

Worcester Public Schools

FY15 BUDGET *Preliminary Budget Estimates*



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Superintendent

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FY15 Budget Themes

- **Flat Enrollment**
- **Second Straight Year of Low Inflation Growth**
- **Federal Grant Reductions & Phase-Out**
- **Certain Cost Centers Exceeding “Normal” Inflation**
- **Total Revenue Less than Current Year**

State Budget Funding:

- **Chapter 70 Funding (Governor's Budget)**
 - **Foundation Aid (\$73.4 million)**
 - **Down Payment Aid (\$14.5 million)**
 - **Save Harmless + \$25 per Pupil
Minimum Aid (\$11.6 million)**
- **Circuit Breaker (currently full funding at 75%)**
- **Charter School Reimbursement
(funded at 62% of full funding)**

Federal Funding:

- **Impact with sequestration**
- **RTTT and School Redesign Grant
Sunset**

City Contribution:

- **Net School Spending**
 - **FY15 Required Increase (“Growth Factor”)**
 - **Amount Currently Below “Net School Spending”**
 - **Medicaid Revenue and Indirect Cost Issues**

Foundation Budget is based on student enrollment as of October 1, 2013.

***Foundation Budget* is a per pupil funding formula with differentiated rates for grade or program adjusted annually for inflation.**

WPS Enrollment

Grades	Enrollment (Oct 1)	Change from Last Year
Pre-School	1,576	+63
Kindergarten	2,182	+1
Grades 1-6	10,976	-84
Grades 7-8	3,297	-20
Grades 9-12	6,746	48
Total	24,777	8 0.3%
ELL (Foundation Budget)	7,497	-490
Low Income (Foundation Budget)	18,955	-96

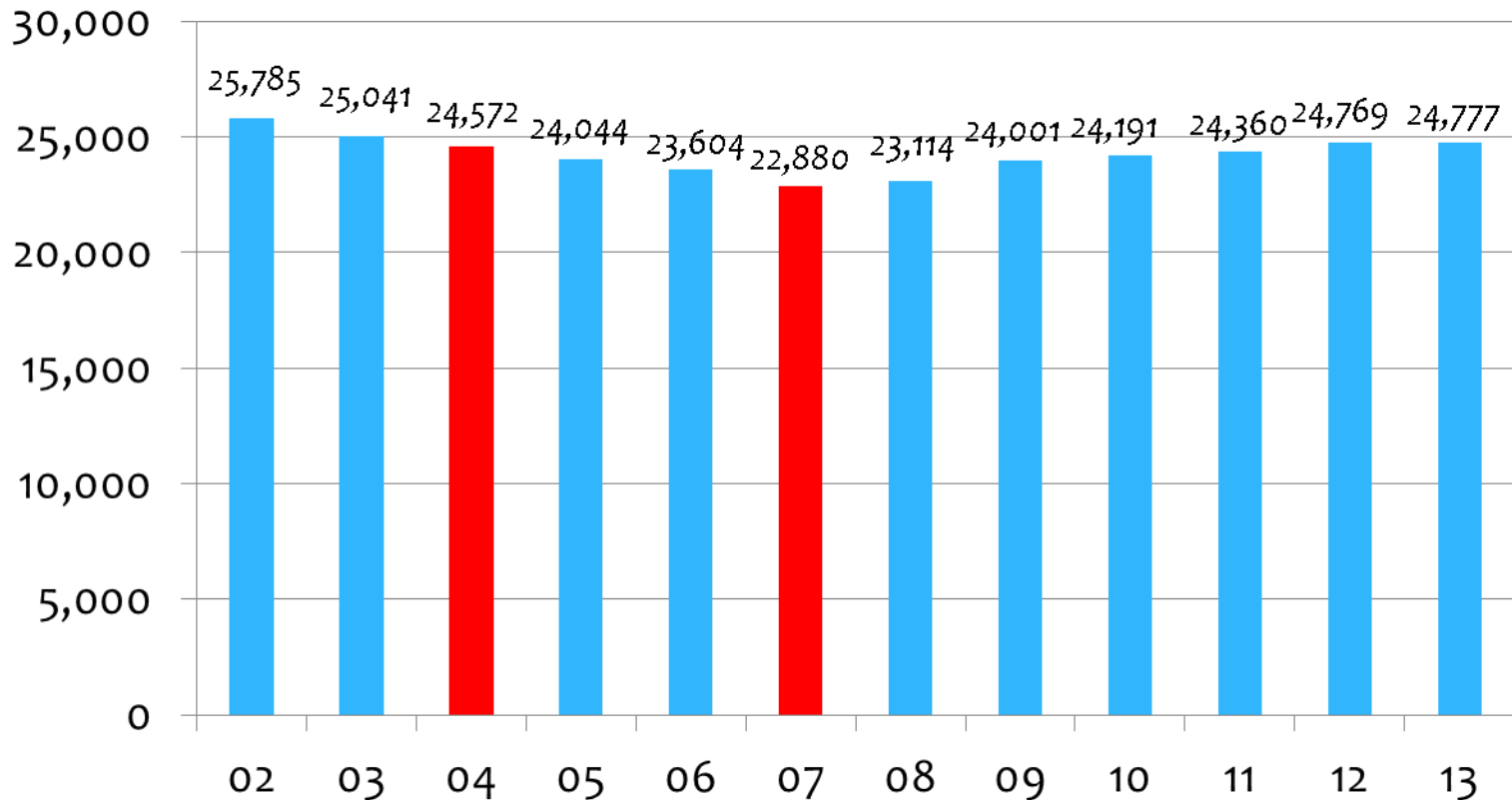
Student Enrollment as of October 1 each year

