



# FY16 Preliminary Budget Recommendation

Presentation to School Committee  
February 4, 2015

# Agenda

- Executive summary
- Key investments
- School funding overview
- Structural challenges
- How we are addressing the challenge
- Budget timeline

# Executive Summary

- We are building the FY16 Boston Public Schools budget based on an assumed general fund appropriation increase from the City between **3-4%**
- Even with this increased funding, costs will rise faster than revenue and we are unable to present a fully balanced budget at this time
- The current estimated budget gap stands at **\$42-51 million** before identification of savings opportunities
- Addressing the remaining challenge will require strategies that begin to address structural imbalances
- Our intent is to align available resources in a way that positions the district to eliminate achievement and opportunity gaps

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## While the budget is not finalized, we aim to be able to preserve current investments consistent with the vision of the Mayor and School Committee...

- Ensure a **strong educator** in every classroom, every day through early hiring initiative
- Build a **diverse workforce** reflective of the cultural, racial, and linguistic diversity of our students
- **Extend learning time** for current and former turnaround schools
- Continue strategies that **increase graduation rates and reduce drop-out rates**
- Build **cultural competency**
- Prepare students for success in the **21st century**, including implementation of the Common Core through Expeditionary Learning curriculum in grades 3-5
- Increase **support and accountability** for all schools through the network model
- Increase the district's capacity to **intervene in underperforming schools**

## ...and to build upon them through new investments that address opportunity and achievement gaps

- Increase resources going **directly to schools** through Weighted Student Funding: +\$20.6M
- Implement **Extended Learning Time** agreement: +\$5M
- Expand access to **K1** seats: +\$1M
- Increase access to **inclusive opportunities**: +\$620K
- **Digital Academy pilot** expansion: +\$500K
- Human capital strategy; school leadership, **compensation reform**: +\$340K

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# Sources of school funding



School Funding Type	FY16 Investment
Weighted student funding	\$474 M
Special programming (non-WSF)	\$26.2 M
Standard allocations built into school budgets <sup>(1)</sup>	\$18.3 M
Rules-based soft landings	\$ TBD
Purchased Services for Autonomous Schools	\$1.8 M
Programmatic Supports <sup>(2)</sup>	\$ 9.2 M
Entitlement grants (Title I and IDEA)	\$16.8 M
Other grants <sup>(3)</sup>	\$1.7 M
<b>Total Allocation to schools</b>	<b>\$ 548 M</b>

<sup>1</sup> Nurses, special education coordinators (food service staff not yet included)

<sup>2</sup> Additional adjustments include EEC/ELC supplements and other programmatic allocations

<sup>3</sup> Quality Full Day Kindergarten, Inclusive Preschool grant; there will be add'l grants allocated to schools in coming months

Notes: These figures do not include the school services that are budgeted centrally. All figures are current as of January 31<sup>st</sup> and may change as the budgeting process continues.



# WSF reflects our principles as a district

Principle	Description
<b>Student focus</b>	Provides resources based on students, not on buildings, adults, or programs
<b>Equity</b>	Allocate similar funding levels to students with similar characteristics, regardless of which school they attend
<b>Transparency</b>	Easily understood by all stakeholders
<b>Differentiation based on need</b>	Allocate resources through a comprehensive framework that is based on student needs
<b>Predictability</b>	School allocation process is predictable and is structured to minimize school-level disruption
<b>School empowerment</b>	Empowers school-based decision-making to effectively use resources
<b>Alignment with district strategy</b>	Supports the district's new strategic vision



## Funds follow students

- Students receive a per-pupil allocation that is weighted based on certain characteristics:
  - Grade level
  - Program (e.g., English Language Learners, Special Education, Vocational Education)
  - Student characteristics (e.g., poverty)
  - Academic performance (e.g., high risk)
  
- Schools receive a foundation budget plus the sum of the allocations for each student

### Example: Grade 3 ELD level 1 student with Resource Room needs and low income

Type	FY16 Weight	FY16 Funding
Grade 3 weight	1.30	\$5,237
ELL (Grades K0-5) ELD Level 1-3	0.24	\$967
Low Severity Resource Room need	1.00	\$4,028
Receives Free & Reduced Lunch (Poverty weight)	0.10	\$403
Total allocation for this student		\$10,635

