

The FY17 adopted budget of the Worcester Public Schools is based upon the funding recommendations included in the House Ways and Means budget released in April. Recently, the state has been reporting a significant downturn in expected state revenues next year and the final state budget approved by the Massachusetts House and Senate last week contains several significant changes to the FY17 adopted budget of the Worcester Public Schools. The following is a description of changes to the budget:

**Quality Kindergarten Grant:**

The Worcester Public Schools relies on its support personnel to deliver high quality teaching and learning throughout our schools and programs. Instructional Assistants play a significant role in supporting students' academic, behavioral, and developmental needs. At the Kindergarten level, Instructional Assistants are strategically assigned to classrooms experiencing large student enrollment or with a specific student population that requires additional support to ensure that core instruction is maximized.

The typical composition of a Kindergarten classroom includes students entering the school systems without prior early childhood experience, some with identified disabilities, others with developmental delays, and over half of our Kindergartners are English Language Learners. The supports that Instructional Assistants provide at the Kindergarten level are vital to our students' educational needs and a necessary service to ensure that these students are receiving proper educational services during this important formative year.

There are approximately 90 Kindergarten classrooms in the district; 47 of the classrooms are expected to have enrollments of 23 or more students next year. Most surrounding school districts (those that have the ability to spend well above the state's underfunded foundation budget level) have an instructional assistant in every classroom.

The House budget level funded and the WPS budget reflected this level and the final state budget eliminated all funding for the grant. This grant has provided Worcester \$751,338 and was used to fund 21 Instructional Assistant positions (and associated health insurance and classroom materials).

The following is a summary of the funding of Kindergarten Instructional Assistants in the budget:

Funding Source	Positions	Amount
<b>Quality Kindergarten Grant</b>	<b>21</b>	<b>\$751,338*</b>
Title 1	14	\$401,700
General Fund	28	\$639,937
<b>Total</b>	<b>63</b>	<b>\$1,720,719</b>

\*includes fringe and supplies from grant

The district had advocated on maintaining the Quality Kindergarten Grant at least until the state's foundation budget was addressed with regards to the appropriate funding levels for special education and employee benefits.

The previous practice at this level of funding between the three funding sources has been to provide all elementary schools with at least one Kindergarten Instructional Assistant position (33) while the remaining 30 positions were assigned based on number of Kindergarten classrooms and class sizes to lower the student-to-adult ratio in these classrooms. In FY16, the additional positions were assigned to the following schools:

<u>School</u>	<u>IA's</u>	<u>School</u>	<u>IA's</u>
Belmont Street:	3	McGrath Elementary:	1
Chandler Elementary:	2	Norrback Ave:	1
Chandler Magnet	1	Quinsigamond:	3
Columbus Park:	2	Rice Square	1
Elm Park	2	Roosevelt:	1
Gates Lane:	2	Thorndyke Road:	1
Goddard School:	2	Vernon Hill:	1
Jacob Hiatt Magnet:	1	Woodland Academy	2
Lake View:	1	Worcester Arts	1
Lincoln Street	1		
May Street	1	<b>Total Additional:</b>	<b>30</b>

Each year, these additional positions are reassigned based on enrollment changes at all of the schools. (This practice has become known in schools as the "Kindergarten Instructional Assistant shuffle". This reallocation was necessary because even at 63 positions, there has not been enough positions in order to provide the full support in the Kindergarten classrooms in each school.)

Now, with the Quality Kindergarten Grant elimination, based on remaining funding, there will be an instructional assistant in less than half of our Kindergarten classrooms next year.

It should also be noted that given Title 1 is funding 14 of the remaining positions; these instructional assistant positions must be provided at Title 1 schools in a manner that is supplemental, or in addition to, the number of instructional assistant positions provided at non-Title 1 schools. These remaining 42 positions can no longer be allocated to each school with a guaranteed minimum of one position per school (as there's no longer enough state grant (0) and general funded positions (28) to allocate them in this manner); meaning, at the current level, some schools may not even have a Kindergarten Instructional Assistant next year.

The current funding gap to return to the current level of 63 Kindergarten Instructional Assistants is \$736,360 (total FY16 grant award of \$751,388 less \$15,028 for the city's 2% grant indirect assessment on grants).

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**Chapter 70:** The final state budget adopted the Senate Chapter 70 amount, representing a \$63,139 increase to the Worcester Public Schools. The Senate version of the budget provided additional funding to achieve 85% effort reduction instead of only 70% as contained in the House budget. The state's formula to determine the annual city contribution is calculated by taking the prior year required contribution amount and increasing/decreasing the amount by the change in the Municipal Revenue Growth Factor (the amount of non-Chapter 70 revenue change for the city). The city's required contribution for FY17 is \$420,931 above the target level based on the calculated wealth of the community; so the state reduces (or adds additional requirements) incrementally. (This number is not related in any way to the amount the city is above/below net school spending requirement). The House version reduced the excess effort by 70% and the Senate reduced the amount by 85%. By using the Senate version, the formula then requires additional Chapter 70 state aid to keep communities, like Worcester, at the FY17 foundation budget level. The amount would allow the city to decrease their contribution by an equal amount. The WPS Administration assumes no change in the level of city contribution based on the approved City budget allocation to the WPS.

