

TO: School Finance and Capital Subcommittee
Bella Wong, Superintendent of Schools

FROM: Susan Givens, Ed.D., Deputy Superintendent, Office of Administration and Finance

DATE: January 13, 2025

RE: **FY26 Financial Report, Quarter 2**

This report includes three documents that provide a snapshot of the financial position of PSB through the end of the second quarter of the fiscal year. The first two reports provide insight into the status of the general fund operating budget. The third report provides information on special revenue funds that support the financial plan for our educational programs. The financial reports include footnotes to explain variances. The narrative below provides a summary of highlights for the quarter along with areas that are being monitored closely.

Overall spending is on target with the financial plan approved for the year. At the end of this quarter, \$3,560,474 is left unencumbered, representing 2.49% of the general fund operating budget. This balance is higher than this time last year because there is no salary deficit.

General Fund Operating Budget - Salary Highlights

All known salary obligations are encumbered. At this time, salaries are running under budget by \$787,292 or 0.63%. This variance is due to the conscientious efforts of administrators who hired staff at or below the budget placeholder salary during the hiring season and unfilled positions.

Fourteen (14.2) FTE in new positions were added during the first two quarters; 5.2 were funded by eliminating/realigning positions; 2 were grant funded, and 7 were funded using extra sections. This leaves 1 professional staff FTE section (or 2 para FTE) available to address any student needs that arise during the remainder of the school year.

As noted in the Q1 report in November, the summer ESY program salaries were over budget by \$29,908; however, the Project Discovery summer program salaries were under budget by \$38,140. Though the ESY program is funded by the IDEA grant, any costs that exceed a grant allocation must be funded via the operating budget. This deficit is mitigated by the lower cost of Project Discovery.

The Title I grant allocation this year was higher than anticipated, allowing us to shift some staff from the operating budget to the grant (\$105,355). This windfall was offset by literacy curriculum and professional development costs that did not qualify for funding through the IDEA grant (\$100,000) as originally planned when the general fund budget was finalized. The literacy costs from the IDEA grant that were moved to the general fund are offset by the savings acquired by shifting some of the general fund salaries to the Title I grant.

General Fund Operating Budget - Non-Salary Highlights

Non-salary expenses represent a very small portion of the overall operating budget: 12.5% (\$17,780,793). The majority of these expenses (\$9,634,606 or 54%) fall into two categories: special education tuition and transportation. The remaining non salary budgets fund all other expenses including supplies, services, resources, field trips, etc. for the classroom, professional development, mileage reimbursement and LTD insurance for staff, and operational expenses such as licenses for standard administrative tools (Blackboard, ASPEN, Zoom, etc.), banking fees, attorney fees, etc. The largest portion of our unencumbered balance (\$2,773,182) is in non-salary expenses. These expenses and encumbrances increase as the year progresses as materials and services are needed.

The district is obligated to provide staff opportunities to earn PDPs to maintain their DESE licensure and to ensure all staff receive mandatory training. Funds for Education/Training/Conferences that support these activities were cut substantially during the budget process. Some essential staff training and curriculum development work was inadvertently cut from the budget. The deficit of \$57,574 in this area represents the cost for this work.

The deficit in the Transportation area is driven by three factors; 1) the elementary shuttle that was added in September to reduce the length of the route is not encumbered (\$35,000); 2) a significant increase in the McKinney-Vento student population (\$62,000); and 3) underfunding of special education transportation in the current year (\$270,503).

The copier leases, which are an OTL expense, but managed by the operations department did not get included in either office's budget. The leases are \$240,000 and must be funded. Expenses in the OSS budget for Health Services professional services were budgeted twice (\$450,000). The positive variance associated with double counting Health Services expenses will be transferred to pay for the copier leases.

Special Revenue Funds

The special revenue fund report provides insight into financial activity related to the grants and revolving funds that support our programs. As mentioned in the FY25 Q4 report, twenty-one (21) prior year grants have been closed which means that Federal grant spending is now current. During Q2 the following special revenue funds were closed: FY24 Title I, FY24 Title III, FY24 IDEA, FY26 PRISM and the BA&CE Revolving Fund. All FY26 Federal grants were submitted and approved prior to the start of the fiscal year and all related expenses are aligned accordingly.

Revenue projections and related budgets for fee-based programs have been updated (BEEP, Athletics, Use of Facility, and Circuit Breaker) to reflect mid-year trends. There are several noteworthy highlights in the revolving fund area.

The BA&CE program closed in deficit (est. \$30,531) and the final unfunded expenses have been paid through the operating budget.

