

December 3, 2025

Via Electronic Mail

Robert Sullivan
Mayor and School Committee Chair
City of Brockton
45 School Street
Brockton, MA 02301
mayorsullivan@cobma.us

Dr. Priya Tahiliani
Superintendent
Brockton Public Schools
43 Crescent Street
Brockton, MA 02301
superintendent@bpsma.org

Troy Clarkson
Chief Financial Officer
City of Brockton
45 School Street
Brockton, MA 02301
finance@cobma.us

Geoffrey E. Snyder
Commissioner
Mass. Department of Revenue
100 Cambridge Street
Boston, MA 02114
snyderge@dor.state.ma.us

Re: Brockton Public Schools FY23 \$18 Million Budget Deficit

Dear Mayor Sullivan, Superintendent Tahiliani, CFO Clarkson, and Commissioner Snyder:

Pursuant to its statutory mandate to prevent and detect fraud, waste, and abuse of public assets, the Office of the Inspector General (OIG) recently reviewed the financial practices and oversight controls of the city of Brockton (city) and Brockton Public Schools (BPS) to identify lapses that may have contributed to BPS's unprecedented \$18 million deficit in Fiscal Year 2023 (FY23). The OIG's review primarily focused on individual roles and responsibilities and financial controls rather than on the amount of the deficit, which multiple audits have thoroughly analyzed and reported.¹

In its review, the OIG found that:

1. The BPS FY23 budget was inherently flawed;
2. Key positions in the BPS Finance Department remained unfilled throughout FY23;
3. BPS leadership did not act on early indicators of budget problems;
4. The measures ultimately implemented by BPS leadership in FY23 were not strictly enforced and were not proportionate to the scale of the deficit;

¹ The OIG is aware of audits and investigations conducted by Open Architects, RSM US LLP, and Nystrom, Beckman & Paris LLP.

5. The school committee and its chair, the mayor of Brockton (mayor), did not use available financial reports or other information to understand BPS's deteriorating financial condition; and
6. The school committee and the mayor did not act meaningfully to address BPS's deteriorating financial condition.

The city is currently considering whether to seek amendments to Chapter 324 of the Acts of 1990 (Chapter 324), a legislative act that imposed an array of controls over the city's finances. The OIG understands that potential changes include expanding the authority of Brockton's chief financial officer (city CFO) over the city's finances, including BPS contracts. While the decision with respect to the proposed legislative changes lies with the city and its leadership, a lack of financial acumen, combined with a seeming lack of interest in resolving mounting problems, resulted in the mismanagement of the significant number of public dollars entrusted to BPS in FY23. Changes to Chapter 324 may or may not have significantly mitigated the issues seen in FY23.

The city and BPS must introduce meaningful oversight to BPS finances. The OIG accordingly makes recommendations herein that will assist the city and BPS in instituting financial discipline and avoiding a repeat of the improper and illegal FY23 deficit spending.

Background

1. BPS Budget Process

BPS is a city department falling under the purview of the city CFO. BPS consistently has the largest budget of all city departments. That budget is prepared by BPS's own finance staff and is approved by the superintendent and the Brockton School Committee (school committee). The mayor then submits the budget recommendation to the Brockton City Council (city council) along with the rest of the city budget for consideration and approval.² In practice, BPS is largely independent of the city's financial oversight. Although the city CFO is required under Chapter 324 to approve the city and BPS budgets as well as certain contracts, the city's CFO has virtually no input in the BPS budget process and exercises little oversight over BPS.

2. FY23 BPS Deficit

The city council unanimously voted to approve the city's FY23 budget in June 2022, appropriating to BPS an operating (net) budget of \$206,318,562 and a transportation (non-net) budget of \$12,145,147, totaling \$218,463,709.

² Under M.G.L. c. 44, § 32, the council may make the recommended appropriation, reduce the requested amount, or reject the requested amount.

BPS closed FY23 with a budget deficit of \$18,253,855. Overspending in multiple areas, including (1) payroll, (2) out-of-district tuition and transportation, (3) police details, and (4) energy usage, drove the deficit.³

Once the deficit became publicly known, several BPS officials were placed on leave. The school committee voted to place the now former superintendent, Michael Thomas, on paid administrative leave effective February 21, 2024. The former superintendent later resigned in September 2024. The BPS CFO was placed on paid leave effective September 1, 2023. As of October 8, 2024, he was no longer employed with the district. The deputy BPS CFO resigned effective December 27, 2024, after also being on paid leave since September 1, 2023.

