increases of only 36.9% over that same period:

CHANGE IN SCHOOL AND NON-SCHOOL FULLY-ALLOCATED DEPARTMENT COSTS FY15- FY23		
YEAR	SCHOOL DEPARTMENT	ALL OTHER DEPARTMENTS
FY15	127,986,490	99,342,977
FY16	134,115,723	101,352,831
FY17	145,553,938	107,396,569
FY18	154,683,018	114,799,592
FY10	167,226,192	115,728,448
FY20	178,393,117	122,438,446
FY21	191,581,948	130,726,506
FY22	202,226,071	130,382,598
FY23	211,173,407	136,027,680
Pct Change FY15-FY23	65.0%	36.9%

Source: Estimates based upon fully-allocated percentages of total operating expenses as provided in annual Town Financial Plans

The following table illustrates these budget amounts at the individual department level:

CHANGE IN FULLY-ALLOCATED DEPARTMENT COSTS FY15- FY23					
DEPARTMENT	FY2015	FY2016	FY2017	FY2018	FY2019
Community Service	2,500,624	2,357,043	2,526,978	2,694,826	2,829,546
Non-School Benefits	31,144,137	32,055,779	33,861,506	36,380,152	37,915,922
Non-School Debt Service	4,773,919	4,714,085	6,064,747	7,814,996	5,659,093
Reserves	3,409,942	3,299,860	3,537,769	4,311,722	4,527,274
Town Collective Bargaining	2,273,295	1,885,634	2,779,676	1,616,896	2,263,637
Public Safety	31,371,466	32,762,892	33,356,111	35,841,187	36,218,194
Cultural Resources	4,546,589	4,949,789	5,053,956	4,850,687	5,093,184
Public Works	12,730,450	12,728,030	12,887,588	13,474,131	13,581,823
General Government	6,592,555	6,599,719	7,328,236	7,814,996	7,639,775
Schools	127,986,490	134,115,723	145,553,938	154,683,018	167,226,192
TOTAL NON-SCHOOL	99,342,977	101,352,831	107,396,569	114,799,592	115,728,448
TOTAL OPERATING BUDGET	227,329,467	235,468,555	252,950,507	269,482,610	282,954,640
SCHOOL AS PECT OF TOTAL	56.3%	57.0%	57.5%	57.4%	59.1%

DEPARTMENT	FY2020	FY2021	FY2022	FY2023	PCT CHANGE FY15-FY23
Community Service	3,008,316	3,219,865	3,326,087	3,131,072	25.2%
Non-School Benefits	40,010,598	41,214,268	43,239,127	45,574,491	46.3%
Non-School Debt Service	6,618,294	6,439,729	6,319,565	8,697,422	82.2%
Reserves	4,211,642	6,439,729	7,982,608	8,001,628	134.7%
Town Collective Bargaining	2,707,484	2,897,878	332,609	3,131,072	37.7%
Public Safety	37,603,945	39,604,336	38,915,214	39,660,244	26.4%
Cultural Resources	5,414,968	5,473,770	5,321,739	5,566,350	22.4%
Public Works	14,439,915	16,421,310	15,965,216	13,220,081	3.8%
General Government	8,423,284	9,015,621	8,980,434	9,045,319	37.2%
Schools	178,393,117	191,581,948	202,226,071	211,173,407	65.0%
TOTAL NON-SCHOOL	122,438,446	130,726,506	130,382,598	136,027,680	36.9%
TOTAL OPERATING BUDGET	300,831,563	322,308,454	332,608,669	347,201,087	52.7%
SCHOOL AS PECT OF TOTAL	59.3%	59.4%	60.8%	60.8%	

Source: Estimates based upon fully-allocated percentages of total operating expenses as provided in annual Town Financial Plans