BEEP's revenue estimate for the year has been lowered by \$189,178 to reflect fewer program seats available after classroom consolidations were implemented this year. Expenses charged against the fund are higher as well. At this time, the variance between revenue and expense is -\$105,286. The fund balance in the revolving fund is sufficient to absorb this variance.

The District received \$607,145 in unanticipated Circuit Breaker revenue in July when the state increased the reimbursement rate for FY25 transportation. In addition, our FY26 reimbursements are higher than anticipated by \$810,279. This additional revenue (\$1,417,424) will offset a significant portion of the \$1,943,063 structural deficit this year.

Summary

In summary, areas where there are budgetary shortfalls are offset by other areas where we are trending favorably. We will receive \$1,417,424 in additional Circuit Breaker (CB) revenue this year that will reduce the gap to \$525,639. The positive variance in the salary budgets is likely to remain true to the end of the year and are sufficient at this time to close the remaining funding gap for FY26.

Public Schools of Brookline

FY26 General Fund Financial Report, 2nd Quarter - Cost Center

December 31, 2025

Superintendent + SC	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	577,271	341,657	232,515	3,099	8
	Operating	46,150	37,783	5,928	2,439	8
<i>Superintendent + SC Total</i>		623,421	379,440	238,443	5,538	
Administration and Finance	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	6,325,218	2,950,949	3,214,999	159,270	1, 3
	Operating	3,676,118	2,102,486	1,014,181	559,450	14, 15
<i>Administration and Finance Total</i>		10,001,336	5,053,435	4,229,180	718,720	
Student Services	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	3,075,641	1,507,362	1,631,454	-63,175	3, 5
	Operating	10,950,140	4,180,201	5,544,795	1,225,143	11, 12
<i>Student Services Total</i>		14,025,781	5,687,563	7,176,250	1,161,968	
Teaching and Learning	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	4,460,489	2,198,688	2,226,284	35,517	3, 4, 6, 9
	Operating	505,594	388,451	60,881	54,923	12, 13
<i>Teaching and Learning Total</i>		4,966,083	2,587,138	2,287,165	90,440	
Brookline Early Education	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	3,674,667	1,592,327	2,186,006	-103,666	2, 3, 10
	Operating	89,975	16,660	607	72,708	
<i>Brookline Early Education Total</i>		3,764,642	1,608,987	2,186,613	-30,958	
Baker	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	9,830,149	4,151,026	5,587,955	91,168	1, 3, 4
	Operating	209,643	89,621	28,756	91,266	
<i>Baker Total</i>		10,039,792	4,240,647	5,616,711	182,434	
Driscoll	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	7,729,055	3,296,285	4,481,149	-48,379	1, 3
	Operating	169,896	75,367	23,520	71,008	
<i>Driscoll Total</i>		7,898,951	3,371,652	4,504,670	22,629	
Hayes	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	7,387,487	3,066,271	4,316,116	5,100	1, 3
	Operating	153,455	66,788	15,264	71,403	
<i>Hayes Total</i>		7,540,942	3,133,059	4,331,380	76,503	
Lawrence	Account	Budget	YTD Spent	Encumbrances	Variance	Footnote
	Salary	8,546,276	3,671,872	4,783,626	90,778	3
	Operating	216,262	91,180	22,584	102,498	
<i>Lawrence Total</i>		8,762,538	3,763,052	4,806,210	193,276	

Public Schools of Brookline

FY26 General Fund Financial Report, 2nd Quarter - Cost Center (continued)

December 31, 2025

Lincoln	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	9,136,884	3,813,398	5,152,651	170,835	1, 3
	Operating	165,290	83,958	16,705	64,627	
<i>Lincoln Total</i>		9,302,174	3,897,356	5,169,356	235,462	
Pierce	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	9,501,919	4,065,982	5,450,571	-14,634	1, 3
	Operating	189,860	88,308	26,780	74,771	
<i>Pierce Total</i>		9,691,779	4,154,291	5,477,351	60,137	
Ridley	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	12,714,742	5,326,272	7,069,584	318,886	3
	Operating	236,561	117,965	38,434	80,162	
<i>FRR Total</i>		12,951,303	5,444,237	7,108,018	399,048	
Runkle	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	9,678,882	4,131,512	5,455,107	92,263	1, 3
	Operating	150,266	73,813	23,074	53,379	
<i>Runkle Total</i>		9,829,148	4,205,325	5,478,181	145,642	
BHS	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	32,373,118	14,104,852	18,218,037	50,230	1, 3
	Operating	1,021,583	617,807	205,312	199,804	
<i>BHS Total</i>		33,394,701	14,722,658	18,423,349	250,034	
Grand Total	Account	Budget	YTD Spent	Encumbrances	Variance	
	Salary	125,011,798	54,218,451	70,006,055	787,292	
	Operating	17,780,793	8,030,388	7,026,823	2,723,581	
		142,792,591	62,248,840	77,032,877	3,510,873	

