

# Worcester Public Schools

## **FY15 BUDGET** *Community Input Session*



## **Standing Committee of Finance & Operations**

April 28, 2014

# FY15 Budget Themes

- **Flat Enrollment**
- **Second Straight Year of Low Inflation Growth**
- **Federal Grant Reductions & Phase-Out**
- **Certain Cost Centers Exceeding “Normal” Inflation**

## State Budget Funding:

- **Chapter 70 Funding**
  - **Save Harmless + \$25 per Pupil  
Minimum Aid (\$2.1 million)**
- **Circuit Breaker (currently full funding at 75%)**
- **Charter School Reimbursement  
Increased from Governor's Budget  
(funded at 62% of full funding)**
- **Charter School Tuition Assessment  
reduced in House Budget.**

## **Federal Funding:**

- **RTTT and School Redesign Grant Sunset**
- ***Level Funded Other Grants***

# Phase-Out of Federal Grants

Grant	FY14	FY15	Change
Race to the Top	\$2,688,325	\$0	-\$2,688,325
School Redesign	\$893,000	\$0	-\$893,000
McKinney-Vento*	<u>\$60,666</u>	<u>\$0</u>	<u>-\$60,666</u>
<b>Total</b>	<b>\$3,641,991</b>	<b>\$0</b>	<b>-\$3,641,991</b>

\* Will be a **competitive** grant in FY15

## **RTTT and SRG Grants Currently Provide:**

- **Level 4 School Costs**
- **Staff Development**
- **College Dual Enrollment & Early College High School**
- **Wrap Around Zone Coordinators**

# Impact of Federal Grants

Estimated at a Level Funded

Grant	FY14	FY15	Change
Title I	\$9,769,845	\$9,769,845	\$0
IDEA	\$7,218,705	\$7,218,705	\$0
Title IIA	\$1,858,092	\$1,858,092	\$0
Title III	\$1,202,742	\$1,202,742	\$0
Perkins	\$481,803	\$481,803	\$0
<b>Total</b>	<b>\$20,531,187</b>	<b>\$20,531,187</b>	<b>\$0</b>

## **Federal Grants Currently Provide:**

- **80 Teachers**
- **204 Instructional Assistants**
- **Afterschool & Summer Programs**
- **Specialized Programs and Services**
- **Staff Development**



## **City Contribution:**

- **Net School Spending**
  - **FY15 Required Increase (“Growth Factor”)**
  - **Amount Currently Below “Net School Spending”**

# FY15 Projected Revenues

## Worcester's FY15 Projected Foundation Budget

**\$314,854,113\***

**Increasing \$3.0 million from \$311.8 million  
(including charter/choice students)**

*\* Includes Pre-K Change to lift cap on number of students that can be counted in foundation budget.*

# FY15 General Fund Budget

Budget	FY14	FY15	Change
Ch70 State Aid	\$219,897,733	\$220,569,583	\$671,850
Charter Reimbursement	\$2,674,147	<b>\$2,734,532</b>	<b>\$60,385</b>
Req'd Local Contrib.	\$91,934,732	<b>\$96,489,618</b>	<b>\$4,554,886</b>
Other Local Contrib.*	\$11,546,372	<b>\$11,546,372</b>	<b>\$0</b>
Charter Tuition	-\$24,548,854	-\$24,364,811	\$184,043
School Choice Tuition	-\$2,323,356	-\$2,709,152	-\$385,796
Special Educ. Offset	<u>-\$134,920</u>	<u>-\$164,231</u>	<u>-\$29,311</u>
<b>TOTAL BUDGET</b>	<b>\$299,045,854</b>	<b>\$304,101,911</b>	<b>\$5,056,057</b>

# One Year Ago...

Budget	FY13	FY14	Change
Ch70 State Aid	\$210,364,137	\$219,897,733	\$9,533,596
Charter Reimbursement	\$3,050,001	\$2,674,147	-\$375,854
Req'd Local Contrib.	\$88,586,175	\$91,934,732	\$3,348,557
Other Local Contrib.*	\$10,580,193	\$11,546,372	\$966,179
Charter Tuition	-\$24,902,997	-\$24,548,854	\$354,143
School Choice Tuition	-\$2,162,845	-\$2,323,356	-\$839,489
Special Educ. Offset	-\$147,852	-\$134,920	\$12,932
<b>TOTAL BUDGET</b>	<b>\$285,366,812</b>	<b>\$299,045,854</b>	<b>\$13,679,042</b>

