



# FY17 BUDGET PROPOSAL

February 3<sup>rd</sup>, 2016

# Agenda

Historical context

FY17 Overview

Rising costs & proposed investments

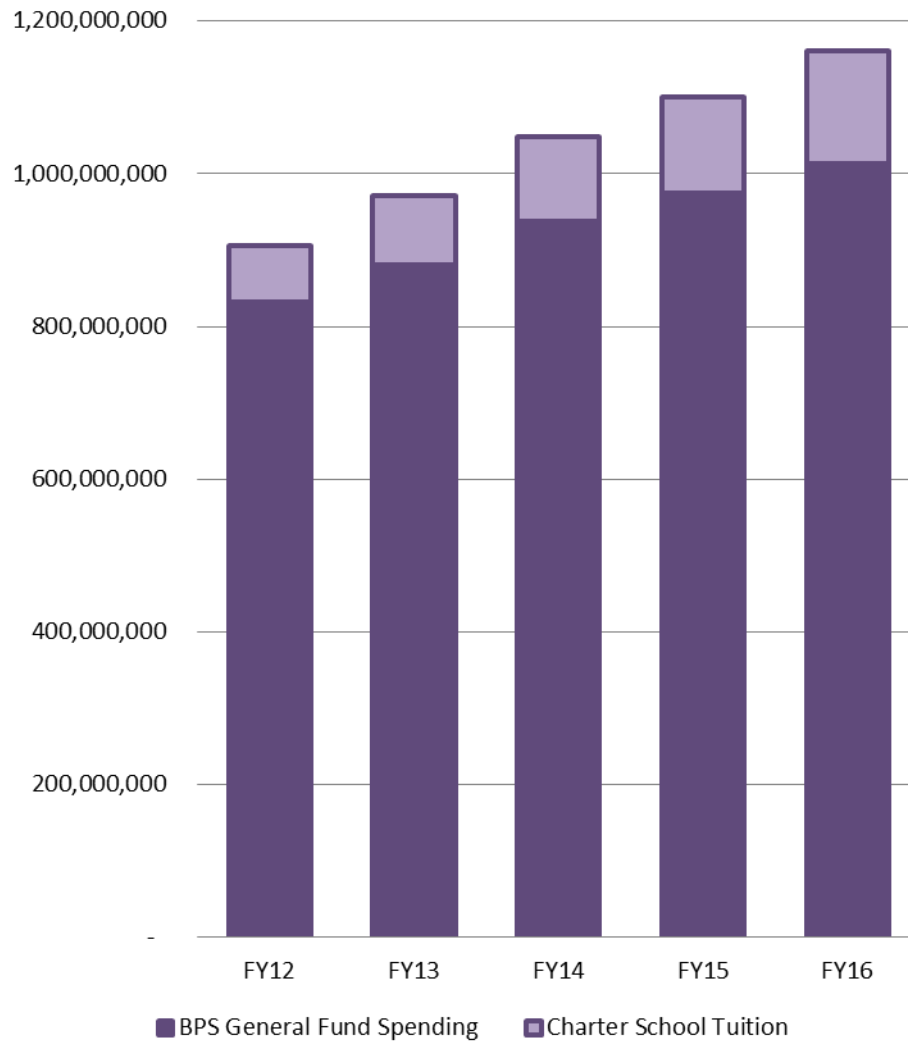
Proposed reductions

Looking forward

## Context

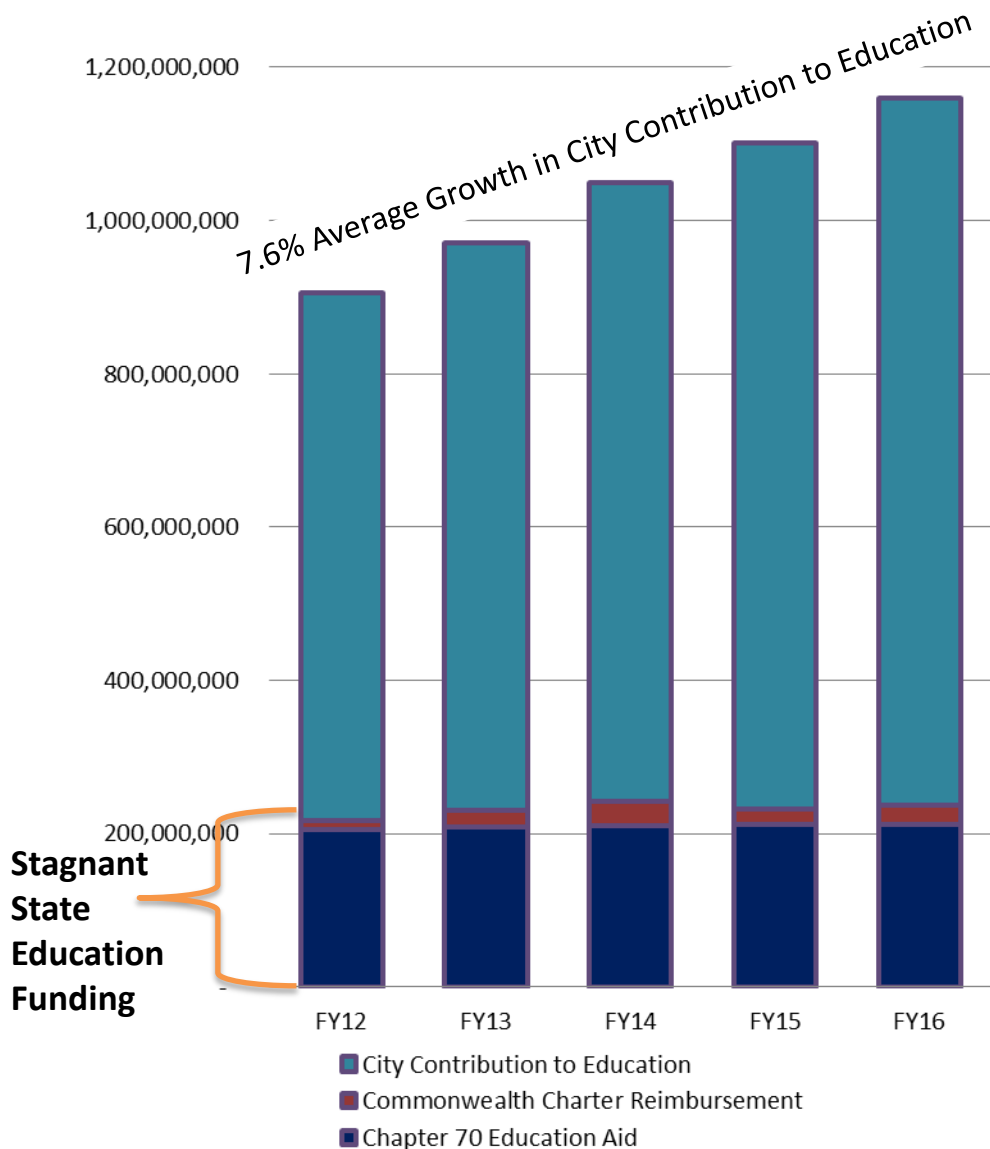
- BPS continues to celebrate and benefit from an incredible commitment to public education in the City of Boston, where we invest more per pupil than most of other cities in this country
- Despite declining federal revenue and net state aid for education in past years, the City of Boston has continued to compensate, stepping up to fill the gap of those declines
- This year's budget appropriation of \$1.027 billion represents the largest appropriation by the City in the history of BPS
- However, with costs rising, we still face challenges and need to make reductions in order to balance the budget

