Boston Public Schools

Financial Update

Nathan Kuder, Chief Financial Officer
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Miriam Rubin, Budget Director
Every child, in every classroom, in every school of the Boston Public Schools system has the same opportunity to achieve the greatness within them as anybody else.
FY21
- Fiscal year ended on June 30, 2021
- BPS ended the year within budget for the 31st consecutive year

FY22
- Current fiscal year, running through June 30, 2022
- We are confident we will close the year on budget
- Updates on FY22 Investments

FY23
- Fiscal year beginning July 1, 2022 and running through SY22-23
- Undergoing enrollment declines, which will impact FY23 planning
- Year 3 of the City’s $100M commitment to BPS: Return, Recover, Reimagine
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<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>Budget</td>
<td>$1,260,490,285</td>
</tr>
<tr>
<td>Actual Spending</td>
<td>$1,260,465,246</td>
</tr>
<tr>
<td>Net Surplus</td>
<td>$25,039</td>
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FY21 over and under-spending compared to budget

Every year, we strive to manage the approved budget as closely as possible. And every year, we see areas where we spend more or less than projected during the budget process.

▪ Areas of higher than originally expected costs:
  o Food Services
  o Employee Severance
  o Employee Salaries

▪ Areas where we identified operational savings and re-prioritized available funds:
  o Workers Compensation
  o Contracted Services
  o Utilities
  o Health Insurance
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- Areas of higher than originally expected costs:
  - Transportation - Higher costs due to operating with COVID protocols
  - Food Services - High vacancy rate forcing us to rely more on pre-plated meals than onsite preparation. Inflationary pressure on food prices.
  - Utilities - Likely due to higher than expected commodity prices, but analysis is continuing

- Areas with lower than expected costs:
  - Salaries - Due to a higher vacancy rate than in prior years
  - Health Insurance - In part due to higher vacancy rate
## Updates on FY22 Investments

<table>
<thead>
<tr>
<th>Item</th>
<th>Category</th>
<th>Role of Investment</th>
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</table>
| **Custodians**        | Return    | We had 90 "one-person" day-staffed buildings. Based on enrollment data and building square footage, 20 of these 90 greatly benefited from an additional full-time day position. This has enabled us to:  
- Better manage staffing in our buildings ensuring that all buildings are getting some form of custodial services during high vacation periods and sick calls.  
- Have equitable, healthier and consistently cleaner buildings for all students, staff, and community members. |
| **Family Liaisons**   | Recover   | In addition to efforts to decrease chronic absenteeism and increase student engagement in schools, other areas of support include:  
- COVID communication and assistance with COVID vaccine clinics  
- Serving on the Student Success Team (SST)  
- Supporting students experiencing homelessness  
- Helping students and families navigate transportation  
- Providing interpretation and translation for school communities  
- Supporting school partnerships |
| **Social Workers**    | Recover   | This school year, consistent with national trends, we have seen an elevation in the social, emotional, behavioral and healing needs of all members of our BPS community, from adults to children. Having a social worker at every school has:  
- Strengthened our school-based crisis response teams who are mitigating crises on a daily basis.  
- Provided ongoing support to families and students to address critical acute needs  
- Supported school staff during a most challenging school year  
- Enabled the district to better understand how to operationalize antiracism in our schools, through their work on Student Support Teams.  
- Increased use of circles to advance community building and healing across school communities as partners in the Restorative Justice work, trained by our RJ Office |
| **Family Liaisons**   | Recover   | 78.5 new family liaisons:  
- Black: 41%  
- Latinx: 42%  
- Asian: 3%  
- White: 3% |
| **Social Workers**    | Recover   | 84 new social workers:  
- Black: 39%  
- Latinx: 39%  
- White: 19%  
- Asian: 3% |
Strategic Centrally-Deployed District-wide investments

Proposal Submitted: June
Review and Prioritization: July - September
Distribution: August - November

School Plan investments

Proposal Developed and Submitted: July-October
Robust Review and School Plan Alignment: August-December
Distribution: August-December

