

Worcester Public Schools
Worcester, Massachusetts

FY12 BUDGET

Preliminary Estimates

Based on Governor's Proposed Budget (House 1)

Dr. Melinda J. Boone
Superintendent



The Worcester Compact

Delivering on High Expectations and Outstanding Results for All Students

100% of students will be guaranteed a rigorous core curriculum resulting in measurable gains in student learning

By 2012

80% of students proficient in READING by Grade 3

80% of students proficient in MATH by Grade 3

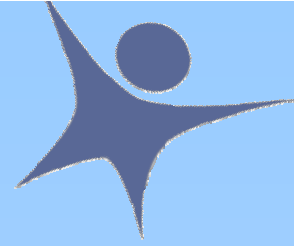
80% of students proficient in ELA by Grade 8

80% of students proficient in MATH by Grade 8

For the Class of 2013

100% of graduates will successfully complete high school coursework that prepares them for both college and career

Focus of the FY11 Budget



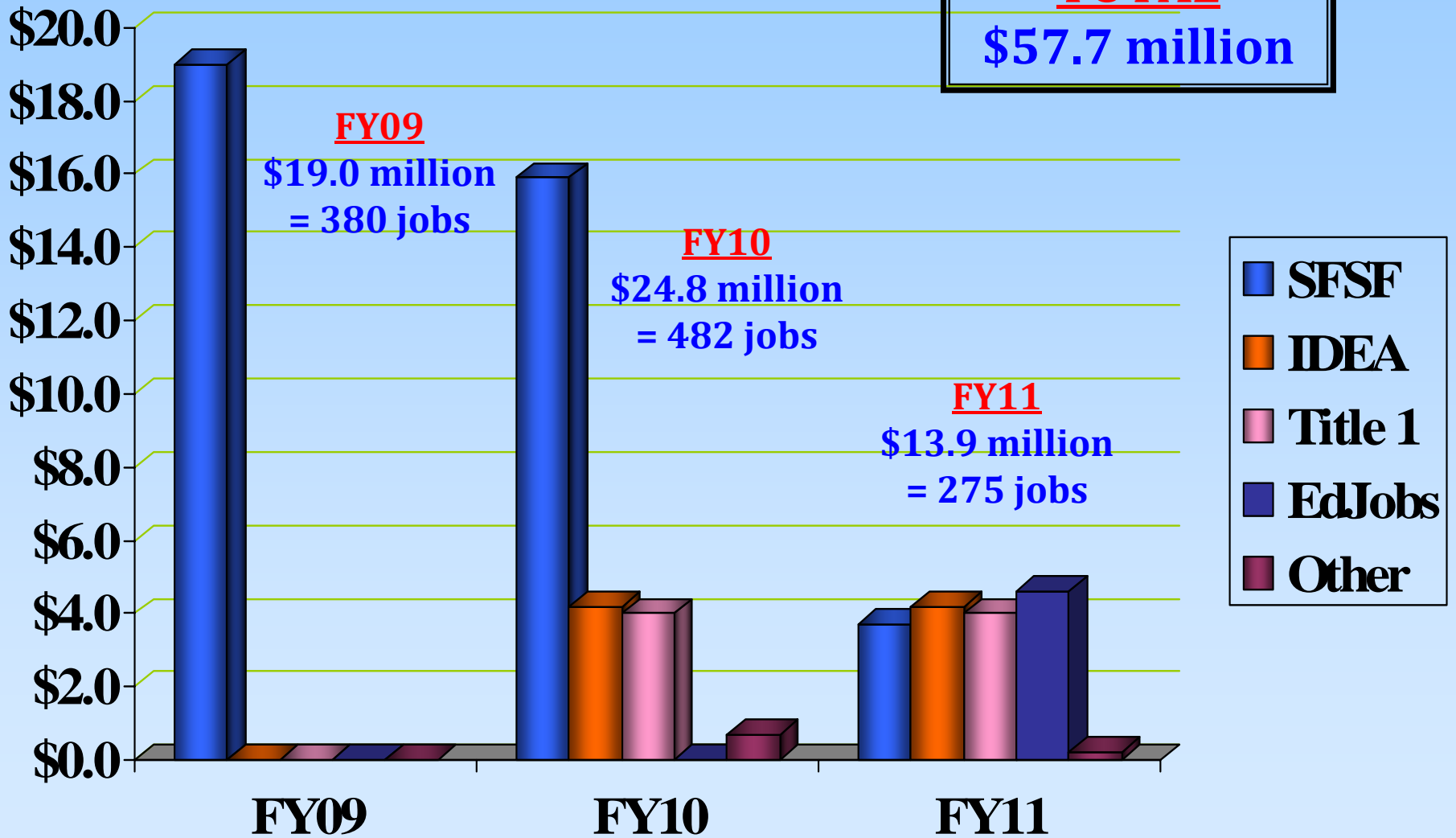
Year 1 of Zero-Based Budget Approach:

- **Re-bid special education transportation contract (\$350,000)**
- **Utility savings & Renegotiated Rates (\$900,000)**
- **Reallocation of federal stimulus funds (\$800,000) Staff Development & SES**

Use of Federal Stimulus Funds

FY09-FY11

TOTAL
\$57.7 million



At the same time...

Stimulus money replaced other cuts

Chapter 70 reductions:

FY09: -\$18,981,512

FY10: -\$15,900,327

FY11: -\$ 3,674,638

*State Fiscal Stabilization Funds used
exclusively by the State to backfill shortfall in
Chapter 70 foundation aid.*

At the same time...

Loss of Grants and Other Funds

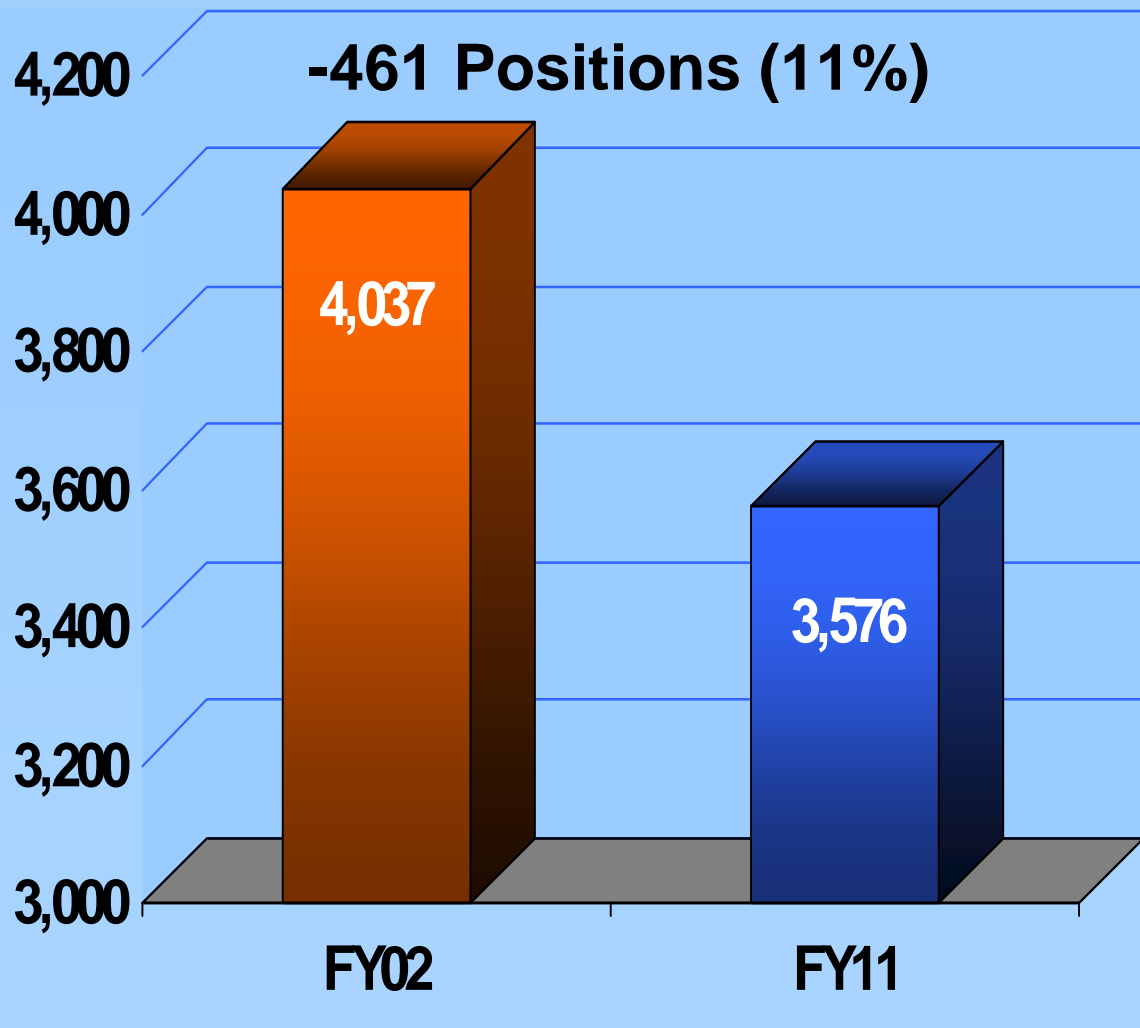
Between FY09 and FY11:

Federal Grants:	-\$2.32 million
State Grants:	-\$2.74 million
Sped Circuit Breaker:	-\$1.47 million
Charter Reimburse:	-\$2.10 million
Grant funds for City Indirect:	<u>-\$0.63 million</u>
Total Loss of Funds	-\$9.26 million

Title 1 and IDEA stimulus funds used exclusively by WPS to backfill portion of these reductions.

Worcester Public Schools

Staffing History FY02-FY11



Group	% Decrease
Administration	-15%
Teachers	-13%
Clerical	-25%
Maintenance	-13%
Nutrition	-27%
Head Start	-21%

Worcester Public Schools are 3rd largest employer in Worcester with 3,576 employees .

Worcester Public Schools

FY12 Budget Approach

- **Zero-based budgeting:** All positions, programs and services under thorough annual review
- **Long term planning:** student achievement and finance
- **Status Quo is not an option:** FY12 Budget will reflect changes beyond deficit solutions



FY12 Budget

Foundation Budget increases because School System is Changing

This isn't last year's school district

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



Student Enrollment

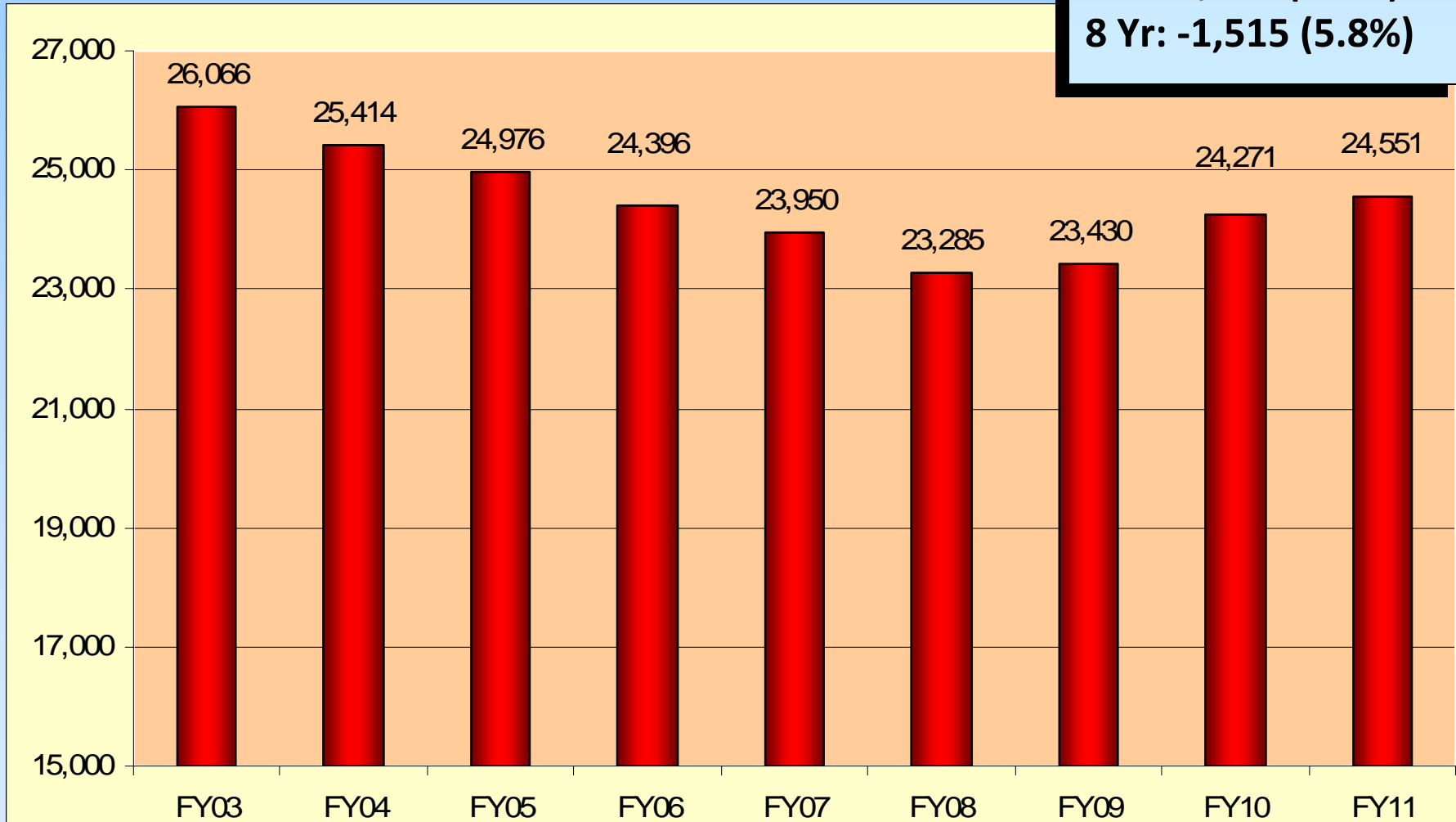
Total Enrollment (FY03-FY11)

