



Worcester Public Schools

Foundation Budget Review
Commission

Final Report

Findings, Recommendations, Recognitions, and Possible Impacts
on the Worcester Public Schools



Legislative Charge:

- Review Components of the Foundation Budget.
- Seek to Determine and Recommend Measures to Promote Effective Resource Allocation.



Process and Method :

- Conducted Six Public Hearings
 - Worcester provided testimony
- Held Seven Commission Meetings
 - Worcester participated in data collection



Findings and Recommendations:

- Health Insurance
- Special Education
- English Language Learners
- Low Income Students



Health Insurance:

- **Findings:** Actual spending “far exceeds” current foundation budget allotment by more than 140%.
- Current formula does not factor cost for retiree health insurance

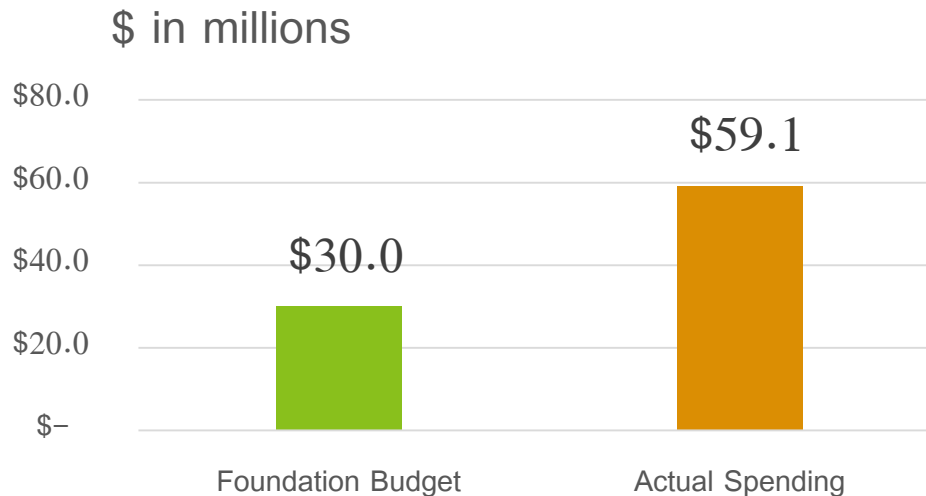


Health Insurance:

- **Recommendations:** Adjust the employee health insurance rate to the average Group Insurance Commission (GIC) rate.
- Add “Retired Employee Health Insurance” to foundation budget.
- Change inflation factor to annual change to GIC rates.

Health Insurance:

- Worcester Analysis



\$29.1 million Gap

- Already Changed Plans
- Already Changed contribution rates
- Already Changed Co-Pays and Deductibles



Special Education:

- **Findings:** Districts spend “far more” than the current foundation budget allotment for out-of-district placements by more than 59%.
- The current assumed in-district special education enrollment is less than the actual statewide enrollment



Special Education:

- **Recommendations:** Increase the assumed in-district special education enrollment.
- Increase the out-of-district cost rate to capture the total costs that districts bear before circuit breaker is triggered.



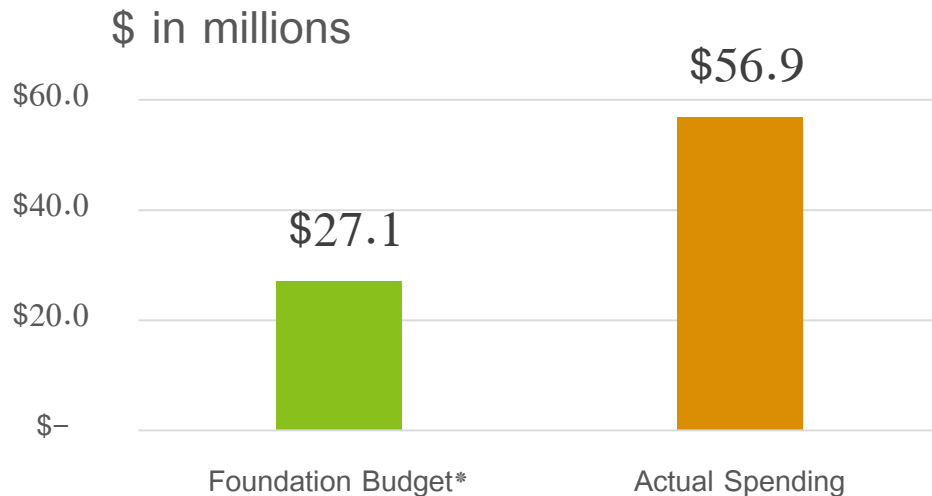
Special Education:

- **Recognition:** Average expenditure per pupil exceeds foundation budget, even upon adoption of recommendations, by \$700 million.