Footnotes

1. New position added from extra sections
2. All but 2 PT BEEP paras transitioned to FT per MOA with BEU
3. Breakage: Difference between budgeted salary for a position and the actual salary. These variations occur when a position is temporarily unfilled or the salary of a new hire is different than the salary in the budget.
4. Reallocation of an operating expense to a special revenue fund.
5. ESY summer program exceeded the IDEA grant allocation for staff wages.
6. Literacy program curriculum and professional development shifted from IDEA, CCEIS to operating budget per DESE
7. Essential staff training or curriculum development projects inadvertently cut from the budget.
8. Reallocated funds from Superintendent's salary budget to professional services to address culture and climate and other concerns raised in CLA report.
9. OTL Summer program wages underbudget
10. LOA Coverage
11. Misalignment between tuition charged to Claims and Settlements versus OOD Tuition lines, adjustments underway.
12. Approximately \$450,000 in Professional/Technical Services were double budgeted in the OSS districtwide cost center and \$240,000 was unbudgeted for copier leases. Transfers between the two Cost Centers are underway.
13. Textbooks miscoded to General Supplies line, adjustment underway.
14. A Lawrence school shuttle bus was added in September to reduce route length.
15. Transportation for special education was underfunded in the FY26 budget and there is a significant increase in McKinney Vento students eligible for transportation.

Public Schools of Brookline

FY26 General Fund Financial Report - Line Item, 2nd Quarter

December 31, 2025

Line Item	Budget	YTD Exp.	Encumb.	Variance	Footnote
Leadership	6,807,358	3,149,491	3,489,285	168,582	3, 8
Management	4,547,430	2,006,970	2,552,751	(12,291)	3
Professional Staff	88,301,816	38,024,369	49,716,723	560,724	1, 3, 10
Administrative Support	5,805,310	2,535,078	3,182,823	87,409	3, 4
Paraprofessionals	13,008,969	5,642,952	7,305,122	60,895	1, 2, 3
Substitutes	1,404,000	411,078	992,922	0	
Custodians	3,064,189	1,505,208	1,559,932	(951)	
Summer Programs/Interns	366,650	219,631	125,713	21,306	5, 9
Stipends/Extra Comp	1,706,076	723,675	1,080,783	(98,382)	6
Salary Subtotal	125,011,798	54,218,451	70,006,055	787,292	0.63%
Claims & Settlements	1,423,679	185,592	402,875	835,211	11
Education/Training/Conferences	78,998	115,563	32,349	(57,574)	7
Instructional Equipment	5,185	2,083	0	3,102	
General Supplies	1,718,691	854,327	329,622	534,742	
Insurance/Annuity	52,000	19,436	0	32,564	
IT Infrastructure Equipment	68,480	38,578	0	29,902	
Leased Computers	853,135	687,259	0	165,876	
Legal Services	360,000	120,029	106,221	133,750	
Mileage	25,276	2,227	14,123	8,926	
Online Books, Subscriptions & Tools	1,296,151	920,770	144,702	230,678	
Out of District Tuition	2,968,628	1,588,115	1,275,213	105,299	11
Professional/Technical Services	2,948,406	1,138,789	1,205,803	532,074	8, 12
Purchased Computers	50,800	0	0	50,800	
Student Activities & Field Trips	81,620	40,424	38,887	122,309	
Textbooks & Print Materials	602,126	139,818	39,283	413,026	13
Transportation	5,247,618	2,177,377	3,437,744	(367,503)	14, 15
Non-Salary (Operating) Subtotal	17,780,793	8,030,388	7,026,823	2,773,182	15.60%
Grand Total	142,792,591	62,248,840	77,032,877	3,560,474	2.49%

Footnotes

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2. All but 2 PT BEEP paras transitioned to FT per MOA with BEU
3. Breakage: Difference between budgeted salary for a position and the actual salary. These variations occur when a position is temporarily unfilled or the salary of a new hire is different from the salary in the budget.
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14. A Lawrence school shuttle bus was added in September to reduce route length.
15. Transportation for special education was underfunded in the FY26 budget and there is a significant increase in McKinney Vento students eligible for transportation.