Trends

1 Yr: 280 (1.2%)

3 Yr: 1,266 (5.4%)

8 Yr: -1,515 (5.8%)



Student Enrollment

Limited English Proficient

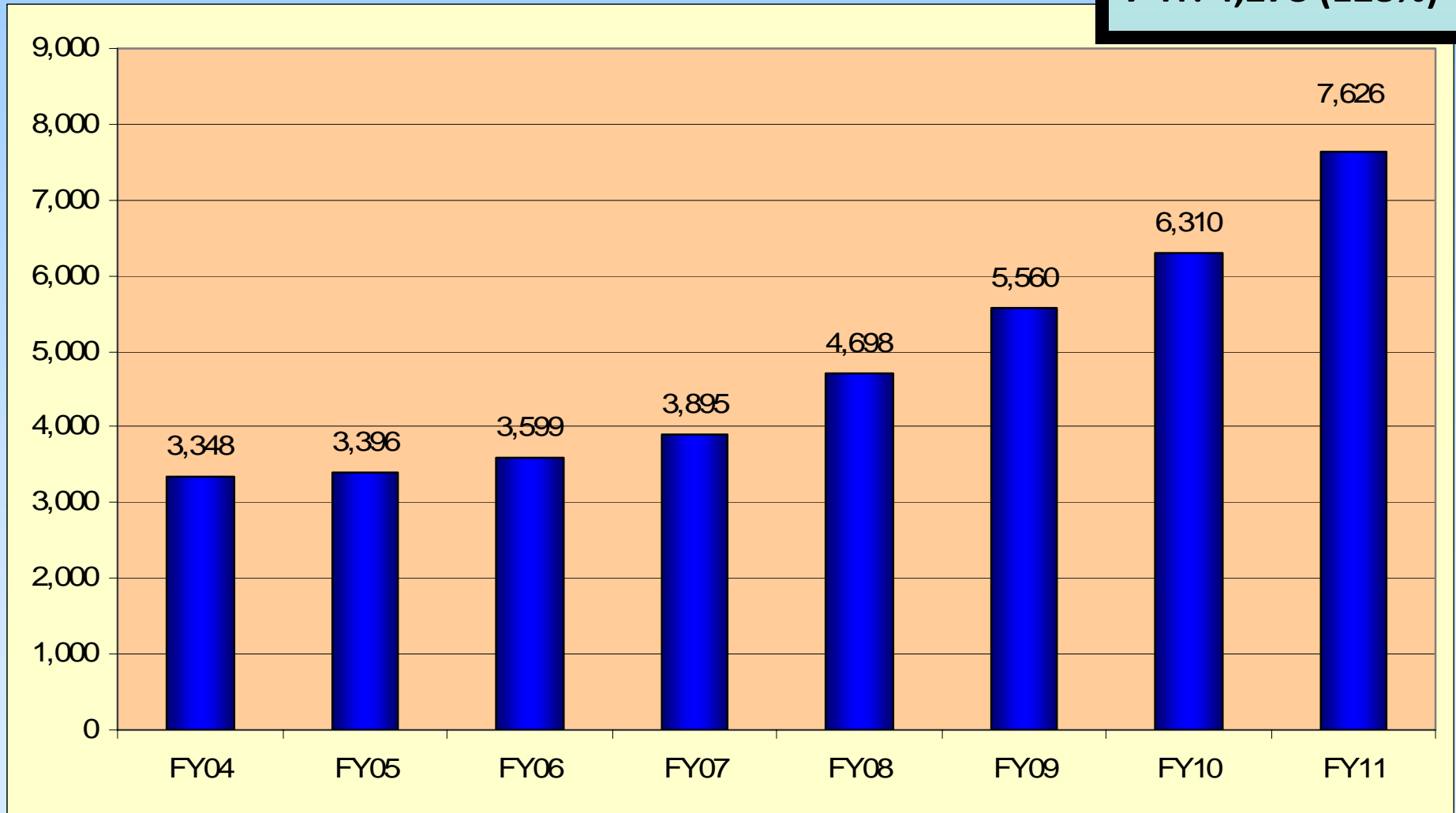
Enrollment (FY04-FY11)

Trends

1 Yr: 1,316 (21%)

3 Yr: 2,928 (62%)

7 Yr: 4,278 (128%)



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%**
- **Level funded Quality Kindergarten Grant and Charter School Reimbursements**
- **Increase "Circuit Breaker" statewide by \$80 million**



Estimated FY12 Foundation Budget Change

Based on student enrollment, student demographic and state inflation factor

Ch70 State Aid*:	+\$ 9,622,475
City Contribution:	<u>+\$ 1,466,923</u>
Total Growth:	+\$11,089,398

* Plus \$3,674,638 to backfill SFSF and EdJobs used to reach foundation in FY11.



FY12 BUDGET

Total Revenue Estimates

Based on Governor's Budget:

Chapter 70 State Aid	\$13,297,113
City Contribution <i>(state formula)</i>	\$ 1,466,923
Federal Stimulus Funds	-\$ 10,732,103
Circuit Breaker Funding	\$ 1,100,000
Charter School Reimbursements*	<u>-\$ 755,740</u>
Total Est. Revenue Change:	\$ 4,376,193

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



City Contribution Increase

Understanding the State Formula

Calculations from DOR

Revenue	FY11 Base	FY 12 Base
Levy Limit (increased 2.5% for FY12)	\$228,293,315	\$234,000,648
FY12 New Growth		\$3,584,205
State Aid - General Revenue Sharing	\$35,580,994	\$33,039,501
Prior Year Local Receipts	<u>\$24,666,000</u>	<u>\$22,925,000</u>
TOTAL BASE REVENUE	\$288,540,309	\$293,549,354
City \$ Increase		\$5,009,045
% Increase		1.74%
Required Contribution to WPS	\$84,305,903	\$85,772,826

City Contribution Increase

Understanding the State Formula

Calculations from DOR

	FY11 Base	FY 12 Base
TOTAL BASE REVENUE	\$288,540,309	\$293,549,354
Required Contribution to WPS	\$84,305,903	\$85,772,826
TOTAL CITY REVENUE CONTRIBUTION TO WPS*	29.2%	29.2%

