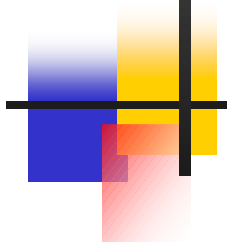




Boston Public Schools

FY2010 Budget Hearing



English High School

March 10, 2009

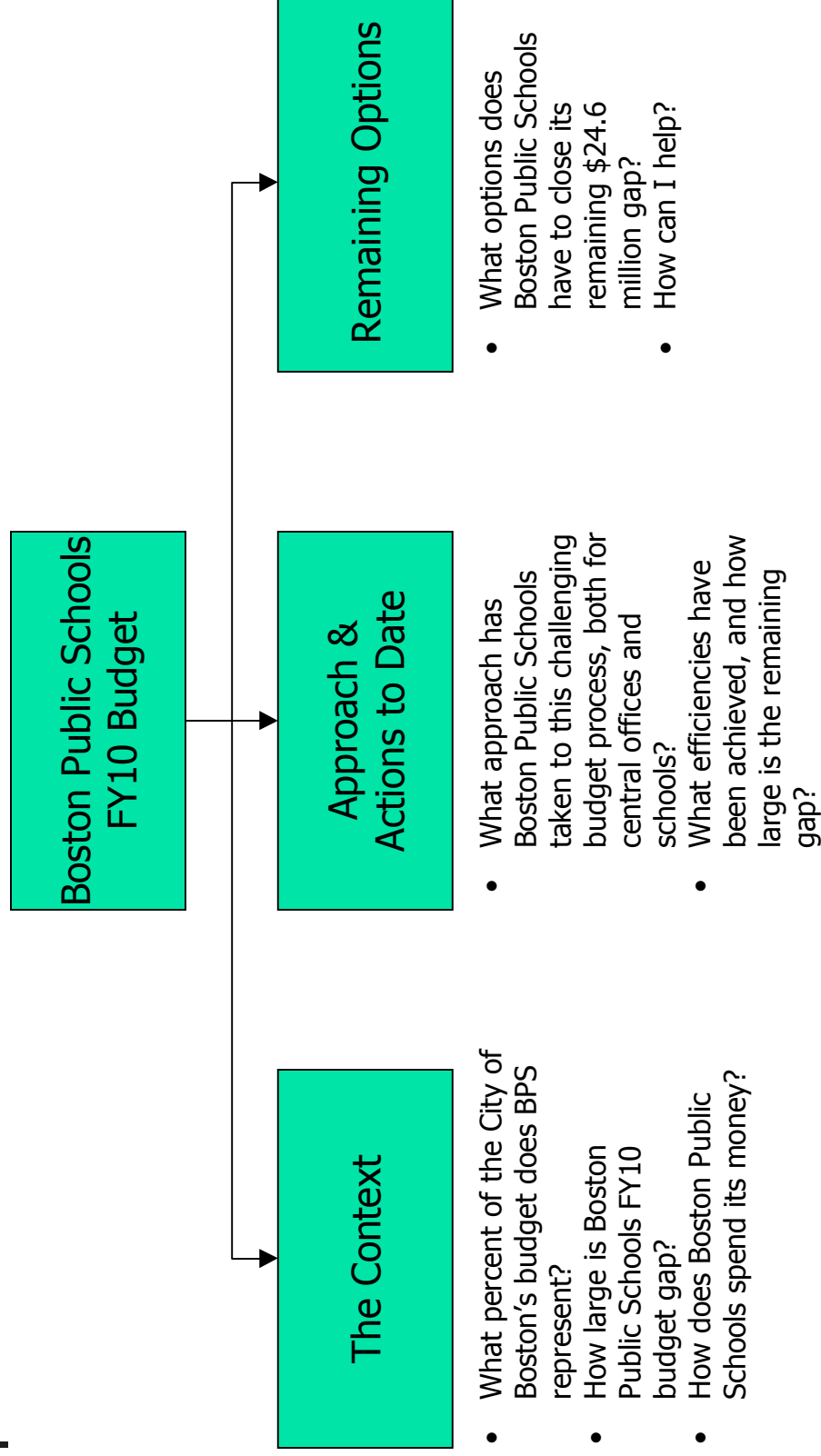


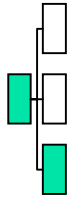
Summary

- Preliminary budget recommendation for FY10 is \$786.9 million, a 5.5% reduction from the FY09 budget of \$833.1 million
- Despite the economic challenges, Boston Public Schools remains committed to achieving our core mission of providing every child with a first-rate public education
- Boston Public Schools faces a \$107 million gap in FY10
- Our guiding principles in closing the gap are to preserve resources for classroom instruction and to work smarter and more efficiently
- We have currently identified \$83 million in cost savings: \$46.5 million from central budgets and \$36.5 million from school budgets
- A \$24.6 million gap remains
- Some school reductions are not sustainable, and will have to be restored. This has the impact of increasing the gap
- Options for closing this gap include strategic use of economic stimulus plan funds, a wage freeze, reforming transportation and student assignment, and closing more schools



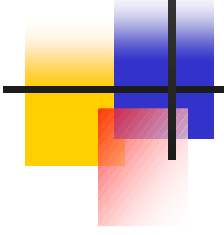
Structure



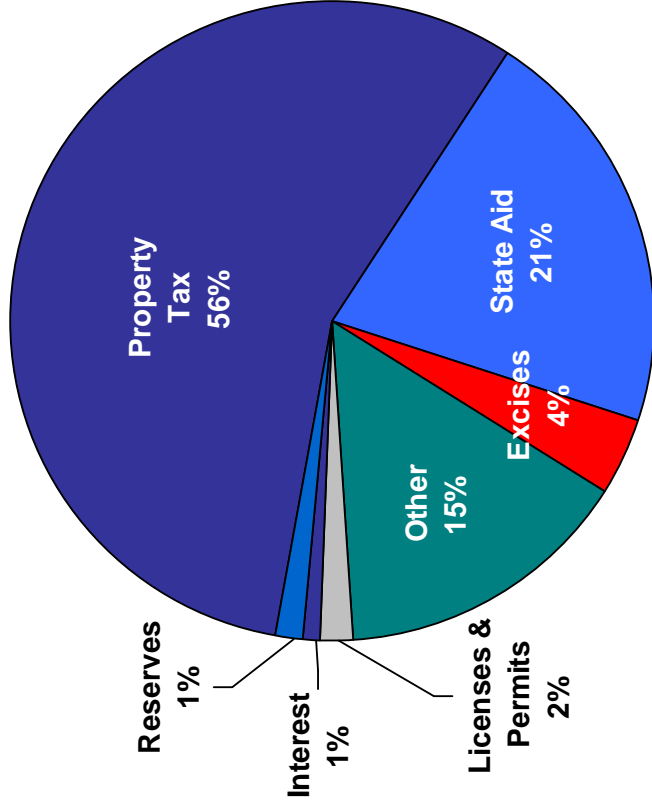


City of Boston FY09 Budget:

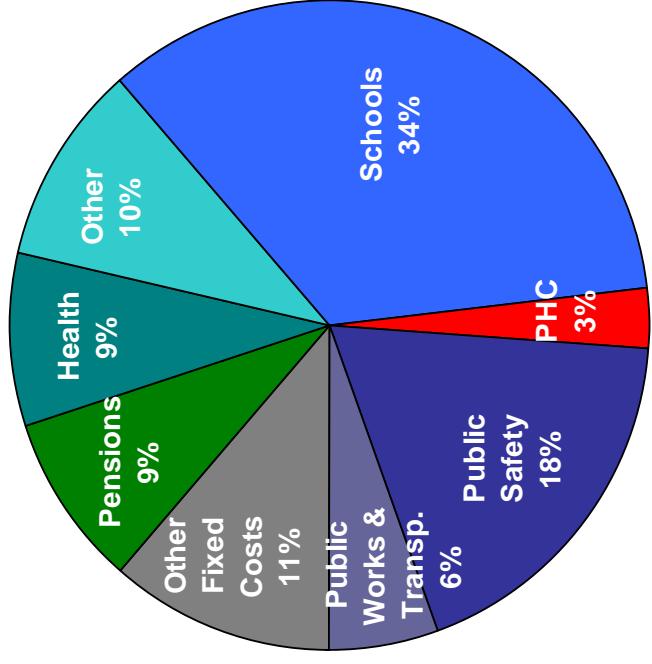
\$2.42 Billion



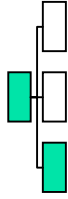
Major Revenue Sources



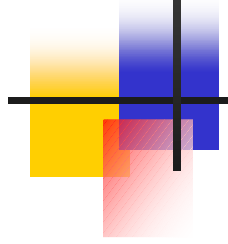
Major Expenditure Areas



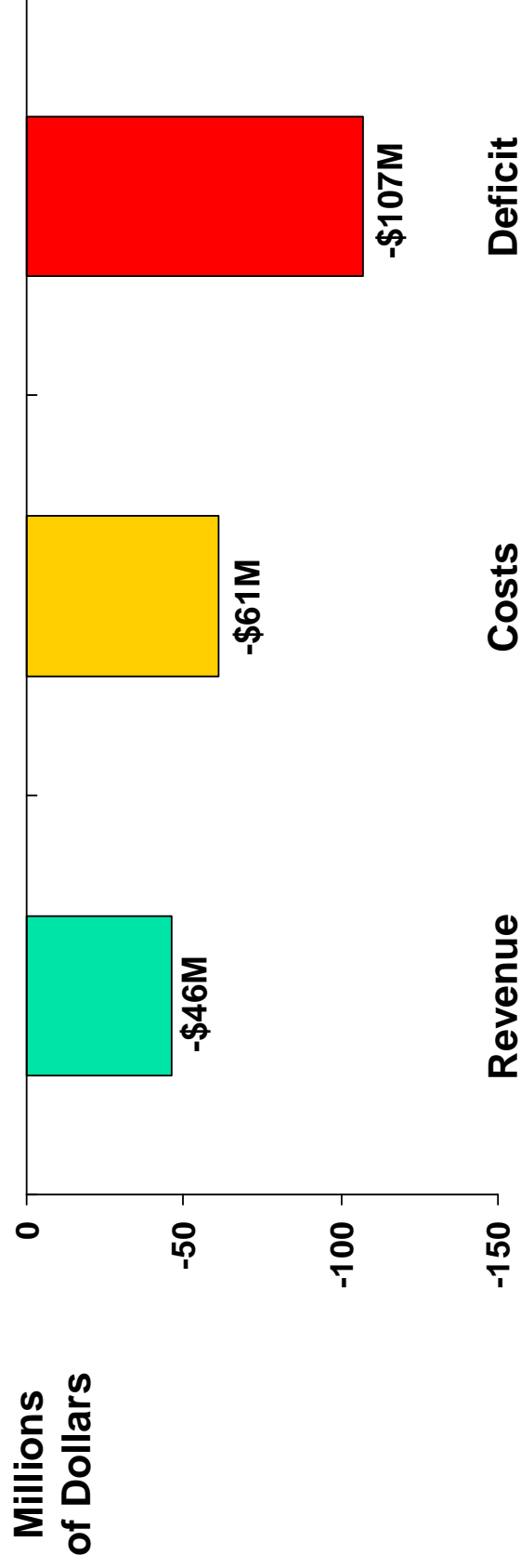
NOTE: Totals may not add due to rounding. Total health benefits costs, including those in Schools and PHC are 12.3% of total expenditures. Health expenditures include \$25 million to OPEB liability.