# If funds going directly to schools increased, why might a school face reductions?

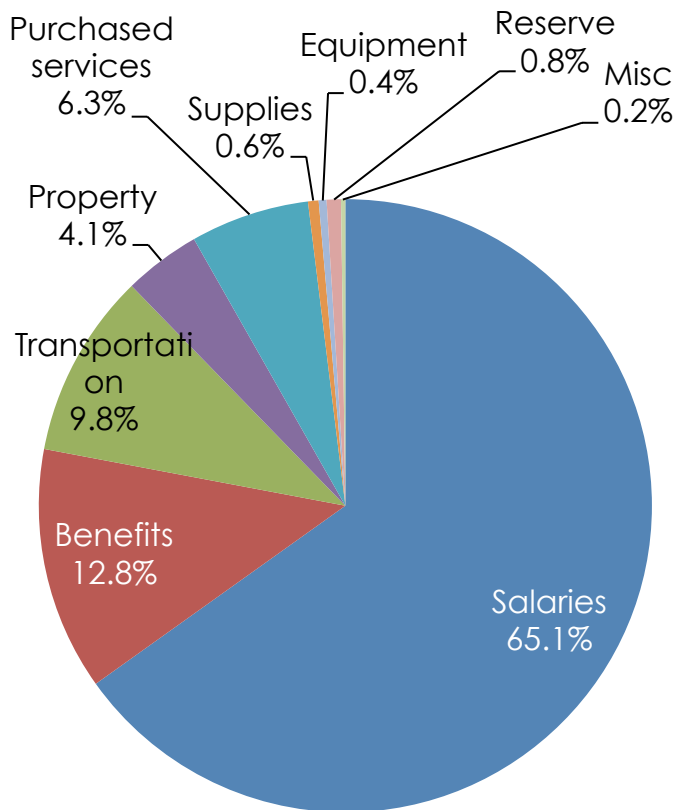
- A change in **number of students** or **needs of students**
- A change to **school programs**
- Changes in **weights** that reflect updates to staffing model assumptions (e.g. Emotional Impairment staffing in middle school and high schools)
- Changes in methodology for measuring **poverty** (Community Eligibility Option)
- Reductions in **external funds** (Title I, School Improvement grants, I3)
- For autonomous schools, the impact of increasing **actual salaries** or changes to **central purchased service** offerings

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# Why is this happening every year?

