

The Public Schools of Brookline



Preliminary FY2018 Budget

Version: January 24, 2017

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Budget Overview

The fiscal year 2018 budget is built to fully support the Public Schools of Brookline's mission: "To ensure that every student develops the skills and knowledge to pursue a productive and fulfilling life, to participate thoughtfully in a democracy, and succeed in a diverse and evolving global society." The FY2018 budget provides the people, supports, programs, and facilities necessary to meet the diverse needs of our students, support the energized teaching in each of our schools, and promote innovation across the district.

Since 2005, Brookline has seen unprecedented enrollment growth of 28%. Prior to the 2015 override vote, the cost of enrollment growth exceeded the 2.5% limitation of increases to the property tax levy imposed by Proposition 2 ½. In May of 2015, Brookline voters approved an operational override that provided a significant commitment of financial resources in support of the five core values of the Public Schools of Brookline.

This budget is designed to stabilize the district, allowing us to fully utilize the increased staffing and resources provided over the last two years. One will not see a significant number of new programs, expenditures, initiatives or new staff. Instead we will continue the work needed to align our practices, programs, policies, and systems to better support our students and staff in the years to come. Our top priority is and will remain providing an excellent and engaging education for every student in our schools.

There is work to be done in Brookline to fulfill the promise we have made to our children, our families, and our community. In the coming year we will evaluate the impact of our current programming. We will work with principals to effectively schedule and operationalize our schools. We will continue supporting our principals and teachers by creating more opportunities for collaboration designed to strengthen instruction. We will continue to move forward with three substantial capital projects, completing the new Devotion School and moving into the schematic design phase for the 9th Elementary School at Baldwin and the expanded Brookline High School. We will develop a five year plan for reaching our district-wide goals.

This work will touch on all aspects of our schools and require that we continue our improved collaboration with teachers, families as well as other town departments.

This budget overview is organized into three sections designed to explain the major forces affecting the FY 2018 budget, and provide a high-level summary of the budget focusing on major revenue and expenditure categories.

Section I – Primary Drivers of the FY 2018 Budget – Our Core Values, Enrollment Growth, and the Proposition 2 ½ Override

Section II – Summary of FY 2018 Budget Revenues

Section III – Summary of FY2018 Expenditures

Section I – The Primary Drivers of the FY 2018 Budget

The FY 2018 budget request is driven by three primary forces:

- A. The Public Schools of Brookline’s five core values;
- B. The ongoing and dramatic enrollment growth; and
- C. The commitments made in the Operating Override approved by Brookline voters in 2015.

A. Five Core Values Guide the Public Schools of Brookline

Our five Core Values and our District Goals inform all of our work: everything from budget decisions to each building’s School Improvement Plan. The aspirations underlying each of the Public Schools of Brookline’s five Core Values are defined below. Pursuit of these values drives how we allocate our funding, people and time and are reflected in the FY 2018 budget in the following ways:

High Achievement for All

The Public Schools of Brookline inspires our students to develop a passion for learning. We support students through strong relationships to become invested in their learning, develop the confidence and persistence to grow as learners, and meet their goals for success in and beyond school. To pursue our value of all students achieving at high levels, the PSB is committed to and the FY 2018 budget supports:

- Small class sizes
- Quality early childhood education
- Inclusive classrooms and district-wide Special Education programs
- A comprehensive high school curriculum with an extensive variety of opportunities and programs
- Comprehensive Program Review
- Differentiated instruction for all learners PK-12
- System-wide equitable access to educational technology



Educational Equity

The Public Schools of Brookline identifies, understands, and eliminates barriers to educational achievement in our schools. Educators in every school provide their students with the support needed to reach and exceed Brookline’s high standards. To pursue educational equity, the PSB is committed to and the FY2018 budget supports:

- System-wide Strategies such as:
 - o High quality curriculum across all grades and all schools
 - o Inclusive classrooms with educators and specialized instructional personnel
 - o High quality professional development opportunities and supports focusing on



- o instructional coaching and collaboration
 - o Specialized programs and services district-wide in support of access for all learners.
 - o Literacy and Math Specialists across schools to provide support and create high outcomes for all students
 - o Child Study Teams individualizing student interventions and extensions
 - o District-wide and school specific professional development on equity
- Targeted Support Programs such as:
 - o The Calculus Project
 - o African American and Latino Scholars (BHS program and extending to K-8s)
 - o Steps to Success
 - o Alternative Choices in Education – an intensive and personalized alternative pathway for BHS students
 - o Leveled Literacy Interventions
 - o School within a School
 - o Young Scholars

Excellence in Teaching

The Public Schools of Brookline understands that passionate, knowledgeable, and skillful educators are the core strength of our schools. To support excellent instruction throughout our schools, the PSB is committed to and the FY 2018 budget supports:

- Strong, effective mentoring programs for all new staff and administrators
- A meaningful and structured approach to educator evaluation and support
- Instructional coaching and professional development for teachers in math, literacy, educational technology, and Enrichment and Challenge Support
- Recruiting and retaining outstanding educators:
 - o Materials Fee Program
 - o Children's Center child care program
- Job-embedded professional development on early release dates
- Professional learning team opportunities



Respect for Human Differences

The Public Schools of Brookline provides a safe environment for expressing and exploring human differences and commonalities. Our schools create caring and understanding communities that promote a deep sense of belonging and respect for all. To support respect for human differences throughout our schools, the PSB is committed to and the FY 2018 budget supports:

- Meeting individual student needs through social-emotional learning at the K-8 schools and the high school
- Professional development focused on bias and anti-racism



- Ongoing review of instructional material to make them more representative of the diversity of our students and families
- The METCO Program
- Comprehensive district-wide Special Education opportunities
- Robust school-based and system-wide English Language Learner programs
- The School Within-A-School program at BHS
- Comprehensive Bullying Prevention Programs in all of the K-8 schools
- Providing support to students through the Advisory Program at BHS
- Ongoing commitment to development of Cultural Proficiency in students and staff

Collaboration

The Public Schools of Brookline commits to collaboration in all aspects of education to foster interaction among diverse viewpoints and to broaden learning opportunities for our students, educators, and community. Collaboration among faculty and between schools and our longstanding community-based partners creates the shared ownership of our schools that adds value to the lives of all community members. To support collaboration, the PSB is committed to and the FY 2018 budget supports:

- Collaboration among faculty and administrators:
 - Child Study Teams
 - Common planning time where faculty members collaborate on lesson planning, assessing student work and improving instruction
 - School-based collaborative study groups where faculty members study topics related to strengthening instruction and improving their practice
 - Curriculum coordinators visiting classes in teams and principals doing learning walks in all schools
- Essential partnerships:
 - Parent Teacher Organizations
 - Brookline Education Foundation
 - 21st Century Fund
 - Brookline Community Foundation, Brookline Mental Health
 - Wheelock and Lesley Intern Programs
 - Municipal Departments:
 - Building Department and the Public Building Division – Facilities Maintenance, Repair, and Replacement;
 - The Public Library of Brookline – Education Technology and Library Services partnership;
 - Parks and Open Space – Playgrounds and Fields;
 - Police/Fire – Emergency Planning and Response; and



- DPW – Sidewalks, grounds maintenance and snow removal
- Extended Day and enrichment programs in all K-8 school

B. Enrollment Growth and Its Impact

Our vision of an outstanding education for every child is challenged by the district's unchecked enrollment growth over the past decade. Extraordinary enrollment growth continues to generate significant challenges to the operating budget to deliver the level of educational services the Brookline community has long supported. The district has issued a [Preliminary 2016 Enrollment Report](#) outlining an enrollment projection, changes in housing stock, and demographic changes within the existing student population. While it does not explain all of the reasons why Brookline is experiencing historical growth, it does forecast future planning that needs to take place and the additional instructional space that is required to maintain the current class size ratios.