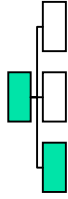


Boston Public Schools: FY10 Budget Gap of \$107 Million

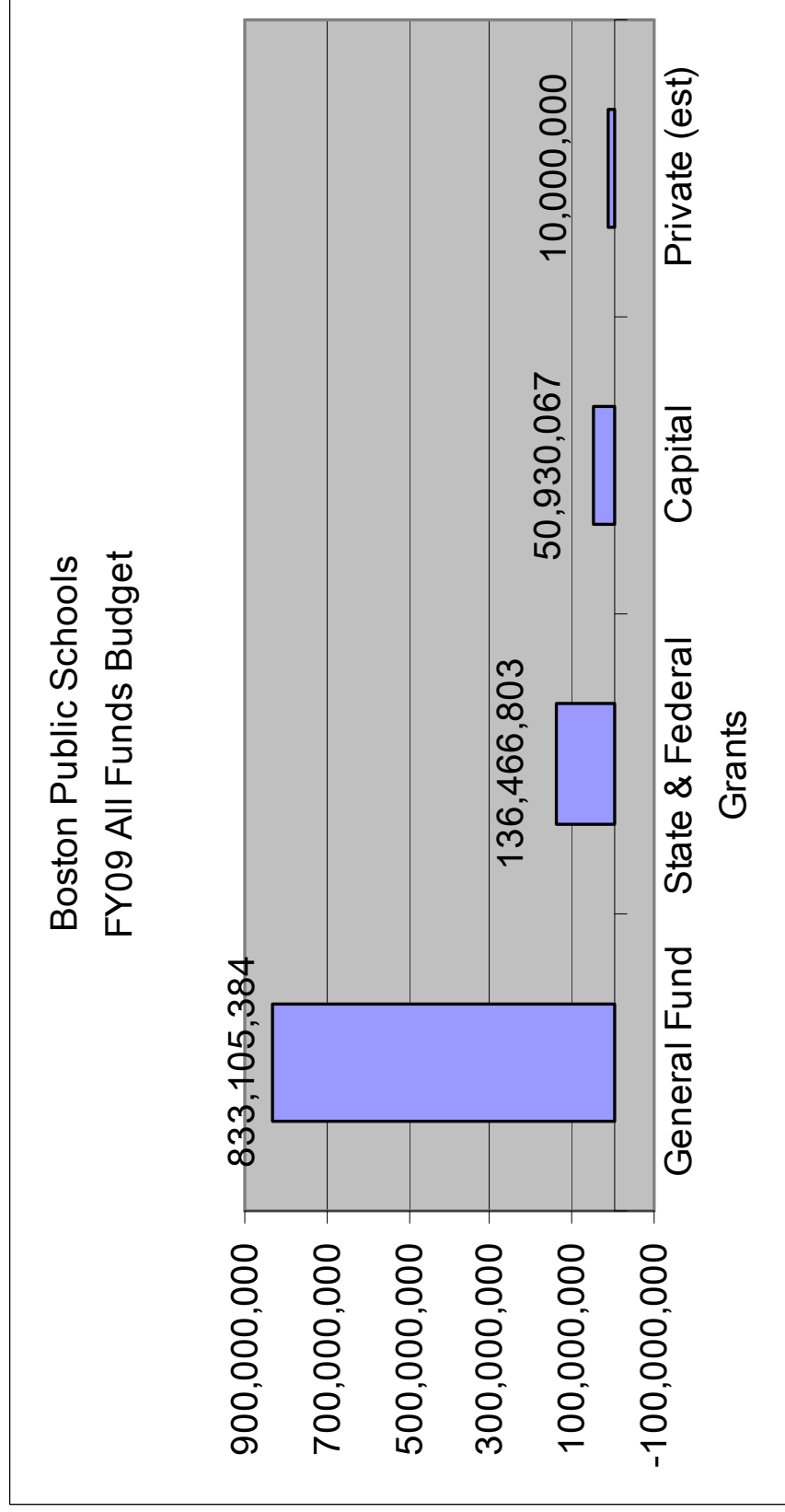
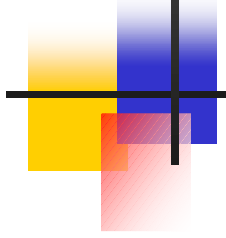


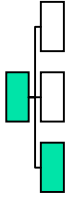
Boston Public Schools Budget Gap FY2010



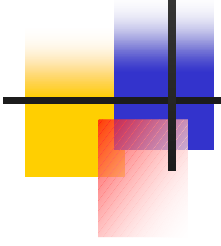


The Context: Where Does Our Money Come From?