# City of Boston: General Fund Support for All Education



For the past five years, General Fund Spending for Education, including BPS and Charter Schools, has grown rapidly, at an average rate of 6% a year.

# City of Boston: Revenue to Support Boston Education



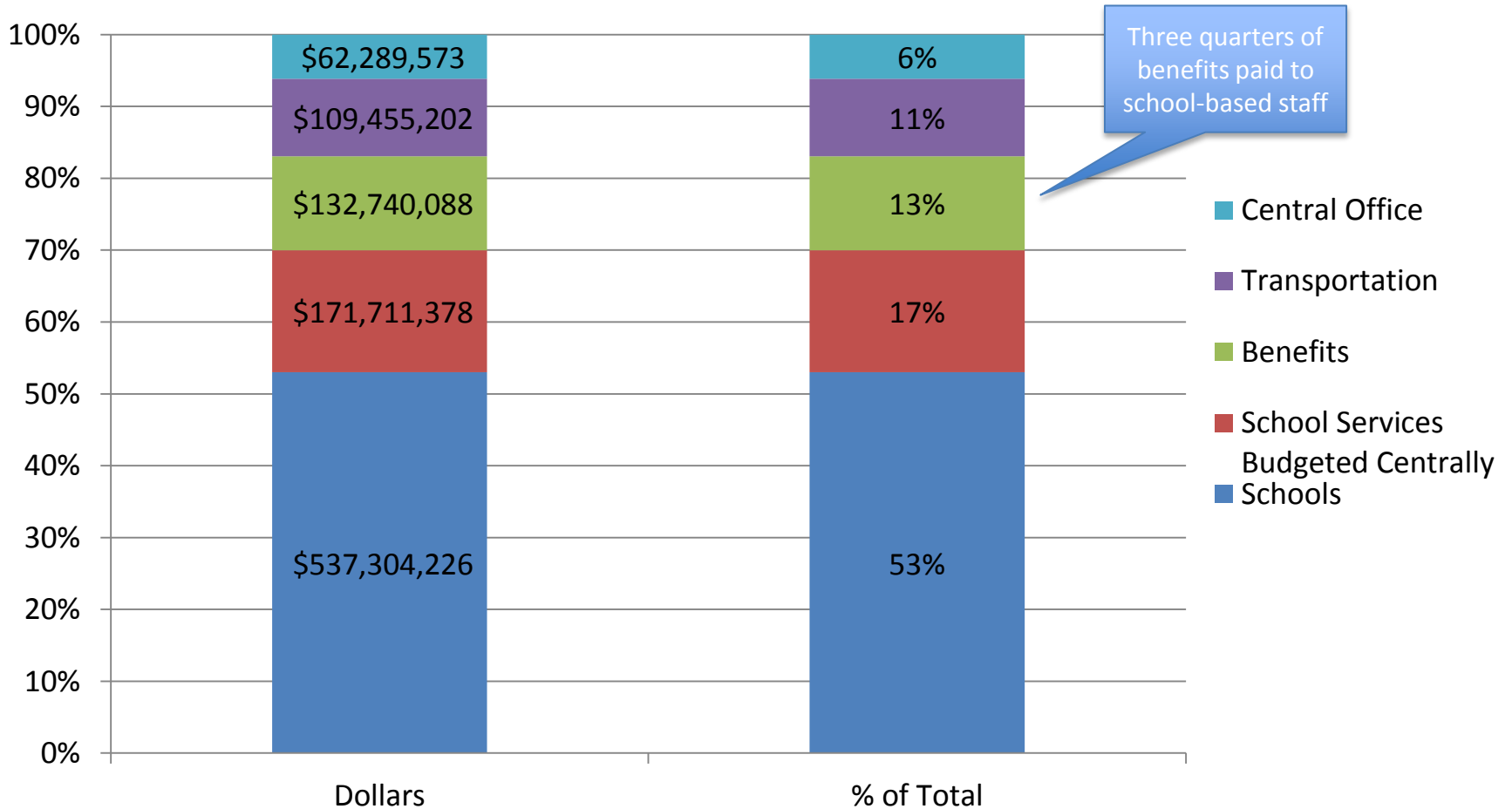
At the same time, State Revenue to support Education has been stagnant:

- Boston’s Chapter 70 Revenue has grown by <1% per year.
- The Commonwealth has not fulfilled its obligation to fund Charter School Reimbursement, to the tune of \$28M in lost revenue for Boston over the past 2 years.