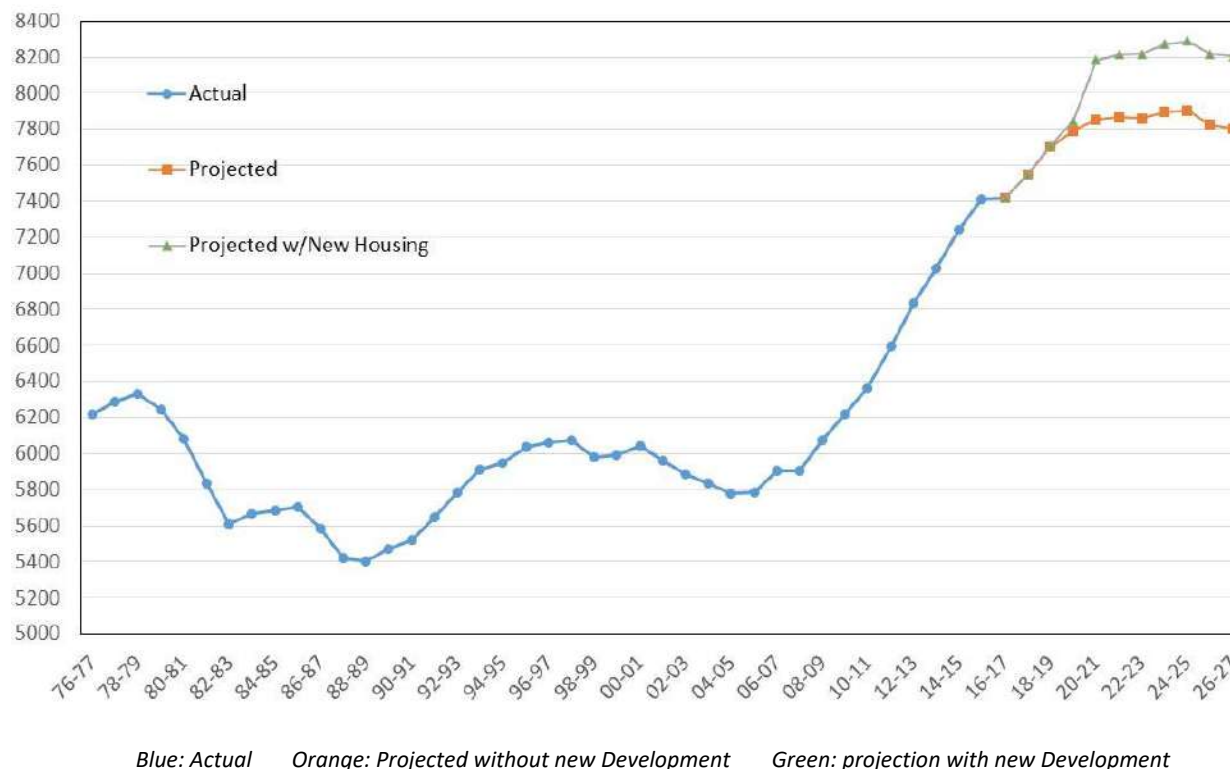
The total K-12 enrollment for SY16-17 is 7,417. The enrollment in SY07-08 was 5,919, an increase of 1,498 students. Continued enrollment growth has had, and will continue to have, both operating and capital implications. While this document focuses on development of the operating budget, the pressing needs of the schools for physical expansion and the operations budgets for those buildings are inextricably linked: limitations and/or expansions in the physical plant can drive decisions about class sizes, the number of courses offered and other program choices, and rental space—all of which have implications for the operating budget. The historic trend and steep enrollment increase of over 28% since 2005 has not allowed the district keep pace with the needs despite The Town using and “Expand in Place” Strategy by adding 55 classroom spaces to the elementary level by leasing classrooms and administrative space, adding modular classrooms, building expansions and renovations, and subdividing existing classrooms. At the high school, the district began an expand-in-place effort last year by relocating several administrative offices to new leased office space. This effort at the high school will yield nine additional classrooms by school year 2018-19. The rebuilt and expanded Devotion School will be completed for school year 2018-2019 and will add 12 classrooms to the system.¹

Despite these efforts, class sizes across the system are likely to rise in school years beyond FY 2018 due to the increasing elementary enrollment and lack of classroom expansion options. The siting and construction of a 9th elementary school at Baldwin School; a short-term plan including the use of Old Lincoln School for 300-400 students at the high school by September of 2018; and a long-term plan for a High School Expansion project to provide additional space for 600-800 students at the high school by 2022 are essential to maintain existing classroom conditions. Without successfully executing these long-term solutions, we anticipate that class sizes will need to grow significantly at the K-8 schools and BHS in the immediate future.

The enrollment history charts below show the enrollment projection over time. The chart shows two separate enrollment projections with or without new development.

¹ Existing Devotion has 40 classrooms, including substandard spaces. The final new Devotion will have a total of 52 classrooms (which include: 45 K-8 classrooms, 2 pre-K classrooms, 3 Science labs, 2 World Language classrooms) which is an increase of 12 classrooms over existing conditions.

Total Enrollment
September 30, 1977 to September 30, 2016
Projections through September 30, 2026



The Enrollment Projection without new development (orange) shows a three year average of births and the five year progression rate (cohort survival rate). 2026-2027 begins to show the impact of a flat birth rate (630) and the five-year progression rate (.96) as leveling off.²

The Enrollment Projection with new filed developments in the Planning Department (green) shows a three year average of births and an adjustment to the five year progression rate due to new housing units being added to the current population.

The gap between the enrollment with and without new development is the area where planning needs to focus for future program, infrastructure, and physical plant planning.

² Progression rate is the comparison of the grade enrollment with the corresponding cohort from the prior year; it is the net of the in and out migration and grade retention.

Progression Rates

<u>Grade</u>	<u>Progression Rate</u>
K	0.96
1	1.02
2	0.98
3	1.01
4	0.98
5	0.99
6	0.99
7	0.97
8	0.99
9	1.01
10	1.03
11	0.98
12	1.00