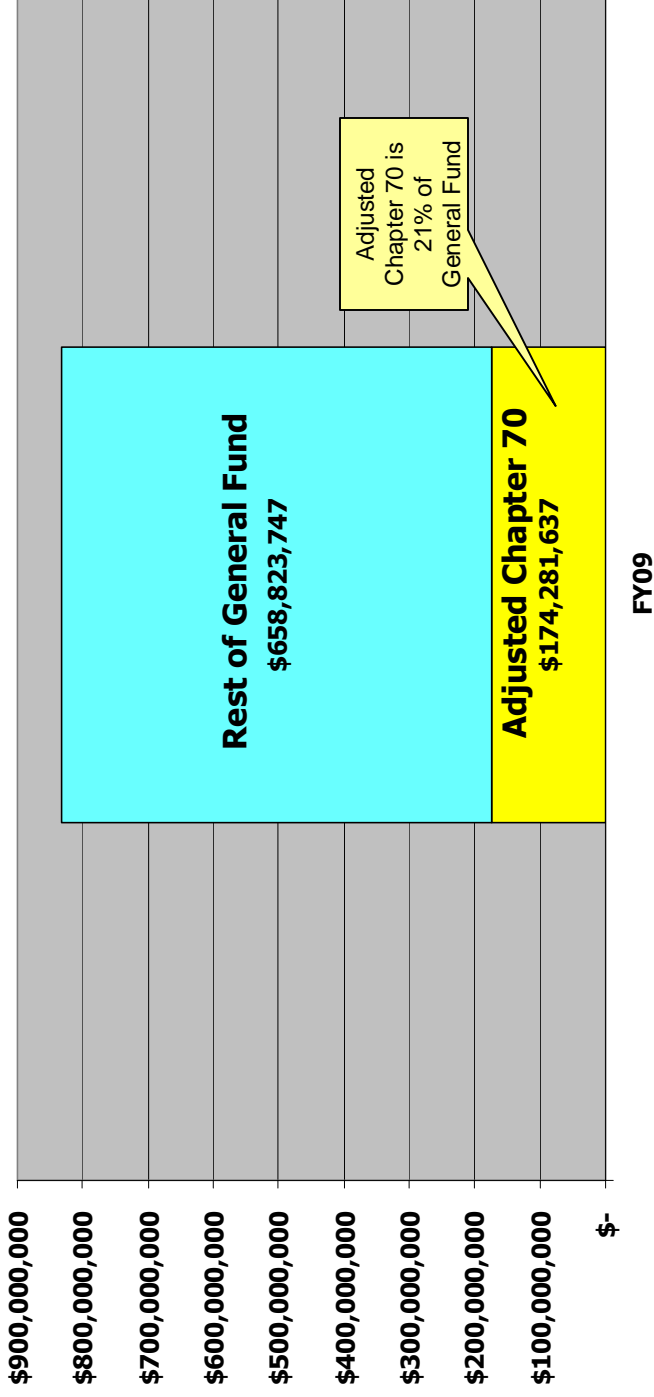


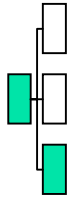


The Context: Chapter 70 (State Aid for Public Education)



