

Please click the link below to join the webinar:

<https://worcesterschools.zoom.us/j/89731040107?pwd=WmxkWnpCUUh6SXhCSVo0TjF6eVNLUT09>

Passcode: 724598

Telephone: US: +1 929 205 6099 or +1 301 715 8592

Webinar ID: 897 3104 0107

CLERK OF THE SCHOOL COMMITTEE
WORCESTER PUBLIC SCHOOLS
20 IRVING STREET
WORCESTER, MASSACHUSETTS 01609

AGENDA #6

on: Friday, February 26, 2021
from: 9:00 a.m. – 11:00 a.m.
Virtually in: Room 410 at the Durkin Administration Building

ORDER OF BUSINESS

ACTION

- I. CALL TO ORDER
- INVOCATION - NONE
- PLEDGE OF ALLEGIANCE/NATIONAL ANTHEM
- II. ROLL CALL
- III. APPROVAL OF RECORDS - NONE
- IV. MOTION FOR RECONSIDERATION - NONE
- V. IMMEDIATE ACTION - NONE
- VI. COMMUNICATION AND PETITION - NONE
- VII. REPORTS OF THE STANDING COMMITTEES - NONE
- VIII. PERSONNEL - NONE
- IX. REPORT OF THE SUPERINTENDENT - NONE

X. GENERAL BUSINESS

gb #1-64 - Administration
(February 11, 2021)

To meet with the Legislative Delegation to discuss the FY22 Budget
and any other legislative priorities.

XI. ADJOURNMENT

Helen A. Friel, Ed.D.
Clerk of the School Committee

X. GENERAL BUSINESS
Administration
(February 11, 2021)

ITEM - gb #1-64
S.C. MEETING - 2-26-21

ITEM:

To meet with the Legislative Delegation to discuss the FY22 Budget and any other legislative priorities.

PRIOR ACTION:

BACKUP:

Annex A (36 pages) contains a copy of the FY22 Preliminary Budget Estimates PowerPoint presentation.

RECOMMENDATION OF MAKER:

RECOMMENDATION OF ADMINISTRATION:

File items gb # 0-10 and #0-369.



Worcester Public Schools

FY22 Preliminary Budget Estimates

- Report of the Superintendent
- February 4, 2021

From Here, Anywhere!

FY22 Major Budget Themes



Enrollment & Inflation

Enrollment Decline primarily at Pre-K and Kindergarten Level

Low Foundation Budget
Inflation Rate of 1.6%



FY22 Budget will be less than original FY21 Budget

Due to a possible pandemic-related enrollment decline



Student Opportunity Act

(Re-Start of) First Year Funding (based on FY22 Governor's Budget)



Federal & State Stimulus Funds

- ESSER I & II
- CvRF School Reopening
- Remote Technology
- State CvPP
- State Special Support



New Staffing & Resource Needs

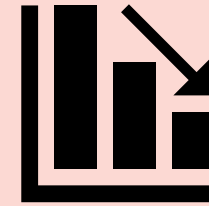
Technology, Facilities, Staffing



Student Enrollment

Student Enrollment is major factor of Foundation Budget calculation for a school district.

WORCESTER PUBLIC SCHOOLS



-1,058 students from
last year **(-4.2%)**

10/1/20: 23,986
10/1/19: 25,044



-746
(-24.3%)

At Pre-K and
Kindergarten level



-316
(-2.8%)

At Grades 1-6 level



+4

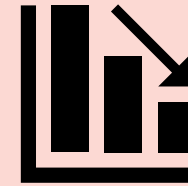
Grades 7-12 level



Student Enrollment

Foundation budgets declined for 153 operating districts, including 29 districts with declines of more than 5 percent

STATE ENROLLMENT



-37,363 students from
last year (-3.9%)

10/1/20: 911,465
10/1/19: 948,828



-17,197
(-17.9%)

At Pre-K and
Kindergarten level



-17,332
(-4.2%)