Progression rates based on five year average

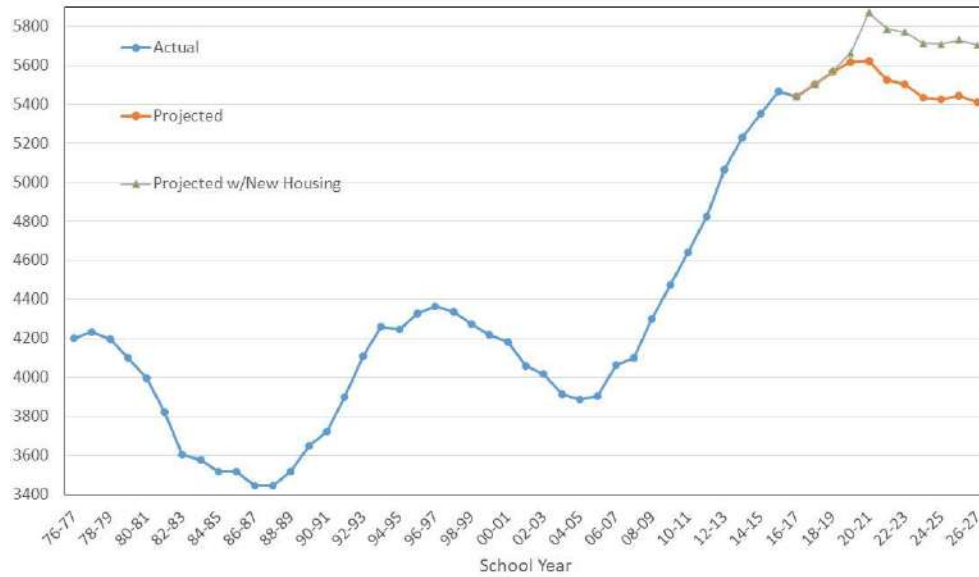
Ten Year Enrollment Projection

Kindergarten enrollment for FY 18 through FY22 based on actual births. Kindergarten enrollment for FY23 through FY27 based on 630 projected births which is the average over the last three years.

<u>Grade (A)</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
K	582	638	679	627	638	624	640	640	640	640	640
1	627	594	652	696	657	651	636	653	653	653	653
2	678	614	583	644	706	644	638	623	640	640	640
3	633	685	621	593	670	713	650	644	629	646	646
4	677	620	672	614	610	657	699	637	631	616	633
5	584	670	615	669	630	604	650	692	631	625	610
6	549	578	664	613	681	624	598	644	685	625	619
7	576	533	561	648	615	661	605	580	625	664	606
8	531	570	528	558	663	609	654	599	574	619	657
Subtotal	5,437	5,502	5,575	5,662	5,870	5,787	5,770	5,712	5,708	5,728	5,704
9	500	536	576	536	583	670	615	661	605	580	625
10	509	515	552	595	565	600	690	633	681	623	597
11	492	499	505	545	604	554	588	676	620	667	611
12	479	492	499	508	561	604	554	588	676	620	667
Subtotal	1,980	2,042	2,132	2,184	2,313	2,428	2,447	2,558	2,582	2,490	2,500
TOTAL	7,417	7,544	7,707	7,846	8,183	8,215	8,217	8,270	8,290	8,218	8,204

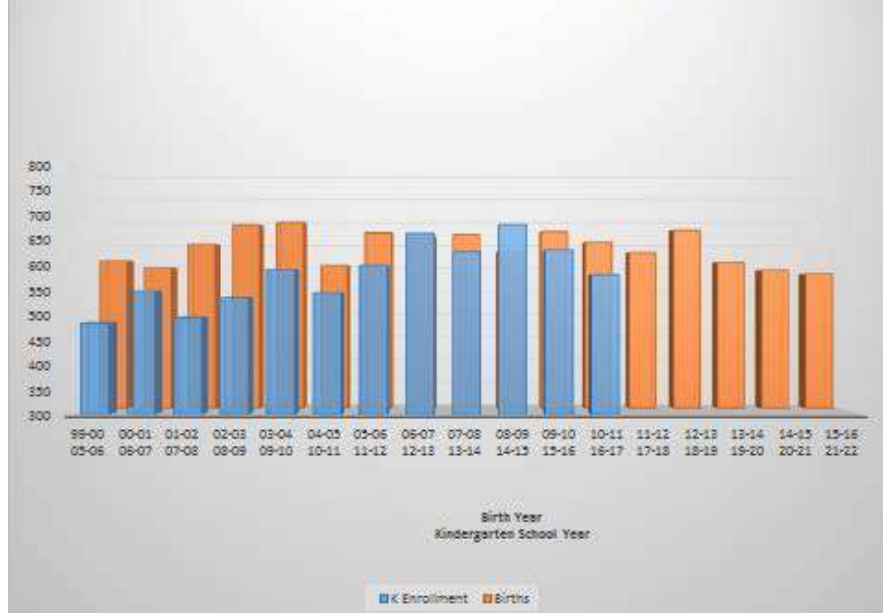
(A) Based on September 30, 2017 enrollment figures.

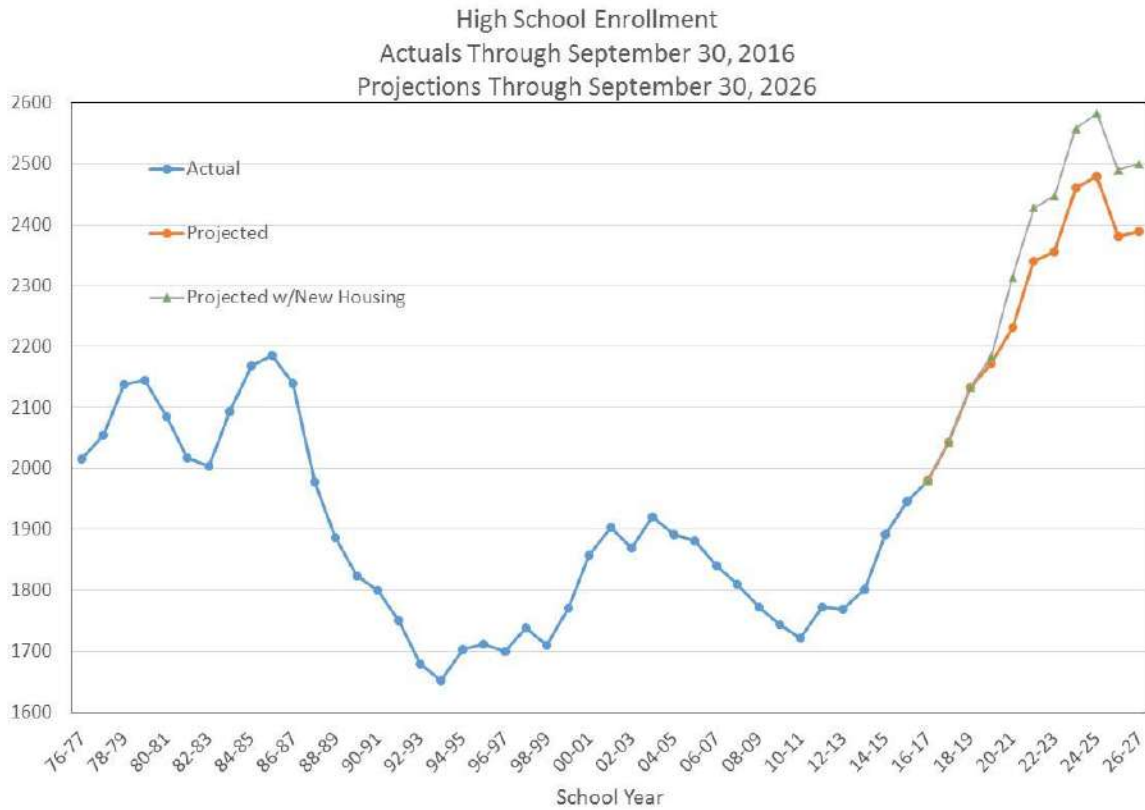
Elementary Enrollment
Actuals Through September 30, 2016
Projections Through September 30, 2026



Blue: Actual Orange: Projected without new Development Green: projection with new Development

Birth to Kindergarten Enrollment Comparison





Blue: Actual

Orange: Projected without new Development

Green: projection with new Development

C. Proposition 2 ½ Override and Debt Exclusion

Against these enrollment increases, growth of revenues in real dollars has been constrained by local revenue growth and the fixed nature of Proposition 2½. Because local revenue could not keep pace with system growth, the Town sought to pass a Proposition 2 ½ override, Spring of 2015 that increased the Town’s tax levy limit by \$7,665,000 for the purposes of funding the costs of additional enrollment in the Public Schools of Brookline at \$6,983,000 and funding the costs of expenditures in municipal departments at \$682,000. In spring 2015, voters approved this operating budget override and a debt exclusion for the renovation and expansion of the Devotion School. The 2015 override allowed us to begin to catch up to enrollment growth with more responsive staffing and programming (including increasing K-8 and high school classroom staffing and addressing shortages in critical support areas such as math and literacy specialists, nurses, and guidance counselors and administrative structure), and investments in educational technology. These investments were to be phased in over three years. To understand the impact of the override, a detailed report will be issued separate from this document to underscore the changes in the school department budget over the three-year funding plan.

