Worcester Public Schools
Worcester, Massachusetts

FY12 BUDGET
Preliminary Estimates

December 2010
Worcester Public Schools
FY11 Budget
School Committee Appropriation

$260,409,263

Excludes Charter School and School Choice Tuition Assessments
## FY11 Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>WPS Budget</td>
<td>$260,409,263</td>
</tr>
<tr>
<td>WPS Federal Stimulus</td>
<td>$12,643,919</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$273,053,182</td>
</tr>
</tbody>
</table>
FY11 Budget Funding Sources

$273,053,182

- Ch70 State Aid: $171.1m (62.7%)
- Federal Stimulus: $12.6m (4.6%)
- City: $84.9m (31.1%)
- Charter School Reimbursement: $4.4m (1.6%)

State Aid and City Contribution reduced by Charter/Choice Tuition
Understanding the FY11 WPS Budget

Total FY11 Spending*: $273,053,182

School Committee Appropriation and Federal Stimulus

- Federal Stimulus $12,643,919
- Ch70 State Aid* and State Charter School Reimbursements $175,464,576
- City Contribution* $84,284,687

Additional City Contribution $660,000

* State Aid & City Contribution are reduced by Charter School Tuition
FY11 BUDGET
Where is money spent?

<table>
<thead>
<tr>
<th>Area</th>
<th>$ in millions</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$170.5</td>
<td>57.2%</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>$43.2</td>
<td>14.5%</td>
</tr>
<tr>
<td>Sped Tuition</td>
<td>$17.6</td>
<td>5.9%</td>
</tr>
<tr>
<td>Retirement</td>
<td>$12.1</td>
<td>4.1%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$10.2</td>
<td>3.4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$7.5</td>
<td>2.5%</td>
</tr>
<tr>
<td>Other</td>
<td>$12.0</td>
<td>4.0%</td>
</tr>
<tr>
<td>Charter/Choice</td>
<td>$25.1</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

With charter school and school choice tuition
FY11 BUDGET

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<td>6.5%</td>
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<td>Utilities</td>
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<td>2.8%</td>
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<tr>
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<td>$12.0</td>
<td>4.4%</td>
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</table>

WPS Operating Budget and Stimulus Funds only
Spending History by spending category (FY94-FY11)

One-time health insurance trust fund savings applied to instructional costs
From **2000 to 2007**, Chapter 70 aid rose by $700 million while school spending on employee benefits for the same period rose by over $1 billion

- From **2000 to 2007**, inflation adjusted per pupil spending **fell** 11.3% per year for instructional materials and 3.6% per year for teacher training

- Despite almost $5 billion increase in total school spending form **1996 to 2007**, there is almost no increase in the number of teachers and average class size has not improved

**School Funding Reality: A Bargain Not Kept**
Over the past 17 years, actual costs of running schools exceeded foundation budget – in 2010, actual costs exceeded budget by 16% in the neediest districts.

Adjusted for inflation, poor districts were:

- 21% below foundation in 1993
- Rose to within 3% of the goal in 2000
- Now back to down to 16% below in 2010

School Funding Reality: A Bargain Not Kept
FY12 BUDGET
Preliminary Estimates
Estimated FY12 Cost Increases:

- Health Insurance (80/20 contribution) $4,798,785
- Employee Salaries (no raises*) $2,857,183
- Charter School Tuition: $471,533
- Special Ed. Tuition $1,078,168
- Student Transportation $712,833
- All other cost areas: $150,418
- Total Est. Cost Increases: $10,068,920

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

Enrollment increase: 280*
Inflation increase 1.85%

*WPS students only. Does not include charter school or school choice students
Student Enrollment
Total Enrollment (FY03-FY11)

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
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<tbody>
<tr>
<td>FY03</td>
<td>26,066</td>
</tr>
<tr>
<td>FY04</td>
<td>25,414</td>
</tr>
<tr>
<td>FY05</td>
<td>24,976</td>
</tr>
<tr>
<td>FY06</td>
<td>24,396</td>
</tr>
<tr>
<td>FY07</td>
<td>23,950</td>
</tr>
<tr>
<td>FY08</td>
<td>23,285</td>
</tr>
<tr>
<td>FY09</td>
<td>23,430</td>
</tr>
<tr>
<td>FY10</td>
<td>24,271</td>
</tr>
<tr>
<td>FY11</td>
<td>24,551</td>
</tr>
</tbody>
</table>

Trends
1 Yr: 280 (1.2%)
3 Yr: 1,266 (5.4%)
8 Yr: -1,515 (5.8%)
Student Enrollment
Elementary Enrollment (FY03-FY11)

- Closed 3 elementary schools
- Closed 4 elementary schools

Trends
1 Yr: 286 (2.2%)
3 Yr: 742 (6.1%)
8 Yr: -1,467 (-10.2%)
Student Enrollment
Middle School Enrollment (FY03-FY11)

Trends
1 Yr: -1 (0.0%)
3 Yr: -27 (-0.1%)
8 Yr: -798 (-20.2%)
Student Enrollment
High School Enrollment (FY03-FY11)

Trends
1 Yr: -45 (-0.1%)
3 Yr: -27 (0.0%)
8 Yr: 152 (2.3%)
Student Enrollment
Pre-School Enrollment (FY03-FY11)

