



Financial Update

Presentation to School Committee
December 4th, 2019

Agenda

FY19

- Fiscal year ended on June 30, 2019
- BPS ended the year within budget for the 29th consecutive year

FY20

- Current fiscal year, running through June 30, 2020
- We are confident we will close the year on budget
- Updates on FY20 Investments
- Re-organizing to address the School Committee's Priorities

FY21

- Fiscal year beginning July 1, 2020 and running through SY20-21
- Preview FY21 proposal, including investments to raise the bar and close gaps to ensure high quality across our schools

FY2019 Budget Close

BPS ended the year within budget for the 29th consecutive year

Budget	\$1,126,704,760
Actual Spending	<u>\$1,126,676,473</u>
Net Surplus	\$28,287

FY19 over and under-spending vs 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
- During FY19, there were a number of notable areas of spending above or below budget:
 - There were two significant areas of over-spending:
 - Transportation (\$5.4M). This is due to both spending for on-time performance and additional bus monitors.
 - Food & Nutrition Services (\$2.2M). FNS General Fund supplement totals \$4.7M
 - We were able to offset this over-spending with the following areas in which we were under budget:
 - Our spending on teachers in Suitable Professional Capacity (SPC)
 - Overall salary spending (due to higher than anticipated salary savings from vacancies and turnover)
 - Benefits

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Update on critical FY20 Investments

- ✓ Increased access to Pre-K through community based partners
- ✓ Provided M7 MBTA passes to all 7-12 BPS, charter, private-parochial students living in Boston attending school in Boston to ride the T for free 7 days a week
- ✓ Expanding exam school access and brought ISEE into the classroom
- ✓ Expanded Becoming A Man program
- ✓ Doubled the funding available for school security upgrades consisting of multiple workstreams: classroom door locks, camera systems, and public address systems
- ✓ Reduced waitlists and filled classrooms through improved service at Welcome Centers and automated waitlist calls

In our commitment to transparency and community engagement, we have launched a new web tool where stakeholders can explore the budget proposal

www.bostonpublicschools.org/explorebudget



We are confident we will close the year on budget

- 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 triggered spending and hiring freezes
- For the last four years at this time, we forecast more moderate deficits in the range of \$2-\$6M and closed without freezes
- As of October 31, our projected deficit is \$5 million for FY20, and we are confident we will close the year on budget

FY20 Budget Outlook

- A number of expenses are higher than expected:
 - Transportation
 - Food & Nutrition Services
 - Special Education
 - Long-term Leave

- FY20 Federal Entitlement Grants came in \$1.065M below projection.

- We continue to monitor other expenses to offset those items:
 - Salaries
 - Non-Personnel Spending

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We will present our budget on Feb. 4, 2020

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 (OAG Policy).

- **We are facing a number of challenges that will play out during budget season.**
 - Schools are facing declining enrollment and rising student need.
 - The District has a call to action to intervene in our lowest performing schools.
- **Our proposal reflects the need to reorganize and recommit to tackling these challenges.**
 - Investments coincide with the School Committee's Strategic Plan and the Superintendent's Action Plan
 - Focused investment on the lowest performing schools
 - Investments will be prioritized based on the demonstrated ability to improve outcomes for our neediest students

Aligning our budget to our shared vision of the District...

Over the next two months, we will focus on aligning our budget proposal to the Opportunity and Achievement Gap Policy, the emerging themes from the listening tour, and the School Committee's Strategic Goals.

Early work on the budget has identified four strategies:

1. Take a bold, tiered approach to improve performance in our highest need schools
2. Ensure equitable, rigorous, and inclusive liberal arts education to ensure all students succeed
3. Investments in technology and data systems to accelerate student learning and accountability
4. Make smart investments in central operations that improve performance and BPS customer experience

Ensuring school budgets are equitable, reflect our priorities and invest in what students need

We will continue to refine our budget process to ensure equity and the best outcomes for our students. This year, our focus is on:

- Addressing the core elements of a rigorous and equitable liberal arts education
- Developing a tiered approach to accountability for results through support and collaboration
- Basing decisions on student needs to ensure our investments align to our effort and expected outcomes

Enrollment update

Summary of major enrollment trends

Overall

- BPS enrollment declined for the third year in a row, dropping by 1,059 students compared to October of last year.
- Since FY17, enrollment has declined 2,910 students (5.2%). This is the first multi-year enrollment decline during the WSF era.

Elementary

- Grades K2 to 5 enrollment declined by 800 students compared to October of last year. This is a 1,700 student decline since FY18.
- Total K2 to 5 enrollment has declined by 2,056 students (8%) over the last three years.

