



FY16 Budget Recommendation

City Council Budget Hearing
April 16, 2015

“As the birthplace of public education in this nation, the Boston Public Schools is committed to transforming the lives of all children through exemplary teaching in a world-class system of innovative, welcoming schools. We partner with the community, families and students to develop within every learner the knowledge, skill, and character to excel in college, career, and life.”

- BPS mission statement

Agenda

- FY16 Context and Budget Overview
- Accomplishments & Goals
- Funding schools equitably and transparently
- Work ahead
- Contacts & Information

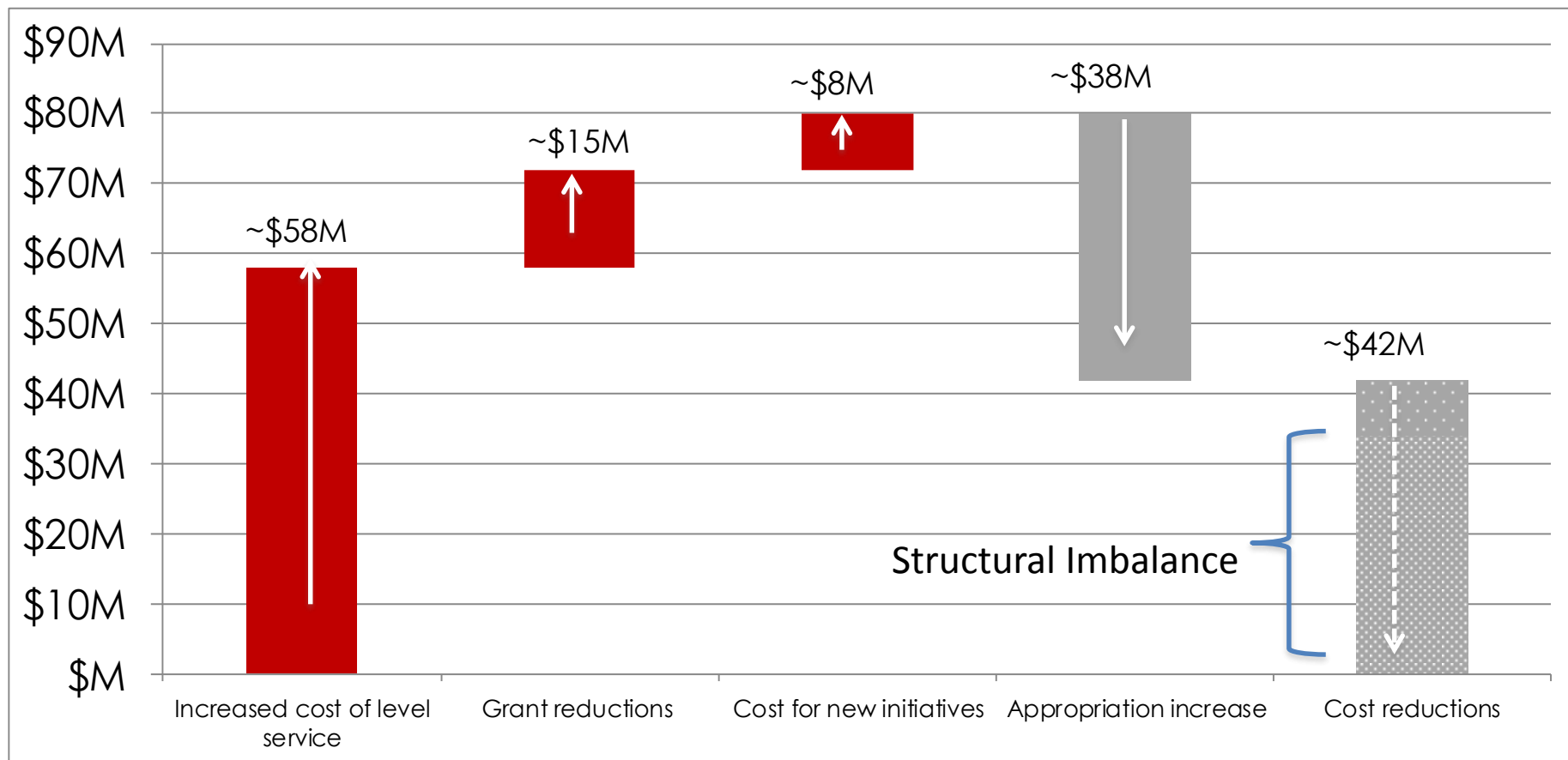
FY16 Budget Overview

- The BPS general fund budget for FY16 rose \$38.5 million to \$1.013 billion, a 4.0% increase from FY15
- External funds are shrinking and we expect a decline of \$15 million, or -11.3%, compared to FY15
- This budget allows us to continue our strategic work. In FY16 that work is focused on eliminating achievement and opportunity gaps:
 - Growing the number of Pre-Kindergarten seats to over 3,100
 - Expanding access and opportunity for Extended Learning Time to impact all schools with grades Kindergarten to Grade 8
 - Providing more inclusive settings for our students with disabilities

FY16 Budget Overview (cont'd)