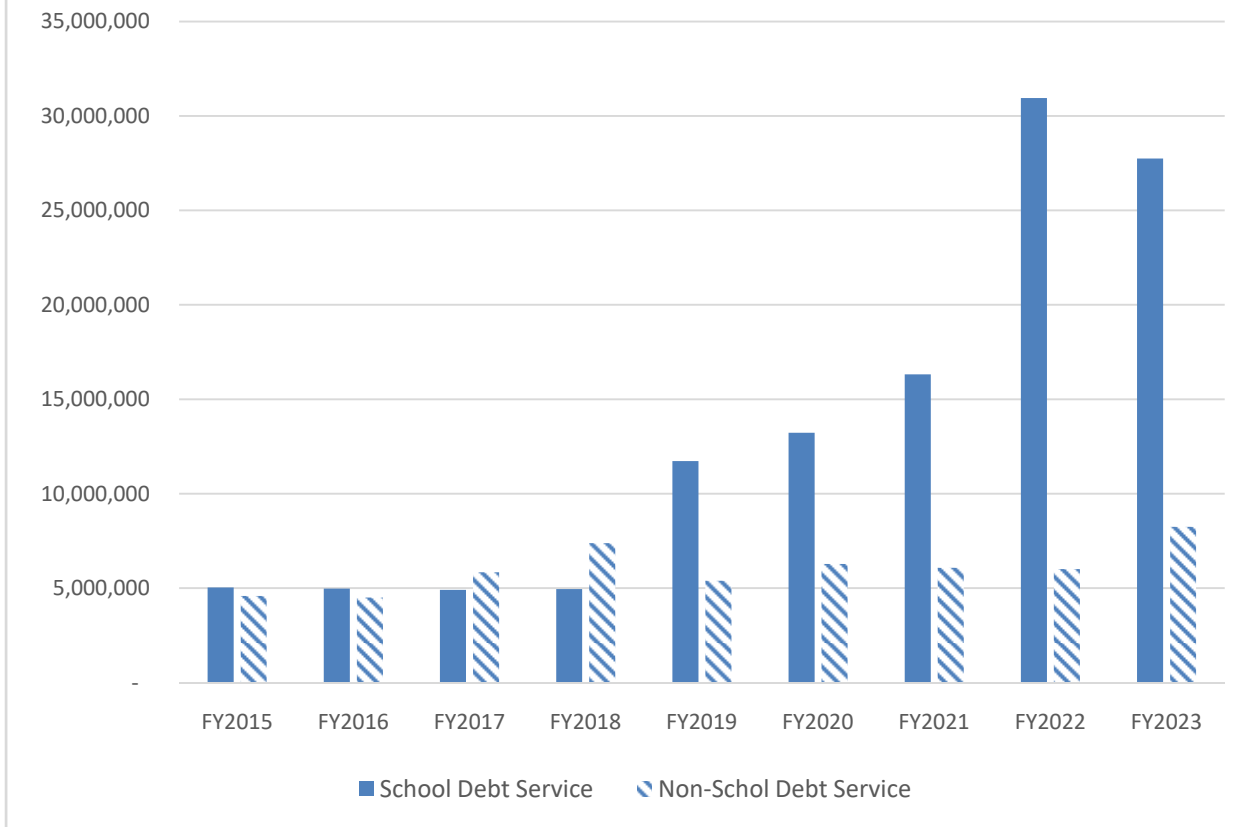
The Town of Brookline employs a budgetary process in which certain costs that can be directly associated with individual departments (e.g., employee pension and health benefits costs) are nonetheless excluded from the reported departmental budgets and are instead subject to an “allocation” much later in the process.¹ For example, for FY20, the School Department budget as shown in the Town’s Financial Plan is \$117,235,691. However, the School Department is required to report its total costs to the Massachusetts State Department of Elementary and Secondary Education (“DESE”) that include these additional cost categories. The DESE amount for FY20 (the most recent year for which DESE data is available) is shown as \$162,641,415, nearly 39% more than the amount shown in the Town’s FY20 Financial Plan. Adding to the confusion, the Town’s FY20 Financial Plan provides a chart showing the “Fully Allocated FY20 General Fund Operating Budget,” suggesting that 59.1% of the FY20 Operating Budget of \$285,487,527, or \$178,393,117, is associated with Brookline Schools.

This confusing method of reporting of School Department costs in the Town’s Annual Financial Plan, and its inconsistency with the cost figures that are required to be reported to DESE, further contribute to the difficulties created by the preemptive allocations to the School Department.

One key element of the extraordinary growth in School Department expenditures has been the tremendous jump in annual debt service payments (interest plus principal repayment) resulting from the string of debt exclusion overrides that were required to fund major school construction projects from Ridley and Runkle to the High School and Driscoll:

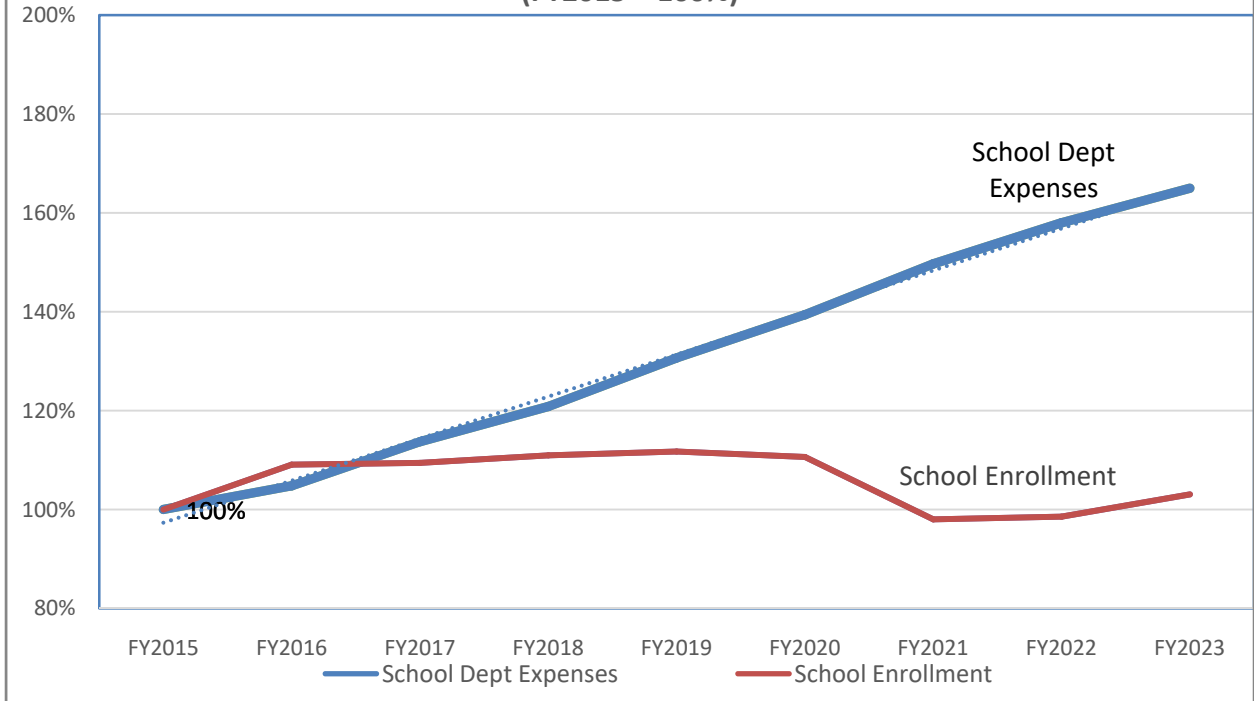
¹This budgeting process is a serious departure from standard cost accounting practice. Costs that can be directly associated with a specific functional area should be directly assigned to that function, not flowed indirectly through some type of often arbitrary “allocation.” Such “allocations” are appropriate only where the cost cannot be directly associated with a specific function, for example, the cost of the Town Administrator’s office. But costs such as pensions and health benefits can be directly assigned to the function whose personnel they benefit. Costs of such centralized functions as Human Resources can be directly assigned based upon headcounts. Costs such as the legal department can be directly assigned based upon time records. And so on. Brookline does this in some cases, but not in others. It is notable that the State Department of Elementary and Secondary Education (DESE) mandates cost reporting that is not consistent with the method used by the Town to identify School Department costs.