* State formula for target share of local contribution is **30.7%** or **\$88,045,126.**

FY12 BUDGET

Preliminary Estimates

Estimated FY12 Cost Increases:

Health Insurance	\$4,798,785
Employee Salaries (<i>no raises*</i>)	\$2,857,183
All Other Cost Areas**:	<u>\$3,410,822</u>
Total Est. Cost Increases:	\$11,066,790

**Each 1% in employee raises (all groups) = \$1.7 million*

*** Other cost areas include: Retirement Assessments, Transportation, Sped Tuition, Charter School Tuition Assessments, and building utilities*



FY12 BUDGET

Preliminary Estimates

Estimated FY12 Budget Status:

Revenue Change:	\$ 4,376,193
Expenditure Increases:	<u>\$ 11,066,790</u>
<u>Preliminary Budget Deficit:</u>	-\$ 6,690,597



Projected Budget Status based on Governor's FY12 Budget

**Stimulus Cliff = Deficit:
\$6.7 million**

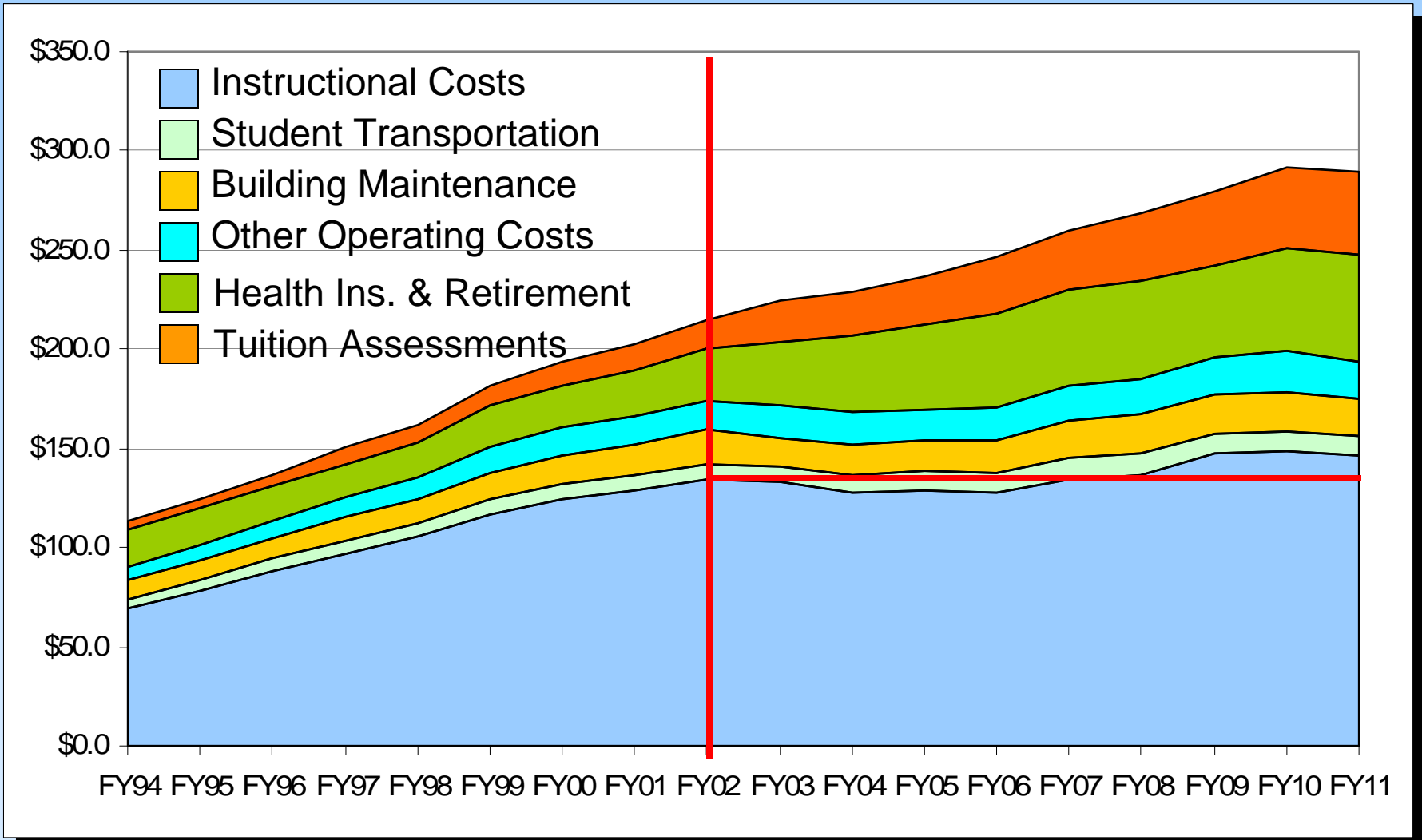
**Equivalent to 134 Positions
3.6% of WPS workforce**