Head Start Students included in Foundation Enrollment

Last year of Full-Day Pre-K

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Enrollment</th>
</tr>
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<tbody>
<tr>
<td>FY03</td>
<td>961</td>
</tr>
<tr>
<td>FY04</td>
<td>727</td>
</tr>
<tr>
<td>FY05</td>
<td>749</td>
</tr>
<tr>
<td>FY06</td>
<td>717</td>
</tr>
<tr>
<td>FY07</td>
<td>733</td>
</tr>
<tr>
<td>FY08</td>
<td>728</td>
</tr>
<tr>
<td>FY09</td>
<td>769</td>
</tr>
<tr>
<td>FY10</td>
<td>1,519</td>
</tr>
<tr>
<td>FY11</td>
<td>1,559</td>
</tr>
</tbody>
</table>
Student Enrollment
Limited English Proficient
Enrollment (FY04-FY11)

Trends
1 Yr: 1,316 (21%)
3 Yr: 2,928 (62%)
7 Yr: 4,278 (128%)
Student Enrollment
Low Income Enrollment (FY03-FY11)

Trends
1 Yr: -248 (1.4%)
3 Yr: 2,043 (13.7%)
8 Yr: 2,497 (17.2%)
FY12 BUDGET
Preliminary Estimates

*The budget model assumes **full funding** of the foundation budget for each community.*

**Chapter 70 State Aid Issues:**

- **Budget model assumes full funded Chapter 70 aid to reach foundation** ($221m FY11 plus $75m new inflation, and enrollment growth)

- **Massachusetts Taxpayers Foundation estimates** FY12 State budget gap at $2.1 billion and 5-10% reduction in local aid.

- **Each 1% change in Chapter 70 = $1.97 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)
- Other State Grants ($5.8 million)
Estimated FY12 Foundation Budget

Foundation Budget Level

Enrollment*: (+280): $4,764,823
Inflation (1.85%): $5,112,617
Foundation Growth: $9,877,440

* As submitted to DESE on 11/19/10
Does not include Charter School Enrollments

Additional increase projected for growth in ELL students (+1,316).
Estimated FY12 Foundation Budget

Foundation Budget Level

- Ch70 State Aid*: $ 8,117,440
- City Contribution: $ 1,760,000
- Total Growth: $ 9,877,440

* 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 Reimbursement based full funding of state formula (Chap 46 of the Acts of 1997)*
Use of Federal Stimulus Funds
FY09-FY11

<table>
<thead>
<tr>
<th>Year</th>
<th>SFSF</th>
<th>IDEA</th>
<th>Title 1</th>
<th>EdJobs</th>
<th>Other</th>
<th>Total</th>
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<tbody>
<tr>
<td>FY09</td>
<td>$19.0M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$19.0M = 380 jobs</td>
</tr>
<tr>
<td>FY10</td>
<td>$24.8M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$24.8M = 482 jobs</td>
</tr>
<tr>
<td>FY11</td>
<td>$13.9M</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$13.9M = 275 jobs</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$57.7M</td>
</tr>
</tbody>
</table>

$20.0  $18.0  $16.0  $14.0  $12.0  $10.0  $8.0  $6.0  $4.0  $2.0  $0.0

FY09  FY10  FY11
Looking Forward...
by Looking Back...April 1, 2009

Worcester Public Schools
FY10 Budget

- Targeted Funds for Title I and IDEA Programs
- Title I Supplement Not Supplant Rules Apply
- IDEA Maintenance of Effort Requirement
- “FUNDING CLIFF”
Looking Forward to FY12...

The FY11 Budget uses $8.2 million in IDEA and Title 1 stimulus funds.

These funds will not be available in FY12
FY12 BUDGET
Preliminary Estimates

Estimated FY12 Budget Status:

Revenue Change: $1,807,784
Expenditure Increases: $10,068,920
Preliminary Budget Deficit: -$8,261,136
## Impact of Funding Cliff

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<tr>
<th>Description</th>
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<tr>
<td>FY11 Federal Stimulus:</td>
<td>$8.2 million</td>
</tr>
<tr>
<td>Carried Forward One-Time Funds</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Total One-Time Funds:</td>
<td>$10.2 million</td>
</tr>
<tr>
<td>Use EdJobs Funds in FY12:</td>
<td>$2.0 million</td>
</tr>
<tr>
<td>Total Projected Funding Cliff:</td>
<td>$8.2 million</td>
</tr>
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**Stimulus Cliff: $8.2 million**
Equivalent to 164 Positions
And 5% of WPS workforce
FY12 BUDGET
Preliminary Estimates

**Short Term Legislative suggestions:**

- Fully Fund Chapter 70; Redistribute Chapter 70 allocation if necessary
- Freeze new charter schools (fully fund reimbursement)
- Preserve Kindergarten Grants
- Eliminate unfunded private, parochial, charter, and non-resident vocational transportation mandate
- Municipal Relief – Plan Design / GIC
FY12 BUDGET
Preliminary Estimates

Long Term Legislative suggestions:

- Address Adequacy of Foundation Budget
- Revise charter school funding formula
- Restore Full Funding of Circuit Breaker (Special Education Reimbursement)
A Student-Centered Budget

The FY12 budget will be developed with the School Committee and our school community using priorities and recommendations resulting in a student-centered balanced budget.
Upcoming Budget Calendar...

- Governor’s Budget – late-January
- House of Representatives Budget – March
- City Manager’s Budget – April/May
- State Senate Budget – May
- Final State Budget by July 1

Presentation available at www.worcesterschools.org