Enrollment Trends:

1 year: 0.0%

5 year: 7.2%

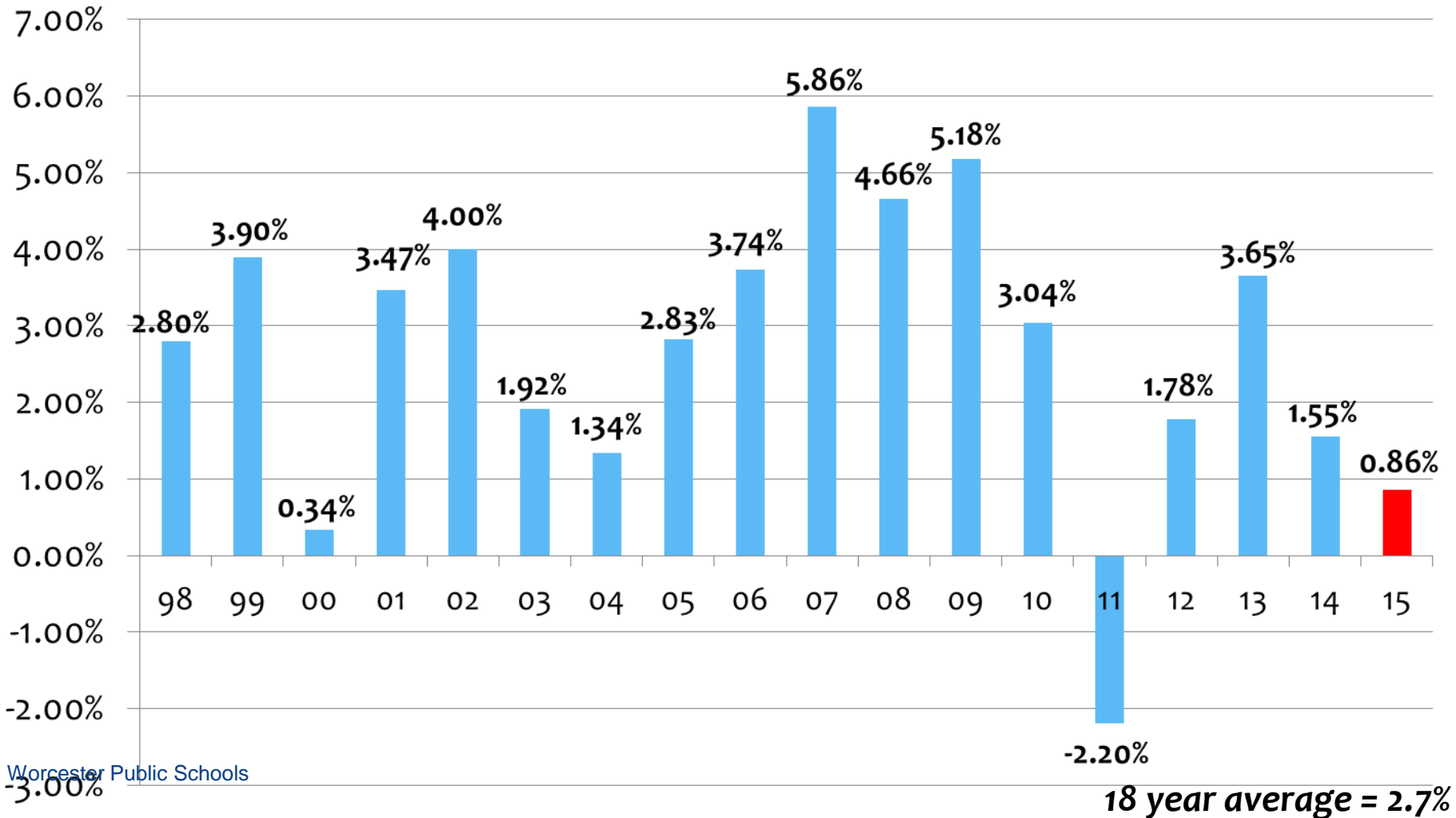
10 year: -1.0%



Inflation Index History

FY98-FY14

Price Deflator Index for State & Local Governments



FY15 Foundation Budget

Category	Enrollment*	Per Pupil Rate	Foundation Budget
Pre-Kindergarten	1,026	\$3,585.64	\$3,678,867
ELL Pre-K	509	\$4,582.87	\$2,332,681
Kindergarten	1,474	\$7,171.34	\$10,566,969
Grades 1-5	6,572	\$7,214.45	\$47,413,365
Grades 6-8	4,310	\$6,839.78	\$29,479,579
Grades 9-12	4,461	\$8,528.71	\$38,046,575
ELL K-12	7,497	\$9,165.67	\$68,715,028
Vocational (Ch 74)	1,792	\$13,004.90	23,304,781
Special Ed - In	997	\$24,958.05	\$24,883,176
Special Ed - Out	243	\$26,070.41	\$6,335,110
Low Income - Elem	11,669	\$3,422.27	\$39,934,469
Low Income - Other	7,286	\$2,767.45	\$20,163,641
Total	26,874	WPS Avg: \$11,716	\$314,854,114

FY15 Projected Revenues

Worcester's FY15 Projected Foundation Budget

\$314,854,113*

**Increasing \$3.0 million from \$311.8 million
(including charter/choice students)**

** Includes Pre-K Change to lift cap on number of students that can be counted in foundation budget.*

Funding the Foundation Budget

Calculation of **State's** Local Target Contribution:

Aggregate Wealth (Target Local Contribution)

2012 equalized valuation	\$975,688,844,600
Property Percentage	0.3624%
Local effort from property wealth	\$3,536,333,601
2011 income	\$233,987,044,866
Income Percentage	1.5113%
Local effort from income	\$3,536,333,601
Combined effort yield	\$7,072,667,200

Funding the Foundation Budget

Calculation of Worcester's Target Local Contribution:

Aggregate Wealth (Target Local Contribution)