The city council ultimately financed the FY23 deficit using Chapter 324 reserve funds, certified free cash,⁴ and increased revenue estimates from local receipts, including building permits, licenses, and investment income.

3. Applicable Law

State finance law is simple. Government entities may not spend more dollars than they have available. Beyond that foundational premise, multiple sections of the Massachusetts General Laws govern the responsibilities of city and BPS officials in building and managing a budget.⁵ As stated previously, in 1990 the Legislature established specific financial controls for the city, set forth in Chapter 324. These controls included establishing a city finance department, defining duties of key positions such as the city's CFO and auditor, and establishing a special reserve fund.

4. Roles of Key City and BPS Officials⁶

- A. Superintendent.** The superintendent is hired by the school committee. Among other duties, the superintendent serves as the budget officer responsible for preparing, presenting, and administering the BPS budget, which includes receiving and properly accounting for all funds. The superintendent is also responsible for ensuring school

³ Due to declining enrollment, BPS received reduced state appropriations under the Chapter 70 funding formula, which applies statewide. Chapter 70 of the Massachusetts General Laws constitutes a major source of funding for public elementary and secondary schools in the Commonwealth. The funding is disbursed to school districts by the Commonwealth on a per-student basis and is calculated annually based on student enrollment on October 1, with adjustments based on factors such as student demographics. These reduced dollars should have been projected and incorporated into the FY23 budget.

⁴ According to the Massachusetts Division of Local Services, “free cash” consists of “[r]emaining, unrestricted funds from operations of the previous fiscal year, including unexpended free cash from the previous year, actual receipts in excess of revenue estimated on the tax recapitulation sheet, and unspent amounts in budget line items.” See MASS. DEPT. OF REVENUE DIV. OF LOCAL SERVICES, *Municipal Glossary* (January 2020).

⁵ See, e.g., M.G.L. c. 44, § 31A (outlining requirements of local department officials to submit annual budgets); c. 71, § 34 (requiring municipalities to provide sufficient funds to support public schools, but not more than is appropriated); c. 71, § 37 (outlining powers and duties of school committees).

⁶ This information on the roles of city and BPS officials is derived from the OIG's investigation, BPS policies, and job descriptions.

committee members are apprised of BPS's financial condition by providing periodic statements showing year-to-date expenses, budget projections, and additional information as necessary and upon request of school committee members. BPS policy permits the superintendent to largely delegate financial responsibilities to the BPS CFO and finance staff, including the deputy BPS CFO, but **the superintendent is the official ultimately responsible for the BPS budget.**

- B. School Committee.** The school committee is comprised of seven elected members, plus the mayor, who serves as chair.⁷ In addition to hiring and overseeing the superintendent, **the school committee is responsible for approving and overseeing the BPS budget**, spending, and general financial welfare. School committee members are provided with expense summary (ESUM) reports on a monthly basis, containing specific information about year-to-date spending on an item-by-item basis.⁸ Like all local officials, school committee members owe a fiduciary duty to act in good faith and in the best interests of the city and its taxpayers.⁹
- C. Mayor.** As chair of the school committee,¹⁰ **the mayor reviews and votes to approve the BPS budget.** Then, with the assistance of the city CFO, the mayor in his capacity as the city's chief executive officer is responsible for submitting the city's budget, inclusive of the BPS budget, to the city council for approval.
- D. City CFO.** The city CFO is hired by the mayor and **oversees the city's overall budget** and expenditures. Chapter 324 requires that all city departments submit their budgets to the city CFO for review prior to submitting them to the mayor and city council. Chapter 324 specifically includes the BPS budget, as approved by the school committee, in this requirement.¹¹

As the descriptions of these roles indicate, budget approval, management, and oversight under the provisions of Chapter 324 was, and continues to be, the responsibility of at least 10 individuals. Yet, unprecedented deficit spending occurred in FY23. Without question, serious changes are required.

⁷ Brockton, Mass., Rev. Ordinances, Part I, § 31.

⁸ ESUM reports contain a host of financial data including, for each line item, a description of each account, the most recent revised budget projection, monthly and annual actual expenditures, available remaining budget, and percentage used.