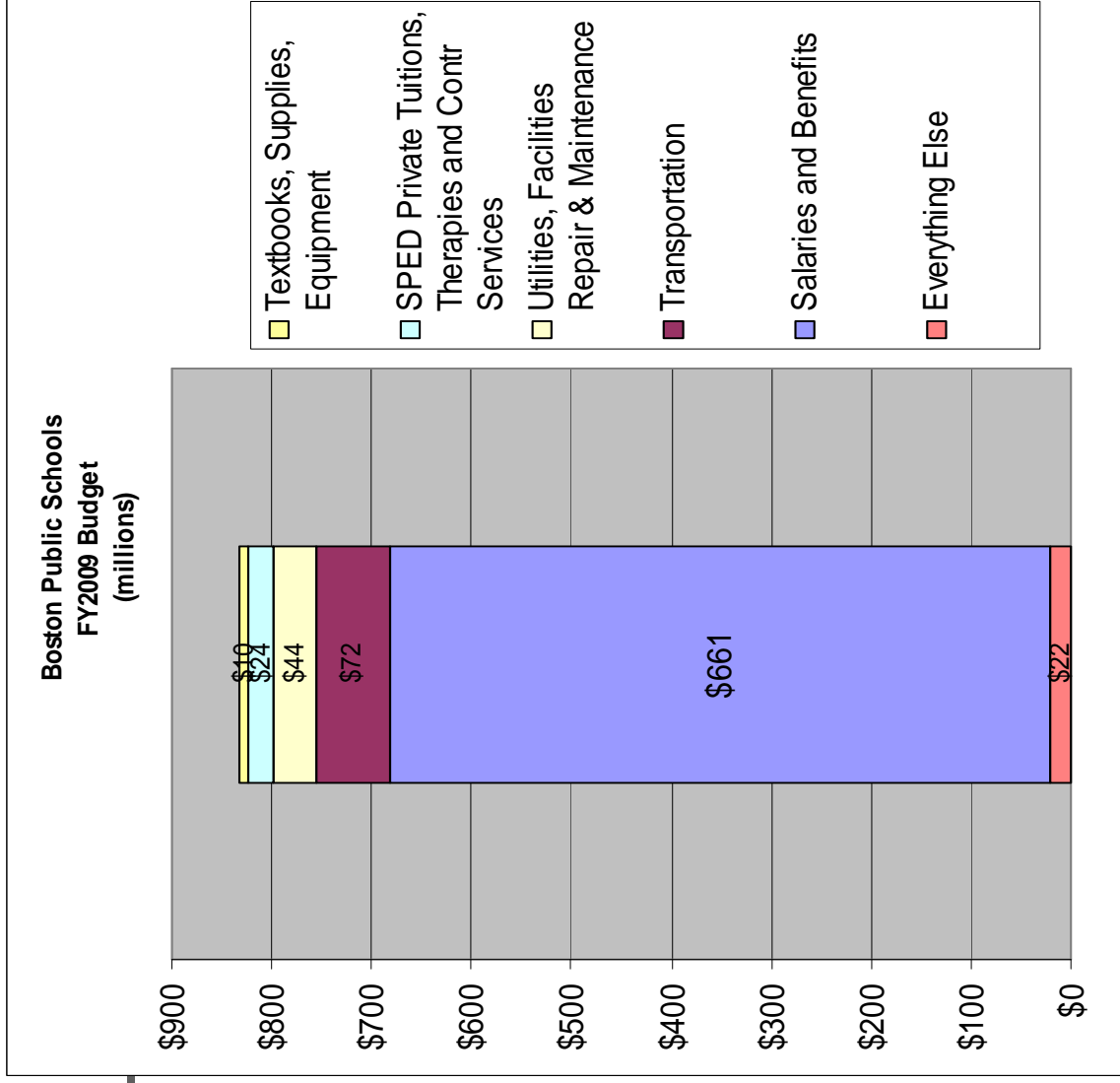
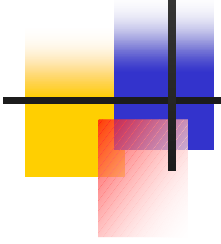
**Boston Public Schools
Adjusted Chapter 70 as a Proportion of General Fund**