*Teachers and Instructional Assistants
represent 71% of WPS workforce*



Spending History

by spending category (FY94-FY11)





- 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



- Over the past 17 years, actual costs of running schools exceeded foundation budget – in 2010, actual costs exceeded budget by 16% in urban districts.
- Adjusted for inflation, urban 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

What does foundation funding mean?

Minimum Spending Next Year provides:

- 71 elementary classes next year of 27 or more students
- More than 100 fewer positions
- Funding for basic compliance for education
- Limited funds for instructional supplies and technology

What's really needed? (Annually)

<u>Areas of Need</u>	<u>\$ in millions</u>
Gifted & Talented Programs	\$2.0
High school elective courses	\$1.8
Career/Tech courses (all HS)	\$3.0
School-Based technology	\$2.5
Updated instructional materials	\$2.0
MassCore	\$2.5
Wrap-around services	\$5.0
Librarians	\$2.2
Alternative Ed programs	\$1.0
Full-day pre-school	<u>\$4.0</u>
Total Needed	\$26.0

What's really needed? (Long Term Planning)

Areas of Need:

School Facility Modernization: Rehab and replace facilities to develop 21st Century schools to attract families to our city.

Health Care Changes

City Manager Estimate: \$6-8 million in savings for WPS

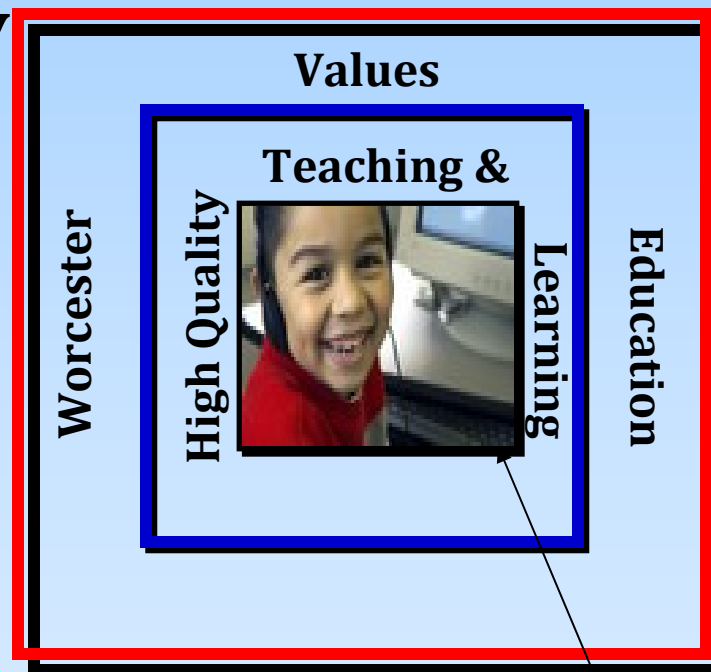
Preserve all Teacher and Instructional Assistant positions from reduction.

Target funds to address Areas of Need (previous slide)

Provide stability to budget for future health care growth.

A Student-Centered Budget

The FY12 budget process has started and is being developed with the School Committee and our school community using priorities and recommendations from a 6-prong communication strategy that focuses on student-centered balanced budget.



Mandated,
Non-Negotiable