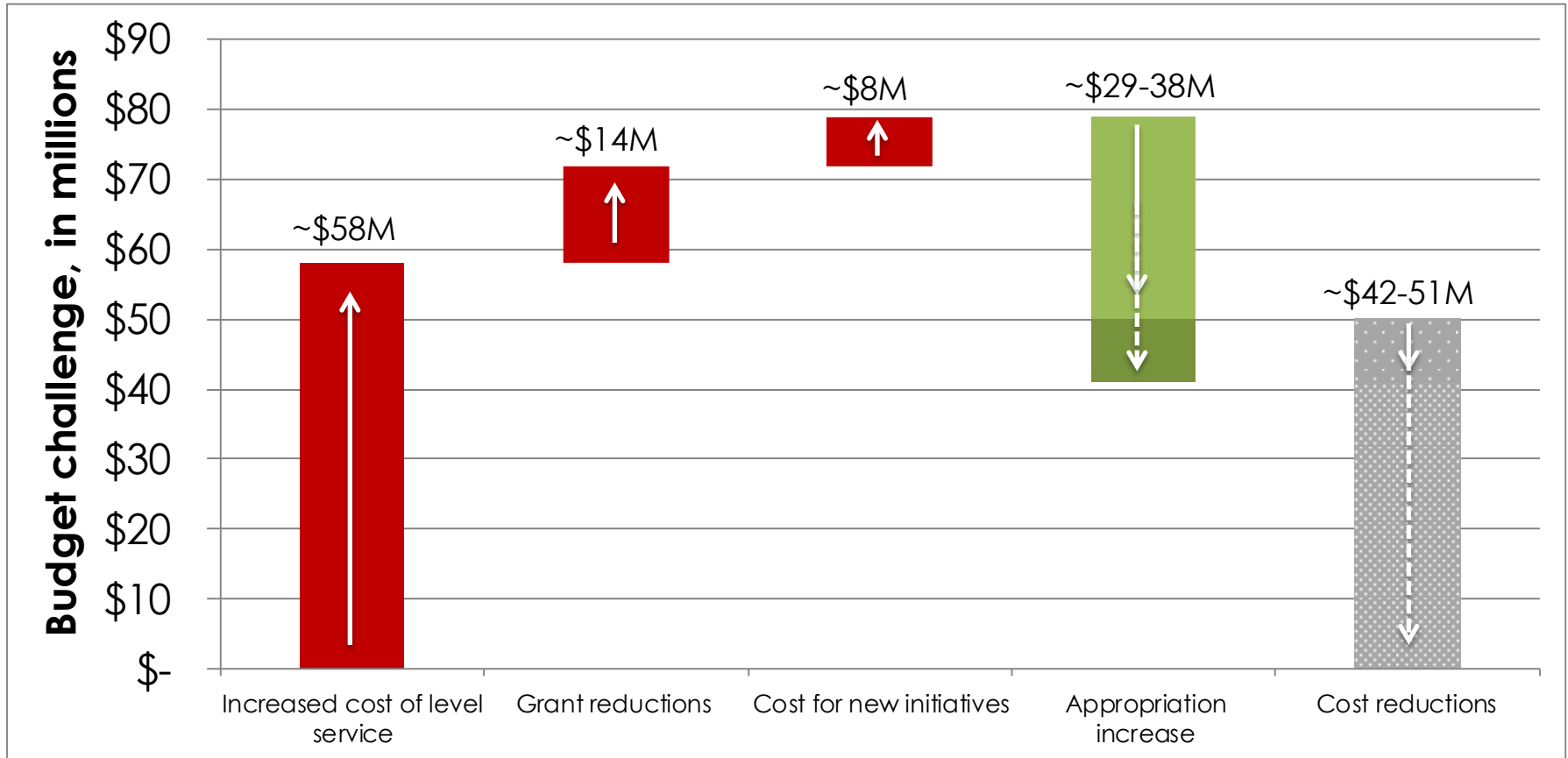
FY15 GF Budget by Account



\*Illustrative based on FY15 data

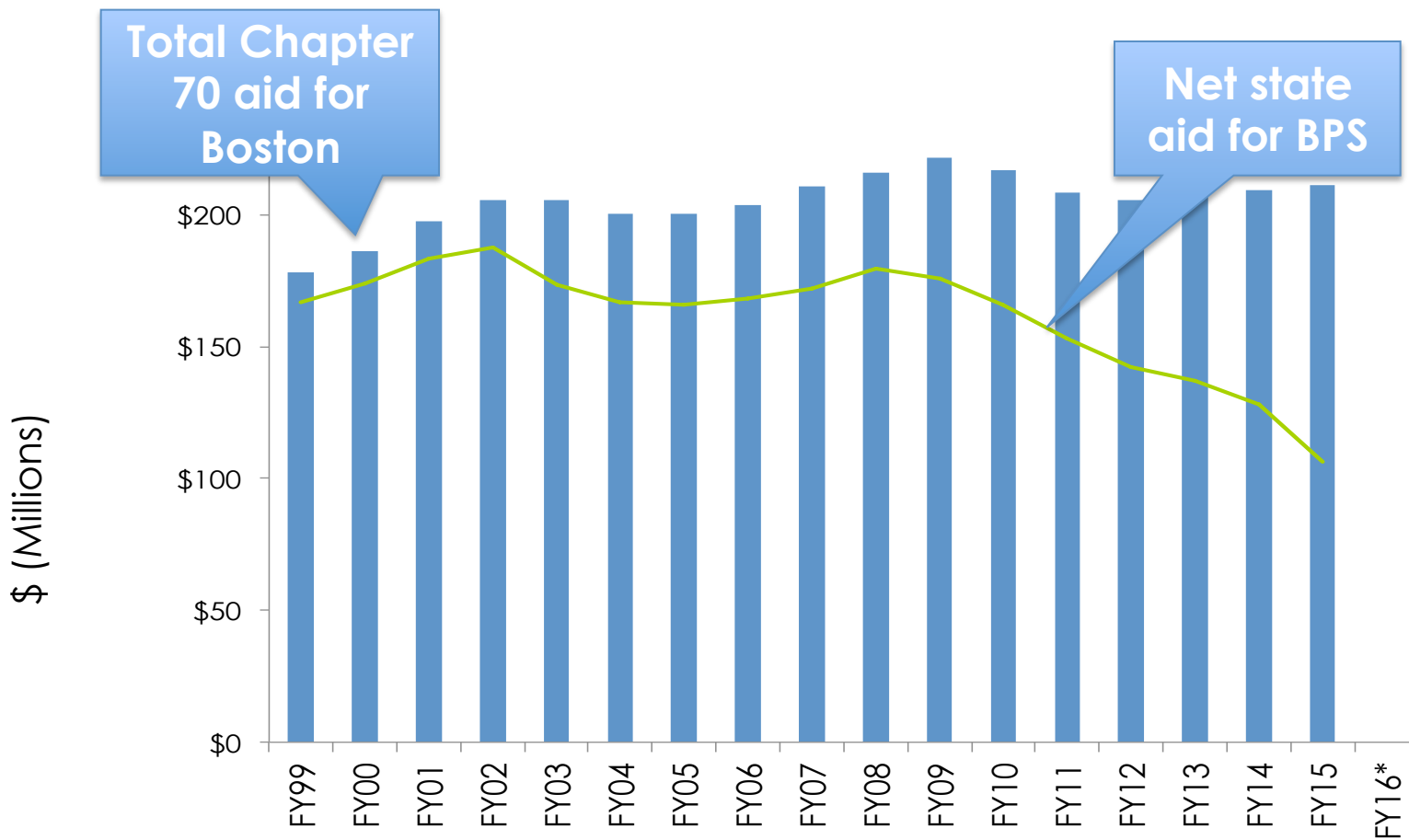
- Costs are increasing faster than revenue is expected to grow
- Federal and State funding continues to decline
- The resources we do have are spread too thin
- Characteristics unique to Boston are costly (aging / small school buildings, transportation service, effective SPED offerings)
- The cost of meeting compliance each year increases and puts pressure on our ability to make innovative investments