**TOWN OF BROOKLINE
SCHOOL AND NON-SCHOOL ANNUAL DEBT SERVICE PAYMENTS
FY15-FY23**

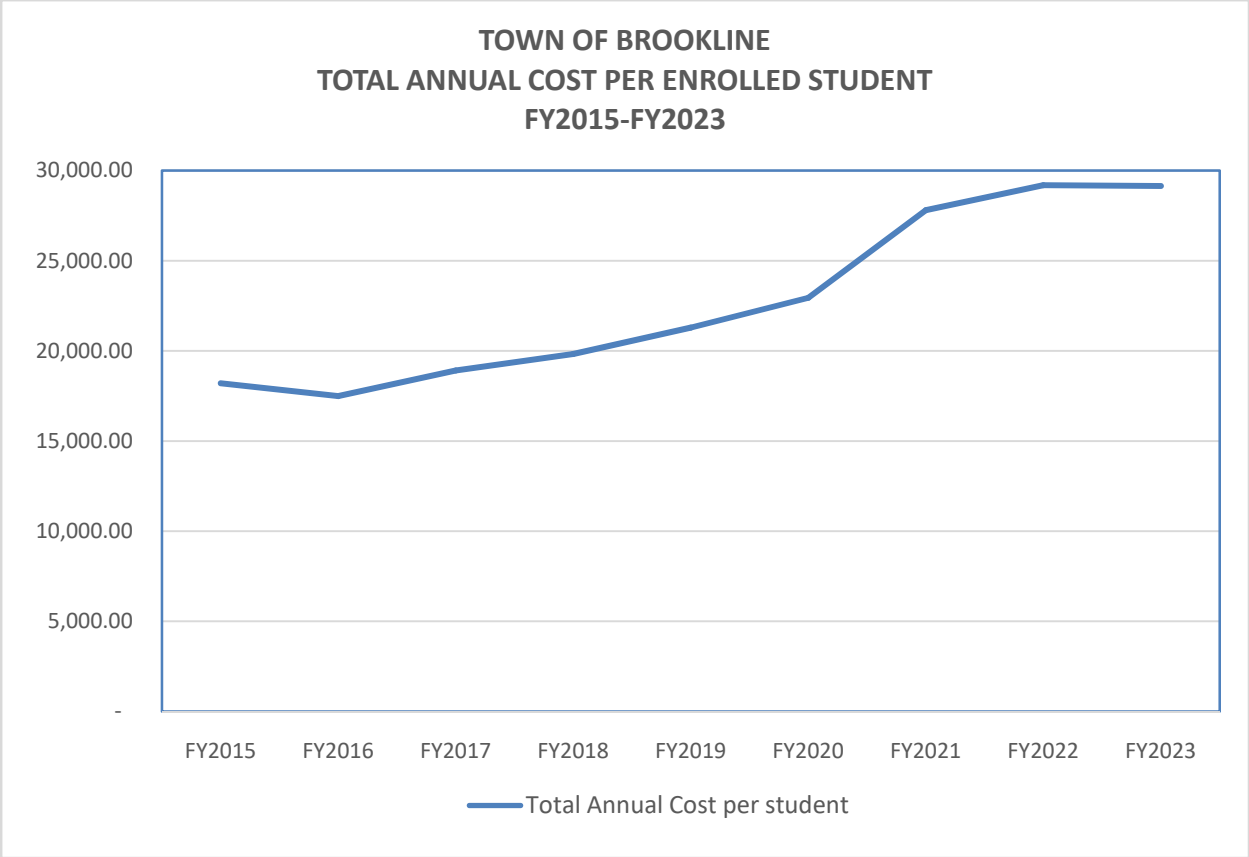


The School Department has long sought to justify its voracious appetite for massive budget increases on the basis of the high enrollment growth that it had been experiencing. However, projections of growth that were presented by the School Department to the 2014-15 Override Study Committee largely failed to materialize. In fact, Brookline Public School enrollment had remained largely unchanged over the 2015-16 to 2019-20 school years and, of even greater significance, enrollment experienced a precipitous 11.4% drop in the 2020-21 school year. This sharp drop in enrollment was attributed mainly to the effect of COVID-19 as many parents withdrew their children from public schools in favor of private schools that offered more robust remote and in-person learning environments. Enrollment increased slightly in the 2021-22 school year, and additional small increases are being projected by the PSB for 2022-23, but there is no expectation that enrollment will return to pre-COVID levels anytime soon. Notably, however, enrollment growth or, more accurately, the lack thereof, after 2015 cannot explain the persistently large year-to-year increases in the PSB’s budget demands. Moreover, starting in 2020-21, when enrollment began to fall, the level of School spending continued to rise:

**TOWN OF BROOKLINE
 CHANGE IN SCHOOL DEPARTMENT
 FULLY-ALLOCATED OPERATING EXPENSES VS. SCHOOL ENROLLMENT
 FY2015-FY2023
 (FY2015 = 100%)**



The large drop in enrollment, together with the escalating total cost of the Brookline Schools, has resulted in a huge jump in the total cost per student over the FY2015 to FY2023 period:



Based upon the School Department’s FY2023 enrollment and budget projections, the total (fully-allocated) cost per student in the Brookline Public Schools will reach \$29,143 for the 2022-23 school year, up some 60.1% over the corresponding \$18,206 FY15 level.

Conclusion

Town Meeting has a responsibility to assure that this pattern to School budget growth is justified and, even more important, that the forced limitations and reductions in other departmental budgets does not unduly impair their ability to meet their service obligations to the Town. It is critical that decisions as to the prioritization of Town resources across all Town Departments and functions be subject to review and approval by Town Meeting, and not be effectively preempted by the largely unchecked budget demands put forth by the Schools.

This Warrant Article would call on the Advisory Committee, acting in its capacity as the Town’s Finance Committee, to develop a detailed scope of a School Department budget review that would be undertaken by an outside consultant and be subject to oversight by the Advisory Committee. The Advisory Committee would be asked to develop a scope of work for the consultant, submit a proposed budget for the undertaking to be considered by Town Meeting in May 2023 for inclusion in the FY24 budget, prepare an RFP, select a consultant, and oversee the

Budget Review with the objective of applying the consultant's recommendations in time for the development of the FY25 School Department budget.