However, for the FY18 budget, the school department faces a significant shortfall in revenue to meet its obligations for delivery of services, employment agreements, and direct services to students. Some of the variances that will be highlighted in the future report will include a review of revenue projections against actual experience; the changes in enrollment than what was projected, variances in steps and COLA projections, adjustments to health insurance and retirement assessments, the number of employees for “catch up” that were added over what was projected.

Section II – Summary of Budget Revenues

The Public Schools of Brookline budget request for FY 2018 is \$104,636,556. The School Committee will continue to use school department generated revenue to help fund the school budget. The revenue amount for the overall budget increase is \$5,753,849 (5.82%). While Sections I of this overview details the major drivers and priorities of the entire budget, this section and Section III (Expenditures) summarize the most significant year-to-year changes in revenues, expenditures, and the structure of the budget. Full detail of expenditures can be found in the Program Budget Detail section.

Revenue Sources:

Program	FY16 Actual		FY17 Budget		FY18 Preliminary		FY18 Bud-FY17 Bud Variance	
	FTE'S	Expended	FTE'S	Budgeted	FTE'S	Budgeted	FTE'S	Budgeted
<u>School Dept. Revenues</u>								
General Fund Appropriation		\$95,916,094		\$101,058,795		\$103,953,644	2.82%	\$2,851,493
Tuition and Fees		\$675,744		\$675,744		\$696,016		\$20,272
Facility Rental		\$225,000		\$225,000		\$225,000		\$0
Circuit Breaker Funding		\$1,866,144		\$2,167,657	*	\$2,700,000		\$532,343
Revolving Fund								
Reimbursement		\$150,680		\$150,680		\$150,680		\$0
Other Revenue		\$358,680		\$358,680		\$358,680		\$0
Total Revenue:		\$99,192,342		\$104,636,556		\$108,084,020	3.25%	\$3,404,108

Revenue for the school operating budget comes from Town/School Partnership agreement, Circuit Breaker, Tuition and Fees, Rental of Facilities, Revolving Fund and other sources.

General Fund Appropriation: As of January 19th this is an estimated amount Funds received as part of the Town/School Partnership

Tuition and Fees: Receipts from the payment of Tuition and Fees that directly offset the operating budget providing services.

Materials Fee: The Materials Fee program began in the 1960s. The School Committee policy publishes rates back to 1987-1988 School year. It is a program that has been maintained and currently provides for 182 students of 117 Town and School Department employees. Of the 182 students, 27 have IEPs. All employees participate in a payroll reduction for material fee payments unless they choose to pay in full in advance of the school year.

Facility Rental: Receipts generated from the rental of school space to pay for overtime and a portion of custodial services appropriated within the School Department's Operating Budget

Circuit Breaker Funding: The estimated Circuit Breaker reimbursement for FY 2017 serves as a funding source in FY 2018 and is estimated to be \$1,600,00. This rate has been the typical rate in the past. This year the district will include an additional \$500,000 from the Circuit Breaker account, and include an additional \$600,000 in new reimbursements for in-district students, in order to help fund the FY 2018 tuition projection and increased transportation charges for a total of \$2,700,000. The year-to-year increase of the Circuit Breaker is \$532,343.

The Circuit Breaker funds applied to the FY 2018 budget have been adjusted to reflect the increase in placement costs for both in-district and out-of-district students. Circuit Breaker funds are recurring funds, but subject to change each fiscal year. The amount per student that qualifies for reimbursement can change dramatically from one year to the next depending on prior-year actual circuit breaker eligible expenditures.

During FY04, the Circuit Breaker Reimbursement Program replaced a program referred to as the 50/50 account, where the State paid 50% of the residential tuitions directly to the residential school in which the placement had been made; the school district paid the other 50%. The program reimburses a school district for students with disabilities who require individual education program (IEP) services that cost greater than four times the statewide foundation budget. The school district may be reimbursed subject to appropriation, for up to 75% of these costs. In FY05, The state shifted from a pay-as you go reimbursement program for residential tuitions to a broader-based, still-partial, special education reimbursement program. The 2004 legislation expanded the types of expenditures eligible for reimbursement. Each year, there is a potential for a change in the percentage of reimbursement utilized by the State within the Special Education Circuit Breaker Account.³

The state's Circuit Breaker Fund reimburses the school district at the rate of 35-75% for in-district and out-of-district student costs which exceed four times per pupil foundation amount. The state sets this amount annually as part of the annual state budget deliberations. The district does not know the actual reimbursement rate for the fiscal year until after it submits its annual claim in July. Eligible costs include instructional services, various types of therapies, and specialized equipment. Circuit Breaker specifically excludes transportation and building infrastructure costs.

At the end of the fiscal year, the school district submits a final claim form to the DESE (typically in July) for the prior fiscal year expenditures. During the next fiscal year, the school district receives quarterly progress payments based on the prior year's approved claim submission. A fifth and final payment is made in August or September to fully fund the prior year obligations. (If the progress payments totaled less than the fund's full obligation, that final adjustment is an additional payment; if the progress payments totaled more than the fund's full obligation, the excess would be netted from the next-following progress payment). All Circuit Breaker funds received go into the Circuit Breaker Revolving Account, do not require further appropriation, and must be expended by the following June 30th.

Revolving Fund Reimbursement: Overhead costs associated with supporting fee based programs operating under the authority of the School Committee.

Other Revenue: One-time and non-recurring revenue that can be applied to the upcoming fiscal year.

³A Primer on Financial Aspects of Special Education,
<http://www.doe.mass.edu/finance/circuitbreaker/finance.html>

Section III – Summary of Expenditures

The FY 2018 budget continues prioritizing strengthening existing efforts and programs over beginning new ones. However, the Town's revenues and those from fees and charges are not keeping pace with the needs generated from enrollment, special education, and personnel costs. The School Budget is 86% personnel, 10% contract services, and the balance in Supplies, Other, and Capital. The district currently must manage a projected deficit of \$1,349,540 that is primarily generated from personnel costs related to adding 35.84 new positions. The new senior management team is still learning and reviewing service delivery grids, programs, schedules, and other resource allocations of the district. Once this is complete, recommendations for reallocations and realignment will come forth for consideration.