⁹ *Professional Servs. Grp., Inc. v. Town of Rockland*, 515 F.Supp. 2d 179, 192 (D.Mass. 2007) ("A public official of a municipality acts as a trustee for the citizens and the town and owes them a fiduciary duty of a trustee-honesty and loyalty.") (citing *United States v. Silvano*, 812 F.2d 754, 759 (1st Cir. 1987)).

¹⁰ Brockton, Mass., Rev. Ordinances, Part I, §§ 31, 58.

¹¹ 1990 Mass Acts c. 324, § 5.

Findings

Finding 1: The BPS FY23 budget was inherently flawed.

The FY23 budget, as prepared by the superintendent,¹² the BPS CFO, BPS finance staff,¹³ and the school committee, contained inaccurate and unreasonably optimistic projections for student retention and tuition reimbursement. Multiple sources stated that the superintendent hoped student enrollment would increase for the 2022-23 school year, as the COVID-19 pandemic had largely subsided. He therefore retained high staff levels rather than reducing the BPS workforce. He also maintained elevated staffing levels in part to address safety concerns in the schools. In spite of the rationale for these actions, the law requires BPS to stay within its budget.

Finding 2: Throughout FY23, key positions in the BPS Finance Department remained unfilled.

Prior to and throughout FY23, numerous key positions in the BPS Finance Department were vacant and had been so for long periods of time. In July 2024, BPS provided the OIG with several job descriptions, including those for the chief budget officer, executive director of financial services, and budget and requisition manager. Those positions were vacant throughout FY23, as well as at the time of the OIG's document request for job descriptions on July 2, 2024. Other finance department positions, such as those of the BPS CFO and deputy BPS CFO, did not have written job descriptions or internal policies that clearly delineated responsibilities and reporting structures.

No matter the reason that BPS officials were unable to fill these key positions, it was incumbent upon the superintendent to find temporary ways to provide critical finance department resources.

Finding 3: BPS leadership did not act on early indicators of budget problems.

As early as July 2022, the BPS finance staff began to internally raise concerns about the FY23 school budget. The OIG found that the BPS CFO did not elevate those concerns to the superintendent in a timely manner, if at all.

The staff's concerns centered on increased expenditures for out-of-district tuition, transportation, and contracts that were not appropriately budgeted.¹⁴ The finance staff followed the reporting structure as they understood it and raised their concerns to the BPS CFO by email and other means. The BPS CFO did not respond to most of these emails, and none of the emails

¹² References to "superintendent" in this letter's findings and conclusion are to Michael Thomas, the former BPS superintendent holding the position during the time of the events described herein.

¹³ For the purpose of this letter, references to "BPS finance staff" do not include the BPS CFO.

¹⁴ BPS significantly overspent on the budget's "Contract Services" line item, which included expenditures for leases, mentors, and police details.

or other written records made available to the OIG showed evidence that the BPS CFO relayed any of these concerns to the superintendent.

In August 2022, the BPS CFO appears to have sent a formal letter to the superintendent regarding the loss of Chapter 70 funds¹⁵ and the need for BPS to reduce staffing levels to balance the budget. The OIG could not verify that this letter was ever delivered to the superintendent and found no evidence that the superintendent took any action at that time to address the issue. Apart from this letter, the OIG found no evidence that the BPS CFO took any steps in response to the concerns of the BPS finance staff.

Over the following months, the BPS finance staff continued to raise concerns about the budget to the BPS CFO, including via email. The OIG could find no evidence that the concerns were acknowledged by BPS leadership, nor evidence of any early action taken to mitigate the deficit through cost-cutting efforts and other means. The OIG was informed that the superintendent and BPS CFO discouraged email and other forms of written communication. Most key communications between the superintendent and the BPS CFO took place “offline” in meetings and phone calls. This practice resulted in little documentation for follow-up or accountability.

In March 2023, the BPS finance staff included the superintendent on an email with the BPS CFO to question costly police details. Neither the BPS CFO nor the superintendent responded to this email.

The superintendent, in turn, failed to present specific budgetary concerns to the school committee beyond what was included in the monthly ESUM reports.

It is clear that communications stalled at the top of the BPS organization, stunting BPS’s collective ability to address the ballooning deficit.

Finding 4: The measures ultimately implemented by BPS leadership in FY23 were not strictly enforced and were not proportionate to the scale of the deficit.