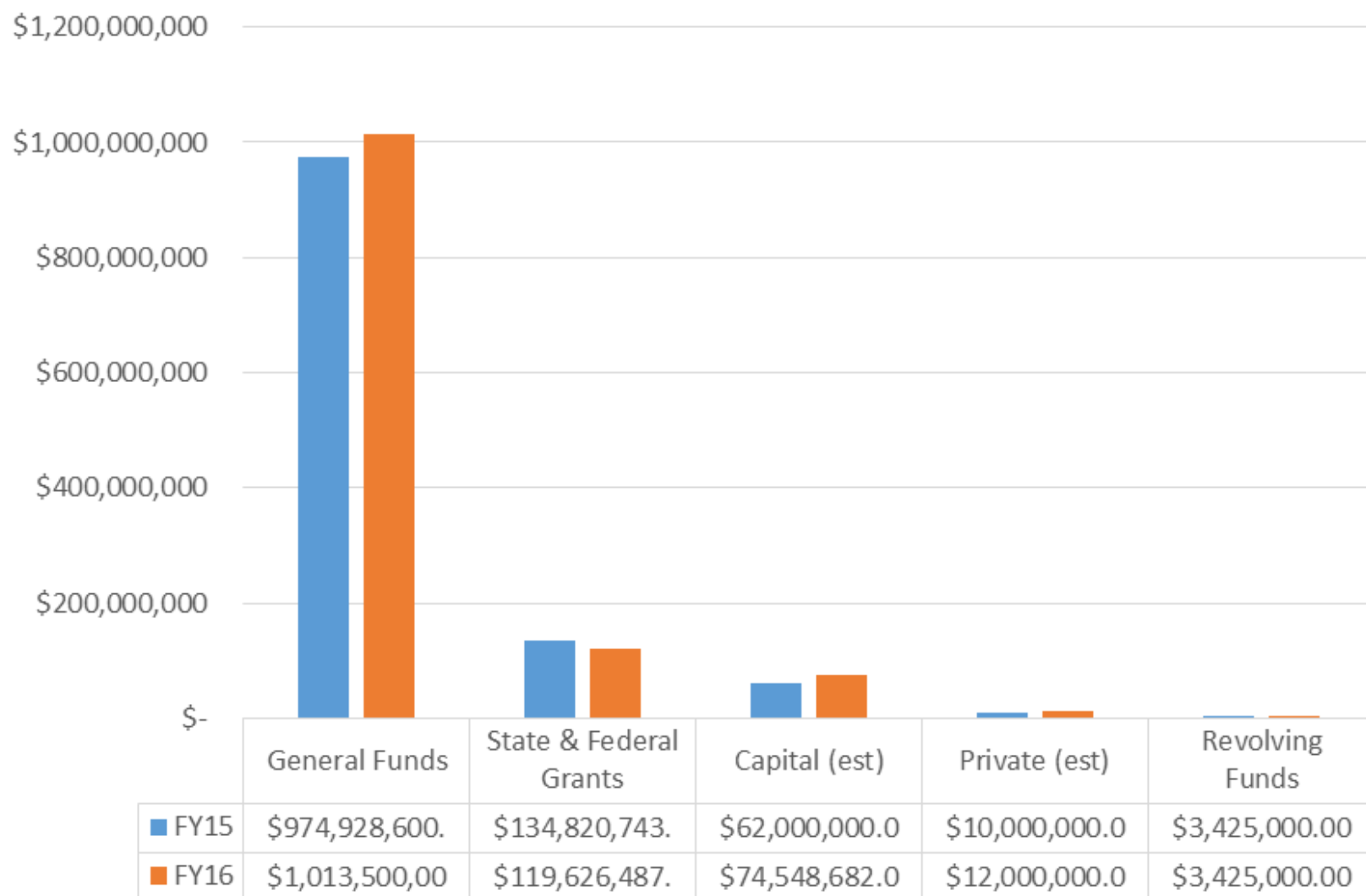
- The budget takes steps toward addressing our structural imbalance by focusing on the areas that contribute to it: *compensation, transportation, food services, and under-enrolled schools and classrooms* by:
 - Reducing central office (non-direct school services) FTE's by 134 –saving approximately \$13 million
 - Seeking to fully implement the middle school transportation policy from FY15, along with other efficiencies to save \$9.5 million
 - Requiring reforms in Food and Nutritional Services to operate within the revenue it generates saving \$4 million
 - Closing 2 schools and 1 program to save operating costs and redirect student funding of approximately \$5.5 million to schools where those students will go next year.

Despite a healthy 4.0% increase in the General Fund appropriation, the FY16 structural imbalance is \$34M