Program	Exp. Type	FY16		FY17		FY18		FY18 Bud-FY17 Bud	
		FTE'S	Actual Expended	FTE'S	Budget Budgeted	FTE'S	Preliminary Budgeted	FTE'S	Variance Budgeted
<u>Gross School Dept. Budget Expenditures</u>	Personnel	1,162.92	\$84,564,860	1,211.34	\$89,399,106	1,244.19	\$94,159,216	32.85	\$4,760,110
	Services		\$10,383,435		\$10,155,678		\$10,667,511		\$511,833
	Supplies		\$2,337,789		\$2,224,870		\$2,275,270		\$50,400
	Other		\$461,773		\$1,572,010		\$1,008,066		(\$563,944)
	Capital		\$1,410,688		\$1,284,891		\$1,280,141		(\$4,750)
	Total		\$99,158,545		\$104,636,556		\$109,390,204	4.54%	\$4,753,648

Program	Exp. Type	FY16		FY17		FY18		FY18 Bud-FY17 Bud	
		FTE'S	Actual Expended	FTE'S	Budget Budgeted	FTE'S	Preliminary Budgeted	FTE'S	Variance Budgeted
Surplus/Deficit:			\$33,797		\$0		(1,306,184)		

Highlights in the FY 2018 Budget:

The FY 2018 budget provides funds to continue advancing important educational practices and provide needed resources and staffing, including the following:

- Increase of twelve (12) full-time K-12 classroom teaching positions to respond to projected enrollment increases and maintain current class size;
- Advance the plan for K-8 literacy program by adding 3.0 FTEs;
- Maintenance of 8.86 Kindergarten Aides due to loss of grant funds; and
- Specialized program supports (FTE) for special education
- Establishment of budget line items for departments within Administration, Teaching and Learning, Student Services, IT/Education Technology.
- Provide funding to make the Principal Administrative Assistants 12 months providing full building coverage and support during the summer.
- Provide standard work schedules of 7 hours per day with a 30 minute unpaid lunch for paraprofessionals. The extension of the paraprofessional day will allow the schools to better support students, better operationalize building arrival/dismissal, efficiently provide services, and allow for collaboration and training time with administrators, teachers, and staff.

The FY 2018 budget does not include the following:

- Year 3 Override Technology Funds –

- o 2.0 FTE Technology Staff for Technology Plan Implementation
- o \$276,750 Hardware/Material funds
- Elimination of \$70,000 in technology innovation funds

Personnel Changes:

FY 2018 budget, all salary line items reflect each employee budgeted at their appropriate step and lane. In addition, the Step and Lane line item has been modified to only include salary differential of anticipated personnel degree changes. The request includes positions added after Town Meeting that were not part of the original budget request (FY17) and new requests specifically related to enrollment (FY18)

Unfunded FY17 Positions

Job	Location	FTE	Projected Cost
Special Education Teacher	BHS	0.40	\$ 27,451
Special Education Teacher	BHS	0.20	\$ 16,456
Assistive Tech Teacher	District	0.10	\$ 7,136
ELL Teacher	Lawrence	1.00	\$ 56,576
ELL Teacher	Heath	0.30	\$ 19,381
Nurse	BEEP	0.20	\$ 17,203
Dean of Faculty	BHS	1.00	\$ 117,300
Paraprofessionals	Driscoll	2.53	\$ 62,670
Paraprofessionals	Lawrence	0.84	\$ 20,890
Kindergarten Aides		8.86	\$ 278,038
		15.4	\$ 623,101

*There is a variance of (2.99) FTEs are being researched.

FY 18 Enrollment Requests

Job	Location	FTE	Projected Cost
Classroom Teachers	BHS	7.00	\$ 560,000
Classroom Teachers	Elementary	4.00	\$ 320,000
Specialists	Elementary	2.40	\$ 192,000
Literacy Collaborative	Elementary	3.00	\$ 240,000
Unallocated Special Education Staff	District	4.00	\$ 320,000
Benefits Reduction			\$ (122,400)
Paraprofessional Unit Schedule Adjustment		TBD	
		20.4	\$ 1,509,600

35.84 \$ 2,132,701

Contract Negotiations:

The FY 2018 budget contains funding to address ongoing Collective Bargaining Negotiations for three BEU contracts and the three AFSCME units for FY 2016 (prior year encumbrance), FY 2017 (current year encumbrance), budget request for FY 2018, which are not yet concluded. As of Included in the proposed

budget is adequate funding to support the anticipated salary movement for step and level advancement of all school employees. The budget also contains funding for new positions required to address enrollment and program driven needs.

Other Personnel Account Changes:

- The budget contains an attrition account, also referred to as salary differential. The practice of applying a salary differential reduces the total personnel funding amount by an estimated savings due to employee turnover. The offset used for turnover of changes in personnel is \$1,000,000. FY17 produced a turnover saving of approximately \$831,000 for BEU Unit A, and \$176,00 for BEU Paraprofessionals. In a normal budget year without revenue pressures the amount would be \$700,000 and \$150,000 respectively.

Expense Requests

FY 2018 Non-Salary Expenditure Changes

Services Requests/Reclassification	
Special Education Tuition Increase	\$ 400,000
Transportation Increase	\$ 129,033
IT Services reclassification	\$ (17,200)
Total Net Increase	\$ 511,833
Supply Requests	
IT Supplies reclassification	\$ 113,700
Today's Students Tomorrow's Teachers	\$ (63,300)
Total Net Increase	\$ 50,400
Other Requests	
Health Insurance Reserve Reduction	\$ (195,444)
IT Innovation Expenses reduced	\$ (70,000)
IT Other Expenses reclassification	\$ (91,750)
Contracted Employees reclassified to Personnel	\$ (206,750)
Total Net Increase	\$ (563,944)
Capital Requests	
IT Services reclassification	\$ (4,750)
Total Net Increase	\$ (4,750)

Use, Transfer, and Reduction of Line Items:

In prior years, the School Department utilized a variety of reserve and contingency accounts to support critical program priorities in light of uncertain and unpredictable changes in enrollment, special education, and unanticipated expenditures. School Committee repeatedly expresses its concern that due to the overall tightness of the budget, there is less ability to absorb unforeseen events as in prior years.

The budget also includes the net transfers of establishing accurate and correct budgeting for the Office of Strategy and Performance, Education Technologies and Libraries, and the Town/School IT Department. Transportation increases \$129,033 for scheduled contract increases for both regular education and special education contracts. Projection of use is based on students known placements for next year. The budget eliminates funding for Today's Students Tomorrow's Teachers, as this program comes to an end at the close of FY17 with this last cohort of students graduating.

Benefit Reserve:

We anticipate that the additional 20.40 new positions will result in 10 additional health insurance subscribers, or approximately half of the new employees will take health insurance.. The average cost of benefits used for new staff is approximately \$12,000 per FTE, for a budget reserve of \$122,400. The net reduction to the Benefits Reserve Account is \$195,444. Actual benefit impact will be reconciled as part of the ongoing budget deliberations. The final listing of staff being added to the FY 2018 Budget will be adjusted as efficiencies and tradeoffs are made internally by the Superintendent.

Proposal for Managing the \$1,306,184 budget gap

The original budget gap was projected to be \$1,920,898 primarily from new position and funding the Kindergarten Aides. The majority of the increase of the projected revenue anticipated from the Town School partnership was consumed by increases in Personnel and Services. The current budget gap is recommended to be reduced to \$529,839 with the approval by the school committee of the recommendations below. The balance of \$529,839 will need to be discussed as part of the Town/School Partnership and further refinement of our salary projections as the new contracts are implemented.

