

The final state budget adopted in July included a \$3.4 million increase for the Worcester Public Schools above the amount adopted by the School Committee in June. The final state budget adopted the Chapter 70 funding as contained in the Senate version of the budget, notably, the funding of ELL students as an increment (like the funding for economically disadvantaged students) rather than a base funding amount. The Administration notified the School Committee of this change in July and indicated that, based on conversations with City Manager Augustus, the final adjustments to the WPS budget (to reflect this additional Chapter 70 money) will be done at the time the city completes the tax rate setting process. The Administration identified and implemented the following recommendations to start the school year. The Worcester City Council adopted the tax rate on December 11, 2018. The Administration recommends adoption of the revised budget reflecting actions taken to start the school year.

The following is a summary of the final state budget actions compared to the School Committee adopted budget:

	FY19 Adopted Budget	FY19 Final State Budget	Difference
Chapter 70 State Aid & Reimbursement:			
Chapter 70 State Aid	\$249,894,895	\$253,211,785	\$3,316,890
Charter School Reimbursement	<u>\$2,276,589</u>	<u>\$2,383,178</u>	<u>\$106,589</u>
Total State Funding	<b>\$252,171,484</b>	<b>\$255,594,963</b>	<b>\$3,423,479</b>
City Contribution			
Total City Contribution	<b>\$118,567,836</b>	<b>\$118,567,836</b>	\$0
 Total General Fund Revenues	 <b>\$370,739,320</b>	 <b>\$374,162,799</b>	 <b>\$3,423,479</b>
Less Tuition Assessments:			
Charter School Tuition Assessment	\$26,019,458	\$25,955,575	\$-63,883
School Choice Tuition Assessment	\$2,833,889	\$2,903,457	\$69,568
Special Education Revenue Offset	<u>\$245,091</u>	<u>\$245,091</u>	<u>\$0</u>
Total Tuition Assessments	<u><b>\$29,098,438</b></u>	<u><b>\$29,104,123</b></u>	<u><b>\$5,685</b></u>
Total General Fund Revenue:	<b>\$341,640,882</b>	<b>\$345,058,676</b>	<b>\$3,417,794</b>

As previously provided, the Administration implemented the following budget actions based on the final state budget, reflecting the priority list that was provided during the budget hearings:

Restore Elementary Tutors to FY18 Level:	\$ 500,000
12 Class Size Reduction Teachers	\$ 914,265
5 School Adjustment Counselors / Wrap-Around Coordinators	\$ 380,944
4 Secondary Teachers	\$ 304,755
1 Secondary Assistant Principal (Worcester East Middle)	\$ 100,000
1 Student and School Performance Analyst	\$ 75,000
15 High School Teachers for Enrichment Classes	<u>\$1,142,831</u>
<b>Total</b>	<b>\$3,417,794</b>

The Administration utilized these funds through the following actions:

- The addition of elementary tutors (restoring to FY18 level) and the 12 class size reduction teachers would reduce projected elementary class size from 22.1 to approximately 21.6 and eliminate or provide support to all classes above 27 students (where space prevents further reduction of class size).
- The addition of 5 School Adjustment Counselors or Wrap Around Coordinators addresses some of the 13 positions that were requested by building principals during the FY19 budget development process.
- The 4 secondary teachers provided immediate course offerings or school support that were unable to be provided during the FY19 budget process: 1/Art Teacher at North High, 1/Diesel Instructor at South High, 1/Community Service Teacher at South High, and 1/Animal Sciences Teacher at Worcester Technical High School.
- The enrollment of Worcester East Middle has increased from less than 600 students in 2010 to more than 800 students in the current year; and the enrollment is expected to remain at this level over the next four years. The WEMS enrollment is approaching and consistent with Sullivan Middle (866 students) and Forest Grove Middle (979 students). The Administration recommended that for effective school management and safety, an additional Assistant Principal was added with these funds.
- A vacant testing specialist position was reallocated within the FY19 budget to an electrician for school safety projects. This reallocation was necessary at the time in order to balance the budget. After further consideration, this position (renamed School and Student Performance Analyst to better align with the department's name change) is necessary to provide test administration support and data analysis for schools.
- The Administration has identified a priority to reduce the number of instances that students are scheduled in "study halls" rather than in credit bearing courses during the school day. In 2017-18 school year, there were as many as 1,990 instances of "study hall" periods in all of the high schools (combined). In a perfect setting, the addition of 14 high school teachers would provide credit bearing course opportunities for 1,750 students, nearly all of the number of study hall periods this year.