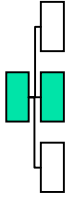




The Context:

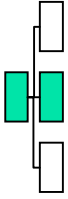
What do we buy with our money?





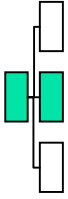
The Approach: Academic Priorities

- The challenge before us is to prioritize the investments that have the greatest impact on our core mission of ensuring academic excellence for all students
- The academic investments in the “Acceleration Agenda” include:
 - A consistent new citywide approach to K-12 **literacy** instruction, to ensure that every child learns to read and write well
 - Expansion of challenging learning opportunities, especially **Advanced Placement** courses in all high schools, and increasing access to **algebra** in every middle school
 - Dropout prevention and recovery initiatives, such as a new **Transition Center** to welcome back students who have dropped out, as well as **credit recovery** programs
 - A **Newcomers Academy** for students with little or no English who arrive in the country during the school year
 - **Enrichment opportunities** to develop well-rounded students
 - Expansion of **K-8 schools** and high-performing **pilot schools**, in response to the needs of families
 - Expansion of **K1 classrooms** for early childhood education



The Approach: Guiding Principles

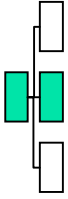
- Top priority: support work in schools and direct service to students
 - Reduce administration first; impact schools last
- Look for innovative ways to do business differently and increase efficiency
 - Find ways to consolidate, merge, or close departments
 - Use short-term investments to generate long-term savings
- Prioritize what works and reduce investments in what is not showing results
- Solicit input from schools/staff and community; communicate regularly



FY10 Current Status

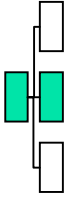
| | Amount (\$) |
|---------------------------|-------------|
| FY09 Budget | 833,105,384 |
| FY10 Increased Cost | 61,427,849 |
| FY10 Level Service Budget | 894,533,233 |
| Target Appropriation | 786,883,901 |
| Budget Gap | 107,649,332 |

| Category | Amount (\$) | FTE |
|---|-------------------|---------------|
| Operations | 16,278,489 | 81.50 |
| Finance | 2,774,893 | 5.00 |
| Academics | 8,009,546 | 73.10 |
| Family & Student Engagement | 364,030 | 4.00 |
| Superintendent's Offices | 1,191,925 | 12.00 |
| District Programs and Services | 14,879,906 | 9.00 |
| Special Education Central | 2,961,954 | 33.90 |
| Total Central and Programmatic Support | 46,460,743 | 218.50 |
| Special Education Schools | 5,893,750 | 71.10 |
| School Budgets | 30,636,441 | 627.80 |
| Total School-Based Reductions | 36,530,191 | 698.90 |
| Total Proposed Reductions | 82,990,934 | 917.40 |
| Revised Budget Gap | 24,658,398 | |