Cross-School Innovation Community Partnership investments

To be discussed at January 20 ESSER Commission Meeting
We continue to invest in tools for greater transparency, financial planning, and reporting

BPS has signed a contract with Allovue Inc., an education finance technology company to help us:

- Upgrade our technical process for allocating funds to schools and provide update reports to the community
- Pilot new methods of budget planning to help align school and district office budgets to the Strategic Plan and OAG Policy Goals more transparently
- Create updated financial reports for all budget managers and outside stakeholders to track our spending
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FY23 Enrollment Context
Boston Public Schools

Total Annual Enrollment Decline

<table>
<thead>
<tr>
<th></th>
<th>SY1617</th>
<th>SY1718</th>
<th>SY1819</th>
<th>SY1920</th>
<th>SY2021</th>
<th>SY2122</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>56,444</td>
<td>55,860</td>
<td>54,593</td>
<td>53,534</td>
<td>51,248</td>
<td>49,322</td>
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</tbody>
</table>

- Total enrollment has declined roughly 7,100 students in 5 years.
- K0 - 5 enrollment has declined roughly 4,800 students in 5 years.

We anticipate enrollment declines for FY23
Birth Rates and K2 Enrollment are Declining

- Births to Boston Residents have dropped by over 600 since 2011
- This is consistent with the national trend of declining birth rates
Elementary Enrollment Declines Indicate Future Secondary Decline

- Largest indicator of future enrollment is current enrollment
- As K2 - 5 enrollment has declined by nearly 5,000 students in 5 years, we expect those smaller cohorts to lead to smaller enrollment in grades 6 - 12 as current students age
Schools that serve Black and Latinx students are less likely to be full. Schools in the bottom 25% of fullness serve on average 85% Black and Hispanic students, while those in the top 25% serve 63% Black and Hispanic students.
As enrollment declines, the concentration of need is increasing.

Enrollment among students with disabilities in specialized programs has declined in each of the past two years, while enrollment among all other students has been declining for 6 years, leading to a higher proportion of students who are in special education programs.
Over the last 5 years:

- Total K0-12 enrollment has declined by 7,100 students (blue line)
- The number of students in grades K2 to 11 leaving the system (red line) has stayed relatively stable
- The number of students new to BPS in grades K2 to 11 (yellow line) has declined by 2,237 students, or 32%
Schools with notable (>10%) enrollment shifts

**Schools with largest projected enrollment decrease, limited ability to close classrooms**
- Greater Egleston HS (-47%)
- Charlestown HS (-16%)
- Frederick Pilot MS (-16%)
- Lyon Pilot HS (-16%)
- Dever ES (-15%)
- Harvard-Kent ES (-14%)
- Clap ES (-11%)
- Mason ES (-10%)

**Schools with largest projected enrollment decrease, but some ability to close classrooms**
- Mario Umana K8 (-24%)
- Conley ES (-21%)
- Tynan ES (-16%)
- UP Boston (-16%)
- Greenwood K8 (-16%)
- Mather ES (-15%)
- Shaw ES (-15%)
- Perkins ES (-15%)
- Orchard Gardens K8 (-15%)
- Higginson K2 (-14%)
- McKay K8 (-14%)
- Condon K8 (-14%)
- Beethoven/Ohrenberger K8 (-11%)
- Higginson/Lewis 3-8 (-11%)
- Channing ES (-10%)

**Schools with largest projected enrollment increase**

**BuildBPS Related**
- Winship ES (27%)
- Edison K-8 (22%)
- Lyon K-8 (22%)
- English HS (19%)
- Grew ES (11%)
- JFK ES (11%)

**Other**
- Brighton HS (11%)
- BTU Pilot K-8 (11%)
- Madison Park HS (10%)
Future year projections are primarily driven by the number of students currently enrolled

- After entering in K2, BPS cohorts tend to lose students as they age through the system (except grades 7 and 9)
- This year’s and last year’s K2 cohorts are 10% smaller than before the pandemic, so we project enrollment declines for the next few years
- We are projecting a decline of ~2,400 students compared to last year’s budgeted enrollment.
  - Enrollment declined ~800 more than expected
  - Projecting ~1,600 additional decline for next year

Even with a rebound in K2, 7th, and 9th grade next year, low enrollment in these cohorts of students are likely to persist
FY23 Planning
Support to schools beyond Weighted Student Funding

We will continue to support schools with declining enrollment on top of weighted student funding and will follow similar guidelines from FY22.

