

Financial Analysis of School Reprogramming Proposals

Attached is a summary of the financial analysis that quantifies the impact of the School Reprogramming proposals submitted to the Boston School Committee on October 1, 2008.

This analysis focuses on the incremental changes in cost that would result from approval of the proposals. There are a number of underlying assumptions that should be noted. These include the following.

1. Cost factors (both savings and investments) were considered in the following areas:
 - Staffing
 - Utilities (savings only attributed to buildings that would close)
 - Repair and maintenance
 - One-time moving expenses
 - Start-up costs (textbooks and supplies for new grades and/or classrooms that open)
 - Per-pupil allocations for purchased services in Pilot Schools
 - Capital investments required to ensure that facilities are appropriate for ages of students being assigned to a specific program
2. Net costs: the values on the report represent net costs and/or savings associated with each proposal, or the difference between current budget levels increased by new investments and decreased by savings.
3. Constant dollars: values are presented based on current-year dollars. They have not been adjusted for potential inflationary impact in future years. So, those programs that have net increased costs associated with them would have a higher five-year value if an inflationary factor were applied. Similarly, those proposals that have savings associated with them would leverage a higher level of savings over the five year period if an inflationary factor were applied. In order to provide a straight forward assessment of the scope of these proposals, not cost-adjustment factor for future years has been incorporated.
4. Reallocation of resources. Some of the values in this analysis assume the reallocation of existing resources. So, for example, you will find no cost associated with the closing of Odyssey. The assumption here is that students from the Odyssey would be absorbed within the other schools in the South Boston Education Complex. As a result, the resources associated with Odyssey are reallocated in the same amount to serve the same number of students in the remaining two high schools within the complex. There is no net, incremental difference in cost.

5. Incremental costing versus budget. The values in this document do not represent specific budgets for each program. In the first year they measure net changes in status, or impact on the bottom-line. In subsequent years they reflect the cumulative impact of costs and/or savings based on recurring expenditures, recurring savings and programmatic expansions.
6. Staffing changes focus on administrative positions and instructional staff for regular education classrooms. The number of classrooms required for regular education instruction serves as a proxy for changes in instructional staffing levels. This analysis specifically does not assume any increase or decrease in resources that support Special Education or ELL instruction. Stated another way, this analysis does assume that the resources currently available to support students in these settings will be reinvested at the same levels for the same numbers of students at those sites to which they may be assigned.

The specifics of some of these proposals evolve in response to feedback received from parents, school leaders, staff, students and members of the Boston Public Schools Community. Each change has a potential to impact the overall level of cost and/or savings. The School Committee will be provided with updated analyses based on final recommendations and known programmatic and policy decisions prior to a final vote on these proposals.

Cumulative Costs/(Savings) from Reprogramming

<u>Program</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<i>New K-8 Schools</i>					
Beethoven/Ohrenberger	(131,127)	(117,010)	107,712	178,932	96,650
Edison/Hamilton/Garfield	(676,003)	(1,585,492)	(2,717,892)	(3,850,292)	(5,059,443)
Holmes (inclusion)	192,153	556,808	1,093,965	1,734,215	2,393,465
King/Dickerman	(261,269)	(627,489)	(1,147,211)	(1,590,182)	(2,033,153)
Higginson/Lewis	(309,377)	(735,248)	(1,237,869)	(1,740,490)	(2,159,019)
Dearborn	TBD	TBD	TBD	TBD	TBD
Dever/McCormack	0	0	0	0	0
Grew/Rogers	0	0	0	0	0
Ellison Parks/ Mildred Ave	133,901	426,854	857,959	1,268,164	1,678,369
<i>Pilot School Expansion</i>					
Young Achievers/Lewenberg	(491,024)	(1,182,350)	(1,950,427)	(2,711,162)	(3,395,146)
Tech Boston	481,600	1,125,600	1,875,160	2,730,280	3,690,960
BTU Pilot at Parkman	276,160	696,280	1,263,760	1,978,600	2,840,800
Harbor/O'Hearn	TBD	TBD	TBD	TBD	TBD
Mary Lyon Expansion 9-12	203,395	498,641	889,638	1,460,479	2,031,320
<i>Innovative Programs</i>					
Montessori at EB EEC	100,000	200,000	300,000	400,000	500,000
International Baccalaureate	100,000	200,000	300,000	400,000	500,000
Newcomers Academy	0	0	0	0	0
Timilty Expansion	TBD	TBD	TBD	TBD	TBD

Good Location Moves

ELC East to Dickerman	106,700	106,700	106,700	106,700	106,700	106,700
BATA	TBD	TBD	TBD	TBD	TBD	TBD
Boston International	4,200	4,200	4,200	4,200	4,200	4,200
Community Academy	TBD	TBD	TBD	TBD	TBD	TBD
Mattahunt/PA Shaw	(43,758)	(244,167)	(605,420)	(1,120,175)	(1,634,930)	

Improved High School Offerings

Odessey Closes/ Monument, Excel expand	0	0	0	0	0	0
Thompson (Boys Academy)	204,600	364,200	523,800	683,400	843,000	843,000
APS/Noonan Business Academy	0	0	0	0	0	0
Wilson (Girl's Academy)	182,400	342,000	501,600	661,200	820,800	820,800

Buildings to be closed

Hamilton - see Edison						
Higginson - see Higginson/Lewis						
PA Shaw (17)						
Fuller (14)						
E. Greenwood (27)	(1,232,122)	(2,531,279)	(3,830,436)	(5,129,593)	(6,428,750)	(6,428,750)
Stone (13)	(767,632)	(1,579,267)	(2,390,902)	(3,202,537)	(4,014,172)	(4,014,172)

Total Reprogramming

(1,796,076) (3,964,009) (6,163,375) (7,917,194) (9,314,999)

Tech Upgrades and Moving

274,449 274,449 274,449 274,449 274,449

Transportation

(953,732) (1,907,464) (2,861,196) (3,814,927) (4,768,659)

Total

(2,475,359) (5,597,023) (8,750,122) (11,457,672) (13,809,210)

One Time Capital

4,076,800