Schools and Central Approach

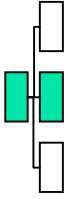
- Schools method of allocation differentiated
 - Level, size, and population
- What cuts mean for schools
 - Budget to budget: average 4% reduction
 - Level service: average 8% reduction
 - Wide range: 0 to 17% reductions
- Central: make deeper cuts than to schools
- Guidance: 20% to 30% cuts
 - Some departments have experienced greater than 30% reductions



School Budget Methodology

- Schools allocations varied by level, size, and population

| Level | # of Schools | Size | Enrollment | Existing % | Additional % | Cumulative % |
|------------|--------------|------------|------------|------------|--------------|--------------|
| Special | 4 | NA | NA | 0.0 | 0.0 | 0.0 |
| Elementary | 16 | Very Small | <200 | 5.0 | 1.0 | 6.0 |
| Elementary | 44 | Small | <450 | 5.0 | 11.0 | 16.0 |
| Elementary | 23 | Large | >450 | 6.0 | 12.0 | 18.0 |
| Middle | 5 | Small | <500 | 7.5 | 13.0 | 20.5 |
| Middle | 7 | Large | >500 | 8.5 | 14.0 | 22.5 |
| High | 29 | Small | <450 | 9.0 | 15.0 | 24.0 |
| High | 10 | Large | >450 | 9.5 | 16.0 | 25.5 |



Per Pupil Funding Differences

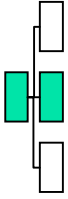
- The cost of serving different populations of students varies based on the requirements to serve each population
- Special education and English Language Learning classes have a higher cost per pupil
 - State law mandates lower class size maxima and additional staff

Funding One Regular
Education Teacher

| | |
|---------------------------|-----------|
| Avg. Cost Teacher | 80,615 |
| <u>Class Size Maximum</u> | <u>31</u> |
| Avg. Cost / Student | 2,600 |

Funding One Special
Education Classroom

| | |
|-----------------------------|-----------|
| Avg. Cost Teacher Plus Para | 108,322 |
| <u>Class Size Maximum</u> | <u>12</u> |
| Avg. Cost / Student | 9,027 |



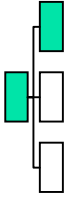
Schools Position Impact

FY10 School-Based FTE Reductions

| Non-Teaching Staff | FTE |
|---------------------------------|--------------|
| School Support | 142.6 |
| Student Support | 87.2 |
| School-based Administrators | 42.8 |
| Special Education Support | 23.3 |
| Total Non-Teaching Staff | 295.9 |

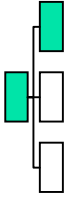
| Teaching Staff | FTE |
|-----------------------------|--------------|
| Regular Education Teachers | 331.9 |
| Special Education Teachers | 40.5 |
| Special Education Paras | 30.6 |
| Total Teaching Staff | 403.0 |

| | |
|--|--------------|
| Total School-Based FTE Reductions | 698.9 |
|--|--------------|



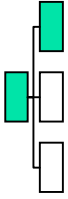
Remaining Gap and Options

- \$24.6 million gap remains
- Reductions proposed already are deep
- Some of the reductions to schools are not sustainable
- Process to verify and quantify required school restorations is ongoing
- Remaining Options
 - Economic Recovery Plan
 - Wage Freeze
 - Student Assignment and Transportation
 - Close More Schools



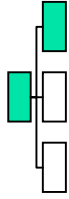
Economic Recovery Plan

- The Economic Recovery Plan represents a key strategy in addressing some of the deepest cuts in schools and making strategic investments that position the district for success in long-term gains in student achievement
- What's available:
 - Title I: \$34 million over two years
 - IDEA: \$24 million over two years
- The Economic Recovery Plan will not solve the budget problem
 - The amount of money is not sufficient to close the budget gap and make necessary restorations to schools
 - Clarity is required on a number of issues
 - Prioritizing "shovel-ready" projects
 - Timing of when funds may be available
 - Flexibility that school districts may or may not have in the use of funds
 - Rules governing supplanting of federal funds and whether exemptions will be granted for these specific funds
 - Whether funds will flow directly to school districts and municipalities or through state governments and what state guidelines will be established