In late March 2023, the superintendent, the BPS CFO, and the deputy BPS CFO met for an emergency budget meeting to discuss the deficit. After this meeting, the superintendent approved remedial measures, including (1) a hiring freeze; (2) halting overtime approval; and (3) freezing discretionary spending. However, these measures were not strictly enforced, undermining their efficacy.¹⁶

In an April 1, 2023 email to the BPS CFO recounting this meeting and the measures implemented, the deputy BPS CFO conveyed that the “situation has become quite critical,” and projected a shortfall of approximately \$13 million. The deputy BPS CFO opined that the remedial

¹⁵ See Footnote 3, *supra*.

¹⁶ The OIG learned through interviews that the overtime freeze did not materialize and that BPS staff continued to submit overtime slips. The OIG also learned that BPS took longer than necessary to terminate consultants and mentors (see Footnote 14, *supra*).

measures were taken “too late to produce a positive impact to the current budget deficit” and recommended promptly informing the mayor and school committee of the situation.

Multiple sources confirm that in April 2023 the mayor met with the superintendent, the city and BPS CFOs, and the deputy BPS CFO, who at that time advised the mayor of the deficit. During a discussion of the proposed FY24 budget at an April 25, 2023 meeting of the school committee’s finance subcommittee,¹⁷ the deputy BPS CFO stated that BPS was “running, currently, an \$18 million deficit.”

It is clear that on the threshold of FY23’s 4th quarter, even if the superintendent’s measures had been perfectly executed, those efforts would have likely been “too little, too late” to address an estimated budget deficit that grew from \$13 million to \$18 million over the course of a few weeks.

Finding 5: The school committee and the mayor did not use available reports or other information to understand BPS’s deteriorating financial condition.

Throughout FY23, the superintendent and BPS finance staff provided the school committee, including the mayor as school committee chair, with monthly ESUM reports. These reports contained sufficient information for a responsible individual – particularly one whose duty is to monitor the BPS budget – to have understood that many expense line items were exceeding projections early in FY23. These included line items that were the subject of considerable prior discussion, such as transportation and out-of-district tuition. Despite these reports, meeting minutes indicate that the school committee did not discuss the deficit until after FY23 closed.

Sources advised the OIG that the majority of school committee members at that time did not have accounting or finance backgrounds. BPS finance staff stated they made presentations, offered guidance during meetings, and made themselves available to committee members outside of meetings to provide background and explain financial matters. The OIG found no evidence that school committee members availed themselves of this assistance.

Realistically, however, the budgetary fiscal cliff facing the BPS was so significant it should not have required any specialized budgetary or accounting acumen to fully understand the scope of the problem and the urgency to act.

Finding 6: The school committee and the mayor did not use available reports or other information to address BPS’s deteriorating financial condition.

As stated in Finding 4 above, during a discussion of the proposed FY24 budget at an April 25, 2023 meeting of the school committee’s finance subcommittee, the deputy BPS CFO stated that BPS was “running, currently, an \$18 million deficit.” He went on to propose “realignments”

¹⁷ The finance subcommittee is comprised of the entire school committee membership.

for staff levels and ordinary maintenance expenses to balance the budget for FY24. The school committee's finance subcommittee did not discuss the deficit any further.¹⁸

The idea that a projected deficit of this size so late in the fiscal year did not warrant further discussion and action is shocking and demonstrates a dereliction of financial responsibility.

School committee members, despite their clear role in overseeing BPS's financial policy and processes as well as their fiduciary duty to BPS, collectively failed to take steps to fully address BPS's finances. Despite not leveraging available information, they were the city officials who were in a position to take necessary actions to address the deficit and did not do so. School committee members failed to adequately perform their oversight duties.

Conclusions and Recommendations

The unprecedented FY23 BPS deficit was caused by a collection of failures to properly plan the BPS budget, monitor spending, and respond to clear warning signs. Despite the directives of Chapter 324 and other applicable laws, the BPS FY23 budget crisis can largely be attributed to the inaction of individuals at every step of the budget process. The OIG cannot overstate the fact that a failure of leadership by key BPS leaders allowed this fiscal crisis to occur.

In not recognizing and remedying FY23 budget issues notwithstanding the available information and opportunities to intervene, the BPS CFO, the superintendent, school committee members, and the mayor violated their fiduciary duty to BPS and the city.