**This has led to a 7.6% average annual growth in the City’s Contribution (net State Education Funding) to Education in Boston.** Over that same time, other City Departments saw a ~2.5% average annual growth.

# BPS spends \$1.01B per year of general funds, with almost all going towards schools and school services

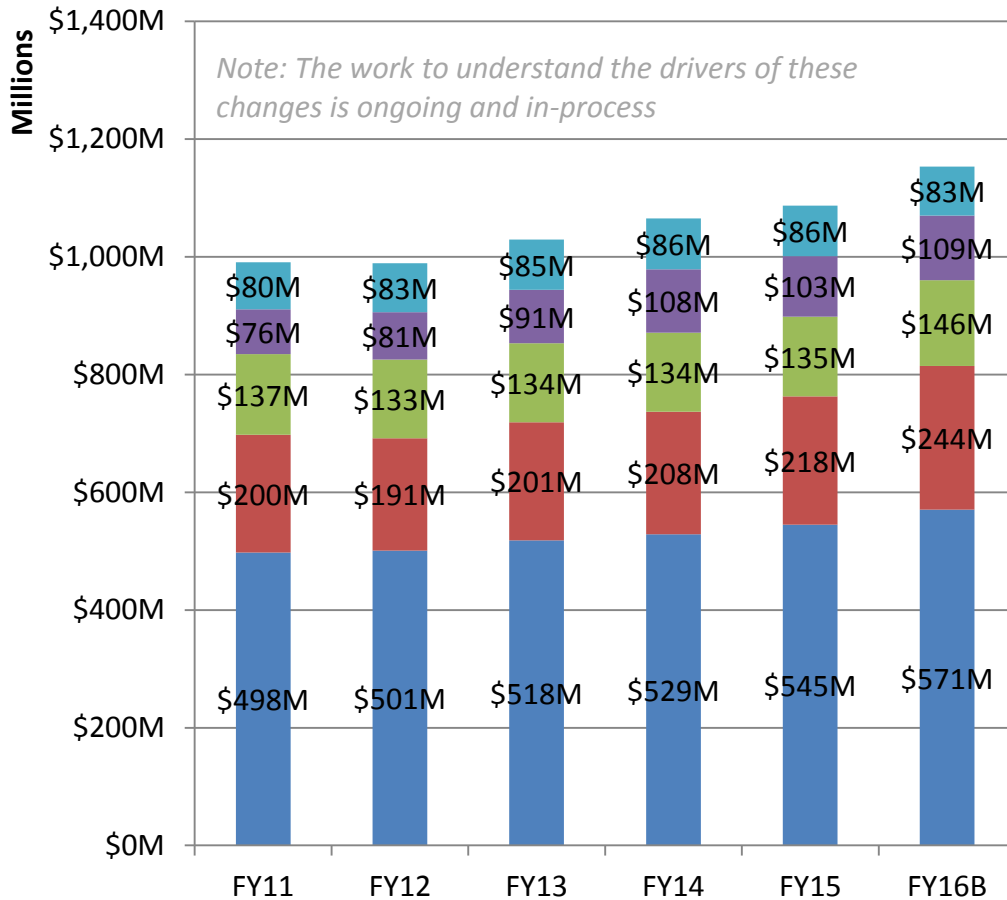
**FY16 Budget**  
*(General Fund only)*



Note: FY16 budget accurate as of 11/10/15

# Total expenditures have been increasing 3.1% annually, with the highest growth seen in transportation, school services, and schools