# These factors drive an ongoing budget challenge



**Despite an anticipated 3-4% increase in the General Fund appropriation, the budget challenge is \$42-51M**

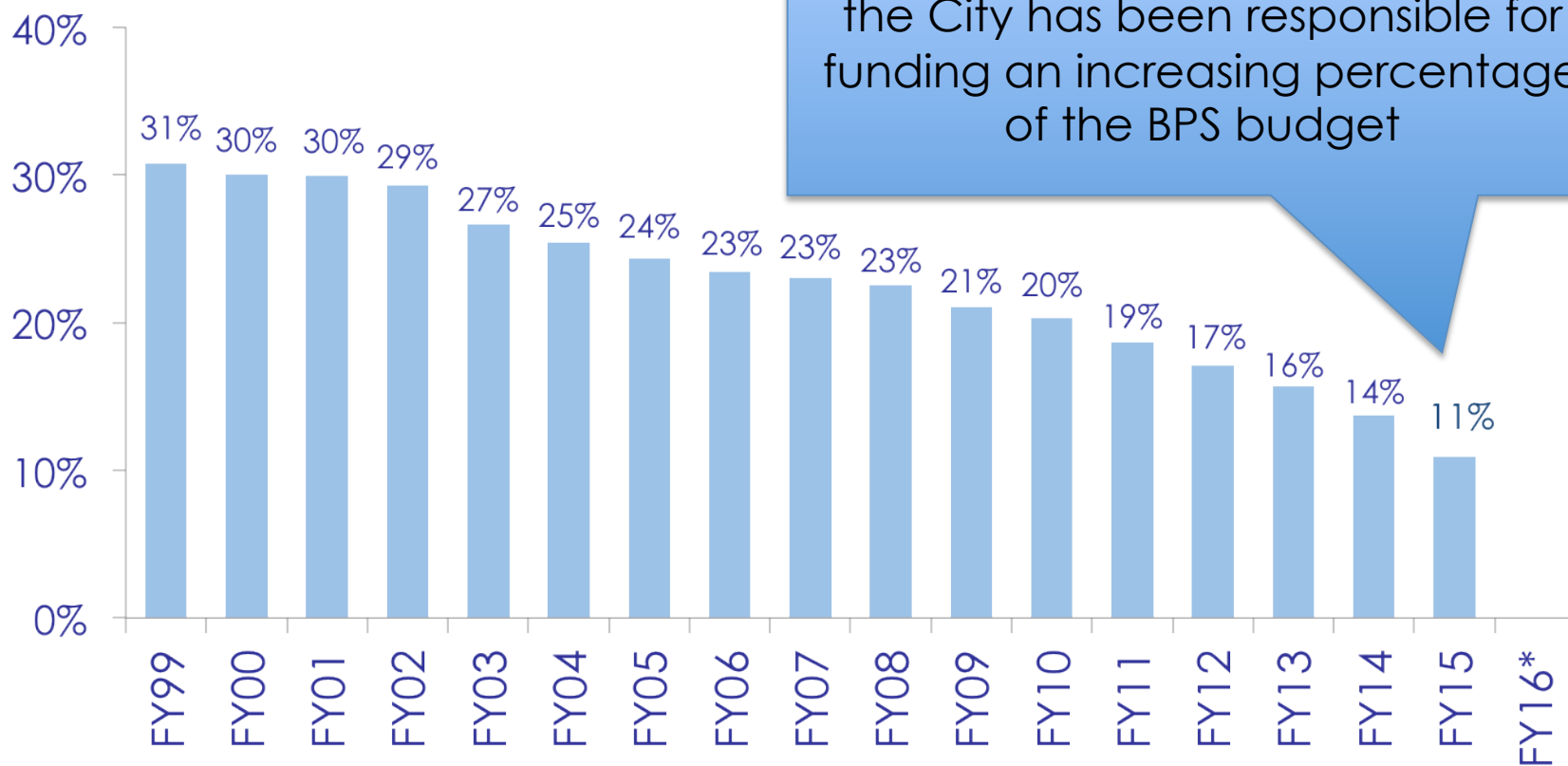
# State requirements on funding for charters have led to decreases in net Chapter 70 for BPS...