	Budget Reductions	% of Budget Revenue
Budget Gap 1/5/2018	<u>\$ 1,920,897</u>	1.8%
Postpone to FY19, 2015 Year 3 Override Additions		
2.0 FTE Technology positions	\$ (175,000)	
Technology Equipment/Materials	\$ (276,750)	
Town/School Partnership Adjustment 1/19/17	\$ (40,560)	
Benefit Reserve Reduction from 20.4 to 10.4	<u>\$ (122,400)</u>	
Gap Presented in Preliminary Budget	\$ 1,306,187	1.2%
Unfund Special Education Unallocated FTE	\$ (320,000)	
10% Supply/Other/Capital Freeze	<u>\$ (456,348)</u>	
Balance	\$ 529,839	0.5%

In order to reduce the budget gap prior to presentation to the school committee, the district is recommending the postponement of two of the Year Three Override planned expenditures. The first is the postponement of 2.0 FTEs for Technology. At this point in time due to restructuring of Town/School IT, Education Technology, and the Strategy and Performance Departments we are still reviewing where best to allocate funds and resources for personnel. The second is the postponement or pre-purchase of \$276,750 in technology funds. Due to program changes moving from Apple products to Chromebooks,

the ability to pre-purchase with FY17 funds needs to be reviewed and considered as an option. The \$276,750 would be part of the level fund amount in the Town/School IT budget for future years and therefore would not be a permanent reduction. Due to the experience of Open Enrollment and Qualifying Events in the Town's Benefit account, the district used the reserve for benefit allocation to fund the Kindergarten Aides in FY17. There are 20.40 FTE for new positions; the benefit reserve for these positions was reduced from 20.4 at \$12,000 to 50% of this cost (\$122,400). A small reconciliation of published numbers to projected budget request is \$2,793.

The budget gap presented to school committee is \$1,306,184. To eliminate this gap, the district will need to carve deeper into the overall budget to manage the shortfall. The budget proposes to eliminate 4.0 Unallocated Special Education FTEs. We introduced these FTEs last year as a reserve to cover unforeseen move in of special education students in September and throughout the year. While there is risk in eliminating this reserve, the new Deputy Superintendent for Student Services continues to review all IEP service grids for alignment of resources to services delivered. It is unknown if these positions will be needed at this time. The second proposal is to freeze the Supply, Other, and Capital line items at 90%, resulting in savings from these accounts of approximately 10% or \$456,348. If this freeze is announced now, spending from the current fiscal year through the end of the year can be thoughtful and anticipate needs or gaps that will appear next year. If funds to replace the 10% are identified throughout the FY18 budget cycle, these accounts will be replenished and included as part of the level funding for FY 19.

Ongoing Personnel Account adjustments are being conducted due to the recent ratification of the AFSCME Custodian, BESA, and Food Service Union agreements. Knowing and implementing these retroactive payments and contract terms going forward stabilizes our known costs for these groups of employees. The Brookline Education Union, Units A and B are under a Memorandum of Agreement and cannot be implemented as they have yet to be ratified by the union. The Paraprofessionals unit is under fact finding. The district is budgeting for standardized work schedules for the largest portion of this group with a seven hour day with a 30 minute unpaid lunch instead of a 6 hour day and a 30 minute unpaid lunch. The extension of the paraprofessional day will allow the schools to better support students, better operationalize building arrival/dismissal, efficiently provide services, and allow for collaboration and training time with administrators, teachers, and staff. Even if the contract is not settled the new standard work schedules will be implemented as they are established over the next few months.

FY18 – FY22 School Department Budget Projections

The FY18 – FY22 School Department preliminary financial projection is provided in a summary format. The purpose of this projection is to provide a baseline expenditure rate of the school district for what is currently being provided. The projection does not make assumptions about

- The cost of adding new school buildings or their operating costs,
- New initiatives,
- Employee benefit increases, or
- Technology expansion.

Salaries / Expenses	Annual Adjustments	FY17 FTE	FY17 Appropriation	FY18 Estimated	FY19 Estimated	FY20 Estimated	FY21 Estimated
Salaries		1,211.34	\$ 89,399,106	\$ 94,427,583	\$ 99,748,962	\$ 105,336,410	\$ 111,203,231
	COLA (2%)				\$ 1,888,552	\$ 1,994,979	\$ 2,106,728
	Steps (3%)			\$ -	\$ 2,832,827	\$ 2,992,469	\$ 3,160,092
	Turnover/Resignations/Retirement Savings			\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
	Lane Changes			\$ -	\$ -	\$ -	\$ -
	Enrollment Personnel (\$68,000 +\$12,000 benefits)			\$ -	\$ 800,000	\$ 800,000	\$ 800,000
	2018 Override Proposals						
	Special Education/504/Accommodations			\$ -	\$ 800,000	\$ 800,000	\$ 800,000
Expenses			\$ 15,237,450	\$ 15,378,638	\$ 15,866,211	\$ 16,363,535	\$ 16,870,806
	Level Fund			\$ 15,448,638	\$ 307,573	\$ 317,324	\$ 327,271
	Program Review			\$ -	\$ 100,000	\$ 100,000	\$ 100,000
	Enrollment			\$ -	\$ 40,000	\$ 40,000	\$ 40,000
	Special Education/504/Accommodations			\$ -	\$ 40,000	\$ 40,000	\$ 40,000
	2018 Override Proposals			\$ -			
	One-Time Expenses			\$ (70,000)			
	Out of District Tuitions			\$ -	\$ -	\$ -	\$ -
Grand Total		1,211.34	\$ 104,636,556	\$ 109,806,221	\$ 115,615,173	\$ 121,699,945	\$ 128,074,036
\$ Increase over prior year				\$ 5,169,665	\$ 5,808,952	\$ 6,084,772	\$ 6,374,091
% Increase over prior year				4.94%	5.29%	5.26%	5.24%
Revenue Sources							
	Town/School Partnership Prior to Retirement Assessment			\$ 104,065,628			
	Retirement Assessment			\$ 310,681			
General Fund Appropriation (FY18 2.9%,FY19 3.6%, FY20 2.4%, FY21 2.6%)			\$ 101,058,795	\$ 103,754,947	\$ 107,490,125	\$ 110,069,888	\$ 112,931,705
Tuition and Fees (3%)			\$ 675,744	\$ 696,016	\$ 716,897	\$ 738,404	\$ 760,556
Facility Rental (removed to CIP)			\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -
Health Insurance Supplement			\$ -	\$ -	\$ -	\$ -	\$ -
Circuit Breaker Reimbursement			\$ 2,167,657	\$ 2,700,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000
Revolving Fund Reimbursement			\$ 150,680	\$ 150,680	\$ -	\$ -	\$ -
Other Revenue			\$ 358,680	\$ 358,680			
Total Revenue			\$ 104,636,556	\$ 107,885,323	\$ 110,807,022	\$ 113,408,292	\$ 116,292,261
			\$ 0	\$ (1,920,898)	\$ (4,808,151)	\$ (8,291,653)	\$ (11,781,775)
				3.10%	2.71%	2.35%	2.54%

Economic Assumptions

Enrollment: The projection consists of basic economic assumptions to continue at the current service provided with limited and conservative enrollment expansion of 200 students per year as supported by the 2016 Enrollment Report.

Town/School Partnership Allocation: The projection includes Town/School Partnership increases that are subject to revision annually by the allocation model currently in use.

