

Worcester Public Schools

FY15 BUDGET

School Committee Budget Priority Session & Budget Update



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Superintendent

March 2014

Standard II, Indicator II-E. Fiscal Systems
Standard III, Indicator III-A. Engagement
Standard IV, Indicator IV-C. Communications

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 (Governor's Budget)**
 - **Foundation Aid (\$73.4 million)**
 - **Down Payment Aid (\$14.5 million)**
 - **Save Harmless + \$25 per Pupil
Minimum Aid (\$11.6 million)**
- **Circuit Breaker (currently full funding at 75%)**
- **Charter School Reimbursement
(funded at 62% of full funding)**

Federal Funding:

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

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	\$2,286,346	-\$387,801
Req'd Local Contrib.	\$91,934,732	\$96,374,700	\$4,439,968
NSS Gap*	\$0	\$2,751,894	\$2,751,894
Other Local Contrib.*	\$11,546,372	\$12,207,260	\$660,888
Charter Tuition	-\$24,548,854	-\$24,539,972	8,882
School Choice Tuition	-\$2,323,356	-\$2,709,152	-\$385,796
Special Educ. Offset	-\$134,920	-\$164,231	-\$29,311
TOTAL BUDGET	\$299,045,854	\$306,776,428	\$7,730,574

* WPS currently under Net School Spending by \$2.7 million. **No change** in city contribution above required increase amount results in WPS under net school spending by \$3.2 million in FY15

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
Total	\$20,531,187	\$20,531,187	\$0

Federal Grants Currently Provide:

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

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>
Total	\$3,641,991	\$0	-\$3,641,991

* 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**

FY15 Total Funding Change

FY15 Funding Change from Current Year

General Fund (State Aid & Local Contribution)	\$7,730,574
Grant Funding	\$0
Grant Reduction (Phase-Out)	-\$3,641,991
FY15 Revenue Change from FY14:	\$4,088,583

Assumes Funding at Required Net School Spending Level

FY15 Level Service Increases

<u>Contractual Increases:</u>	<u>in millions</u>	
▪ 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>	
Total Cost Increases:	\$11.7	(3.3%)

FY15 New Funding Requirements

<u>Budget Area:</u>	<u>in millions</u>
▪ School Staffing Needs* :	\$ 6.3
▪ Elementary Math Textbooks	\$ 2.0
▪ Secondary Textbooks	\$ 0.4
▪ Worcester Advance High School Academy <u>Planning Year</u>	\$ 0.2
▪ OPEB Trust Fund Payment**:	<u>\$ 3.0</u>
Total	\$11.9

* 117 additional positions includes 16 elementary teachers (class size), 11 secondary teachers (course selection and offerings), 14 student support positions, 5 special education teachers, 9 ELL teachers, 19 instructional assistants, 19 tutor positions, 6 school-based clerical, 2 school nurses, 6 assistant principals, 4 additional instructional coaches, 3 credit recovery computer lab staff, 2 school safety, and 1 wrap around coordinator.

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**** Does not count towards “Net School Spending”**

FY15 Program Improvements

Other Budget Areas Needing Funding:

▪ Elementary Assistant Principals	\$ 900,000
▪ Kindergarten IA's	\$ 750,000
▪ School Safety Equipment	\$ 500,000
▪ Playground Maintenance	\$ 500,000
▪ School Furniture	\$ 500,000
▪ Wireless Technology	<u>\$ 500,000</u>
▪ Total Additional Needs:	\$3,650,000

FY15 Funding Increase Needed

<u>Total Funding Increase Needs</u>	<u>in millions</u>
▪ Level Service:	\$ 11.7
▪ New Funding Requirements:	\$ 11.9
▪ Program Improvements:	<u>\$ 3.7</u>
Total Funding Increase Needed:	\$27.3

FY15 Budget Status

	<u>in millions</u>
Total Funding Needs:	\$27.3
Total Revenue Increase:	<u>\$ 4.1</u>
FY15 BUDGET STATUS	-\$23.2

*Assumes Funding at Required Net School
Spending Level*

FY15 Budget Solutions

in millions

Defer	School Staffing Needs	\$6.3
Defer	Elementary Math Textbooks	\$2.0
Defer	Secondary Textbooks	\$0.4
Defer	Elementary Assistant Principals	\$0.9
Defer	Kindergarten IA's	\$0.8
Defer	School Safety Equipment	\$0.5
Defer	Playground Maintenance	\$0.5
Defer	School Furniture	\$0.5
Defer	Wireless Technology	<u>\$0.5</u>
	Total Deferred Spending	\$12.4

FY15 Budget Solutions

in millions

No Funding in Budget for OPEB **\$3.0**

**No Funding in Budget for Advance
High School Academy Planning Year** **\$0.2**

**Total Budget Requests/Needs Not
Included in FY15 Budget** **\$3.2**

FY15 Budget Solutions

in millions

FY15 Budget Status	-\$23.2
Total Deferred Spending	\$ 12.4
Total Budget Requests/Needs Not Included in FY15 Budget	<u>\$ 3.2</u>
FY15 Budget Deficit	-\$7.6

FY15 Budget Solutions

With Funding Levels that meet FY15 Estimated Net School Spending Requirement

- **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

With Funding Levels that meet FY15 Estimated Net School Spending Requirement

- **Reduce Environmental Management System Development, Training, and Support**
- **Restructure, reduce, or eliminate existing programs and services.**

FY15 Budget Solutions

With Funding Levels that meet FY15 Estimated Net School Spending Requirement

- **Reduction of 11 Tutor positions**
- **Reduce 20 Elementary Teachers**
- **Reduce 6 Middle School Positions**
- **Reduce 14 High School Teachers**

FY 14 Elementary Class Size

Range	FY14	FY15 Projected* At Minimum Required Spending
Less than 23	318 (55%)	285 (50%)
23-26	211 (36%)	235 (41%)
27-30	54 (9%)	53 (9%)
Greater than 30	1 (0%)**	1 (0%)**
Average Class Size	22.2	22.7

** Individual Schools would see a range of +1 teacher to -3 teacher positions from the current level based on enrollments.*

FY15 Budget Solutions

With Funding Levels that are Below Net School Spending Requirement

- **Reduce 11 Additional Elementary Teachers (31 total)**
- **Reduce 16 Additional Middle and High School Teachers (36 total)**
- **Reduce 2 School Nurses**
- **Reduce \$5 per pupil Instructional Supplies**
- **Eliminate Community School Funding and All Athletic Programs Funding.**

FY 14 Elementary Class Size

Range	FY14 Current	FY15 Projected*	
		At Minimum Required Spending	Below Minimum Required Spending
Less than 23	318 (55%)	285 (50%)	260 (46%)
23-26	211 (36%)	235 (41%)	235 (42%)
27-30	54 (9%)	53 (9%)	70 (12%)
Greater than 30	1 (0%)**	1 (0%)**	1 (0%)**
Average Class Size	22.2	22.7	23.0

*** Individual Schools would see a range of +1 teacher to -3 teacher positions from the current level based on enrollments.**

**** Due to space limitations at school**

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** (**April**)*
- **Senate Budget** (**May**)

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

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