\*FY16 figures are pending the Governor's budget proposal



# ...and the portion of BPS's General Fund budget covered by net Chapter 70 has declined



With the reduction in state funding, the City has been responsible for funding an increasing percentage of the BPS budget

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# We will address this challenge through three guiding principles

Guiding Principle	Area of focus for trade-offs
Maximize resources <b>directly to schools</b>	
<b>Rethink central services</b> to best serve the needs of students and schools	<b>Central supports:</b> focus on core services
Begin to tackle <b>structural imbalances</b>	<b>School closures and classroom consolidations:</b> target resources to bolster all schools
	<b>Transportation:</b> increase efficiencies and consider further policy implementation
	<b>Food offerings:</b> leverage best practices to ensure revenues balance expenses

# Central supports

- **Current progress:** engaging in central department “budget collaboratives” to review spending in every department aligned to legal requirements (compliance), basic operations, and additional supports (value-added)
- **Next steps:** prioritize services using a set of organizing principles and make determinations on how to equitably realize efficiencies
- **Outcome:** a set of core high quality supports offered to schools

# School closures and classroom consolidations

- **Current state:**
  - **School closures:** criteria used (enrollment trends, student and family demand, academic performance) to identify initial list for consideration, and district leadership engaged to inform context and evaluate student impact
  - **Classroom consolidations:** consideration of whether the number of students projected are able to afford the associated staffing (General Education, Special Education, and ELL classrooms reviewed)
- **Next steps:** engage school communities and all affected groups to ensure decisions and roll-out are done responsibly and effectively, including any implications for student assignment overlays
- **Outcome:** a limited set of closures and consolidations that result in ability to focus resources in fewer schools and classrooms to best serve students, prepare new Superintendent for success, and begin the work of the Facilities Master Plan

# Transportation

- **Current state:** considering and planning for implementation of key policy decisions and efficiencies identified in last year's budget process
- **Next steps:** continue to work with the Middle School Transportation task force and community to determine final recommendations
- **Outcome:** to realize efficiencies and policy changes where appropriate to reduce our transportation budget

## Food offerings

- **Current state:** review of Food and Nutrition Services operations and offerings in light of best practices from comparable districts
- **Next steps:** build implementation plan for making key realignments:
  - Increase use of food commodities (maximize the use of state-subsidized USDA food)
  - Concentrate offerings by equalizing the number of menu options across schools
  - Realign staffing model by ensuring equitable and efficient allocation of food service workers across all sites
- **Outcome:** a self-sufficient and streamlined food program providing healthy, fresh meals for students

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# We look forward to discussing the budget with you in a variety of forums

Dec 12	School budgets released
Jan 8 - 16	Individual budget sessions with schools
Jan 20 - 30	Individual staffing sessions with schools
<b>Feb 4</b>	<b>Superintendent's recommended budget to School Committee</b>
Feb 26	Budget hearing (6 pm)
Mar 3	Budget hearing (6 pm)
Mar 11	Budget hearing (5 pm) and School Committee meeting (6 pm)
Mar 25	School Committee votes on BPS budget



## For more information...

A number of documents are already available on our website:

- Tonight's budget presentation
- Budget memo
- FY16 WSF School-by-School comparison
- WSF Templates for all schools
- FY16 preliminary general fund account code budget

**Website:** [bostonpublicschools.org/budget](http://bostonpublicschools.org/budget)

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