

BOSTON PUBLIC SCHOOLS FY2009 BUDGET CHALLENGES

CONTEXT: ECONOMIC CLIMATE

The economic challenges are serious: Rising costs are coupled with fewer resources, despite steady increases in the City's investment in education.

- *Sharp increases in employee salaries, health insurance, utilities, gasoline*
- *Escalating costs of special education services; students with autism up 400% in ten years*

Our situation is not unique: School districts across the country are struggling in these challenging economic times.

- *Teacher layoffs, school closings, other major cutbacks and additional fees throughout Massachusetts and the U.S.*

External resources to support schools are dwindling: Initiatives once funded by public (state and federal) and external (private) dollars must now be absorbed by the City.

- *Federal Title I funding to Boston cut by \$7.8 million in the last two years; \$3.6 million cut expected next year*
- *\$16 million in new costs to general fund to continue services formerly paid externally, including FCOCs and K1 paraprofessionals*

Lower enrollment results in less available money: But declining enrollment is not evidence of declining confidence in BPS.

- *BPS share of school-aged children remains constant; From 1943 through today, percentage of students in BPS has remained at or near 75%*
- *We have offset increase in charter seats with attractive programs like K1, K-8, pilot schools, small high schools, overall school improvement efforts*

GUIDING PRINCIPLES

The goal does not change: BPS is committed to providing a first-rate public education to every child.

Classroom instruction remains the top priority: The budget focuses cuts on central offices by prioritizing direct services to children.

We cannot retreat on progress: The district is expanding investment in key priorities that are most important to families.

- *Pre-K for four-year-olds; K-8 expansion; Advanced Placement*
- *New strategies for dropout prevention and recovery, English Language Learners, innovative models like Montessori and International Baccalaureate*

STRATEGIES

In challenging fiscal times, the district must do business differently: To close a nearly \$31 million gap, the budget includes strategies to deliver high-quality services at lower costs.

- *\$1 million in savings by self-insuring the school bus fleet*
- *Energy conservation strategies to reduce utility costs*
- *Limiting salary increases for senior executive staff*
- *Reducing contracted services, travel, overtime, and stipends*

This is the beginning of an aggressive, multi-year plan: The Superintendent will present to the School Committee a six-month plan to propose management improvements, new efficiencies, and cost savings.

- *By September 2008, the Superintendent will recommend to the School Committee six or more under-enrolled, under-utilized school buildings for reprogramming or closure in June 2009*
- *Critical areas for new ways to manage escalating costs include transportation, food services, and special education*

The school district alone cannot solve these fiscal challenges: The Mayor, School Committee and Superintendent call on other levels of government and the business and philanthropic communities to help meet the needs.

- *Time to re-examine funding formulas to address needs of students and families*
- *Private sector and foundations must support initiatives that align with school and district priorities*