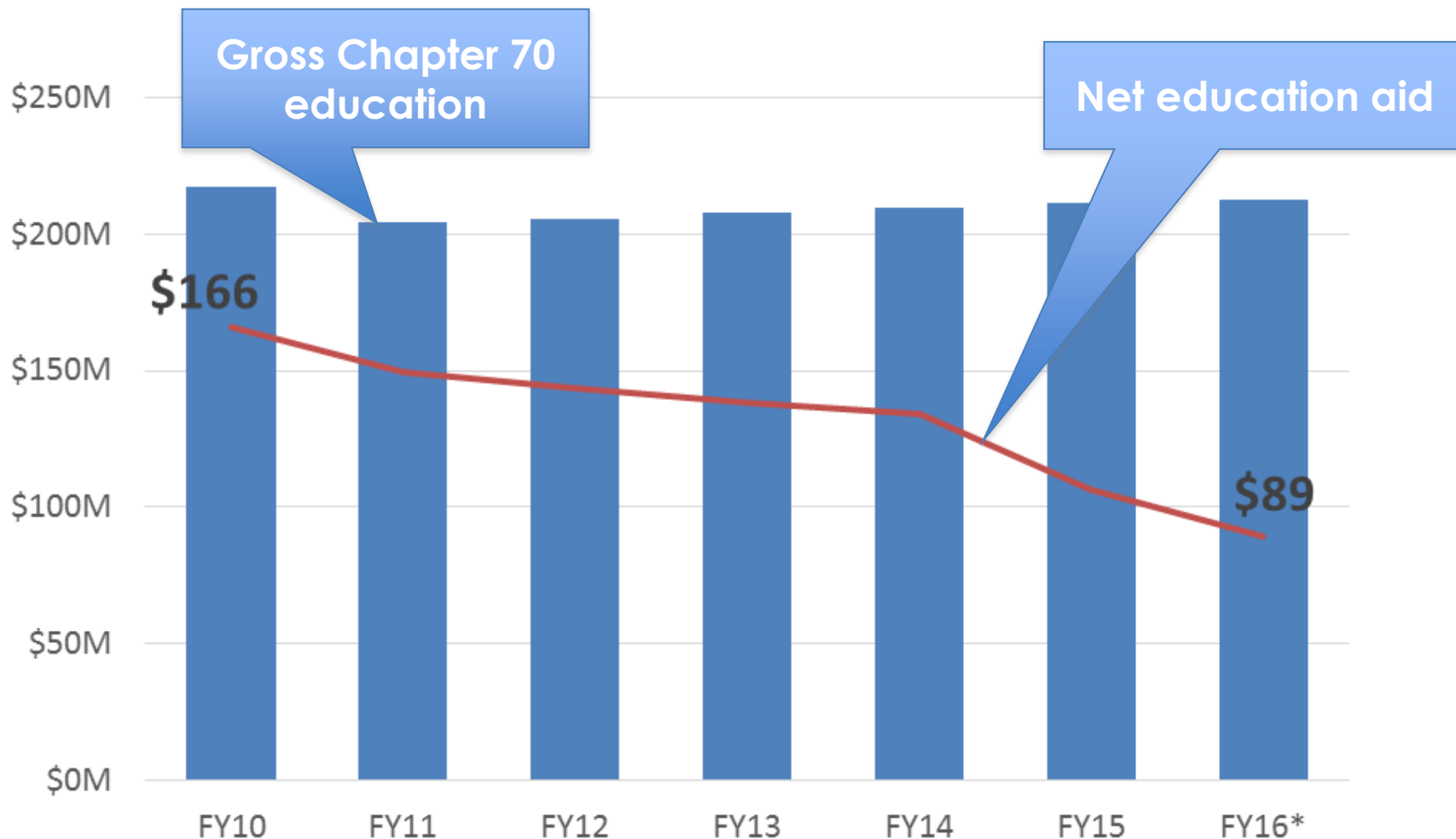


BPS Sources of Funding

FY15/FY16 Funding Source & Changes

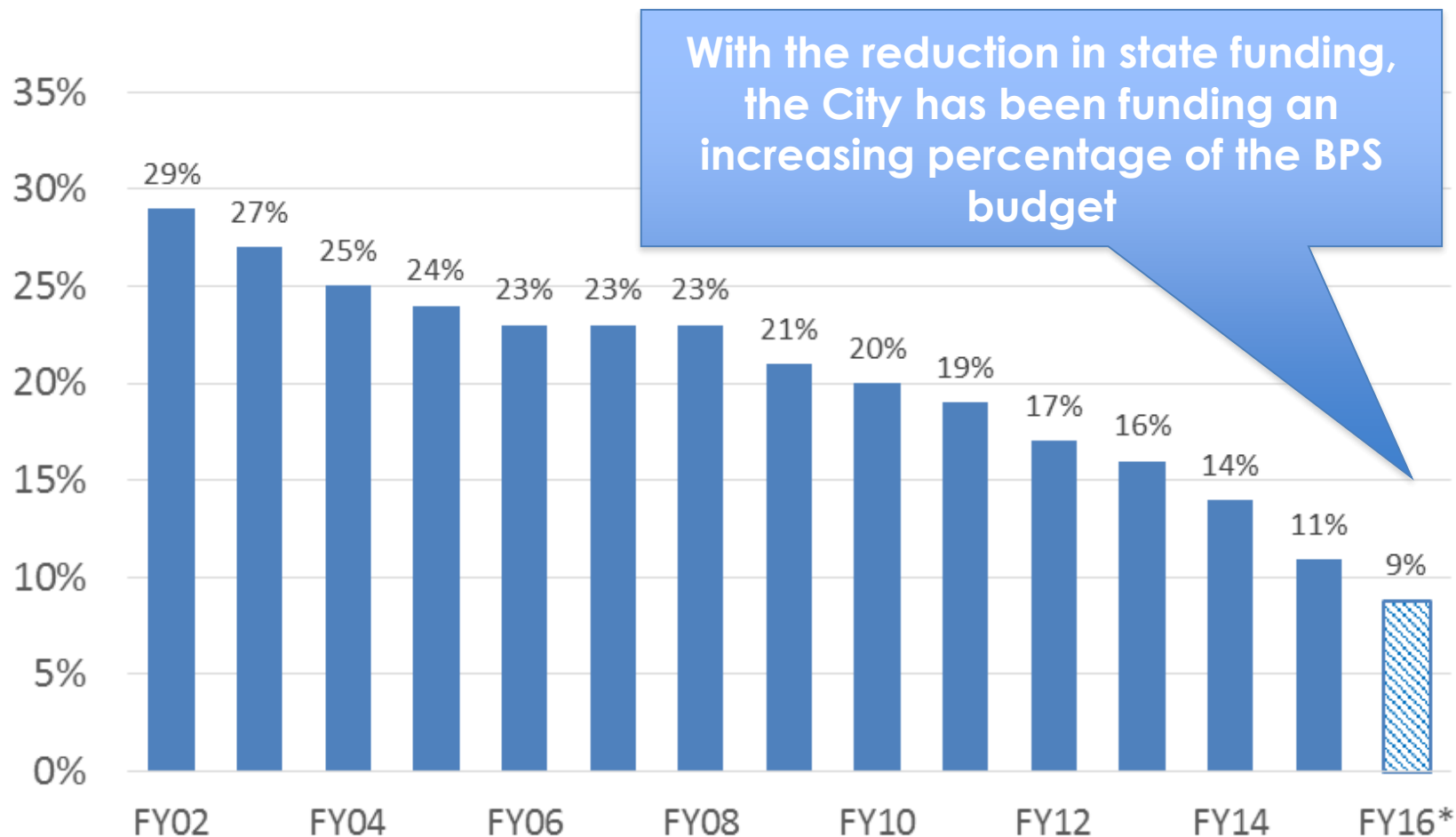


Funding for charters have led to decreases in net education aid...



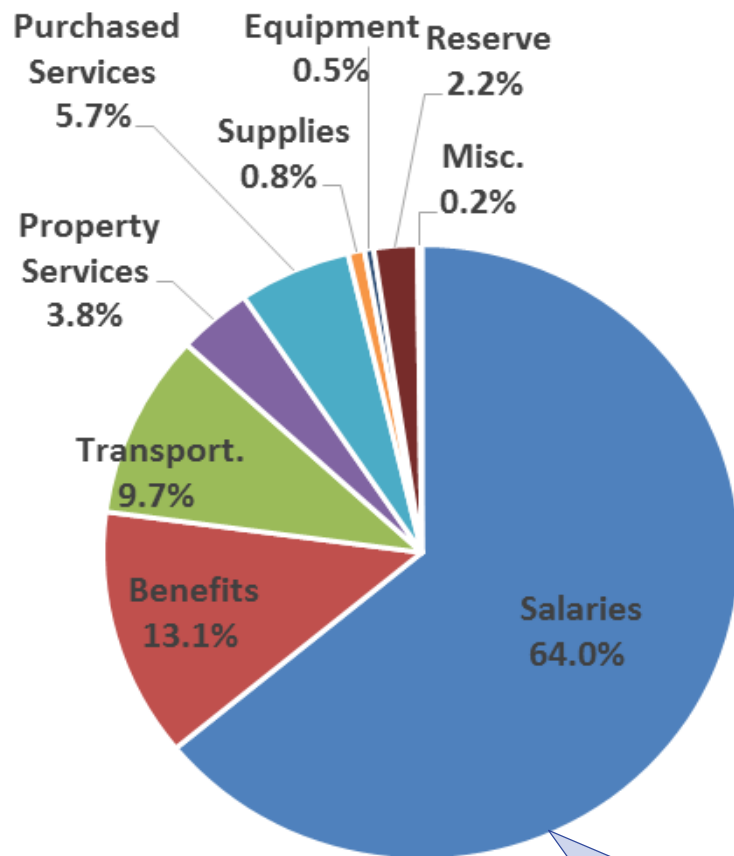
*FY16 Chapter 70 and Charter School amounts are based on the Governor's budget proposal