Schools will be asked to:
- Reduce classrooms and adjust positions (teachers and paras)
- Review specialists to determine if/when to reduce the overall FTE
- Pay for the cost of actual salary increase (applies to autonomous schools that budgets on actual salaries)
- Identify trade offs to pay for any new positions or programs schools want to create outside of District investments.

Schools were not asked to:
- Cut positions or programs outside of direct instruction positions in closed classrooms, unless it is related to an actual salary increase as listed above
Every BPS Student (K0-12) should have access to…
What we’ve heard from students, parents and educators

<table>
<thead>
<tr>
<th>Curriculum and Instruction</th>
<th>Enrichment</th>
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<tbody>
<tr>
<td>● Native language instruction</td>
<td>● Athletics K-12</td>
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<tr>
<td>● Inclusion with support</td>
<td>● Field trips and expeditionary learning</td>
</tr>
<tr>
<td>● A library and licensed librarian</td>
<td>● Partnership and fundraising equity across schools</td>
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<tr>
<td>● All core subjects taught</td>
<td>● Before and after school programs</td>
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<tr>
<td>● Arts education</td>
<td>● Student debate</td>
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<tr>
<td>● Physical education</td>
<td>● Student government and BSAC</td>
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<tr>
<td>● Districtwide common course catalog</td>
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<tr>
<td>● Computer and wifi</td>
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<tr>
<td>● Learning materials for project and center based learning</td>
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<thead>
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<tr>
<td>● 21st century facilities and furniture</td>
</tr>
<tr>
<td>● Upgraded facilities, bathrooms and water</td>
</tr>
<tr>
<td>● Cooling and heating systems</td>
</tr>
<tr>
<td>● Air quality and monitoring</td>
</tr>
<tr>
<td>● Playgrounds and gardens</td>
</tr>
<tr>
<td>● Gymnasiums, libraries, science labs and multi-purpose spaces</td>
</tr>
<tr>
<td>● Auditorium renovations</td>
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<td>● Kitchen and dining renovations</td>
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<tr>
<th>Student and Family Supports</th>
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<tbody>
<tr>
<td>● Social Workers</td>
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<tr>
<td>● Family Liaisons</td>
</tr>
<tr>
<td>● Nurses</td>
</tr>
<tr>
<td>● Racially, ethnically and linguistically diverse staff</td>
</tr>
<tr>
<td>● Fresh nutritious meals</td>
</tr>
<tr>
<td>● Housing support</td>
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<tr>
<td>● Hub Community Schools</td>
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The Boston Public Schools Fiscal Year runs from July 1-June 30; the bulk of budget development for the upcoming fiscal year happens between November and March.
BPS Budget Milestones

- November 29: FY23 School Projections Released
- December 10: Community Equity Roundtable
- December 13: School Budget Release
- December 13-January 7: Targeted Support meetings with Schools
- December 15: Budget Update to SC
- January 7 - January 29: Budget Collabs/Probable Org
- January 19: Finalize Central Office Investments
- February 2: Budget presentation to School Committee
- February through March: School Committee Budget Hearings
- March 23: School Committee Vote on the Budget
BPS has recognized that our district is changing and we must adapt in order to support these changes. To that end, we have launched an exciting new project to reimagine our school funding model. We want our funding model to:

- Reflect the priorities of students and families
- Equitably support the unique programming at schools, and
- Guarantee a quality experience at all schools.

We will rely on the input from all stakeholders throughout this process.

For more information about how you can get involved, please contact Miriam Rubin, mrubin3@bostonpublicschools.org.
Questions