Cost of Living Adjustments (COLA): COLA adjustments are included in each of the years and compounded once from year to year. No COLA adjustments were imbedded in the line items as it would potentially compound at a greater rate than reasonable and defensible. Review of this will be conducted as the final Union Contract negotiations are completed, Enrollment Projection and Town/School Partnership data become available.

Salaries

Cost of Living Adjustments (COLA 2%): The 2015 Override vote has a working assumption included that all contracts and collective bargaining agreements salary tables will not exceed a 2% cost of living adjustment for the near term. This assumption has been included as an overarching 2% applied to the base of the total salary budget of the prior year. The School Committee is currently in open negotiations will all of its bargaining units and has an obligation for FY16, FY17, and future years. Once the contracts are settled, both salary tables finalized and this report updated.

Steps (3%): A one year analysis has been completed using the 1st Quarter Financial Projection of the current employees and the step increases they will receive in FY 18. This is somewhat inaccurate as the collective bargaining agreements have not been finalized and the fine tuning of the salary tables for this purpose are not yet complete. We also do not have complete trend data for a number of years to determine if the three variables that impact this percentage increase is historically accurate. The three variables are the step at hiring of new employees on the salary table; the churn of retirees and new hires, and the number of FTEs at top step.

The average increase for all employees being used is 3%. Due to the variance by bargaining unit by bargaining unit, and the variance of the steps within each grade and step table, the analysis uses a number that is rounded up to the next whole percentage. The raw pivot table is provided below by bargaining group for information purposes without decoding the bargaining group. Note that no step increases or salary adjustments are provided for in our Administration and non-aligned employee groups where steps do not already exist. Any pay adjustments for non-aligned employees must be funded through the operating budget request process and or by School Committee adjusting the salary range for these positions. The Superintendent has discretion to designate compensation within the School Committee voted range for these employees.

Step Increase Analysis from F17 to FY18 without COLA impact				
Row Labels	Sum of FY17 Proj.	Sum of FTE	Sum of Step Cost	Average of %
General Fund	\$ 85,670,043	1,738.13	\$1,822,096.82	2.82%
SAD1	\$ 717,529	4.00		
SAD2	\$ 1,622,510	12.00		
SAD3	\$ 1,906,347	16.00		
SAD4	\$ 1,024,134	17.40		
SAFC	\$ 2,059,653	40.95	\$17,843.75	0.90%
SNB	\$ 258,063	506.06		
SS45	\$ 339,710	8.37	\$4,936.44	1.50%
SS47	\$ 517,173	9.53	\$1,000.47	0.20%
SS52	\$ 1,213,125	21.80	\$8,372.38	0.80%
SUMM	\$ -	28.00		
SUNA	\$ 65,397,047	803.65	\$1,507,242.53	2.60%
SUNB	\$ 3,895,287	35.00	\$21,032.37	0.57%
SUNC	\$ 5,916,038	221.57	\$244,261.88	4.42%
SUND	\$ 768,813	13.00	\$17,406.99	2.72%
SUNE	\$ 34,613	0.80		
Special Funds	\$ 6,775,001	825.64	\$83,362.10	2.02%
SAD2	\$ 148,876	1.00		
SAD3	\$ 155,824	2.00		
SAD4	\$ 305,011	5.00		
SAFC	\$ 51,250	1.00	\$0.00	0.00%
SAFF	\$ 920,129	32.53	\$4,986.38	0.90%
SNB	\$ -	406.53		
SS52	\$ 531,575	9.40	\$2,475.00	0.51%
SUMM	\$ -	272.77		
SUNA	\$ 2,436,657	27.75	\$28,151.90	1.52%
SUNB	\$ 477,473	6.00	\$0.00	0.00%
SUNC	\$ 1,748,206	61.65	\$47,748.82	3.16%
Grand Total	\$ 92,445,044	2,563.77	\$1,905,458.92	2.73%

Turnover/Resignations/Retirement Savings: Every year there are 70-100 employees who make decisions to leave the district for reasons that include retirement, promotion, or other life changes. It is important to acknowledge that many times these employee departures generate savings due to hiring people at a lower rate than their experienced predecessor. Therefore an amount is deducted from the projection as well as from the general operating budget request annually. The current assumption is \$675,000 per year for all bargaining units. In FY17 we used a number of \$1,000,000, which is unsustainable without monitoring it for a longer term period.

Lane Changes: Teachers are required to renew their teaching licenses every five years with the Department of Elementary and Secondary Education. A byproduct of the renewal process is often additional college course work and credits that then result in a teacher being eligible for what is termed a "Lane Change." A Lane change occurs when a teacher moves from one degree lane/grade to another. For example, it is not uncommon for new teachers to move from a Bachelors Lane/Grade to a Masters Lane/Grade at maintains their same step level within a year or two years of employment. The amount used is an average \$10,000 cost impact for a lane change and 25 teachers per year will be requesting an adjustment. We do not have readily available

monitoring reports on this at this time. They will be developed and trend analysis generated over time.

Enrollment Personnel (net 200 Students per year/21 student case load @ 80,000 inclusive of benefits) = 10 FTEs minimum (no COLA adjustment): Until the Enrollment Working Group finishes their projection work each year, the district has the working assumption that additional employees will be added to the district each budget cycle. At this time, barring any additional information from the Enrollment Working Group the assumption is that the district will grow a net of 200 students a year and require a minimum of ten teachers across the district.⁴ This is consistent to what the district has been added for the last few years for just classroom expansion. The assumption is that the average cost of each new FTE is \$80,000 including the cost of benefits.

Special Education/504/ Accommodations Personnel (same ratio as Enrollment as we identify and support new IEPs within the district and move ins to student rosters) = 10 FTEs minimum (no COLA adjustment): The same assumption is being used for Special Education, 504 Accommodations, and other Accommodations such as ELL, RTI, Literacy Coaches, and other district supports that may be necessary as the district's enrollment continues to rise. This is not an exact analysis and trend data needs to be built for better future predictions and adjustments. The assumption is that the average cost of each new FTE is \$80,000 including the cost of benefits.

Expenses:

CPI (2 %): Using the New England Consumer Price Index Card for a general sense of where the economy for supplies and materials, an average of 2% was selected.⁵ The actual CPI is more towards 2.6%. No additional COLA or CPI are included in other expense projections to prevent compounding.

Program Review: The district is facing updates and upgrades to its curriculum over the next few years. The \$100,000 is in acknowledgement that there may be an increment each year that needs to fund expanded online content, content development, and district wide replacement of textbooks and literacy materials.

Enrollment (\$200 per student increment for net growth of 200 students per year, no COLA adjustment): Generally, as a net number of students arrive into the district we can accommodate their supply and material needs. However, there is occasionally a tipping point at which an impact is felt and supply budgets need to be increased permanently. The district does not yet budget on a per pupil basis for supplies and materials so a loose average is being used.

⁴ Source for 200 student estimate is based on the future projection of district wide growth from the 2016 Enrollment Report, issued as a preliminary report December 2016. Summary tables included in this document.

⁵ <http://www.bls.gov/regions/new-england/cpi-summary/ro1xg01a.htm>

Special Education/504/Accommodations (same ratio as Enrollment as we identify and support new IEPs, 504, ELL within the district and move-ins to student rosters. (No COLA adjustment): Generally, as a net number of students arrive into the district we can accommodate their supply and material needs. However, there is occasionally a tipping point at which an impact is felt and supply budgets need to be increased permanently. The estimate provided is above and beyond the general education needs. Occasionally, additional equipment is needed and required in order for students to access the education that is not available in the regular classrooms.