The portion of BPS's General Fund budget covered by net education aid has declined



*FY16 Chapter 70 and Charter School amounts are based on the Governor's budget proposal

Spending by Account – Annual Change and Proportion by Account



77.1% of budget is for employee compensation

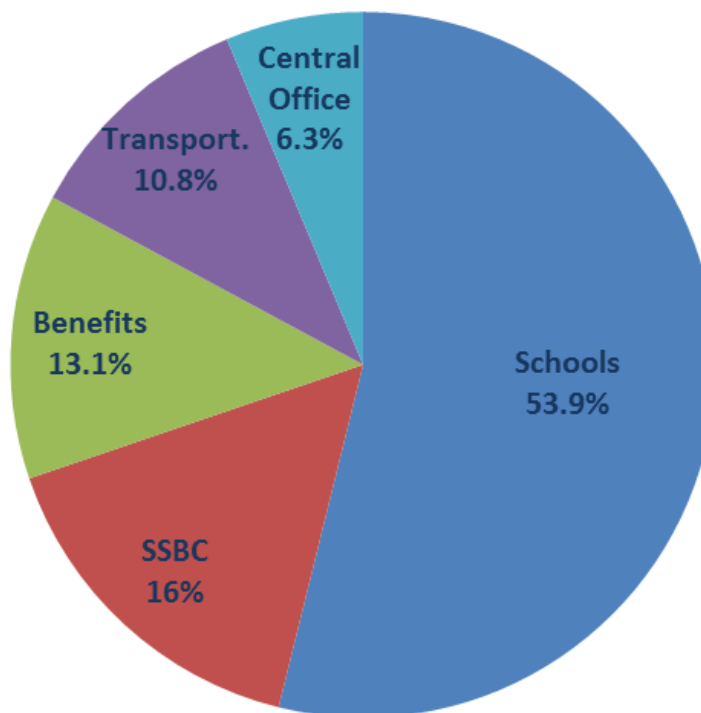
FY16 Budget by Account Code Summary General Fund (\$millions)

