



Budget Update

FY16 and FY17

Presentation to School Committee
December 7, 2016

Today's Focus: FY16 and FY17

FY16

- Fiscal year ended on June 30, 2016
- BPS ended the year within budget for the 26th consecutive year

FY17

- Current fiscal year, running through June 30, 2017
- We are confident we will close the year on budget

FY18

- Fiscal year beginning July 1, 2017 and running through SY17-18
- Update next week

FY2016 Budget Close

- **BPS ended the year within budget for the 26th consecutive year**

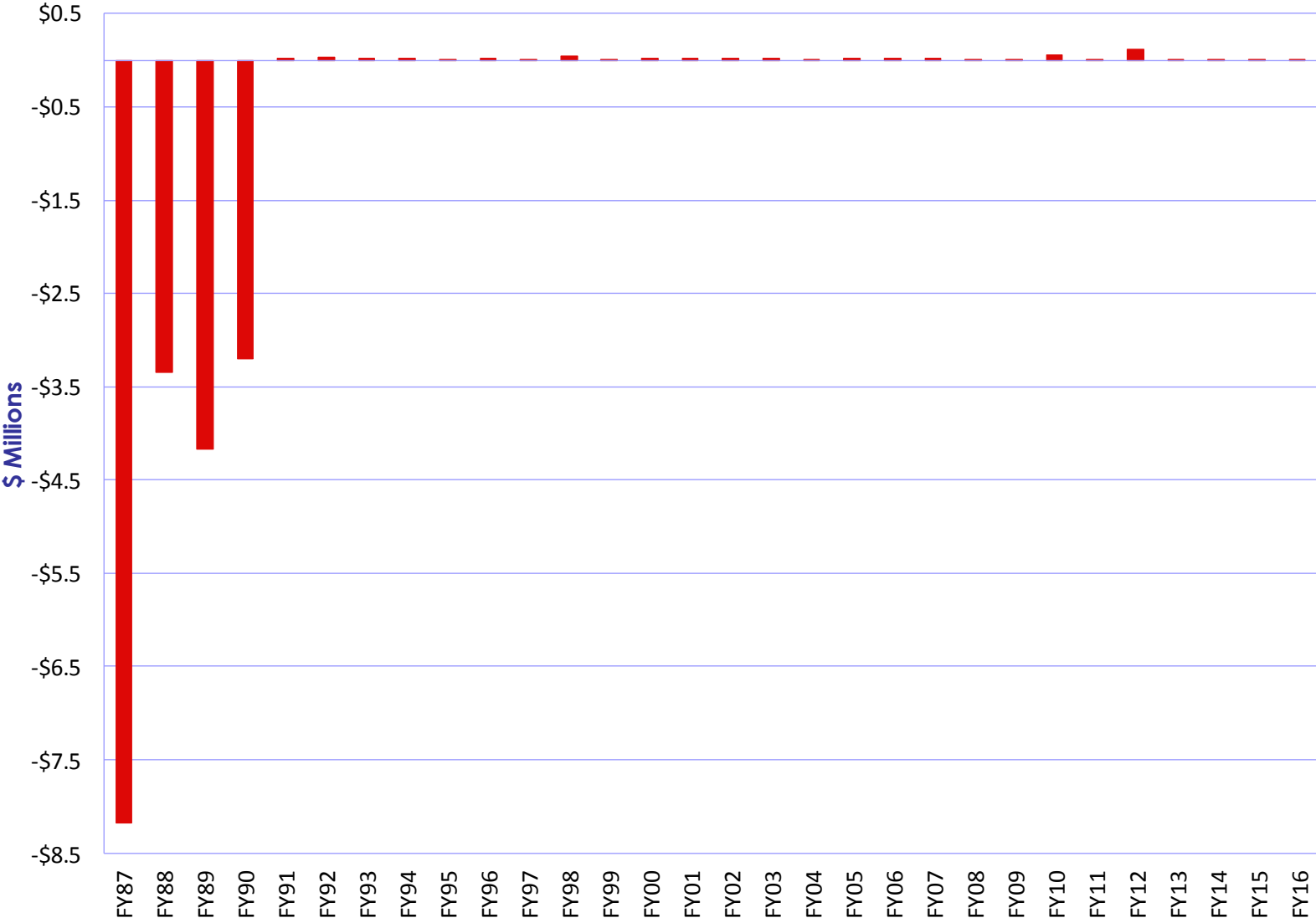
Budget	\$1,016,283,841.00
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Actual Spending	<u>\$1,016,278,856.33</u>
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Net Surplus	\$4,985.67
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Continued Fiscal Responsibility

BPS Fiscal Year General Fund Budget Surplus (Deficit)



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- It is not unusual to project a moderate deficit at this early point in the year and the deficit projection is likely to come down as we get more clarity on items such as
 - Transportation costs
 - Salary savings
 - New classrooms and potential special education services
- In FY15 at this time we forecast \$16M deficit which necessitated spending and hiring freezes
- Last year at this time we forecast a \$5.5M deficit and closed without freezes
- As of October 31, our projected deficit is ~\$4 million for FY17, and we are confident we will close the year on budget

Our FY17 Budget variances are driven by changes in expenses and grant revenue

- A number of expenses are higher than expected:
 - Transportation
 - Facilities
- While other expenses and revenues are off-setting those items:
 - Grant revenue and carry-forward
 - Early Hiring
- We are successfully implementing changes to Early Hiring and Special Education, though have had some challenges in Transportation

