Worcester Public Schools

FY13 BUDGET
Updated Preliminary Budget Estimates
April 2012

Melinda J. Boone
Superintendent

January Status

“As presented last week at the School Committee meeting, our current budget deficit is approximately $1.3 million next year using the initial estimates.”

$1.3 million = 19 Teacher Positions
This estimate held until House Budget
**Foundation Budget**

What is a foundation budget?

“Adequate” level of spending on education as defined by the Education Reform Act of 1993.

**Foundation Budget**

State Law (Chapter 70) defines a per pupil funding amount to provide all aspects of a school district budget: teaching, administration, maintenance, benefits, etc.
The per pupil allocation has differentiated amounts by grade level or program.
These per pupil rates are used for each school district in the state (with wage adjustments to reflect regional cost of living).

Using the district enrollment on October 1\textsuperscript{st} each year, the state calculates a foundation budget using these per pupil rates.
Once the foundation budget is determined, the state determines the community’s ability to pay (based on local property and income wealth).

The difference between the foundation budget and the community’s ability to pay is funded through Chapter 70 State Aid.

Foundation Budget changes annually by enrollment and the per pupil rate (inflation adjusted)

Local contribution changes annually by the amount of municipal revenue increase (Property tax, new growth, local aid, local receipts)
Foundation Budget

Foundation Budget:
+ Enrollment Increase (+219)
+ Inflation Increase (+3.65%)
= $12.0 million increase

Chapter 70: $ 9,228,858
Local Contribution: $ 2,813,349
Total Increase: $12,042,207

Inflation Index History
FY98-FY13
**Student Enrollment**

**Trends**
1 Yr: 219 (0.8%)
3 Yr: 1,340 (5.5%)
9 Yr: -1,296 (-5.0%)

**Total Enrollment FY03-FY12**

<table>
<thead>
<tr>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>26,066</td>
<td>26,414</td>
<td>24,976</td>
<td>23,950</td>
<td>23,285</td>
<td>23,430</td>
<td>24,271</td>
<td>24,551</td>
<td>24,770</td>
<td></td>
</tr>
</tbody>
</table>

**Foundation Budget**

**Foundation Budget:**
$12.0 million increase
-$1.4 million charter/choice increase
$10.6 million increase to WPS
Changes from Governor’s Budget:
• $40 per pupil “Minimum Aid” to Chapter 70
• Charter school tuition increase
• Homeless transportation funding
• City’s local aid increase

House Budget
• Provides $40 per pupil in “Minimum Aid”
• No additional funds for Worcester
• Charter School Tuition Increase: +$408,000
• Charter School Reimbursement: -$82,000

Cost Increase: $490,000

• Charter School Reimbursement funded at 74% of full funding

• State is underfunded by $15.6 million

• Worcester is underfunded by: $916,500
House Budget

- Provides $11.3 million for homeless transportation
- State Auditor ruled issue an “unfunded mandate”
- WPS FY11 cost: $425,000
- Uncertain about how funding will be provided to districts
- Revenue not budgeted at present time

City Contribution

- Additional $2.5 million in city-side local aid.
- Formula would increase funding to Worcester Public Schools by $750,000
- Budget Increase: $11.4 million
City Contribution

- House Budget did not change local contribution requirements.

- However, $750,000 increase is needed to get Worcester to the minimum required spending level.

Massachusetts Department of Elementary and Secondary Education

Worcester’s FY12 requirement—including the $295,669 carryover—is $287,203,774. Schedule 19 budget data show that the district plans to spend $286,980,476 which represents a shortfall of $2,223,000. If there is a way to supplement your current year’s school budget, I urge you and other local officials to work toward doing so.

[Signature]
Commissioner of Elementary and Secondary Education
City Contribution

• Uncertain what Senate will do in their budget:
  • Required increase in city contribution could result in a reduction of Chapter 70 funding
  • Reduction of Chapter 70 would place WPS below Required Minimum Spending Level

Understanding Required Spending

The following calculation is called Net School Spending

Foundation Budget: $298,950,312
FY13 Required Spending: $298,950,312
FY12 Spending Shortfall: $223,299
Total Required Spending: $299,173,611
Understanding Required Spending

WPS Budget without City $750,000 Increase: $283,751,812
Charter/Choice Tuition: $24,062,307
Total: $307,814,119

Understanding Required Spending

Total Spending: $307,814,119
Less Transportation: -$14,339,367
Less Crossing Guards: -$500,381
Less Building Rentals: -$283,868
Less Adult Education: -$95,585
Add Municipal Costs: $5,828,694*
Net School Spending: $298,423,612