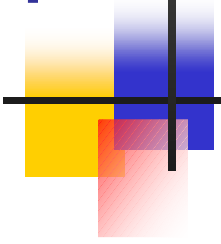


Wage Freeze

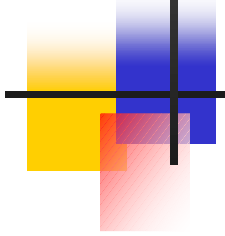
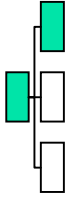
- Shared sacrifice
 - \$30.7 million
 - Steps senior management has taken
 - Headmasters challenge
 - What we're asking from unions
 - Ways those retiring in FY10 are protected
- How wage freeze helps protect student achievement and saves jobs
 - Equivalent to 335 teachers and 70 staff jobs



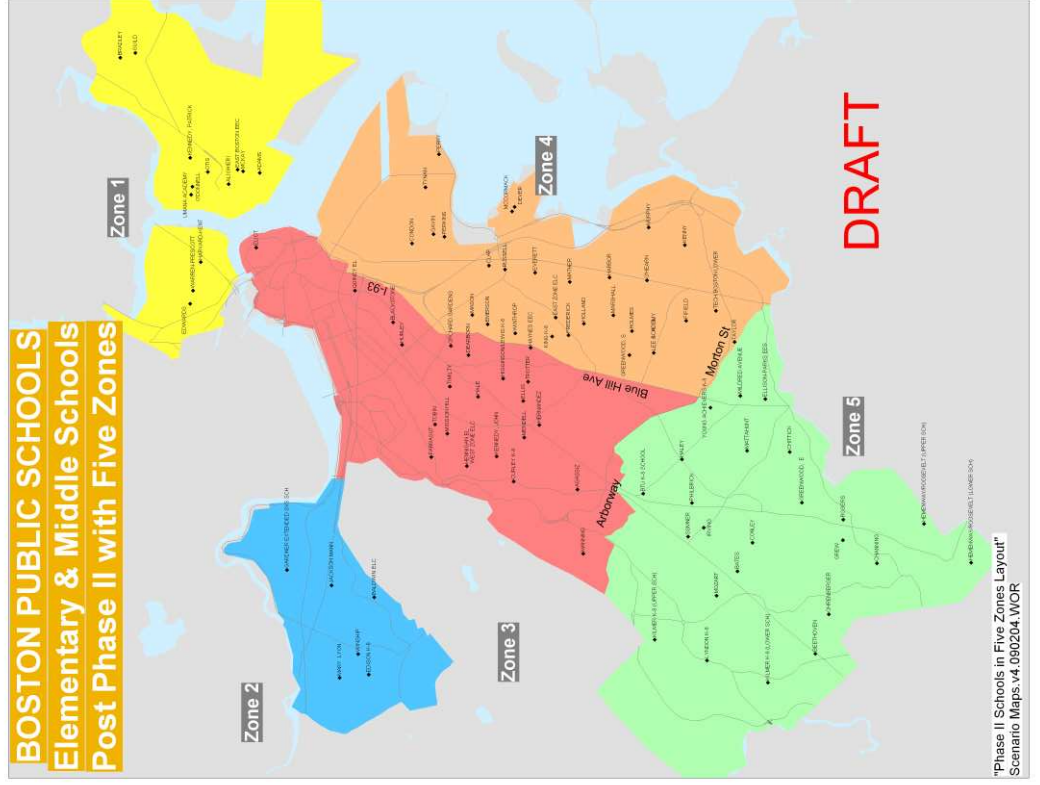
Student Assignment and Transportation

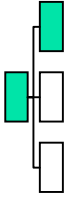


- Shift from a 3 zone student assignment plan to a 5 zone plan
- Objectives
 - Create walkable communities
 - Provide continuity of educational experience
 - Preserve a range of school choice
 - Reduce transportation costs
- Distribute following programs evenly across zones
 - K-8 schools, high-performing pilot school, Advanced Work Classes, Special Education, English Language Learners



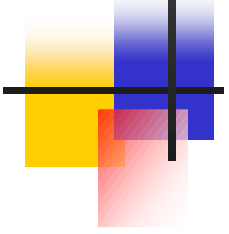
New 5 Zone Model





How You Can Help

- Advocate for the Mayor's legislative agenda for revenue
- Support efforts for flexibility for Economic Recovery Plan money



Q&A

