Funding a quality education for our 24,000 public school students wisely invests in our city's present and future. Our common goal is providing all students with the educational programs and services that meet their needs and prepare them to attain their dreams.

Over the past thirteen years, our school system, under the direction of the Worcester School Committee, has embraced and carried out all components of the Massachusetts Education Reform Act. Because of this strong and consistent commitment, we are recognized as an urban school system that makes a difference in the lives of children, as shown by the following outcomes:

- 87% of our graduates pursuing post-secondary education
- Declining dropout rates
- More students taking more rigorous courses

Because fixed costs continue to rise and State and Federal funds have been declining, the FY07 budget reflects reductions in programs, services, staff and administrative costs. Between FY02 and FY06, costs for our employees' health insurance have risen 116%. Over the past two years, the price of natural gas used to heat our schools has increased 95%.

The FY07 budget contains many reductions and some increases. There are cost increases in personnel-related expenses for health insurance, contractual salaries and retirement contributions. Every effort has been made to continue to support instruction in our classrooms. For example, we will also be increasing the per-pupil funding for books and classroom materials from $30 per pupil up to $65 per pupil.

Lowering costs in order to balance this budget includes reducing 220 positions, of which 135 are classroom teacher positions. In order to live within our means, we also have reduced spending and increased efficiency by closing four (4) elementary schools.

I appreciate how diligently our State legislators have worked to provide funding that supports our staff members and our quality instructional programs and services. I am confident that we have used, and will continue to use, State and local funding wisely, under the guidance of the Worcester School Committee and with the continued financial support of the Mayor, City Manager and the City Council. I especially appreciate the funding that the City Manager and City Council have allocated over the last two years in order to hire more classroom teachers who have reduced elementary class sizes.

Our positive outcomes result from the collective efforts of our dedicated and skilled employees—principals, teachers, support staff, instructional assistants, secretaries, custodians, cafeteria workers, bus drivers, crossing guards and central office administration—working with parents/guardians for our children. The family-school connection is strong because our parents/guardians want and have schools that set high standards for both academic and social performance.

Through teamwork we mobilize our ingenuity, skills and deep concern for the future of our children and our community. Our school system—goal-driven and child-focused—is where it is today because so many community members believe in and contribute to public education. When families, educators and their communities work together as well as we do, then schools do better and all our children enjoy the quality education that they need in order to live happy, productive lives.

Dr. James A. Caradonio
Superintendent

SCHOOL COMMITTEE
Mayor Timothy P. Murray- Chairman
John L. Foley
Dr. Gwetta V. McNeil
John Montefeld
Mary McIlroy, Vice Chair
Joseph L. O'Brien
Brian A. O'Connor
ACCOUNT SUMMARY

FISCAL 07 / FISCAL 06 BUDGET COMPARISON

SALARY ACCOUNTS

<table>
<thead>
<tr>
<th>Acct no</th>
<th>Name</th>
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<th>FY 06</th>
<th>Difference</th>
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<td>47,290</td>
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TOTAL SALARIES 146,955,038 | 147,654,076 | -699,038 |

ORDINARY MAINTENANCE 80,091,791 | 82,824,899 | 2,733,108 |

GRAND TOTAL 237,047,827 | 230,478,935 | 6,568,892 |

Source

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<td>CITY CONTRIBUTION</td>
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<tr>
<td>P.L. 874 IMPACT AID</td>
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<td>CHARTER REIMBURSEMENT</td>
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<tr>
<td>FEDERAL PROGRAMS</td>
<td>27,725,930</td>
</tr>
<tr>
<td>STATE GRANTS</td>
<td>2,268,827</td>
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<tr>
<td>REVOLVING FUNDS</td>
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<td>TOTAL</td>
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FEDERAL GRANTS

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<td>Head Start</td>
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<tr>
<td>Perkins - Tenth and Voc</td>
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<tr>
<td>Pre-School Special Ed</td>
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<tr>
<td>Pgr Prep - Special Ed</td>
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<tr>
<td>Safe &amp; Drug Free Schools</td>
<td>226,298</td>
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<tr>
<td>Title I</td>
<td>11,349,544</td>
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<tr>
<td>Title II</td>
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<td>TOTAL</td>
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TOTAL 52,290