House Budget:	\$235,339,093
Final State Budget:	<u>\$235,402,232</u>
<b>Difference:</b>	<b>\$ 63,139</b>

**Charter School Reimbursement:**

The House budget only funded charter school reimbursement at 36% of the full funding level (excluding facilities reimbursement). The statewide tuition assessments and enrollments are expected to increase (3,100 seats), both the House and Senate version of the budget included increases to this line item; \$5 million and \$9.5 million, respectively. However, the final state budget is lower than both the House and Senate versions. **The final state budget is \$54 million underfunded in FY17; and approximately \$1 million for the Worcester Public Schools.**

The Based on the Conference Committee estimate, the following is the impact for Worcester:

House Budget:	\$2,179,528
Final State Budget:	<u>\$1,815,469</u>
<b>Difference:</b>	<b>\$ -364,059</b>

**Charter School, School Choice, Special Education Assessments**

The following table compares the tuition assessments (reductions to the WPS budget) included in the House budget (amounts included in WPS budget) and the final state budget:

	<u>House Budget</u>	<u>Final Budget</u>	<u>Difference</u>
Charter School Assessment	\$24,579,722	\$24,542,124	-\$37,598
School Choice Assessment	\$2,686,481	\$2,767,477	\$80,996
Special Education Assessment*	\$147,618	\$187,085	\$39,407
<b>Total Assessments</b>	<b>\$27,413,821</b>	<b>\$27,496,626</b>	<b>\$82,805</b>

\* The Commonwealth of Massachusetts reduces state aid to districts in order to partially reimburse the state for providing special needs education to children enrolled in state hospital schools. The cost that each municipality is charged is the average per pupil cost of education within the school district multiplied by the Full-time Equivalent of resident pupils served by the state. Current year charges are for pupils served in the prior school year.

Summary of General Fund Budget Changes:

Tuition Assessment - Budget Change:	-\$ 82,805
Charter School Reimbursement Change:	-\$364,059
Chapter 70 Change:	\$ 63,139
<b>Total General Fund Budget Change:</b>	<b>-\$383,725</b>

**Combined, the final state budget represents a total reduction to the Worcester Public Schools in the amount of \$1,135,063.**

It should be noted, however, that the WPS budget anticipates some change between the House version of the budget and the final state budget. The district set aside \$350,000 in the adopted budget (page 199, Line E.) in anticipation of the final state budget. As noted in the budget, historically, the charter school tuition assessments included in the House of Representative's budget are lower than the final assessment determined in July. Given this set aside, the impact to the general fund budget is a reduction of an additional \$33,725 instead of the full amount of the change, or \$785,063 total reductions that needs to be addressed through additional budget actions.

There are several other items that is having a significant impact on the budget:

**Secondary Class Size:**

Middle and high school principals are in the process of scheduling courses next year based on student enrollments and course selections. The FY17 budget, in order to be balanced, resulted in a reduction of 9 secondary positions. Preliminary information from the secondary schools are showing some difficulty scheduling as there are courses with full enrollment without budgeted teaching slots. In order to provide these content areas, the 9 teacher positions that were reduced are needed to allow for enrollment expansion of Chapter 74 and Career-Technical programs at Worcester Technical High School, South High, and North High; along with other content teaching positions or sections at many of the other secondary schools. Unlike positions held to adjust for elementary enrollment adjustments, the master schedules at the secondary schools are being created now and the most effective allocation of teacher positions for student course selections occurs at this time. In order to properly schedule the secondary schools, the additional 9 positions would be approximately \$750,000 (with fringe costs included).

**Title I Federal Entitlement Grant**

The district is awaiting the Title I allocation for FY17. The preliminary estimates showed a fairly significant drop in Worcester's school age (5-17) poverty population. However, these preliminary estimates did not include counts of all eligible children, such as foster and neglected children. State grant allocations are in the process of being awarded and additional updates on all grants will be provided to the School Committee as necessary.

Superintendent Binienda has discussed these budget impacts with City Manager Augustus and Mayor Joseph Petty to determine to what extent, if any, the City can provide any additional funds beyond the increases already included in the FY17 budget, to help mitigate the impact and reductions from the loss of the Quality Kindergarten Grant along with the scheduling challenges at the secondary schools.