Early Hiring Initiative update

- \$8M budgeted for Early Hiring Initiative for FY17, a reduction from the \$10.8M in FY16
- We anticipate coming in below the FY17 budget based on a multi-pronged approach of reducing costs:
 - Strategic referrals of effective, excessed permanent teachers
 - Additional professional development and evaluation support
 - Voluntary Severance Agreement for early resignation/retirement
 - Layoffs in specific licensure areas with limited vacancies
 - Limiting external hiring in areas with large numbers of effective, excessed teachers
- Reducing costs does come with consequences, including limits to school leader hiring autonomy
 - We continue to explore solutions – both short term and long term – that support the sustainability of this initiative

Transportation update

Savings:

- Partially met trip reduction of 10%; **target: \$6M**
 - By August, BPS Transportation reduced the number of trips for savings of \$2M-\$4M
 - Unfortunately additional trips needed to be added back (see below)
- Partially met reduction of contractor's support budget; **target: \$3M**
 - **Current reduction is ~\$1.9M**; continuing to work with Transdev on reductions

Current projection from savings efforts: \$4M-\$6M

Offsets and Added Costs:

- Decrease in Trip Efficiencies
 - Goal was to increase trip efficiency* from 4.95 to 5.1; would have saved ~\$1.5M
 - Because of bell time changes, efficiency actually decreased to 4.8
 - Projected added cost: \$1.5M
- Addition of more trips
 - Homeless students and students in transition in Boston
 - SPED accommodations (either private placement or in BPS)
- Other unexpected cost increases:
 - Auto insurance: increase of \$551K
 - Fuel: increase of \$720K
 - Homeless transportation (McKinney Vento legislation): estimated at ~30% increase or ~\$1.1M
 - Single provider health insurance rate increase: estimated at \$1.1M

Projected total of unexpected additional costs: \$5M

Savings have not been realized in donated services or in walk-to-stop distance, as planned.

* Trip efficiency is measured by the average number of trips per bus.

Special Education update

- The Special Education department has been partnering with schools to ensure that all appropriate supports and programming have been provided.
- We have been working on both student level and school level concerns. Overall, the impact has been minimal.
- The Special Education team has been in close contact with schools to ensure that the change in weights are monitored and addressed.
- We created a \$300k reserve to support schools through the transition. We have deployed some but not all of those funds at this time and remain confident that the reserve will be sufficient for the year of transition.

Excellence for All

- With a \$1.2M investment, we have reached 42 classrooms and over 800 students
- The initiative currently includes 3 AWC schools that are shifting their model to heterogeneous grouping and 10 prototype schools
 - AWC schools: Bates K5, Curley K8 and Edison K8
 - Prototype schools: Ellis Mendell K5, Gardner Pilot Academy K8, Grew K5, Guild K5, Harvard Kent K5, Holmes K5, King K8, Orchard Gardens K8, Philbrick K5, Sumner K5
- The demographics of the students served by the Initiative match or exceed the district percentages of key subgroups that are currently underserved by AWC

	BPS Grade 4	AWC Grade 4	EFA Cohort
Black	30%	11%	33%
Hispanic	47%	24%	50%
Students with Disabilities	21%	1%	24%
English Language Learners	34%	10%	39%

Transportation Data System

- 15 schools have launched
- 4,500 participating students
- Positive feedback from participating schools:
 - *"Especially at the beginning of the year, when we're so worried about the buses and the kids, we were able to pull that information out of the database, so when parents call us, we are able to tell them what time their child got on and off of the bus."*
 - *"The kids really have the ownership of tapping when they get on and off. They've really enjoyed it and are responsible with the tap cards."*
- Challenges ensuring fidelity of usage as we scale; area of focus going forward in order to generate data for decision-making
- Leveraging current technology to keep expenses under budget so far this year; may pursue other experimentation

K1 Expansion

With a \$3M investment, we have opened 13 new classrooms at 12 schools...

Baldwin	Gen Ed
Curley	Gen Ed
Harvard/Kent	Gen Ed
McKay	Gen Ed
Mildred Avenue K – 8	Gen Ed
Quincy	Chinese SEI
Quincy	Gen Ed
Sumner	Gen Ed
Umana	Spanish Dual Language
Warren Prescott	Gen Ed
West Zone ELC	Gen Ed
Winship	Gen Ed
Young Achievers	KED

...while increasingly filling the capacity that has been created

	Enrollment	Increase	Added Capacity
FY15	2278	57	106
FY16	2388	110	100
FY17	2678	290	216
	Total	457	422

Special Education Data System

- We remain confident the new system will bring significant benefits:
 - Higher quality IEPs
 - User ease
 - Better data
 - Increase of efficiency at the school level

- We are finalizing the contract with PCG and have been preparing different stakeholders to design the migration of data and implementation of the new system
 - Internal stakeholders: OIIT, Coordinators, Administrators, Budget, OELL
 - External stakeholders: Boston SEPAC and Mass Advocates for Children

- Tentative implementation timeline:
 - December 2016: 15 veteran coordinators / 20 schools
 - Spring 2017: Addition of 20 coordinators
 - September 2017: Addition of 40 coordinators
 - January 2018: Final roll-out; remaining 29 coordinators

Next Week: FY18

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