The teachers were assigned as follows:

School	Teachers to Add	Maximum* Students that Could Take an Additional Course
Doherty High	5	625
South High	6	750
North High	2	250
Burncoat High	2	250

\*Maximum students that could take an additional course is based on 125 students contractual limit for each teacher

Based on these actions, the Administration recommends that the budget be allocated and adopted as follows:

<u>Account</u>	<u>Account Name &amp; Description</u>	<u>Amount</u>
500-91110	Administration Salaries (C. School Based Supervision):	\$ 90,500
500-91111	Teacher Salaries	\$2,400,794
500-91123	Non-Instructional Support (C. District Support)	\$ 65,500
500-91134	Educational Support (E. Tutors – Literacy)	\$ 500,000
500123-96000	Health Insurance	\$ 361,000
	Total FY19 Budget Adjustments	\$3,417,794

And adopt the FY19 General Fund Budget in the amount of **\$345,058,676**.



# CITY OF WORCESTER, MASSACHUSETTS

Department of Administration and Finance

Budget Office Division

Thomas F. Zidelis  
Chief Financial Officer

Erin Arvizu  
Budget Director

**To:** Edward M. Augustus, Jr., City Manager  
**From:** Thomas F. Zidelis, Chief Financial Officer  
**Date:** December 6, 2018  
**Re:** Fiscal Year 2019 Tax Recap

The City's annual budget is developed and predicated on assumptions of revenue estimates by both the Commonwealth and the City based upon the best information at the time. From when the budget is formulated, recommended to, and adopted by the City Council; revenues, inclusive of state aid, are finalized or refined and adjustments are required to finalize the annual City budget. The FY19 Budget follows the above described process and to finalize the Budget for submission of the City's annual tax recapitulation (Tax Recap) to the Department of Revenue, the adjustments described hereunder are required to be recommended and voted by the City Council.

These adjustments include the recognition of changes in the Cherry Sheet revenues and expenses, which have occurred between the adoption of the City's FY19 Budget and the adoption of the Commonwealth's FY19 Budget. The financial recommendation also appropriates the FY18 certified free cash in accordance with the City's revised financial plan adopted by the City Council. I respectfully recommend that this item be placed before and voted by the City Council prior to setting of the FY19 tax rate.

**Source:**

Account#	Description	Amount
466303	Chapter 70	3,316,890.00
466305	Charter Tuition Reimbursement	106,589.00
466700	Veterans Benefits	(264,381.00)
461100	State Owned Land	36,011.00
2212019	Overlay Reserve	190,891.00
		<u>3,386,000.00</u>



**Use:**

<b>Account#</b>	<b>Description</b>	<b>Amount</b>
500-91000	Worcester Public Schools Personnel Services	3,417,794.00
39817	School Choice Sending Tuition	69,568.00
39815	Charter School Sending Tuition	(63,883.00)
398XX	Mosquito Control Projects	(37,479.00)
		<u>3,386,000.00</u>

**Source:**

<b>Account#</b>	<b>Description</b>	<b>Amount</b>
35920	Free Cash	4,298,144.00

**Use:**

35921	Bond Stabilization Fund	2,149,072.00
04T803	OPEB Trust Reserve	1,289,443.00
010-91000	City Council Personnel Services	23,335.00
040-93000	City Manager's Office Capital	40,000.00
043-92000	Economic Development Ordinary Maintenance	25,000.00
110-91000	E&AM Personnel Services	16,270.00
260-92000	Fire Ordinary Maintenance	22,800.00
260-93000	Fire Capital	85,608.00
330-92000	Health Ordinary Maintenance	5,000.00
331-91000	HHS - Veteran's Office Personnel Services	21,571.00
331-92000	HHS - Youth/Rec Worcester Ordinary Maintenance	25,000.00
410-93000	DPW Capital	125,840.00
680-92000	Technical Services Ordinary Maintenance	176,500.00
680-93000	Technical Services Capital	200,000.00
900-92000	Contingency	92,705.00
		<u>4,298,144.00</u>

Sincerely,



Thomas F. Zidelis  
 Chief Financial Officer