STATE GRANTS

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Nutrition Programs</td>
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<tr>
<td>Total Life</td>
<td>$552,000</td>
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<tr>
<td>Athletic Programs</td>
<td>$1,269,827</td>
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<td>TOTAL</td>
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REVOLVING FUNDS

<table>
<thead>
<tr>
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<th>Amount</th>
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<tbody>
<tr>
<td>Night Life</td>
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<tr>
<td>TOTAL</td>
<td>$400,000</td>
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2
FISCAL 07 BUDGET DISTRIBUTION

- Administration (1%)
- Transportation (4%)
- Instruction (63%)
- Fringe Benefits (23%)
- School Plant (5%)
- Athletics (0.3%)
- Utilities (3%)

EDUCATION REFORM SPENDING

<table>
<thead>
<tr>
<th></th>
<th>01/02</th>
<th>02/03</th>
<th>03/04</th>
<th>04/05*</th>
<th>05/06</th>
<th>06/07**</th>
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<tbody>
<tr>
<td>Ch 70 (State Aid)</td>
<td>147,939,972</td>
<td>153,103,294</td>
<td>154,518,307</td>
<td>158,861,991</td>
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<td>Charter Hourly</td>
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<td>0</td>
<td>0</td>
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<td>71,350,738</td>
<td>73,843,193</td>
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<td>P.L. 874 Impact Aid</td>
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<td>0</td>
</tr>
<tr>
<td>Charter/Choice Tuition</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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<td>$224,454,032</td>
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<td>$244,361,728</td>
<td>$237,872,827</td>
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</table>

* In FY06 the Charter School Reimbursements are treated as revenue to the budget. Previously, the reimbursement was treated as an offset to the charter school tuition appropriation line.
** In FY07, charter school and school choice tuition are no longer budgeted in the WPS appropriation. However, because of Chapter 70 state aid and city contribution totals, the tuition amounts must be shown as a budget offset.

STAFFING HISTORY

<table>
<thead>
<tr>
<th></th>
<th>85-86</th>
<th>86-87</th>
<th>87-88</th>
<th>88-89</th>
<th>89-90</th>
<th>90-91</th>
<th>91-92</th>
<th>92-93</th>
<th>93-94</th>
<th>94-95</th>
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<tbody>
<tr>
<td>CAB Administrators</td>
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<td>25</td>
<td>20</td>
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<td>23</td>
<td>27</td>
<td>26</td>
<td>25</td>
<td>21</td>
<td>17.25</td>
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<td>Bldg. Administrators</td>
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<td>71</td>
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<td>82</td>
<td>82</td>
<td>81</td>
<td>77</td>
<td>78</td>
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<td>Teachers</td>
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<td>1,468</td>
<td>1,488</td>
<td>1,521</td>
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<td>2,083</td>
<td>2,132</td>
<td>2,076</td>
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<td>106</td>
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<td>395</td>
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<td>49</td>
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<tr>
<td>Crossing Guards</td>
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<tr>
<td>Custodians</td>
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<tr>
<td>School Plant</td>
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<td>106</td>
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<td>93</td>
<td>93</td>
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<td>84</td>
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<td>School Nurses**</td>
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<td>43</td>
<td>43</td>
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<td>3,031</td>
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* City Budget Only (Does not include grant-funded positions)
** Positions transferred to grant in FY02.
** School Nurses transferred from City in FY03.
PUPIL ENROLLMENT

TOTAL FULL-TIME EQUIVALENT (FTE) PUPILS

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<th>Pupils</th>
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<td>96-97</td>
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<td>97-98</td>
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<td>03-04</td>
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<td>04-05</td>
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<td>24,688</td>
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<td>07-08</td>
<td>24,330</td>
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*Includes Vocational High School since 98-99

FTE ENROLLMENT BY PROGRAM

COST BY PROGRAM

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<th>Category</th>
<th>80-81</th>
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<th>86-88</th>
<th>89-91</th>
<th>92-94</th>
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<th>01-02</th>
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