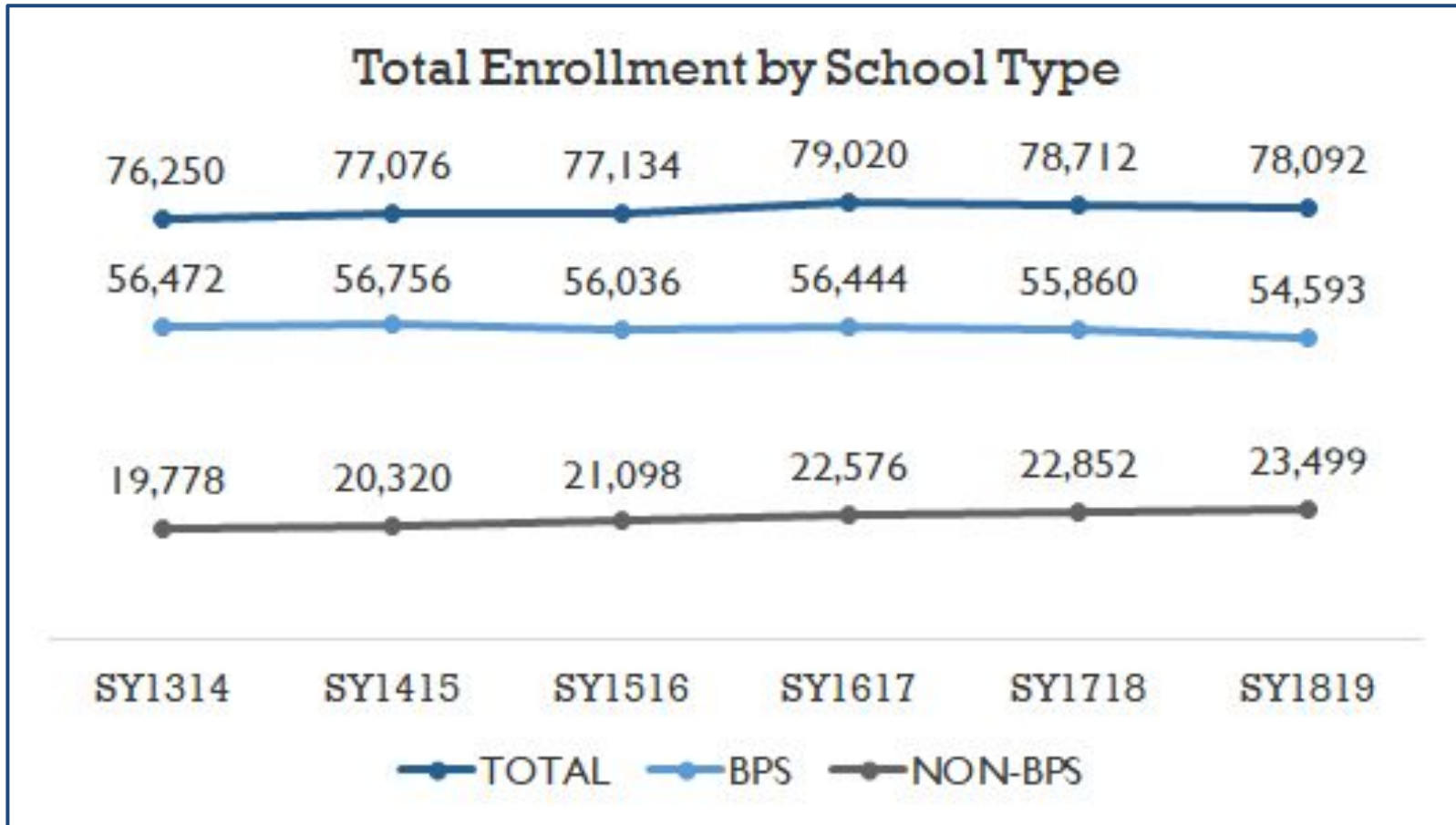
Middle Grades

- Enrollment in grades 6 to 8 remained steady since last October.
- Middle grades enrollment should remain stable next year, but could start to decline in the following year as smaller cohorts enter grade 6.
- We expect this trend to shift as we add more K-6 elementary schools.

High School

- Grade 9 to 12 enrollment has declined by 1,171 students (6.8%) over the last three years, as historically small cohorts have continued to move through high school grades.
- High school enrollment should begin to stabilize next year, as one of the relatively large cohorts exits grade 12.