2012 equalized valuation	\$12,173,645,100
Property Percentage	0.3624%
Local effort from property wealth	\$44,122,745
2011 income	\$3,443,918,000
Income Percentage	1.5113%
Local effort from income	\$52,049,219
Combined effort yield (Target Local Contribution)	\$96,171,964

Funding the Foundation Budget

Calculation of **Worcester's** Local Contribution:

Increment Towards Effort Goal

Required FY14 Local Contribution	\$91,934,732
Municipal Revenue Growth Factor	5.05%
FY15 Preliminary Local Contribution	\$96,577,436
Target Local Contribution	\$96,171,964
Excess Local Effort	\$405,472
50% Reduction Towards Goal	\$202,736
FY15 Required Local Contribution	\$96,374,700

Funding the Foundation Budget

Putting it all Together:

FY15 State Aid

A. Foundation Budget	\$314,854,113
B. Required Local Contribution	\$96,374,700
C. Difference (A – B)	\$218,479,413
D. Prior Year Chapter 70 Aid	\$219,897,733
E. Foundation Aid (C – D)	\$0

Funding the Foundation Budget

Putting it all Together:

FY15 State Aid

A. Difference between Foundation Budget and Required Local Contribution	\$218,479,413
B. Hold Harmless at Current Year Chapter 70	\$219,897,733
C. Total Hold Harmless Aid	1,418,320
D. Minimum \$25 per pupil Aid from State	\$671,850
E. Total Hold Harmless and Minimum Aid	\$2,090,170
TOTAL FY15 CHAPTER 70 STATE AID (A + E)	\$220,569,583

Funding the Foundation Budget

Putting it all Together:

FY15 Required Spending	
A. Foundation Budget	\$314,854,113
B. Required district contribution	\$96,374,700
C. Chapter 70 State Aid	\$220,374,700
D. Required Net School Spending (B+C)	\$316,944,283
Amount of Required Spending Above Foundation Budget	\$2,090,170
FY14 Required Net School Spending	\$311,832,465
Change in Required Net School Spending	\$5,111,818

FY15 Budget

Putting it all Together:

Budget	FY14	FY15	Change
Ch70 State Aid	\$219,897,733	\$220,569,583	\$671,850
Charter Reimbursement	\$2,674,147	\$2,286,346	-\$387,801
Req'd Local Contrib.	\$91,934,732	\$96,374,700	\$4,439,968
Other Local Contrib.*	\$11,546,372	\$11,546,372	\$0
Charter Tuition	-\$24,548,854	-\$24,539,972	8,882
School Choice Tuition	-\$2,323,356	-\$2,709,152	-\$385,796
Special Educ. Offset	-\$134,920	-\$164,231	-\$29,311
TOTAL BUDGET	\$299,045,854	\$303,363,646	\$4,317,792

* WPS currently under Net School Spending by \$2.3 million. **No change** in city contribution above required increase amount results in WPS under net school spending by \$3.0 million

Impact of Federal Sequestration

Estimated at a 4% Reduction

Grant	FY14	FY15	Change
Title I	\$9,769,845	\$9,379,051	-\$390,794
IDEA	\$7,218,705	\$6,929,957	-\$288,748
Title IIA	\$1,858,092	\$1,783,768	\$74,324
Title III	\$1,202,742	\$1,154,632	-\$48,110
Perkins	\$481,803	\$462,531	-\$19,272
Total	\$20,531,187	\$19,709,939	-\$821,248

Federal Grants Currently Provide:

- **80 Teachers**
- **204 Instructional Assistants**
- **Afterschool & Summer Programs**
- **Specialized Programs and Services**
- **Staff Development**

Phase-Out of Federal Grants

Grant	FY14	FY15	Change
Race to the Top	\$2,688,325	\$0	-\$2,688,325
School Redesign	\$893,000	\$0	-\$893,000
McKinney-Vento*	<u>\$60,666</u>	<u>\$0</u>	<u>-\$60,666</u>
Total	\$3,641,991	\$0	-\$3,641,991