**Expenditures by Service Area, FY11-FY16B  
(All Funds)**

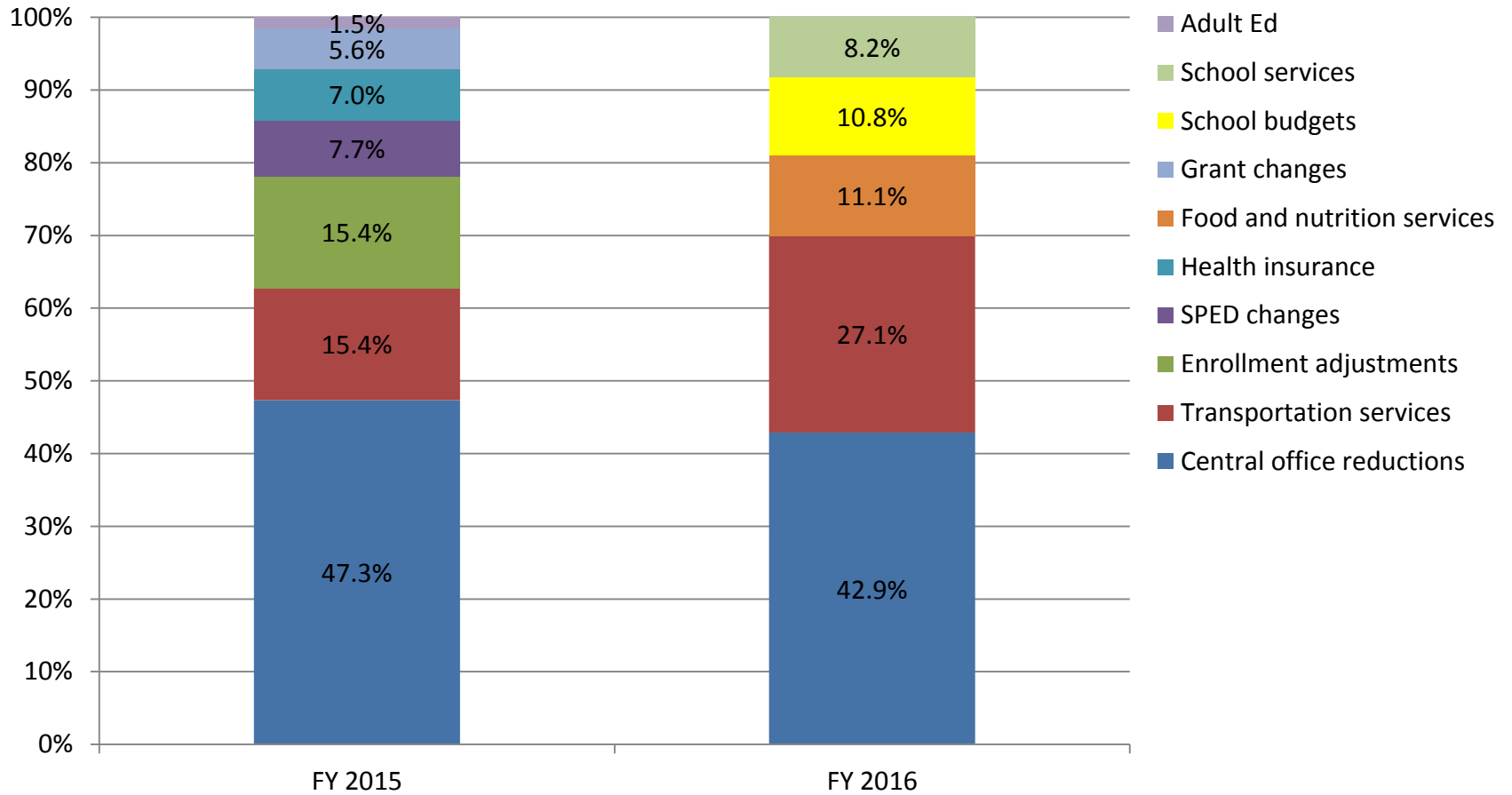


	% Annual Growth	% Change FY11-16	\$ Change FY11-16
Central Office	0.8%	4%	\$3.1M
Transportation	7.5%	44%	\$33.4M
Benefits	1.3%	7%	\$9.0M
School Services Budgeted Centrally	4.0%	22%	\$43.7M
Schools	2.8%	15%	\$73.1M
<b>Total</b>	<b>3.1%</b>	<b>16%</b>	<b>\$162.4M</b>

Note: FY09-FY15 represent actual expenditures. FY16 represents budgeted amounts accurate as of 11/10/15. These cost combine both the increasing costs of service, and BPS's efforts to control costs

# In the last two approved budgets, BPS has focused reductions on central administration to protect schools

Proposed Cost Reductions, FY15 & FY16





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## As we contemplate tradeoffs for FY17 and beyond, our decision-making is guided by our core values

### Value statements

All youth can and must achieve at high levels.

We innovate and transform teaching and learning to inspire excellence.

Those closest to students must be empowered and held accountable for making the most critical decisions that lead to student achievement.

Every child should have access to a high quality school of their choice close to home.

We must build a “Culture of We” that is embraced by students, staff, families, and community

