

FY17 Budget Priorities

As we discussed at the meeting, I am requesting consideration of the following items:

- **Adjust Foundation Budget by Skipped Inflation from 2010:** The Foundation Budget Commission recognized in the final report that, although the Chapter 70 formula contains an inflation adjustment, in 2010, faced with a sharp downturn in revenues, and the serious budget challenge that resulted, the final budget used a lower inflation number (3.04%) from a different quarter than the quarter required by statute (6.75%). A correction for this “missed” quarter that acknowledges the statutory cap on inflation of 4.5% results in an adjustment of 1.4 % in FY16, and would have required additional Chapter 70 aid of almost \$55 million. A correction that suspended the statutory cap results in an adjustment of 3.6 % in FY16, and would have required additional Chapter 70 aid of almost \$158 million.

Given the FY17 inflation rate is at or near 0%, this would be a good opportunity to correct the skipped quarter from 2010. The current inflation factor is not currently capturing costs borne by school districts, such as increases in health insurance premiums, retirement assessments, transportation costs, and tuition assessments and school districts that spend at or near foundation level continue to reduce instructional areas due to the current price deflator index used in the foundation budget formula. An increase that suspends the arbitrary statutory cap would result in over \$9 million for the Worcester Public Schools, covering normal inflationary growth for a maintenance level budget.

- **Maintain the Quality Kindergarten Grant:** Of our 90 kindergarten classrooms, we only have 63 total instructional assistants that provide daily instructional support to these classrooms. Of these total positions, 21 are currently funded through the Quality Kindergarten Grant. We urge you to maintain this grant at least until the recommendations of the Foundation Budget Review Commission around special education and health insurance are full implemented. As a district that spends at the foundation budget level, every dollar of underfunding of special education and health insurance in the formula reduces spending on instructional areas, operations and maintenance, professional development, and instructional supplies and materials. We would be unable to maintain these very important instructional assistant positions in our Kindergarten classrooms without this grant.
- **Full Funding of Charter School Reimbursements:** The purpose of the current charter school reimbursement formula, as enacted in the Act Relative to the Achievement Gap, was to provide initial 100% reimbursement for new costs associated with charter schools in sending districts and then reduced funding over a period of several years to recognize the time for district to reallocate resources and also recognizes that there are always building and systemic costs that cannot be reduced through loss of enrollment to charter schools. In FY16, the state is underfunding the reimbursement by \$46.5 million, and to Worcester by \$885,500.

That’s an amount that could have provided 12 teachers this year or sufficient funding to provide an adequate level and replacement of textbooks in our schools.

Full funding of charter school reimbursement is as equally important as circuit breaker hold harmless and minimum aid in Chapter 70. We urge you to fully fund the charter school reimbursement line item in the FY17 budget.

The Administration of the Worcester Public Schools is willing to provide any additional specific information as needed. I look forward to our frequent meetings to discuss the items that are important to all of us around education issues in the City of Worcester. In the meantime, if you have any questions about these recommendations, please contact me or Brian Allen, Chief Financial and Operations Officer.