* Expected to be a competitive grant in FY15

RTTT and SRG Grants Currently Provide:

- **Level 4 School Costs**
- **Staff Development**
- **College Dual Enrollment & Early College High School**
- **Wrap Around Zone Coordinators**

FY15 Total Funding Change

FY15 Funding Change from Current Year

General Fund (State Aid & Local Contribution)	\$4,317,792
Grant Reduction (4% Sequestration)	-\$821,248
Grant Reduction (Phase-Out)	-\$3,641,991
FY15 Revenue Change from FY14:	-\$145,447

FY15 Level Service Increases

<u>Contractual Increases:</u>	<u>in millions</u>	
▪ Employee Salaries	\$3.4	
▪ Health Insurance (8%)	\$3.3	
▪ Tuition	\$1.5	
▪ Retirement Assessments	\$1.3	
▪ Transportation	\$0.6	
▪ Technology	\$0.9	
▪ Workers Compensation	\$0.4	
▪ Building Utilities	<u>\$0.3</u>	
Total Cost Increases:	\$11.7	(3.3%)

FY15 New Funding Requirements

<u>Budget Area:</u>	<u>in millions</u>
▪ School Staffing Needs*:	\$ 6.3
▪ Elementary Math Textbooks	\$ 2.0
▪ Secondary Textbooks	\$ 0.4
▪ Worcester Advance High School Academy <u>Planning Year</u>	\$ 0.2
▪ OPEB Trust Fund Payment **: <u>\$ 3.0</u>	
Total	\$11.9

* 117 additional positions includes 16 elementary teachers (class size), 11 secondary teachers (course selection and offerings), 14 student support positions, 5 special education teachers, 9 ELL teachers, 19 instructional assistants, 19 tutor positions, 6 school-based clerical, 2 school nurses, 6 assistant principals, 4 additional instructional coaches, 3 credit recovery computer lab staff, 2 school safety, and 1 wrap around coordinator.

FY15 Program Improvements

Other Budget Areas Needing Funding:

▪ Elementary Assistant Principals	\$ 900,000
▪ Kindergarten IA's	\$ 750,000
▪ School Safety Equipment	\$ 500,000
▪ Playground Maintenance	\$ 500,000
▪ School Furniture	\$ 500,000
▪ Wireless Technology	<u>\$ 500,000</u>
▪ Total Additional Needs:	\$3,650,000

FY15 Funding Increase Needed

<u>Total Funding Increase Needs</u>	<u>in millions</u>
▪ Level Service:	\$ 11.7
▪ New Funding Requirements:	\$ 11.9
▪ Program Improvements:	<u>\$ 3.7</u>
Total Funding Increase Needed:	\$27.3

FY15 Budget Status

in millions

Total Funding Needs:

\$27.3

Total Revenue Increase:

-\$ 0.1

FY15 BUDGET STATUS

-\$27.4

FY 14 Elementary Class Size

Current Class Sizes	
Less than 23	318 (55%)
23-26	211 (36%)
27-30	54 (9%)
Greater than 30	1 (0%)*

* Due to space limitations at school

District Average Class Size: 22.2

FY15 Budget Approach

- **Zero-based budgeting – Year 5: All positions, programs and services under thorough annual review.**
- **Long term planning and allocation: student achievement and finance.**
- **Status Quo is not an option: The FY15 Budget will need to reflect changes beyond revenue/expense projections.**

Budget Schedule

- **Administration had initial meetings with all building principals and continues to meet with district administrators to finalize needs assessment.**
- **Listening Sessions with Students, Parent Groups, Business Leaders, and Community Groups over next several months.**
- **School Committee Budget Priority Session to be scheduled at prerogative of School Committee.**

Budget Schedule

- **Governor's Budget (*released* January 22)**
- **House of Representatives (April)***
- **Senate Budget (May)**

**FY15 Budget to
School Committee: May 9th**

** WPS to use House Budget for submittal to School Committee*