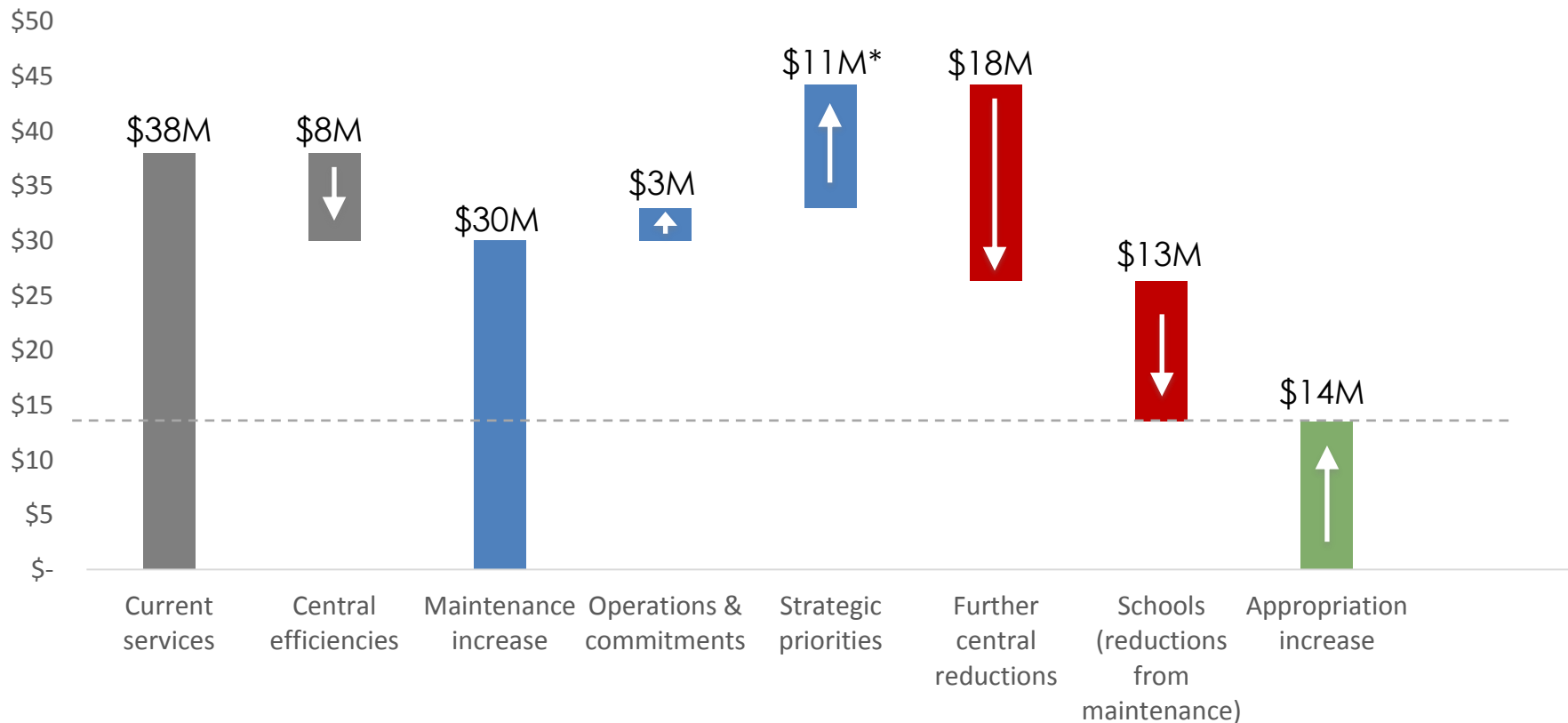
Close opportunity and achievement gaps

## FY17 Overview

- Costs are rising by \$38M, though we have already begun taking steps to realize \$8M in savings, which brings our maintenance budget to \$30M
- We have a number of investments to honor past commitments and support core operations, totaling \$3M
- We are also proposing \$11M of strategic investments which we believe are critical to closing the opportunity and achievement gap
- \$13.5M in additional appropriations from the City will help pay for these expenses, but federal and net state education aid are declining
- In order to fully fund our investments and reach a balanced budget in FY17, we will need \$38M in total reductions (including the \$8M in efficiencies already underway)
- Two thirds of these cuts would be shouldered by central departments (\$26M) and the remainder directly on school budgets (\$13M)
- Our recommendations today are based off of a multi-month process that included a line-by-line review of the entire BPS budget

# Balancing to FY17 Revenue

While we expect federal and state net education aid to decline, total City appropriations will be increasing by \$13.5 M, an amount that will go up when the next round of Collective Bargaining is negotiated



\* Strategic priorities will only be funded pending success in achieving efficiencies

## What's changed since the preliminary estimates shared in early December?

- We have learned more about costs that will rise next year
  - Driver's negotiations
  - MBTA potential fare increase
  - Implementation of compliance requirements for ELL
- We have honed in on a specific set of proposed investments, scaling back some items originally under consideration
- We have identified further reductions from central departments