Regardless of whether Chapter 324 is ultimately amended (which, after all, would not force BPS leaders to read reports and ask questions), the OIG recommends that BPS and the city work together to establish fiscal policies and practices that ensure every individual involved in preparing and overseeing the budget understands their roles and can be held accountable for their responsibilities. Importantly, BPS and the city must set a "tone from the top" and require a commitment up and down the chain of command to operate with funds that are actually available.

Specifically, the OIG recommends that BPS and the city take the following actions:

1. Set a "tone from the top" in (a) adopting budget management best practices and (b) adhering to budget policies in place;
2. Establish a culture that encourages individual and collective action in bringing budgetary concerns to city leadership, BPS leadership, and the school committee;

¹⁸ The OIG reviewed a recording of this meeting posted to the city's YouTube channel, but BPS did not provide the OIG with meeting minutes, nor do minutes appear to be publicly available online.

3. Require the school committee and BPS personnel holding budgetary responsibilities, including the superintendent, BPS CFO, deputy BPS CFO, and other finance staff, to take specialized training on their fiduciary obligations;¹⁹
4. Ensure that the school committee and BPS finance staff understand the BPS budget cycle and how to read and analyze budgetary documents;
5. Strengthen controls by creating or amending existing fiscal policies to ensure clarity and consistency with applicable law. All fiscal policies concerning BPS should clearly define:
 - a. Roles and responsibilities of the superintendent, the BPS CFO, other BPS finance staff, and the school committee, both in preparing and in administering the annual BPS budget;
 - b. Roles and responsibilities of the mayor, the city CFO, and other city finance staff, both in preparing and administering the annual BPS budget;
 - c. The reporting structure and procedures for staff members to raise budgetary concerns, including an alternative path should a concern remain unaddressed;
 - d. Circumstances under which the BPS CFO is required to report information to the school committee and the mayor, including material changes in budget projections that result in a deficit; and
 - e. Develop a clear alternative path if there is no response to budgetary concerns raised through the identified reporting structure;
6. Review current BPS contracts to ensure that the contracts were properly procured and that monies have been appropriately encumbered, and establish a written process to similarly account for future contracts procured; and
7. Require all current and future school committee members within the first 30 days of their tenure to complete the “Boards and Commissions: Know Your Responsibilities” training offered by the OIG Academy.

Implementing these recommendations will assist BPS and the city in effectively overseeing public resources and ensuring compliance with applicable law. In the absence of clear, centralized, and actionable policies and procedures, BPS staff and school committee members may not be fully aware of their roles and responsibilities, rendering it difficult to hold individuals accountable. Establishing comprehensive policies, implementing internal controls, and ensuring adequate training will build transparency, increase the public’s confidence in BPS management and operations, and provide a strong foundation to mitigate any future budget challenges.

Within 45 days of receiving this letter, the city of Brockton and its school department should notify this office in writing of their plans to implement the recommendations herein or of actions already taken.

¹⁹ BPS and city leadership should consult with the city’s outside auditing firm in identifying appropriate training opportunities.

If you have any questions, please contact me or George A. Xenakis, director of the OIG's Audit, Oversight and Investigations Division, at 617-722-8853 or George.Xenakis@mass.gov.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J S Shapiro', is positioned above the printed name.

Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Jeffrey A. Thompson, President, Brockton City Council
Tony Rodrigues, Vice Chair, Brockton School Committee
Judy Sullivan, Brockton School Committee
Tim Sullivan, Brockton School Committee
Joyce Asack, Brockton School Committee
Jorge Vega, Brockton School Committee
Claudio Gomes, Brockton School Committee
Ana Oliver, Brockton School Committee
Moises Rodrigues, Mayor-Elect, City of Brockton
Senator Michael Brady
Representative Michelle DuBois
Representative Rita Mendes
Representative Bridget Plouffe
Patrick Tutwiler, Secretary of Education, EOE
Pedro Martinez, Commissioner, Mass. Department of Elementary and Secondary Education
Sean Cronin, Senior Deputy Commissioner for Local Services, DOR
Jill Bosco, Managing Principal, CLA Boston
Eugenia M. Carris, Esq., General Counsel, OIG
George A. Xenakis, Director, Audit, Oversight and Investigations Division, OIG
Nataliya Urciuoli, Senior Executive Assistant, OIG