



Budget Update

FY15 and FY16

Presentation to School Committee
December 9, 2015

Today's Focus: FY15 and FY16

FY15

- Fiscal year ended on June 30, 2015
- BPS ended the year within budget for the 25th consecutive year

FY16

- Current fiscal year, running through June 30, 2016
- We are currently facing a small deficit but are optimistic we will not require any freezes this year

FY17

- Fiscal year beginning July 1, 2015 and running through SY15-16
- Update next week

FY2015 Budget Close

- **BPS ended the year within budget for the 25th consecutive year**

Budget \$974,928,600.00

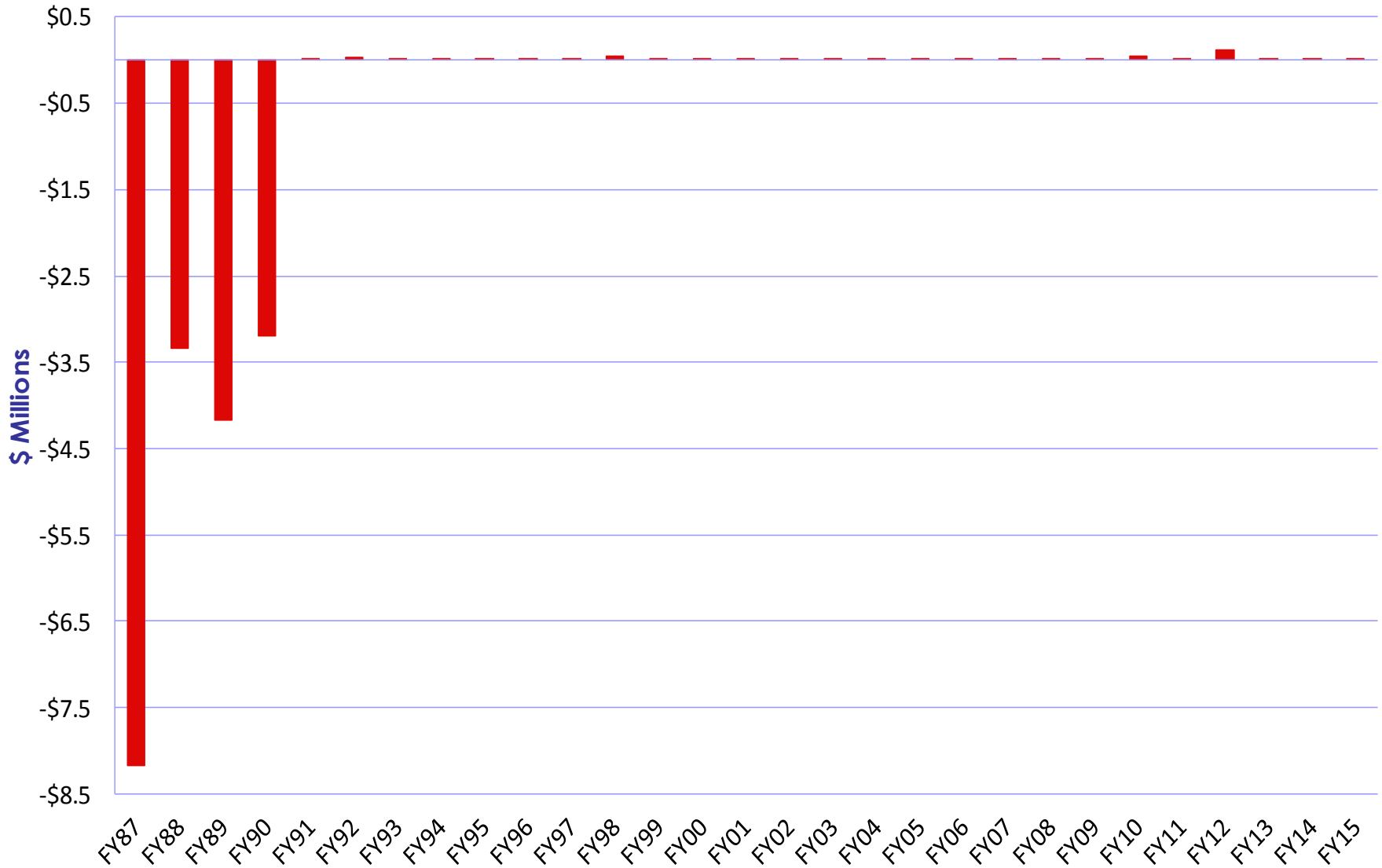
Actual Spending \$974,925,123.42

Net Surplus \$3,476.58

- **BPS continues to perform in the top quartile of urban school districts throughout the country**
 - Based on the Council of the Great City Schools key performance indicators for financial management

Continued Fiscal Responsibility

BPS Fiscal Year General Fund Budget Surplus (Deficit)



Overview: FY15 and FY16

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FY2016 Budget Investments

Our FY16 budget funds investments to close gaps and ensure all students are college & career ready

- 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
- We were able to prioritize these investments by:
 - Rethinking central services to best serve the needs of students and schools
 - Tackling structural imbalances – school closures & classroom consolidations, policy changes for transportation, ensuring food service expenditures balance to revenues.

As of Oct 31st, our projected deficit is ~\$5.5 million for FY16

- A number of expenses are higher than expected:
 - Transportation
 - Early hiring
 - Custodians
- While other expenses and revenues are off-setting those items:
 - Benefits
 - Grant revenue
 - Grant carry-forward

We are confident we will close the year on budget

- Last year at this time we forecast ~\$16M deficit which necessitated spending and hiring freezes
- We are still relatively early in the year and will be closely watching the numbers
- It is not unusual to project a moderate deficit at this 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

Early Hiring Initiative update

- Last year at this time we projected spending \$4.2M on the hiring initiative. Current projection is \$10.8M.
 - \$4.2M estimate was based on limited data available at time of budget setting.
- \$10.8M buys:
 - **Diversity:** Analysis indicates number of black educators would drop by ~10% over 5 years without hiring initiative
 - **Effective teachers:** BPS teachers hired before July are twice as likely to receive “exemplary” ratings than those hired later; 80% of jobs filled before July 1 compared to previous years when over 90% of hires occurred after July 1
 - **Equity:** all schools, rather than a limited subset, empowered to hire early and through mutual consent; zero teachers “force placed.”

Transportation update

- We met corner student reduction target of ~\$6M
 - An overall decrease of ~2,400 student riders
 - Our route efficiency rating has increased from 4.84 last year to 4.94 this year

- Offsets to the ~\$9M target
 - Additions/adjustments to projected Transportation number after original estimates
 - Increase in door-to-door students
 - School start time adjustments
 - ELT changes
 - Delay in student assignment
 - Improved school start-up support
 - Additional call center staff coverage
 - Additional bus service restoration

- Savings not fully realized
 - Opt outs/RSVPs
 - Donated services
 - Full year management contract savings
 - Full year fuel efficiencies

Next week: FY17

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