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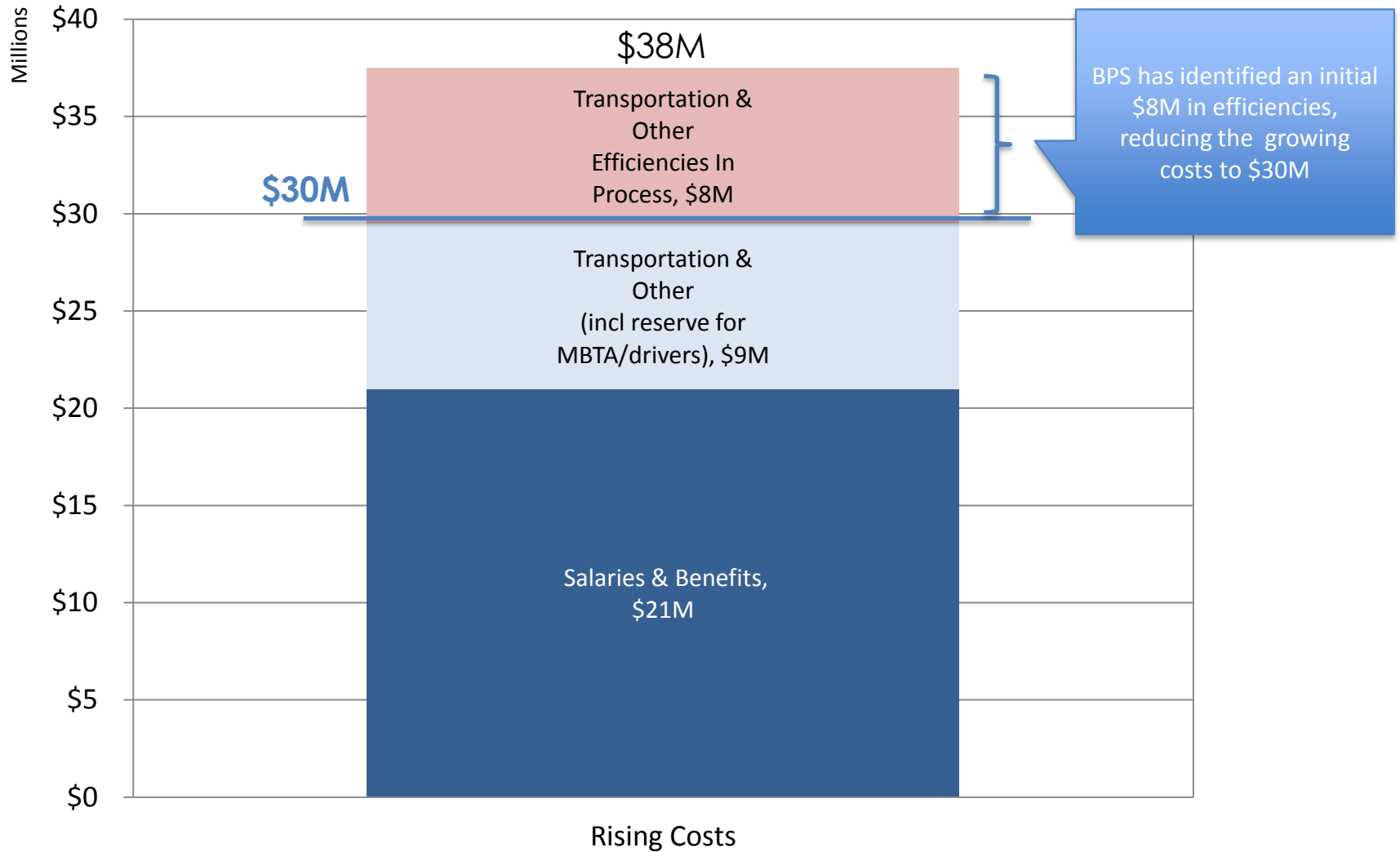
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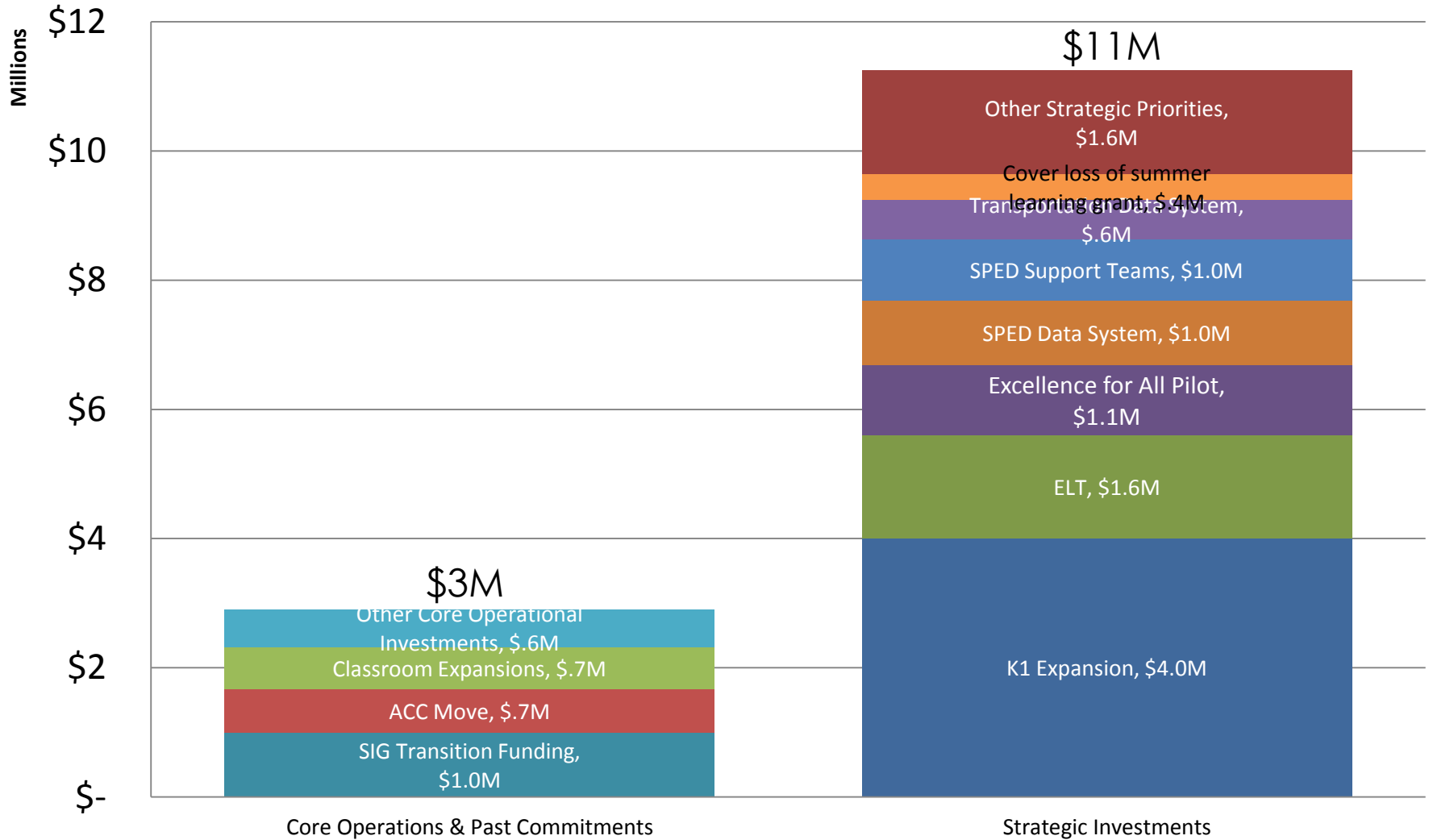
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# Costs are going up by \$38M; we have already committed to \$8M in efficiencies that will bring the figure down to \$30M



# In addition, we are proposing \$14M in investments





We propose adding 200-300 new K1 seats, a significant investment in a research-based, proven strategy that can help close the achievement and opportunity gap

### Effects of K1: Grade 3 MCAS Math

	3 <sup>rd</sup> Graders who attended BPS K1 % Prof / Adv.	3 <sup>rd</sup> Graders who did not attend BPS K1 - % Prof / Adv.
All Students	54.2%	43.7%
F/R Lunch	47.6%	40.2%
Asian	78.7%	75.9%
Black	42.1%	34.7%
Hispanic	46.5%	40.2%
White	75.7%	67.3%

*\$4M investment = 200-300 additional K1 seats*

- Support the implementation of the revised K1 curriculum through PD and seminars
- Purchase additional materials for new classrooms
- Build capacity in partnership with community-based organizations

# We remain committed to ELT, but propose delaying Cohort 2 for one year to ensure successful implementation

## **Delay Implementation of Cohort 2**

Challenges that have emerged from our early ELT work -- most particularly concerns that parents and staff have raised about appropriate start and end time options for elementary students and the significant impact that changing start or end times has had and is projected to continue to have on transportation costs -- have led to a decision to postpone implementation of Cohort 2.