# FY15 Total Funding Change

## FY15 Funding Change from Current Year

General Fund (State Aid & Local Contribution)	\$5,056,057
Grant Funding	\$0
Grant Reduction (Phase-Out)	<u>-\$4,323,878</u>
<b>FY15 Revenue Change from FY14:</b>	<b>\$732,179</b>

# FY15 Level Service Increases

## Contractual Increases:

in millions

▪ Employee Salaries	\$3.4	
▪ Health Insurance (8%)	\$3.3	
▪ Tuition	\$1.5	
▪ Retirement Assessments	\$1.3	
▪ Transportation	\$0.6	
▪ Technology	\$0.9	
▪ Workers Compensation	\$0.4	
▪ Building Utilities	<u>\$0.3</u>	
<b>Total Cost Increases:</b>	<b>\$11.7</b>	<b>(3.3%)</b>

# FY15 Budget Status

in millions

<b>Total Funding Needs:</b>	<b>\$11.7</b>
<b>Total Revenue Increase:</b>	<b><u>\$ .7</u></b>
<b>FY15 BUDGET STATUS</b>	<b>-\$11.0</b>

# How Did We Get Here?

Last year's budget forecast projected a \$6.1 million budget gap.

Budget Trends and Projections: (All Funds)



	Revenues	Expenditures	Difference
FY10	\$319,930,096	\$319,964,641	-\$34,545
FY11	\$333,846,412	\$328,204,263	\$5,642,149
FY12	\$334,243,656	\$335,776,769	-\$1,533,113
FY13	\$337,941,850	\$337,941,850	\$0
FY14	\$349,224,529	\$349,224,529	\$0
FY15 (proj)	\$355,925,400	\$362,034,101	-\$6,108,701
FY16 (proj)	\$364,563,317	\$369,168,329	-\$4,605,012
FY17 (proj)	\$373,489,994	\$376,516,525	-\$3,026,531

