

BOSTON PUBLIC SCHOOLS



OFFICE OF THE SUPERINTENDENT

MEMORANDUM

TO: Chairperson and Members
Boston School Committee

FROM: John P. McDonough
Interim Superintendent

DATE: March 26, 2014

SUBJECT: Fiscal Year 2015 Recommended Budget

Tonight, we will ask for your approval of the FY15 recommended budget. Through this budget, we are investing in many significant district priorities, including:

- Preparing to implement the Common Core standards and online PARCC assessments through \$1 million in equipment and another \$1 million in upgrades to technology infrastructure
- Extending hiring autonomy to all schools to hire qualified, diverse candidates early, with \$6.1 million supporting the success of our early hiring initiative and an additional \$400,000 to support hiring diversity
- Investing \$1.0 million to add 106 new K1 seats at programs across the city while maintaining the high quality that has made these programs a national model
- Renewing our investments in technology to support teachers, families, and students with \$1.2 million to support Laptops for Learning and \$675,000 for continued use of the Student Information System
- Investing in extended learning time (ELT) through \$2.75 million for ELT at current and former turnaround schools, \$3.5 million for ELT at other BPS schools, and \$1.4 million for Acceleration Academies during school vacations

We are also increasing our total Weighted Student Funding (WSF) allocations to schools by over \$5 million in FY15 compared to FY14.

Planning for the FY15 budget presented challenges due to rising costs and a drop in federal and state funding. We addressed this challenge in multiple ways. First, thanks to the City of Boston, our general fund target appropriation for FY15 actually rose by over \$37 million compared to FY14. Since first presenting our budget on February 5th, the City has made several slight revisions to the FY15 budget allocation for BPS. This allocation now takes into account costs associated with revisions to the Administrative Guild contract and higher projected costs for electricity and health insurance. The updated allocation now totals \$974,928,600 (instead of the \$973,270,500 that has been used in previous presentations).

Along with receiving a higher allocation, BPS worked to address the significant budget challenge through reductions and realignment of services. In this way, the difficult financial situation for FY15 also provided the opportunity to realign our work to best support schools. BPS has proposed a number of strategies to achieve cost savings, including the following:

- Central office reorganizations, consolidations, and reductions in services: \$33.8M
- Transportation savings (most significantly from the transition to MBTA passes for some middle school students): \$11.0M
- Reductions in non-direct Special Education services: \$5.5M
- Strategic reductions in grant-funded services and assumptions of grant carry-forward: \$4.0M

In addition, we have put in place tighter management of enrollment projections informed by current year enrollment. We recognize that identifying options to balance the budget is just the beginning, and that much work remains to implement these proposals effectively. We will be especially vigilant about monitoring performance as we consolidate key central-office departments to create unified offices for engagement and student services. As we carry out our transportation proposals, we are also working collaboratively with communities and other city agencies to ensure the safety of all our students. As an example, we have responded to concerns about student safety at the Lilla G. Frederick Pilot Middle School, where we will commit to offer shuttle service for 7th and 8th grade students from the nearest MBTA station.

While we are proud that our FY15 budget invests in so many worthwhile initiatives and priorities, we also recognize the difficulty that a lean budget can pose to school communities and central office departments. We anticipate over 100 reductions in employee positions at the central office level, out of approximately 800 positions in all, and we know that many schools have faced tough choices as they constructed their budgets for the coming year.

We are also very appreciative of the thoughtful, professional, and powerful testimony and actions initiated through a growing network of schools. This has helped to set the stage for a very important longer term discussion about how we finance public education.

In recognition of the challenging budgetary circumstances in some schools and offices, we have continued our practice of granting rules-based soft landings to schools that meet certain criteria. We funded soft landings for six specific reasons this year, providing temporary support largely to schools where programmatic changes are being phased in or phased out gradually.

We have also adapted some of our original budget proposals in response to community feedback and in order to continue providing high-quality services to all students. For instance, as we identify ways to strengthen and streamline our Educational Options department, the FY15 budget continues our ongoing investments in Alternative Education. The Re-Engagement Center will retain the same level of staffing as in FY14, and we will maintain our partnerships with Alternative Education providers. Similarly, we propose to modify our previous proposal on Adult Education. Instead of shifting that department entirely to grant funding, we now propose to restore 75% of the previously recommended reductions to Adult Education. This is in line with reductions taken in some other central office departments.

We are grateful to the schools, families, community members, and central office employees who took the time to engage with us on our FY15 budget proposal. Despite – and in some cases, because of – the challenges we faced in preparing this budget, we are confident that this proposal moves us forward as a district and leaves us well-prepared to meet the needs of all our students. Thank you.