



THE PUBLIC SCHOOLS OF BROOKLINE
BROOKLINE, MASSACHUSETTS 02445

PHONE 617-730-2425
FAX 617-730-2108

V. JAMES MARINI
INTERIM SUPERINTENDENT OF SCHOOLS

MARY ELLEN NORMEN
DEPUTY SUPERINTENDENT FOR ADMINISTRATION & FINANCE

TO: Jim Marini, Interim Superintendent
FROM: Mary Ellen Normen, Deputy Superintendent for Administration and Finance
DATE: August 3, 2020
RE: Year End Close for FY 2020

The Fiscal Year 2020 Public Schools of Brookline Operating Budget ended with a balance of \$110K on June 30. The balance is the \$100,000 Reserve Fund Transfer and \$10,819 from Vocational Tech Education transfer. We also reserved \$220K in unknown payroll that missed the final payroll of FY 20, and \$175K in unknown invoices without encumbrance that will arrive over the summer and into the fall.

FY 2020 Operating Budget (General Fund Only)

	Original Appropriation	Transfers Adjstmts	Revised Budget	YTD Expended	Enc./Rec	Balance	PCT Used	PCT Remain
Salaries	103,296,766	114,865	103,411,631	105,062,151	8,012	(1,658,532)	101.6%	-1.6%
Outside Service	9,732,770	459,650	10,192,420	9,310,082	199,777	682,561	93.3%	6.7%
Supplies	1,799,606	106,708	1,906,314	1,307,270	185,818	413,225	78.3%	21.7%
Other Charges	1,280,371	(473,900)	806,471	262,604	29,171	514,696	36.2%	63.8%
Utilities	10,350	-	10,350	6,470	-	3,880	62.5%	37.5%
Budgeted Cap	1,234,348	(33,700)	1,200,648	1,027,690	17,969	154,989	87.1%	12.9%
	117,354,211	173,623	117,527,834	116,976,268	440,747	110,819	99.9%	0.1%
Reserve Fund		100,000						
Voc Tech Educ Transfer		43,159						
STM - November		30,464						
		173,623						

As you are aware, the School Department was facing significant financial challenges due to two factors. The first factor that PSB was dealing with was an FY 2020 projected deficit of \$517,000 known at the start of the fiscal year and the ongoing grant and revolving fund shortfalls needing to be addressed. A long-standing issue that is being addressed in our budgeting practices going forward. These included but were not limited to Grants Match, Title I, Title IIA, BHS Summer School and some of federal grants. The PSB projected deficit as reported grew to \$693,294 by the end of the second quarter and at the end of the third quarter, \$1,430,240. A budget freeze was implemented by the Interim Superintendent on April 8, 2020 which applied to the replacement of all vacant positions current and future, and freezing all expenses unless approved by the entire Senior Staff Team. Actions were taken to pay and close all open purchase orders to make funds available to cover all expenses.

The second factor that negatively impacted the operating budget was school closure as a result of COVID -19. The school department's projected deficit from ALL funds grew to over \$1.6M. The causes were the elimination of Revenue in School Revolving Fund Programs. Primarily Food Service (\$930K), BEEP (~\$635K), and Rental of Facilities (\$0 due to furloughs and OT offset by CARES Act funds) were impacted. These deficits were directly related to the continuation of paying employees without an identified and consistent revenue source; Increased cleaning support costs for skeleton Emergency Response Teams; Food Service program expenses for operating on a skeleton crew for maintaining breakfast and lunch access for our free and reduced status students.

How did we balance the budget? The budget was balanced using conservative estimates, mining for all dollars from all sources (federal/state emergency funds, budget freeze, closing POs, special revenue fund account balances for properly closed accounts still showing a balance, etc.), holding Materials Fee/Tuition Account \$500k in reserve, holding \$400K in reserve for expenses and unknown and unanticipated payroll. We needed all of it to end the year in balance

Sources of Funds:

- Operating Budget –
 - PSB Budget - \$1,769,351 was removed from expense accounts and cancellation of supply and material orders
 - Vocational Education Tuition/Transportation Transfer- \$43,159
 - Reserve Fund -\$100,000
- Special Revenue Funds
 - CARES Act (TOWN) - \$200k* The planned \$630k was determined to not be eligible for reimbursement. Only overtime for Custodians, Food Service, materials, and supplies.

Reserves available for the following recommended purposes in FY 21: \$3,447,779 (\$792,629 dedicated to Special Education, \$925,000 available for general education, \$1.7M for operations (PPE/cleaning)

- FY 20 Circuit Breaker - \$149k (Special education grant and services offsets for summer 2020)
- FY 21 Circuit Breaker – (anticipated) 76 kids qualified for reimbursement, 59 out-of-district students and 17 in-district students. We added \$241,440 in transportation costs to our file, which resulted in a reimbursement of \$60,360. (25% for the first year). No one knows what rate we will be reimbursed at, so here are some ranges:
 - a. 75% \$2,786,741.25
 - b. 70% \$2,600,958.50
 - c. 65% \$2,415,175.75

PSB budgeted \$1,971,547. The range of the funds available to special education would be \$443,629 to \$815,194

- FY20 Materials Fee/Tuition balance - \$280k (personnel costs that exceed FY21 Operating Budget). Only half of this account was used to fund personnel in FY 20 to leave a balance for staff being returned that end up being unbudgeted.
- CARES Act (Town) - \$400k (Eligible Technology, Food Service, OT/unfunded expenses for cleaning)
- [Elementary and Secondary Education Emergency Relief \(ESSER\)](#)/CARES Act (School) - \$ 430,150 (as planned an application made)
- [CvRF School Reopening Grant Program](#) - \$1.7M (PPE, Food Service, Cleaning Services)
- [Remote Learning Technology Essentials](#) - \$45K (internet access and devices)

Attachments

- FY 2020 Operating Budget by Category – This is the budget report by category. It shows that we funded over \$1.6M in unknown and unanticipated salaries for FY 21. The majority of \$1.6M was \$930K Food Service, \$630K BEEP, \$35K net needed for Grants and Revolving Funds (~\$250K total needed)
- FY 2020 Special Revenue Funds Closing Balances
- FY 2020 Operating Budget by Organization Code
- Year End Journal Entry Forms used to balance Special Revenue Accounts and transfer expenses to stimulus grant funding sources.

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