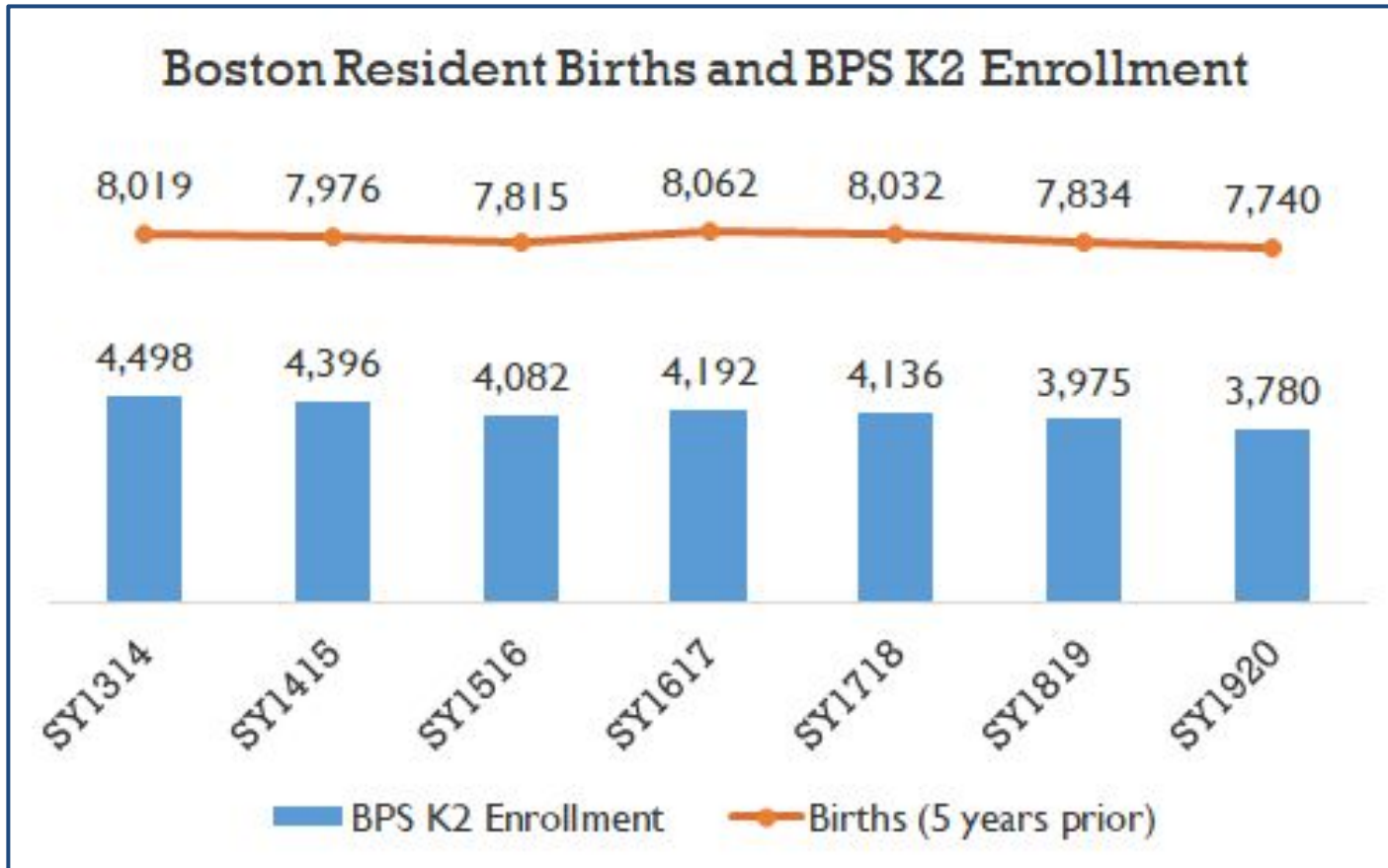
Citywide Enrollment Context



Between SY1617 and SY1819* the total school age population declined by 928 students, while BPS enrollment declined 1,851 students and non-BPS enrollment grew by 211. That means that BPS' capture rate has declined.

*SY1920 data is not yet available

Citywide Enrollment Context



There has been a decline in both the population and the BPS capture rate

- The incoming BPS K2 class has gotten successively smaller since SY1617.
- Elementary enrollment declined as these smaller cohorts continued to move through the system.
- The larger decline in K2 enrollment in the last two years is driven by a drop in the total number of Boston resident births.

Black Enrollment in Boston (FY14-FY19)

- **Citywide**, the number of Black students increased by 323 students, or 1.2%, across all grades.
 - In grades K2 to 5 enrollment grew by 675 students.
 - In grades 6 to 12, enrollment decreased by 352 students.
- **In BPS**, Black enrollment declined by 1,433 students (7.8%).
 - The decline was in grades 6 to 8 and 9 to 12, which declined by 14.3% and 16.1%, respectively.
- **In Charter Schools**, Black enrollment increased across all grades by 1,771 students, or 42.5%. The growth was most pronounced in grades 9 to 12.

Latinx Enrollment in Boston (FY14-FY19)

- **Citywide**, the total number of Latinx students in Boston across all grades and school types increased slightly between SY1314 and SY1819
 - K2 to 5 Latinx enrollment declined by 1,763 students (13.1%) leading to a lower percentage of Latinx students in elementary grades.
- **In BPS**, the number of Latinx students in grades K2 to 5 declined by 2,087 students, a decrease of 17.2%.
- **In Charter Schools**, Latinx enrollment increased during this time period by 1,179 students across all grades. The growth was most pronounced in grades 9 to 12, which grew by 588 students.

What's ahead: Overview of the BPS budget process