## **Continue to Learn and Plan for School Year 2017-2018**

Before moving forward with a second cohort, we need to address the ongoing concerns with start and end times as well as the transportation costs associated with time changes. We will take the rest of this year to study Cohort 1, to collaborate with the existing schools to identify other potential supports to strengthen ELT practices, to learn from national research, and to work to address the system wide challenges that have emerged during this first year of implementation.

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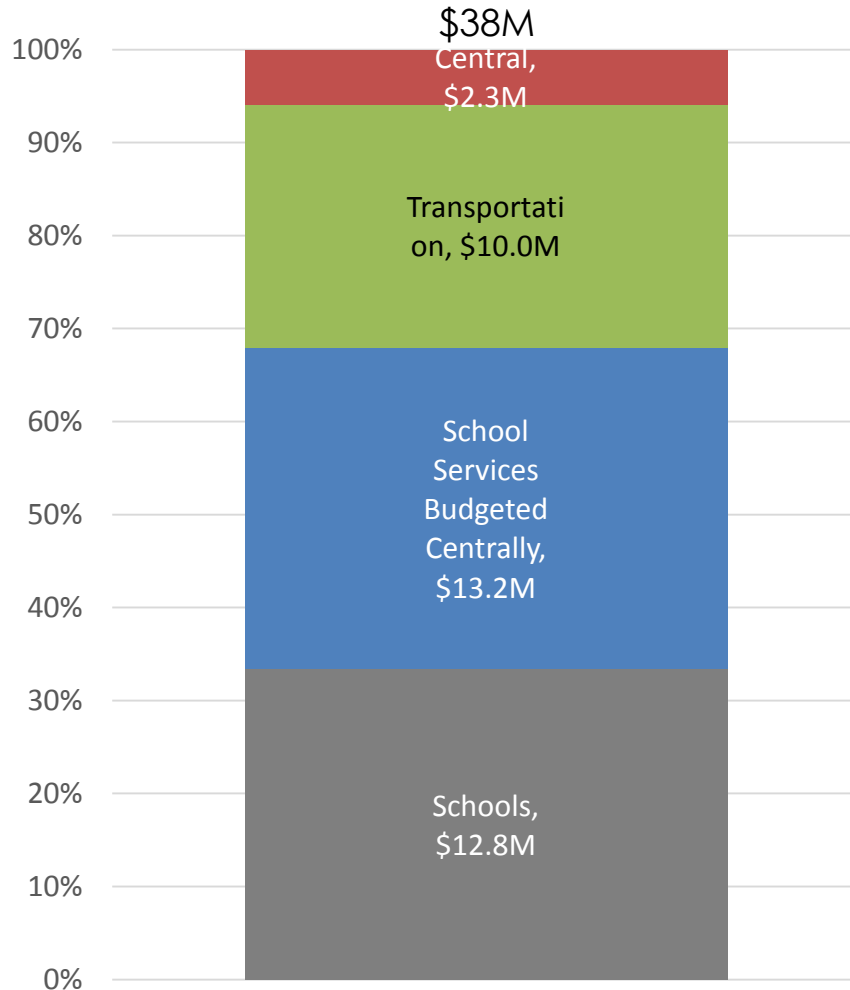
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## As we contemplate where to make reductions, BPS has looked first to control costs at Central and transportation

- In this budget, we aim for **transportation** to achieve \$10M in savings versus FY16. We are working on a set of specific policies to bring back to this group for consideration.

# We are proposing \$38M in reductions to cover investments and rising costs; \$8M are already in process and excluded from the maintenance budget



## Sample reductions in each category:

- Staff reductions (approximately \$1.1M)
- Across-the-board non-personnel; level fund stipends (\$0.4M)
- Stop vacation buyback (\$0.2M)

- Detail on following pages

- Early Hiring Initiative (\$2.5M)
- Reduce surround care for EECs and ELCs (\$1.6M)
- Reductions in Partnerships (\$1.4M)
- Eliminate one week of Acceleration Academies (\$0.5M)
- Consolidate Educational Options sites (\$0.3M)

- Detail on following pages

## Changes to school budgets

- **Increased base funding (\$10M) to support higher salaries**
- **Changes in High School staffing assumptions (-\$7m)**  
Change in the HS teacher allocation from 1.5 to 1.4 per class.
- **Changes in Special Education staffing assumptions (-\$5m)**  
Adjustment to the assumptions underlying the funding of special education students that result in changes in the weight for:
  - Autism from 4.3 to 3.9
  - Emotional Impairment from 3.5 (ES) / 3.0 (MS/HS) to 2.7 (All grades)
  - Students in inclusive settings with unknown disability from 4.3 to 3.0
- **Soft Landings (\$1m)**  
Soft landings ensured no school lost more than 5% of its budget due to weight changes
- Note that City appropriation will rise when collective bargaining is negotiated and salaries rise further

## Other elements affecting school budgets

- **Shifts in enrollment**

- As students and their families make choices about schools, the dollars follow them to ensure that they are provided the services they need.
- The district as a whole is projecting about 170 fewer students from the FY16 budget. However, individual schools will continue to see shifts; schools that are projected to lose students are expected to have an aggregate of 1,100 fewer students.