*assumed 4.1% increase from FY12
# Understanding Required Spending

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Total Projected Spending:</td>
<td>$298,423,612</td>
</tr>
<tr>
<td>Total Required Spending:</td>
<td>$299,173,612</td>
</tr>
<tr>
<td>Difference:</td>
<td>-$750,000</td>
</tr>
</tbody>
</table>

Add $750,000 $750,000

Difference from required spending $0

# Understanding Required Spending

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994 Medicaid Agreement:</td>
<td>$400,000</td>
</tr>
<tr>
<td>2009 Medicaid Agreement:</td>
<td>$130,000</td>
</tr>
<tr>
<td>2010 I-Net Agreement:</td>
<td>$130,000</td>
</tr>
<tr>
<td>Difference from Agreements:</td>
<td>-$660,000</td>
</tr>
</tbody>
</table>
FY13 Budget

Budget includes:
Cost increases: $17,098,650
Cost Reductions: -$5,673,766
Total Budget Change: $11,424,884

Expenses

Cost Increases: in millions
• Employee Salaries*: $6.0
• Reduction of Grant Funding*: $4.9
• New Positions*: $2.6
• Environmental Work: $1.0
• Student Transportation: $1.0
• Retirement Assessments: $0.8
• All Other Cost Centers: $0.8
Cost Increases: $17.1

* Detailed Slide follows
Employee Salaries

Cost Increases: in millions
2% Contract Raise: $3.4
Step/Other Contract: $2.3
Restore FY12 Reductions: $0.3
Total Employee Salary: $6.0

Reduction of Grant Funding

<table>
<thead>
<tr>
<th>Grant Reduction</th>
<th>Budget Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>EdJobs Phased-Out</td>
<td>$2.4 million to General Fund</td>
</tr>
<tr>
<td>IDEA projected 1% reduction</td>
<td>Move 20 IA’s to General Fund</td>
</tr>
<tr>
<td>Title III (State Requirement)</td>
<td>Move 8 Office IA’s to General Fund</td>
</tr>
<tr>
<td>APIP Grant</td>
<td>Teacher Training and Student Supports to General Fund</td>
</tr>
<tr>
<td>MAP/DIBELS (State Requirement)</td>
<td>Move to General Fund</td>
</tr>
<tr>
<td>Title 1 (3%) and Title IIA (15%) projected reductions</td>
<td>Move 7 teachers to General Fund</td>
</tr>
<tr>
<td>Kindergarten Grant Level Funded</td>
<td>Move 5.5 IA positions to General Fund</td>
</tr>
</tbody>
</table>
Loss of Grant Funding

<table>
<thead>
<tr>
<th>Other Grant Losses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of 21st Century Sites*</td>
<td>$927,480</td>
</tr>
<tr>
<td>Teaching American History</td>
<td>$437,770</td>
</tr>
<tr>
<td>APIP Grant**</td>
<td>$441,109</td>
</tr>
</tbody>
</table>

Grant Reductions: $1,806,359

*competitive grant; new schools may be funded
**some funding for teacher training and student support programs moved to General Fund for FY13

New Positions

Teachers: 6 Sped (1/FY12)
5 ESL (1/FY12, 4/FY13)
4 Replace JBSG
3 Goddard Scholars
1 Mandarin (DHS)

Not included in General Fund:
2 Ch74 (Perkins Grant) (NHS & DHS)
Classroom Teachers

Number of Classroom Teachers

Not including Special Ed, ESL, Elementary Itinerants, Guidance, School Psychologists, School Adjustment, or Librarians

<table>
<thead>
<tr>
<th></th>
<th>FY12 Actual</th>
<th>FY13 Projected</th>
<th>Projected Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>573</td>
<td>570</td>
<td>-3</td>
</tr>
<tr>
<td>Secondary</td>
<td>624</td>
<td>634</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>1,197</td>
<td>1,204</td>
<td>7</td>
</tr>
</tbody>
</table>

New Positions

IA’s:
5 Special Education
4 ESL
2 Kindergarten (FY12)

3 ESL Tutors
3 Clerical (2/school year 1/full year)
2 Custodians (contract required) (added FY12)
Budget Reductions

- Building Utilities: $1.0
- Health Insurance: $1.0
- Special Ed Tuition: $1.0
- 8 Teacher Positions: $0.6
- One Time Textbooks: $0.5
- Unemployment: $0.2
- End 2003 ERI: $0.1
- JBSG: $0.1
- All other areas: $1.1
- Total Reductions: $5.6

FY13 Budget

Average Elementary Class Size  21.8

3 positions reduced (16 to be assigned)