Description	FY15 Budget	FY16 Budget	\$ Ch.	% Ch.
Salaries	\$639.1	\$648.9	\$9.8	1.5%
Employee Benefits	\$125.4	\$132.7	\$7.3	5.8%
Transportation	\$95.0	\$98.2	\$3.2	3.4%
Purchased services	\$61.0	\$57.8	(\$3.3)	-5.4%
Property services	\$38.6	\$38.2	(\$0.5)	-1.2%
Reserve	\$1.2	\$22.4	\$21.3	1819.2%
Supplies	\$7.7	\$8.5	\$0.8	11.0%
Equipment	\$4.8	\$4.7	(\$0.1)	-1.8%
Miscellaneous	\$2.1	\$2.1	(\$0.0)	-0.3%
Grand Total	\$974.9	\$1,013.5	\$38.6	4.0%

Spending by Service Area

- **More than 90% of funding goes to schools**
 - This includes direct funding to schools, centrally allocated services to schools, and the vast majority of employee benefits
 - School Services Budgeted Centrally include utility costs, custodians, and occupational/physical therapists
- **Direct central services represent approximately 6% of the budget**

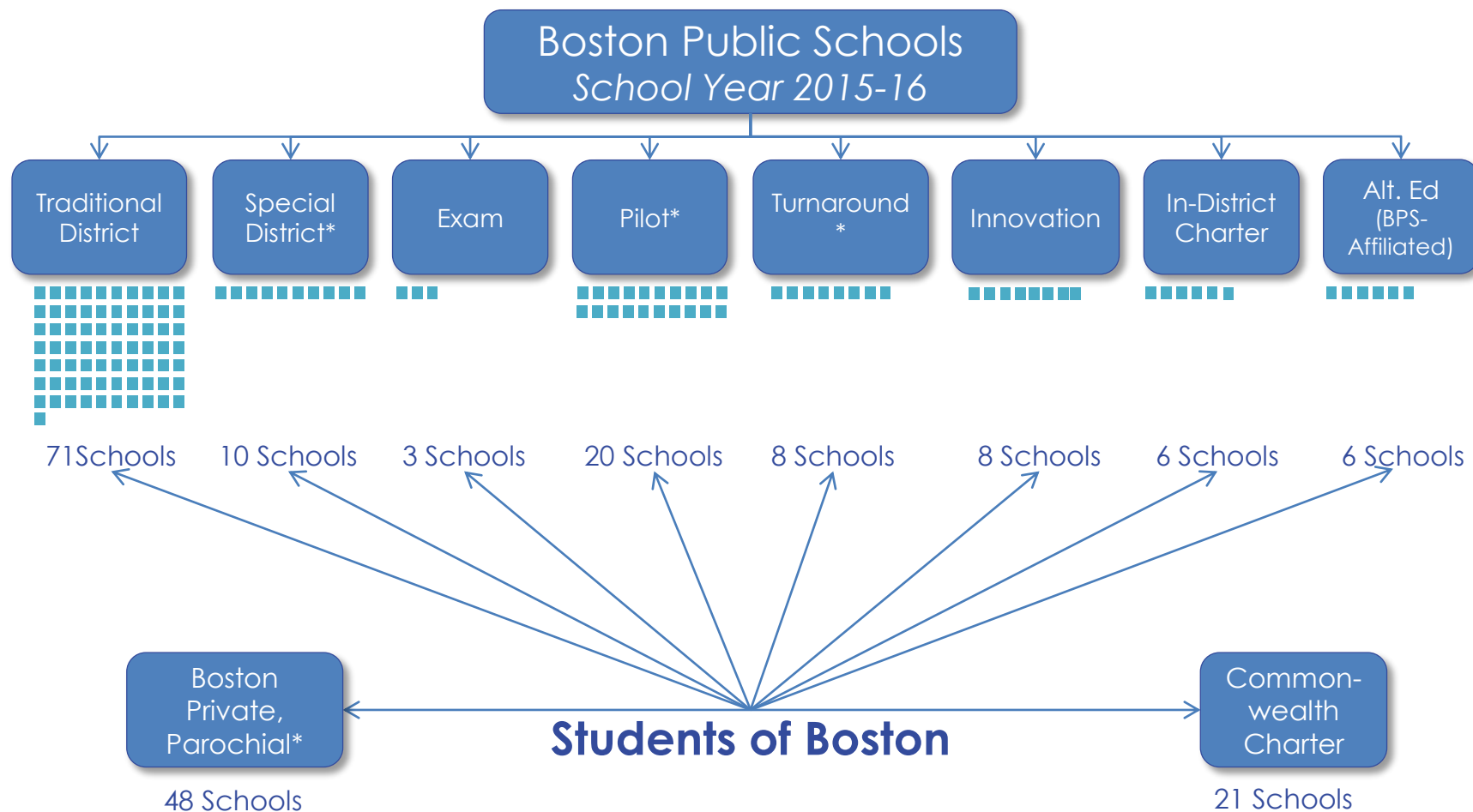
**FY16 Budget by Service Area
(General Fund)**