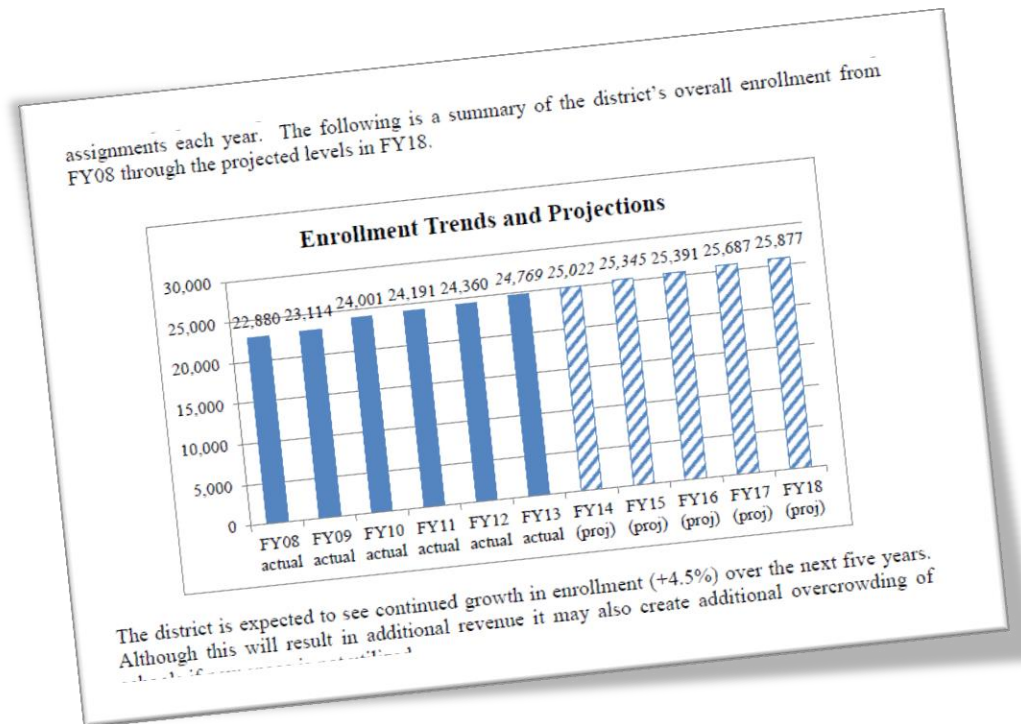


# How Did We Get Here?

**Our Enrollment Projection estimated a 253 student increase.**

**Actual student increase was 8 students**

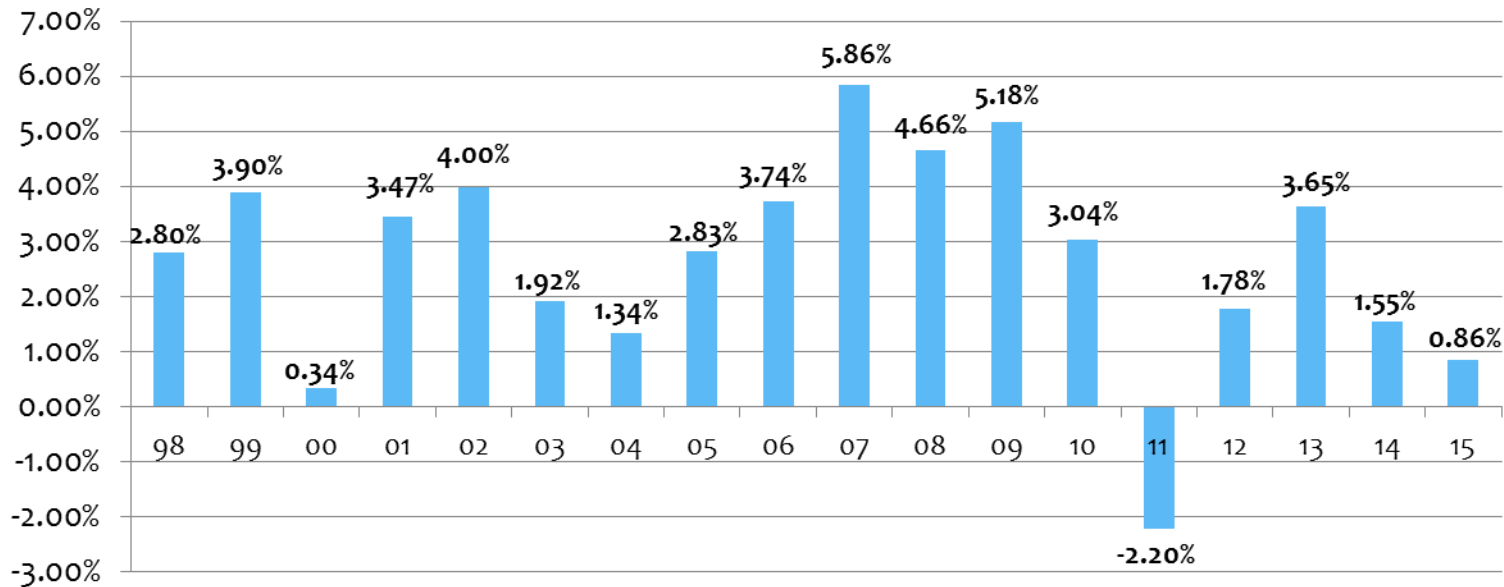
**Difference = \$2.9 million**



# Inflation Index History

FY98-FY14

Price Deflator Index for State & Local Governments



18 year average = 2.7%

**Inflation factor was 0.65% less than estimated amount = \$2.0 million**

# FY15 Budget Solutions

## *Actions to Balance Budget*

- **Restructure Special Ed. and ELL Programs.**
- **Restructure and Reduce District Administrative, Support, Clerical, and Facilities Positions**
- **Reduce School-Based Support and Clerical Positions**
- **Reduce Staff Development Opportunities (RTTT Funded)**

# FY15 Budget Solutions

## *Actions to Balance Budget*

- **Reduce Environmental Management System Development, Training, and Support**
- **Restructure, reduce, and eliminate existing programs and services.**
- **Reduction of classroom positions (teachers and tutors)**

# FY15 Budget Approach

- **Zero-based budgeting – Year 5:** All positions, programs and services under thorough annual review.
- **Long term planning and allocation:** student achievement and finance.
- **Status Quo is not an option:** The FY15 Budget will need to reflect changes beyond revenue/expense projections.

# Budget Schedule

- **Governor's Budget** (*released January 22*)
- **House of Representatives** (*released April 9*)
- **Senate Budget (May)**

**FY15 Budget to  
School Committee: May 9th**

*\* WPS to use House Budget for submittal to School Committee*