Worcester Public Schools
Worcester, Massachusetts

FY12 BUDGET
Preliminary Estimates
Based on Governor’s Proposed Budget
(House 1)

February 2011
BUDGET UPDATE
Preliminary Budget Projections (December 2010)

FY12 BUDGET
Preliminary Estimates

Estimated FY12 Budget Status:

Revenue Change: $ 1,807,784
Expenditure Increases: $ 10,068,920
Preliminary Budget Deficit: -$ 8,261,136
FY12 BUDGET
Preliminary Estimates

Updated: February 2011
FY12 BUDGET
Preliminary Estimates

Estimated FY12 Cost Increases:

Health Insurance (10% increase) $4,798,785
Employee Salaries (no raises*) $2,857,183
Charter School Tuition: $1,085,864
Special Ed. Tuition $1,078,168
Student Transportation $712,833
All other cost areas: $533,956
Total Est. Cost Increases: $11,066,790

*Each 1% in employee raises (all groups) = $1.7 million
FY12 Foundation Budget

Description of Growth

- Enrollment increase: 280*
- Shift in student demographic to ELL (+1,316)
- Inflation increase 1.78%

*WPS students only. Does not include charter school or school choice students
FY12 BUDGET
Governor’s Budget for Education

- Each community maintained at foundation budget level.
- Three quarters of 326 school districts will see a net decrease in Chapter 70 aid of 5-7.5%.
- Overall state budget reduced $570 million (largest single year reduction in two decades).
- Level funded Quality Kindergarten Grant and Charter School Reimbursements.
- Increase “Circuit Breaker” statewide by $80 million.
Looking Forward... FY12
Awaiting State Budget

Issues and Areas of Concern:
Circuit Breaker (funded at 40%)
($1.6 million)

Quality Kindergarten Grant ($1 million)

Charter School Reimbursements ($4.4 million)
Circuit Breaker Funding

$ in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Claims</th>
<th>Reimbursement</th>
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</thead>
<tbody>
<tr>
<td>FY07</td>
<td>$3.6</td>
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<tr>
<td>FY08</td>
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<tr>
<td>FY11</td>
<td>$1.6</td>
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</table>
Estimated FY12 Foundation Budget

Foundation Budget Level

- **Ch70 State Aid**: $9,622,475
- **City Contribution**: $1,466,923
- **Total Growth**: $11,089,398

* Plus $3,674,638 to backfill SFSF and EdJobs used to reach foundation in FY11. Ch70 growth includes estimated Charter School foundation increase.
FY12 BUDGET
Preliminary Estimates

Estimated FY12 Revenue Change:

Chapter 70 State Aid $13,297,113
City Contribution (state formula) $ 1,466,923
Federal Stimulus Funds -$ 10,732,103
Circuit Breaker Funding $ 1,100,000
Charter School Reimbursements* -$ 755,740

Total Est. Revenue Change: $ 4,376,193

*Based on anticipated student growth for Spirit of Knowledge Academy and reduced reimbursement (based on historical experience)
FY12 BUDGET
Preliminary Estimates

Estimated FY12 Budget Status:

Revenue Change: $ 4,376,193
Expenditure Increases: $ 11,066,790
Preliminary Budget Deficit: -$ 6,690,597
Projected Budget Status

Stimulus Cliff: $6.7 million
Equivalent to 134 Positions
And 3.6% of WPS workforce
# Health Insurance Savings

<table>
<thead>
<tr>
<th>Ratified Contract With 75-25 Health Insurance</th>
<th>Unsettled Contracts With 80-20 Health Insurance</th>
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</thead>
<tbody>
<tr>
<td>Group</td>
<td>Group</td>
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<tr>
<td>Average Salary</td>
<td>Average Salary</td>
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<tr>
<td>Custodians</td>
<td>Teachers</td>
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<td>$42,835</td>
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<tr>
<td>Admin Clerical</td>
<td>Instructional Assistants</td>
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<td>School Clerical</td>
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<td>$25,911</td>
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</table>

**Potential Savings:** $2.9 million

**Potential Number of Positions saved:** 58
A Student-Centered Budget

The FY12 budget zero-based process has started and will be developed with the School Committee and our school community using priorities and recommendations resulting in a student-centered balanced budget.