Special Education:

- Worcester Analysis



\$29.8 million Gap

- Restructured Autism Services

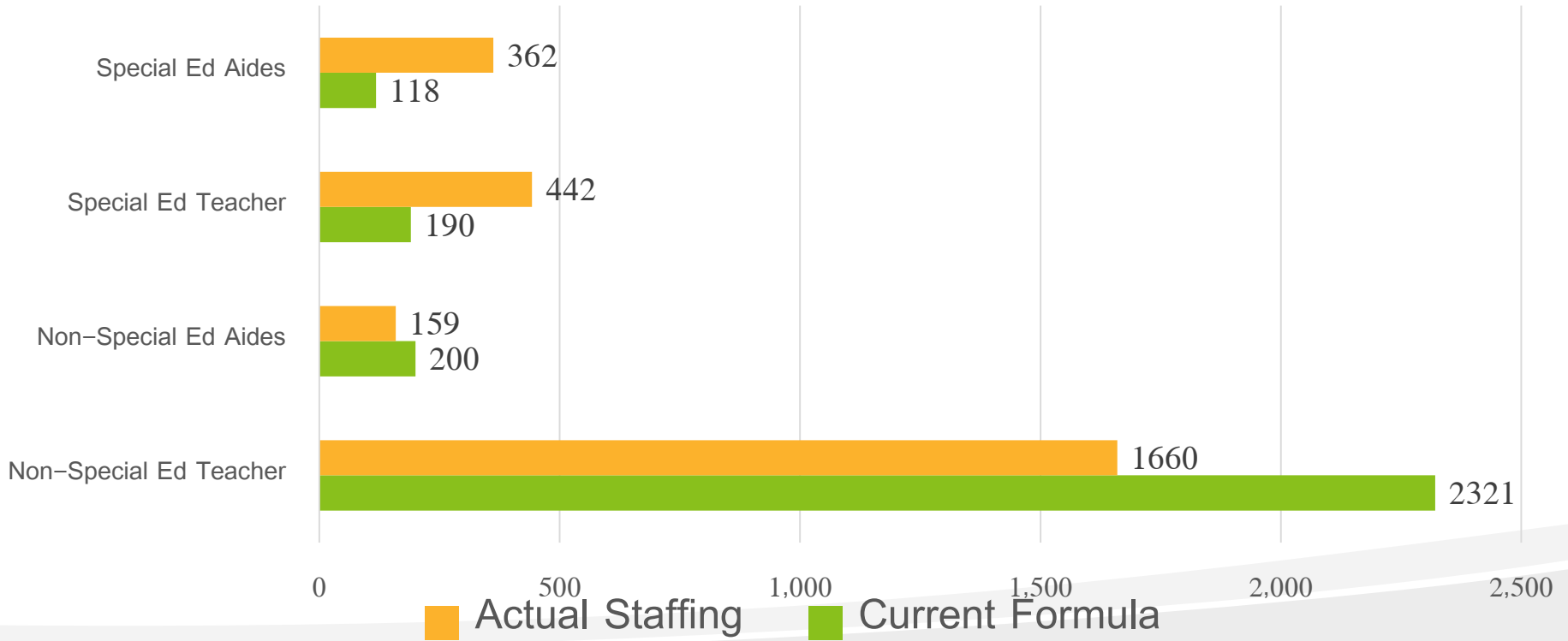
- Low Out-of-District Placements

- High use of Lower-Cost Special Education Collaborative Programs

* Excludes employee benefits / fixed charges

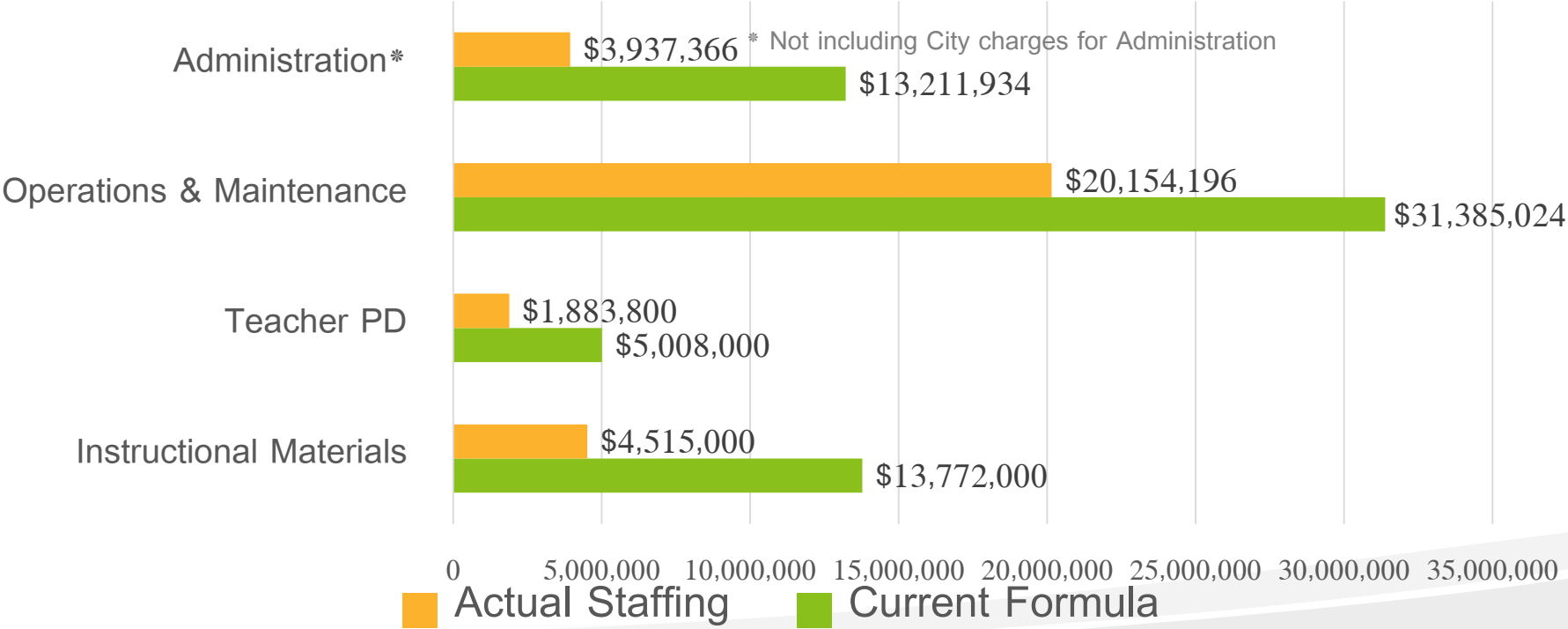
Current Foundation Budget Gaps :

Worcester Analysis



Current Foundation Budget Gaps :

Worcester Analysis





English Language Learners:

- **Findings:** Current per pupil rate differential “presents a challenge to the effective provision of services” to ELL students.
- No additional funds are provided to ELL students in vocational–technical programs

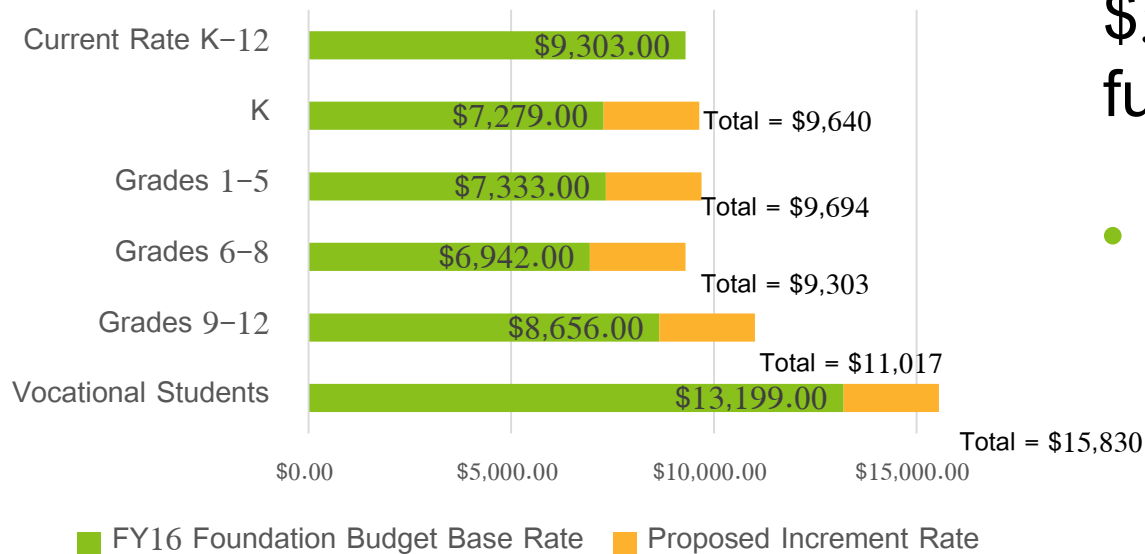


English Language Learners:

- **Recommendations:** Convert the ELL funding from a base rate to an increment onto the base rate.
- Apply increment to vocational school ELL students.
- Increase the increment for all grade levels, including high schools to current middle school increment of \$2,361.