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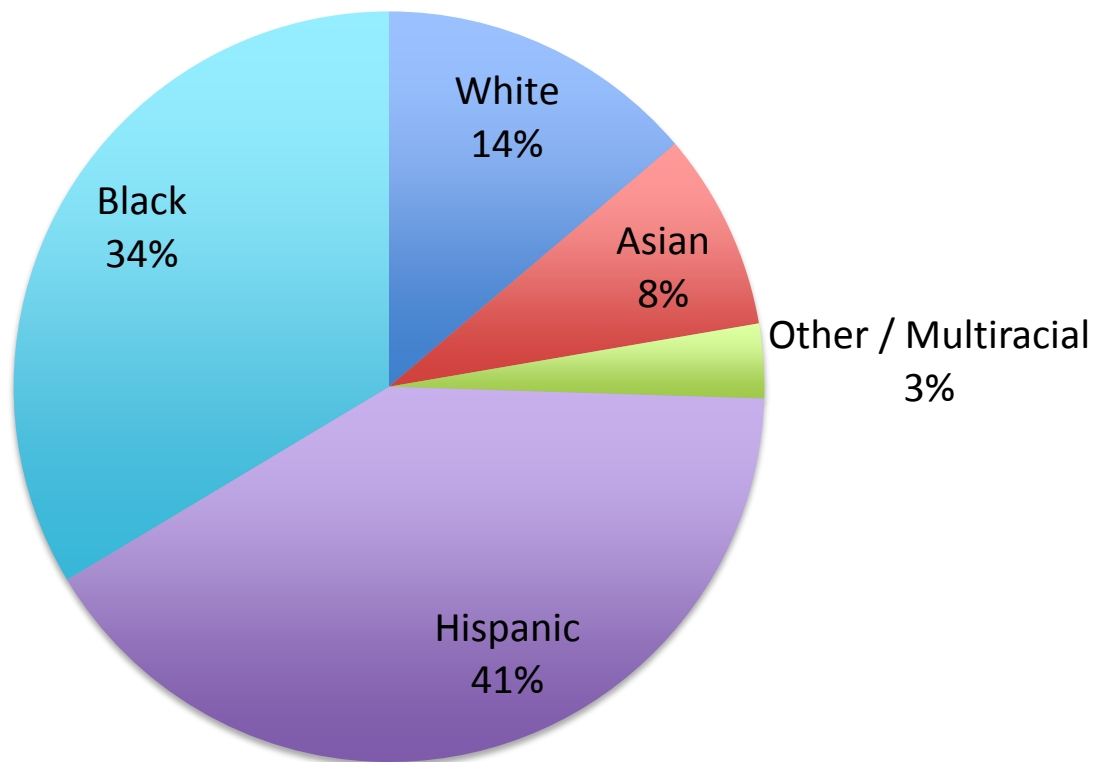
Students in the City of Boston can choose from a diverse portfolio of schools



- “Special” District includes schools for students with disabilities, English Language Learners, and alternative/over-age.
- Note that two turnaround schools are Level 5 schools. BPS will have a total of 126 schools this year.
- 1 district schools also have some curricular autonomy as “Discovery Schools” (Hernandez K-8)
- Students also attend 38 different Metco schools