Public Schools of Brookline
FY26 Financial Report - Special Revenue Funds, 2nd Quarter
December 31, 2025

Federal Grants						
FY25 Title I	Budget		Rece'd/Spent	Encumbered	Variance	Footnote
Revenue	87,098	-	55,572	31,526	-	
Expense	28,820	-	168	31,521	(2,869)	
FY26 Title I						
Revenue	734,413	-	102,209	632,205	-	
Expense	734,413	-	152,115	318,484	263,814	
FY25 Title IIA						
Revenue	91,968	-	89,862	2,106	-	
Expense	23,253	-	21,147	2,106	-	
FY26 Title IIA						
Revenue	135,321	-	-	135,321	-	
Expense	135,321	-	-	15,694	119,627	
FY25 Title III						
Revenue	121,773	-	79,661	42,113	-	
Expense	117,802	-	78,806	-	38,995	
FY26 Title III						
Revenue	117,330	-	-	117,330	-	
Expense	117,330	-	-	99,659	17,671	
FY25 Title IV						
Revenue	35,255	-	32,847	2,408	-	
Expense	32,850	-	30,442	1,408	1,000	
FY26 Title IV						
Revenue	24,475	-	-	24,475	-	
Expense	24,475	-	-	-	24,475	
FY25 IDEA						
Revenue	1,572,063	-	211,019	1,361,045	-	
Expense	1,139,086	-	806,913	109,089	223,084	
FY26 IDEA						
Revenue	2,320,928	-	-	2,320,928	-	
Expense	2,320,928	-	416,047	1,342,338	562,544	
FY25 IDEA - EC						
Revenue	40,525	-	30,683	9,842	-	
Expense	9,842	-	3,860	-	5,982	
FY26 IDEA - EC						
Revenue	40,392	-	-	40,392	-	
Expense	40,392	-	13,508	26,884	-	

Federal Grants Continued						
FY26 Perkins	Budget		Rece'd/Spent	Encumbered	Variance	Footnote
Revenue	73,278	-	23,294	49,984	-	
Expense	73,278	-	32,311	21,199	19,769	

State Grants						
FY26 METCO	Budget		Rece'd/Spent	Encumbered	Variance	Footnote
Revenue	2,387,684	-	766,159	1,621,525	-	
Expense	2,387,684	-	975,146	1,267,475	145,062	

FY26 METCO (PAC)						
Revenue	25,784	-	25,148	636	-	
Expense	25,784	-	25,148	-	636	

FY26 Enhanced School Health						
Revenue	90,000	-	45,000	45,000	-	
Expense	90,000	-	33,513	11,622	44,865	

FY26 Coord. Family & Comm. Engagement						
Revenue	139,874	-	48,853	91,021	-	
Expense	139,874	-	56,140	74,147	9,587	

FY25 Civics Teaching/Learning						
Revenue	30,967	-	15,188	15,779	-	
Expense	28,803	-	14,302	2,800	11,701	

FY26 Genocide Education						
Revenue	70,000	-	18,317	51,683	-	
Expense	70,000	-	19,058	9,000	41,942	

Revolving Funds						
Circuit Breaker	Budget	Adj. Budget	Rece'd/Spent	Encumbered	Variance	Footnote
Revenue	4,258,609	5,676,033	3,141,589	2,534,444	-	17, 18
Expense	6,201,672	6,201,672	2,104,407	3,882,965	214,300	16

Food Service						
Revenue	4,649,498	-	1,094,759	3,554,739	-	
Expense	4,630,175	-	1,478,638	2,115,969	1,035,568	

BEEP						
Revenue	3,740,740	3,551,562	1,811,697	1,739,865	-	
Expense	3,597,660	3,656,848	1,595,009	2,061,838	-	19

Non-Res.Tuition - Material Fees						
Revenue	675,185	669,872	321,664	348,208	-	
Expense	676,286	678,399	287,941	390,458	-	20

Athletics						
Revenue	455,000	645,840	284,409	361,431	-	
Expense	455,000	745,840	175,338	130,762	439,740	21

Revolving Funds Continued						
Use of Facility	Budget	Adj. Budget	Rece'd/Spent	Encumbered	Variance	Footnote
Revenue	314,415	331,000	155,349	175,651	-	
Expense	293,522	305,000	84,144	216,968	3,888	
HS Restaurant						
Revenue	130,000	-	34,367	95,633	-	
Expense	152,983	-	12,500	11,249	129,234	

Footnotes

16. Pending placements have not been encumbered.
17. FY25 EOY CB adjustment to transportation reimbursement in the amount of \$607,145; funds received in July.
18. Based on current DESE reimbursement projections for FY26, the District will be receiving \$810,279 in additional reimbursement for claims this year.
19. Based on Q2 revenue projections, \$105,286 of fund balance will be used to cover the difference between the revenue collected and the expenses charged to the BEEP revolving fund.
20. Anticipated revenue for materials fees is slightly lower than the budget and expenses are slightly higher. The negative variance of \$8,527 will be absorbed by the fund balance.
21. During the FY26 budget approval process, the SC approved the use of \$100,000 of the Athletic Revolving Fund balance to offset operating budget expenses.