English Language Learners:

- Worcester Analysis



\$5.0 million additional funds

- Add increment of \$2,361 to each base category



Low Income Students:

- **Findings:** Successful turnaround efforts included extended school day/year, addressing social and emotional needs, instructional improvement, targeted class size reduction for highest need populations, and Full Day K and Full Day Pre-K.



Low Income Students:

- **Findings:** Mass Budget and Policy Center report identified \$1,300 per student for wraparound services.
- Worcester “presented evidence” that turnaround plans cost \$2,000 per student.



Low Income Students:

- **Recommendations:** Increase increment for districts with concentrations of high low income students.
- Ensure new “economically disadvantaged” definition properly and accurately count all economically needful students.

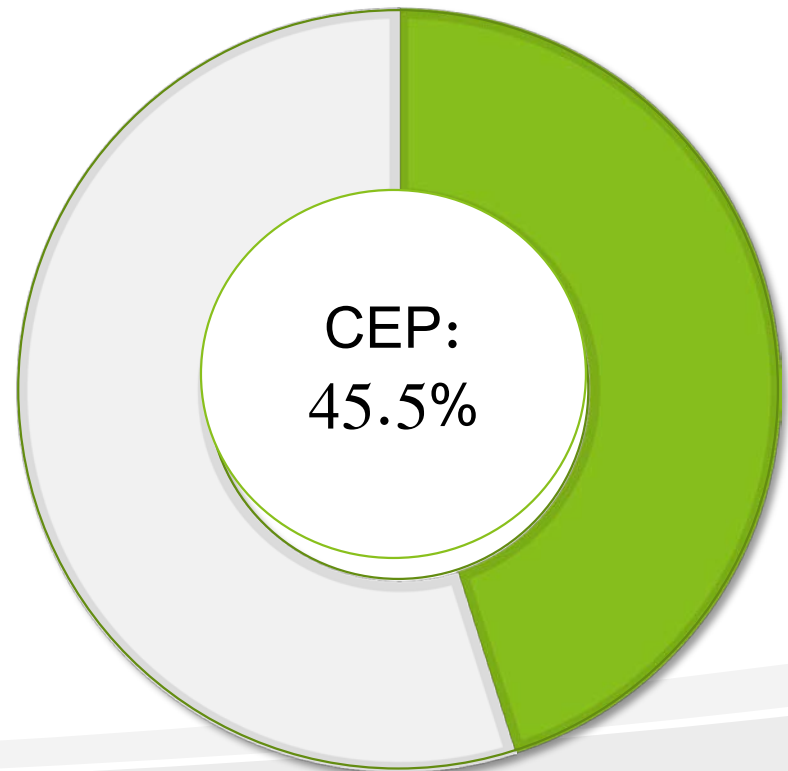


Low Income Students:

- **Recommendations:** Leave the exact calculation of each increment to legislative action.
- Require each district to post a plan on-line, about how it will use the funds calculated in the ELL and low income allotments to serve the intended populations.



Low Income Students: Worcester Analysis





Inflation Factor:

- **Recognition:** In 2010, the state used a lower inflation number (3.04%) from a different quarter than the quarter required by statute (6.75%).



Efficient & Effective Resource Allocation

- **Data Collection Recommendation:** Establish data collection system that tracks funding for ELL and low income students.
- Establish data collection and reporting system that allows greater access to school-level expenditures and data across districts.



Efficient & Effective Resource Allocation

- **Stakeholder Data Advisory Group** : DESE and EOE create a stakeholder advisory committee to promote effective resource allocation decisions at local level.



Early Education

- **Recommendation:** Encourages Legislature to incorporate best practices of Preschool Expansion Grant pilot program and other early education programs as it rolls out to provide these services more widely.



Worcester Analysis

Category

Impact

Health Insurance:	\$29.1
Special Education:	\$29.8
English Language Learners:	\$ 5.0
Low Income Students:	\$20.0
Inflation Factor Adjustment:	<u>\$ 9.0</u>
FBRC Final Report Impact:	\$92.9