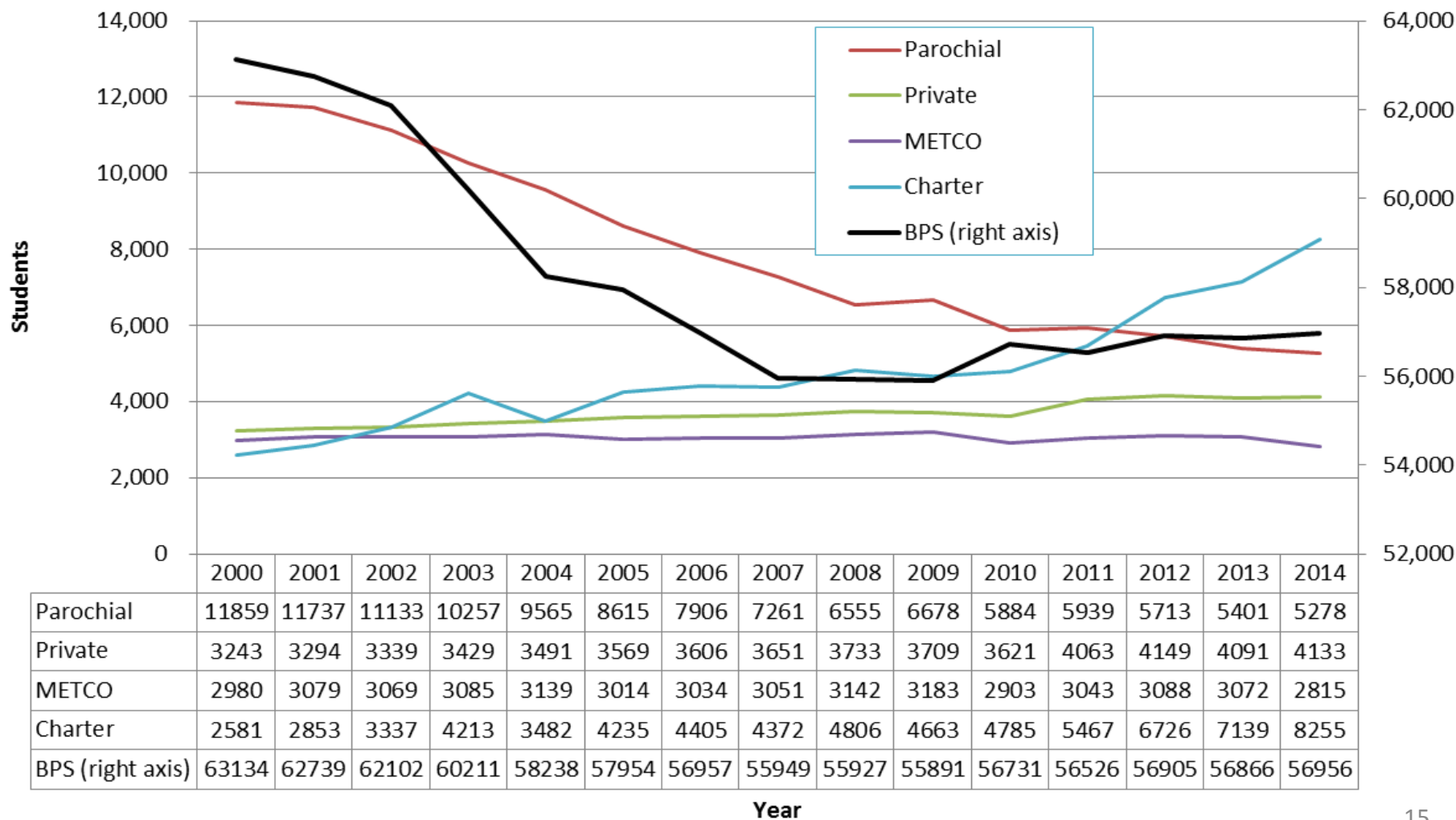
School Year Student Demographics

School Year 2014-15 Student Demographics



Enrollment Trends of Boston Children

Boston Enrollment by School Type 2000 - 2014



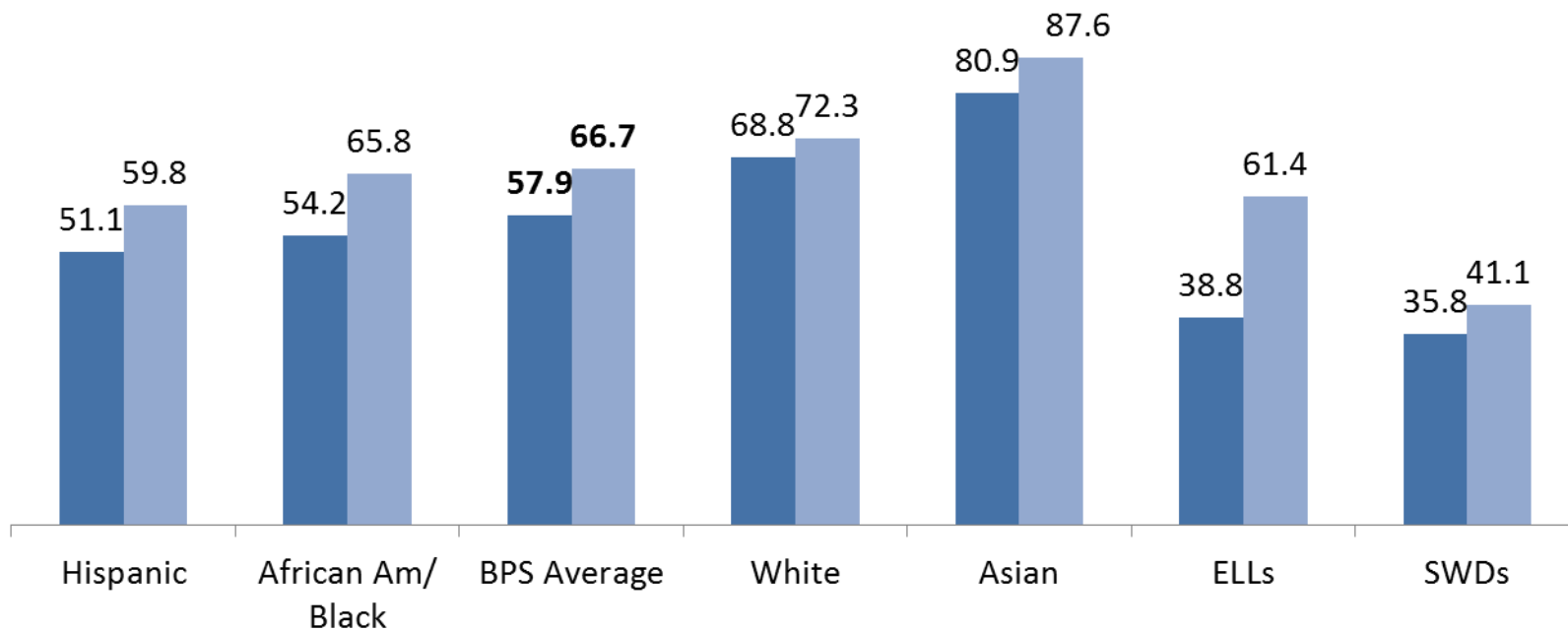
Our work is achieving historic results

- **We have raised graduation rates to the highest level ever**
 - The four-year graduation rate of 66.7% is the highest it has been since the state began keeping data and the drop out rate of 3.8% is also a record. Improvement has been gained across all demographics of our student population.
 - The graduation rate for Black students is up almost 12 percent since 2007, and the rate for English Language Learners jumped almost 23 points during that period
- **In 1998, fewer than one in four high school students earned passing grades on state mathematics exams. Today, 88 percent pass on their first attempt.**
- **We are closing the Achievement Gap, but we still have work to do**
 - Turnaround Schools are outperforming district growth averages in math, we must sustain this success and use these strategies to improve quality in more schools
 - A Harvard study finds that BPS early childhood education programs close achievement gaps better than any other program in the nation, but by 3rd grade, literacy trends show challenges
 - English Language Learners have increased their MCAS proficiency rates by 7 points in 3rd grade and 22 points in 10th grade since 2008

Our work is achieving historic results

4-Year Graduation Rates by Student Group 2007 vs. 2014

■ 2007 ■ 2014



We are expanding K1 seats across the city...