<table>
<thead>
<tr>
<th>Projected Class Sizes</th>
<th>Number of Classrooms</th>
<th>% of classrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 23</td>
<td>355</td>
<td>62%</td>
</tr>
<tr>
<td>23-26 students</td>
<td>191</td>
<td>34%</td>
</tr>
<tr>
<td>27-29 students</td>
<td>24</td>
<td>4%</td>
</tr>
<tr>
<td>Greater than 29</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
FY13 Budget

- Maintain all secondary course options
- Maintain $63 per student supply budget & $1 per elementary student recess supply budget
- Cost Savings/Restructure Special Ed Programs
- Adds 6th grade to Goddard Scholars at Sullivan Middle School

FY13 Budget

- Adds Mandarin courses at Doherty High
- Maintains core teacher training and student support previously funded through APIP Grant
- Adds 11 elementary schools to Elementary National Honor Society
- Provides transportation services for SAMS students at Creamer Center.
FY13 Budget

- Maintains commitment to safe and healthy schools
- Add Chapter 74 teachers to DHS and NHS
- Adds 6 instructional coaches for ELL instruction (funded from Title III grant)

Funding Above Minimum

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career/Tech courses (Phase 1)</td>
<td>$1.5</td>
</tr>
<tr>
<td>MassCore (Phase 1)</td>
<td>$1.2</td>
</tr>
<tr>
<td>Special Education Compliance</td>
<td>$1.3</td>
</tr>
<tr>
<td>ESL Compliance</td>
<td>$1.0</td>
</tr>
<tr>
<td>TOTAL NEEDED FY13</td>
<td>$5.0</td>
</tr>
</tbody>
</table>
Items to Watch

- Staffing for MassCore Implementation
- ELL Enrollment
- Elementary Space/Pre-School Space
- Technology support, maintenance, and training
- OPEB: Other Post Employment Benefits
- Grant Funding Levels

Grant Funding:

- Federal Grant Funding History:

![Grant Funding Chart](chart.png)
Indirect Costs

- DESE legal opinion supports School Committee authority to set the indirect cost rate on grants, up to the maximum established by DESE. (0% to 2.65%)

- **Budget savings not yet incorporated into grant budget**

- Savings must go back to the grant and must be used within the grant requirements

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### Indirect Costs

Amount of funding that would be retained in grant budgets based on School Committee authority:

<table>
<thead>
<tr>
<th>Indirect Rate</th>
<th>Retained Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>$1,087,500</td>
</tr>
<tr>
<td>1%</td>
<td>$725,000</td>
</tr>
<tr>
<td>2%</td>
<td>$362,500</td>
</tr>
<tr>
<td>2.65%</td>
<td>$126,875</td>
</tr>
</tbody>
</table>
Indirect Costs

Amount to be retained by grants:

<table>
<thead>
<tr>
<th>Grant</th>
<th>0%</th>
<th>1%</th>
<th>2%</th>
<th>2.65%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I</td>
<td>$299,525</td>
<td>$199,683</td>
<td>$99,842</td>
<td>$34,945</td>
</tr>
<tr>
<td>IDEA</td>
<td>$219,600</td>
<td>$146,400</td>
<td>$73,200</td>
<td>$25,620</td>
</tr>
<tr>
<td>Head Start</td>
<td>$173,007</td>
<td>$115,338</td>
<td>$57,669</td>
<td>$20,183</td>
</tr>
<tr>
<td>RTTT</td>
<td>$67,065</td>
<td>$44,710</td>
<td>$22,355</td>
<td>$7,825</td>
</tr>
<tr>
<td>Title IIA</td>
<td>$51,909</td>
<td>$34,606</td>
<td>$17,303</td>
<td>$6,056</td>
</tr>
<tr>
<td>All Others</td>
<td>$276,394</td>
<td>$184,263</td>
<td>$92,131</td>
<td>$32,246</td>
</tr>
<tr>
<td>Total</td>
<td>$1,087,500</td>
<td>$725,000</td>
<td>$362,500</td>
<td>$126,875</td>
</tr>
</tbody>
</table>

State Budget:

- Senate Budget
  - Chapter 70 Funding & Required City Contribution
  - Charter School Reimbursement
  - Homeless Transportation
New Budget Format:

(1) Introduction
(2) Organization
(3) Financial
(4) Informational
(5) Line Item Budget
(6) Location Based
(7) Appendices

New format follows industry best practices for structuring a school system budget.

Public Input Session:
May 9th at 7pm at North High

Final Budget Available (on Web):
Friday, June 1st

School Committee Budget Hearings:
June 7th & 21st, 4pm, Esther Howland Chamber, City Hall