- **Increases in actual salaries**

- Some of our autonomous schools have chosen to budget on actual rather than average salaries.
- While that can work in their favor in some years, over time some schools are finding that their actual salaries are rising and creating financial pressures.

**We are committed to significant savings in Transportation and are currently exploring a range of strategies to achieve our goals – we will report back to this group when we have ready more detailed plans**

## **Operations Optimization**

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- Cut \$1M of vehicle replacement
- Trip Changes & Optimization based on ridership
  - Student Attendance
  - Opt outs
  - After School Programs Transportation
- Charter School Transportation modeling
- Review Service model for Students with Disabilities
  - Monitor review
  - D2D identification
  - Travel Training

## **Routing**

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- Length of ride for general education students
- Maximize bus capacity/over assign
- Stop Consolidation to .25 miles
- Shared Schools/Community Stops
- New routing methods
  - School Innovation Models
  - DataKind modeling
  - Versatrans modeling/white paper



## Our Early Hiring Initiative remains a high priority and we are actively working now to lower costs for next year

**Our goal: Ensuring that all BPS students have access to high-quality and diverse teachers by opening hiring on March 1 across all 127 schools**

Guardrails are similar to those in past years:

- Interview and application support for all permanent teachers excessed from their positions
- Referrals to ensure that qualified permanent teachers are interviewed and hired in BPS schools
- Support for current SPC teachers
  - Observations and feedback from Professional Growth Specialists
  - Free Pathways program for teachers in SPC to earn special education or ESL license
  - Connecting teachers with schools as mid-year vacancies arise
- Continual monitoring of size of potential SPC pool

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# Interpreting the budget tables distributed this evening



BOSTON PUBLIC SCHOOLS  
ACCOUNT DETAIL  
FY2016 - FY2017 GENERAL FUND  
Presented 2/3/2016

SUMMARY BY ACCOUNT CATEGORY

	POSITIONS (FTE)*				BUDGET			
	FY2016 Budget	FY2017 Rec.	Variance	% Change	FY2016 Budget	FY2017 Rec.	Variance	% Change
<b>Salary</b>	8707.3	8542.6	-164.7	-1.9%	\$ 661,346,378	\$ 667,402,047	\$ 6,055,669	0.9%
Administrators	613.6	594.4	-19.2	-3.1%	\$ 65,179,236	\$ 65,216,234	\$ 36,998	0.1%
Aides	1334.0	1306.1	-27.9	-2.1%	\$ 43,733,283	\$ 47,057,769	\$ 3,324,486	7.6%
Cust/Safe/Tech	901.6	883.3	-18.1	-2.0%	\$ 47,714,324	\$ 52,812,994	\$ 5,098,471	10.7%
Part-time	481.9	483.4	-8.5	-1.7%	\$ 23,157,460	\$ 19,679,800	\$ (3,477,660)	-15.0%
Secretarial	260.1	256.6	-3.5	-1.3%	\$ 12,404,300	\$ 12,807,261	\$ 402,761	3.2%
Support	577.9	578.4	0.5	0.1%	\$ 53,589,400	\$ 54,433,587	\$ 864,187	1.6%
Teachers	4528.2	4440.3	-87.9	-1.9%	\$ 409,792,399	\$ 409,514,539	\$ (278,060)	-0.1%
Temporary Teachers	0.0	0.0	0.0		\$ 11,949,430	\$ 12,694,616	\$ 745,187	6.2%
Salary Savings	0.0	0.0	0.0		\$ (6,174,052)	\$ (6,834,734)	\$ (660,702)	10.7%
<b>Non-salary</b>	0.0	0.0	0.0		\$ 352,153,622	\$ 359,597,953	\$ 7,444,331	2.1%
Employee benefits	0.0	0.0	0.0		\$ 132,946,123	\$ 140,298,023	\$ 7,351,900	5.5%
Equipment	0.0	0.0	0.0		\$ 5,159,475	\$ 3,890,010	\$ (1,269,466)	-24.6%
Instructional supplies	0.0	0.0	0.0		\$ 7,562,852	\$ 4,768,480	\$ (2,794,372)	-36.9%
Miscellaneous	0.0	0.0	0.0		\$ 2,125,986	\$ 2,261,238	\$ 135,252	6.4%
Non-instructional Supplies	0.0	0.0	0.0		\$ 930,926	\$ 871,926	\$ (59,000)	-6.3%
Property Services	0.0	0.0	0.0		\$ 38,079,800	\$ 39,455,752	\$ 1,375,952	3.6%
Purchased Services	0.0	0.0	0.0		\$ 58,043,495	\$ 51,914,934	\$ (6,130,562)	-10.6%
Reserve	0.0	0.0	0.0		\$ 9,003,773	\$ 21,188,036	\$ 12,184,263	135.3%
Transportation expenses	0.0	0.0	0.0		\$ 98,299,190	\$ 94,949,334	\$ (3,349,636)	-3.4%
<b>Grand Total</b>	8707.3	8542.6	-164.7	-1.9%	\$ 1,013,500,000	\$ 1,027,000,000	\$ 13,500,000	1.3%

## Upcoming process and key dates

**February 3:** Preliminary FY17 Budget Presentation

**Tuesday, February 9:** 6 p.m. Budget Hearing

Lilla G. Frederick Middle School

270 Columbia Road, Dorchester

**Monday, March 7:** 6 p.m. Budget Hearing

The English High School

144 McBride Street, Jamaica Plain

**Wednesday, March 16:** 5 p.m. – Budget Hearing

6 p.m. – Regular Meeting

**Wednesday, March 23:** FY17 Budget Vote

## For more information...

A number of documents will be 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)

Email: [budget@bostonpublicschools.org](mailto:budget@bostonpublicschools.org)

## Efforts have already started to plan for FY18 and beyond