Out of District Tuitions: The Town is responsible for the out of district tuition expenses for Special Education, Charter, School Choice, Vocational, and Agricultural schools.⁶ We most commonly budget for Special Education Tuition. However, the Cherry Sheet deducts the cost of Charter and School Choice students along with wards of the state that are in hospital schools. The \$400,000 is included to assume an approximate 5% increase in the total tuition assessments to the Town for all types of non-Public School of Brookline costs.

⁶ <http://www.doe.mass.edu/finance/schoolchoice/choice-guide.html>

School Committee Budget Development Guidelines and Priorities

The Brookline School Committee (BSC) is responsible for approving and overseeing the Public Schools of Brookline (PSB) annual budget. In accordance with those responsibilities, the BSC annual process begins with this statement of priorities and guidelines to inform the Superintendent's initial construction of a budget for the next fiscal year.

BUDGET DEVELOPMENT PRINCIPLES

The budget should serve to accomplish the Public Schools of Brookline **Strategic Plan Goals**:

1. Every Student Achieving
2. Every Student Invested in Learning
3. Every Student Prepared for Change and Challenge
4. Every Educator Growing Professionally

The BSC urges the Administration to follow these **best practice principles** for budget development:

1. Emphasize transparency and accountability in the development, presentation, and management of the annual budget, with expenditures and/or reductions expressed in a format readily understandable by the public and anchored in clear goals, initiatives, and supporting investments for both the district as a whole and for individual program budgets.
2. Describe the effect on the teaching and learning experience (i.e. students, families, and staff) of any proposed budget changes that are substantive (increases and decreases).
3. Minimize reliance on one-time revenues for ongoing operating budget needs.
4. Plan adequate contingency funds for uncertainties and fluctuations in known areas of budget pressure such as (but not limited to) enrollment, special education, and State budget commitments.
5. Maintain solvency within Revolving funds (such as school lunches and adult education).
6. Seek savings through efficiencies within existing programming and/or staffing before seeking additional revenue, provided the proposed change(s) achieve both sustainable improvements in teaching and learning as well as operational efficiencies.
7. Continue the sustainable growth budget model urged by the 2007 Override Study Committee (OSC), approved by the BSC in 2008, and affirmed by the 2014 OSC: ... "consistent with our obligations to engage in good faith bargaining pursuant to M.G.L.c. 150E, [the BSC will] incorporate into our approach to bargaining in the coming year the approach recommended in the Override Study Committee Report of January 2008 on managing total personnel costs, so that the combination of salaries, employee health benefits, and staffing levels grow at a sustainable rate."

BUDGET DEVELOPMENT CURRENT CONDITIONS & PRIORITIES

The FY 2018 budget will be the third year of a three-year override budget. It will also be the first year of 5-year financial projections for the Town of Brookline which will likely produce structural deficits for the Town budget requiring additional funding to sustain. The budget should remain consistent with the investment priorities outlined by the PSB for the override voted on May 5, 2015, and in particular **maintain the BSC's ongoing commitments to:**

1. Low student-to-teacher ratios, especially in the early grades;
2. Program Review—a periodic fact-based evaluation and revision of our core programs for students;

3. Student and staff diversity and equity, including but not limited to the METCO program and educator and administrator recruitment;
4. District-wide capacity to collect, analyze, and use student assessment data to understand both individual student growth and longitudinal trends for the district;
5. Evidence-based student achievement initiatives such as the Literacy Initiative, the Benchmark Assessment System, the Calculus Project, and training for inclusion in collaboration with the Landmark School;
6. K-12 art, music, foreign language, recess, and physical education as part of the school day.

The budget should also reflect the following current conditions and priorities:

1. **Special Education:** The PSB should continue to invest in high quality in-district programming and inclusion classrooms for students with special needs, as well as identify targeted investments and innovations in district-wide programs.
2. **Educational Equity:** In March 2016, the School Committee reviewed a Student Achievement Report that highlighted large and persistent gaps in achievement and inequity of student access to opportunities by race, income, special needs and language. The budget should support and invest in core education program areas that address inequities, and program budget narratives should highlight how resources are being deployed to address inequities.
3. **Collective Bargaining:** The BSC approved one-year collective bargaining agreements with all its unions to cover Fiscal Year 2015, but those contracts have all expired as of September 1, 2015. We are currently in negotiations for a new multi-year Collective Bargaining Agreement between the Brookline School Committee and the Brookline Educators Union (BEU). The budget should reflect new contracts consistent with the sustainable growth budget model indicated above.
4. **State Mandates:** The BSC expects the PSB to continue to budget to meet the demands of various mandated initiatives. Mandated initiatives for 2018 will include:
 - a. **Educator Evaluation.** Piloted in 2013-14 with system-wide implementation in 2014-15, the new system requires changes in both training and supervision, with additional implications for personnel hiring and assignment. Commitment to evaluation and development for our teachers and school leaders is a critically important pillar of our educational system.
 - b. **Rethinking Equity and Teaching for English Language Learners (RETELL).** Effective, July 1, 2016, all licensed educators are required (teacher and administrators) to earn a Sheltered English Immersion (SEI) Teacher Endorsement. Most educators earn their RETELL SEI Teacher Endorsement by completing the 45-hour graduate-level Teacher Endorsement course. The impact to the district is that if a student has a non-RETELL endorsed teacher, they cannot have any unendorsed teacher for the rest of their time at the Public Schools of Brookline.
 - c. **Legislative and DESE regulatory changes.** The PSB will review and update policy, guidelines, and services in accordance with new legislative mandates and DESE regulatory changes.
5. **Special Revenue Funds.** Review and analyze the sustainability of reliance on these funds for basic and specialized program needs, including but not limited to reductions to the Kindergarten grant that were implemented in FY 2017.
6. **Educational Technology:** This includes key investments required for phased implementation of a robust and flexible technology infrastructure:
 - a. Innovative approaches to teaching and learning, and equitable and universal access to advanced technology for all our students in a growing School population

- b. Financial implications of changes to the Information Technology governance structure between the PSB and the Town of Brookline
 - c. Costs of implementing and supporting a new statewide testing system
7. **Operating Implications of Capital Budget:** Continued enrollment growth has had, and will continue to have both operating and capital implications. The pressing needs of the schools for physical expansion and the operations budgets for those buildings are inextricably linked: limitations and/or expansions in the physical plant can drive decisions about class sizes, the number of courses offered and other program choices, and rental space—all of which have implications for the operating budget. The PSB Administration should plan for and highlight those incremental operating costs in the 2018 budget.

Submitted by the Brookline School Committee as voted on September 22, 2016.

Susan Wolf Ditkoff, Chair
 David Pollak, Vice Chair
 P.H. Benjamin Chang
 Helen Charlupski
 Michael Glover
 Lisa Jackson
 Barbara Scotto
 Rebecca Stone
 Beth Jackson Stram

High level guidelines for program budget narratives:

- 1) Program Purpose and Description
- 2) FY17 Goals and Demonstrated Progress
- 3) FY18 Goals, Initiatives and Investments, with specific reference to:
 - a) Strategic plan goals this program advances
 - b) Investments to improve educational equity
- 4) Budget detail