- We are investing \$1.0 million to add over 100 new K1 seats at programs across the city to a total of over 3,100
- As we expand our K1 programming, we are focused on maintaining the high quality that has made these programs a national model
- We use 3 key criteria to guide K1 expansion:
 - Programs are sustainable
 - Classes are spread across the city
 - Additional classes offer a positive increase in seats (not a repurposing of existing classrooms)



...supporting Extended Learning Time (ELT) in schools across the district...



- **\$3.9 million** investment to add 40 minutes to the day at 16 new schools as part of an expansion to 60 schools over three years
- **\$4.0 million** continuing for ELT at current and former turnaround schools and for ELT at other BPS schools
- **\$1.4 million** continuing for Acceleration Academies during school vacations

...making additional investments in services for some of our highest-need students.

- **\$4.5 million** for high severity special education (WSF)
- **\$2.2 million** for English Language Learners (WSF)
- **\$620 thousand** for inclusion specialists to support 52 new classrooms

...continuing hiring autonomy at all schools to hire qualified, diverse candidates early...

- **\$400 thousand** to support Teacher Diversity Action Plan
- **\$4.8 million** to make our early hiring initiative a success
 - \$460 thousand budgeted centrally to help schools offer stipends for open posted positions
 - \$4.3 million to support professional development and transition support for excessed educators
 - We are also seeking external funding to support this initiative



...and expanding 21st century learning opportunities

- Expanding digital learning opportunities to prepare students for the 21st century with a **\$500 thousand** expansion of Digital Academy
- **\$1 million** in technology infrastructure updates
- **\$500 thousand** for continued support of 10,000 PARCC devices.



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Sources of school funding



1.	Weighted Student Funding	\$474M
2.	Special programs (non-WSF)	\$26M
3.	Title I funding	\$17M
4.	Standard allocations built into school budgets (nurses, special education coordinators, and food services staff)	\$18M
5.	Rules-based soft landings	\$2M
6.	Buybacks for Autonomous Schools	\$2M
7.	Additional adjustments ¹	\$10M
Total:		\$549M

¹Additional adjustments include EEC/ELC supplements and other non-rules-based allocations

Note: These figures do not include school services that are budgeted centrally.

Weighted Student Funding (WSF) reflects our principles as a district

Principle	Description
Student focus	Provides resources based on students, not on buildings, adults, or programs
Equity	Allocate similar funding levels to students with similar characteristics, regardless of which school they attend
Transparency	Easily understood by all stakeholders
Differentiation based on need	Allocate resources through a comprehensive framework that is based on student needs
Predictability	School allocation process is predictable and is structured to minimize school-level disruption
School empowerment	Empowers school-based decision-making to effectively use resources
Alignment with district strategy	Supports the Acceleration Agenda, our five-year strategic plan

Our starting point is to fund the needs of students through Weighted Student Funding (WSF)

- Students receive a per-pupil allocation that is weighted based on certain characteristics:
 - Grade level
 - Program (e.g., English Language Learners, Special Education, Vocational Education)
 - Student characteristics (e.g., poverty)
 - Academic performance (e.g., high risk)
- Schools receive a minimal foundation budget plus the sum of the allocation for each student

Example weights:

Type	Weight	FY16 Funding
Base weight	1.0	\$4,028
High Risk (Grade 9)	0.2	\$806
ELL (Grade K0-5, ELD Level 1-3)	0.24	\$967
Student with Disabilities: Low Severity (Resource Room)	1.0	\$4,028
Student with Disabilities: Autism	4.3	\$17,322

What is a soft landing?

- In general, we expect schools to meet their needs using their WSF allocations
- In some cases, however, schools may require additional allocations because of extraordinary circumstances
- In these cases, the district may provide a “soft landing” (one-time funding)
- Guiding principles on soft landings:
 - This funding is a **temporary** measure to address particular challenges, not a permanent allocation
 - The situations that may require soft landings **change from year to year** as the context changes
 - All soft landings are **rules-based**, and rules are applied uniformly across all schools

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The work ahead is focused on continuing to address the existing structural imbalance of BPS finances

- A structural imbalance arises when the growth rate of expenditures exceeds the growth rate in revenues annually.
- BPS is challenged by shrinking federal aid dollars and rising costs in four main areas:
 - The rate of growth in employee compensation (wages & benefits)
 - The most expensive transportation expenses in the country
 - A Food Services program that has not been financially self-sustaining
 - The cost of operating many schools and programs, and with high rates of excess capacity
- Addressing this challenge will require a broad conversation and involve many stakeholders

For more information:

Website: bostonpublicschools.org/budget

Email: budget@bostonpublicschools.org

Twitter: #bpsbudget

A number of documents are available on our website:

- Budget Presentation
- FY16 Allocations
- FY16 WSF School-by-School comparison
- WSF Templates for all schools
- Recommended budget by Account Code summary
- Recommended budget by Program Code summary
- Recommended budget by Department Code summary