At Grades 1-6 level



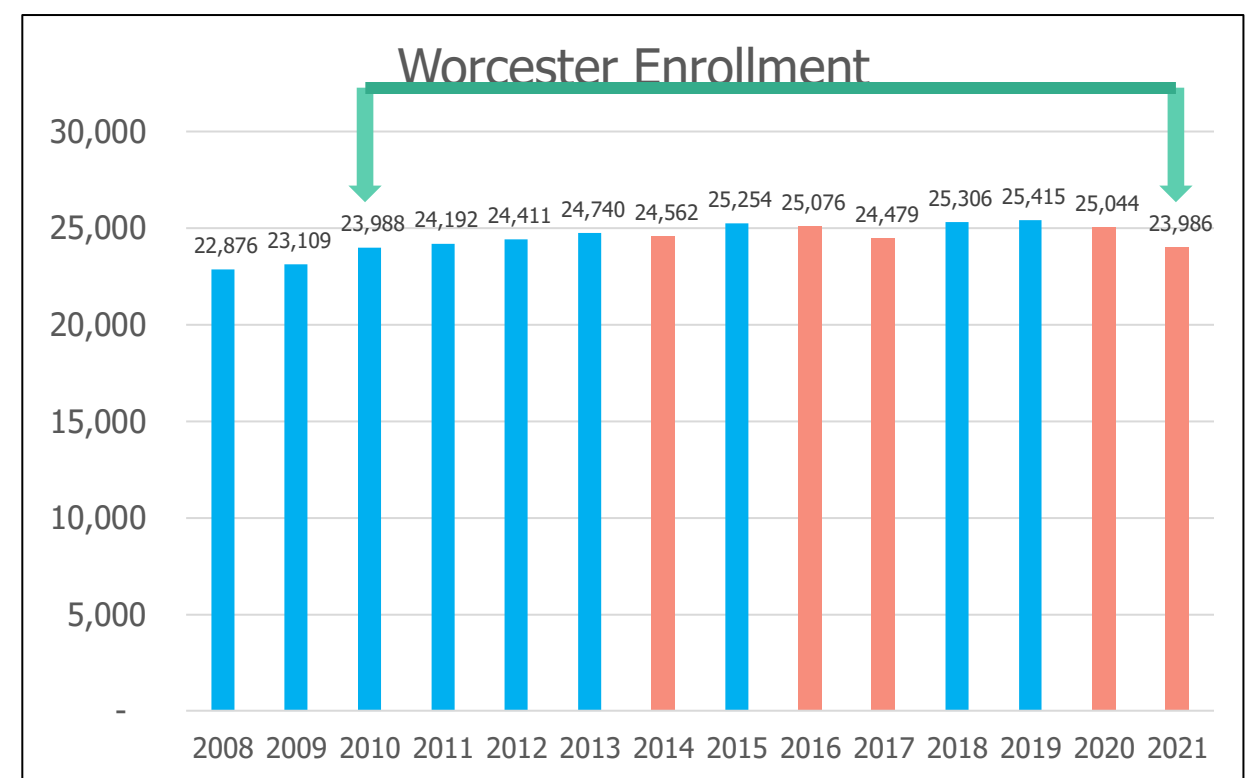
-2,834
(-0.6%)

Grades 7-12 level



Student Enrollment

Worcester Public Schools
School-Level Enrollment Data



| | |
|------|--------|
| 2008 | 22,876 |
| 2009 | 23,109 |
| 2010 | 23,988 |
| 2011 | 24,192 |
| 2012 | 24,411 |
| 2013 | 24,740 |
| 2014 | 24,562 |
| 2015 | 25,254 |
| 2016 | 25,076 |
| 2017 | 24,479 |
| 2018 | 25,306 |
| 2019 | 25,415 |
| 2020 | 25,044 |
| 2021 | 23,986 |

| | |
|------|-------|
| 2009 | 1.0% |
| 2010 | 3.8% |
| 2011 | 0.9% |
| 2012 | 0.9% |
| 2013 | 1.3% |
| 2014 | -0.7% |
| 2015 | 2.8% |
| 2016 | -0.7% |
| 2017 | -2.4% |
| 2018 | 3.4% |
| 2019 | 0.4% |
| 2020 | -1.5% |
| 2021 | -4.2% |

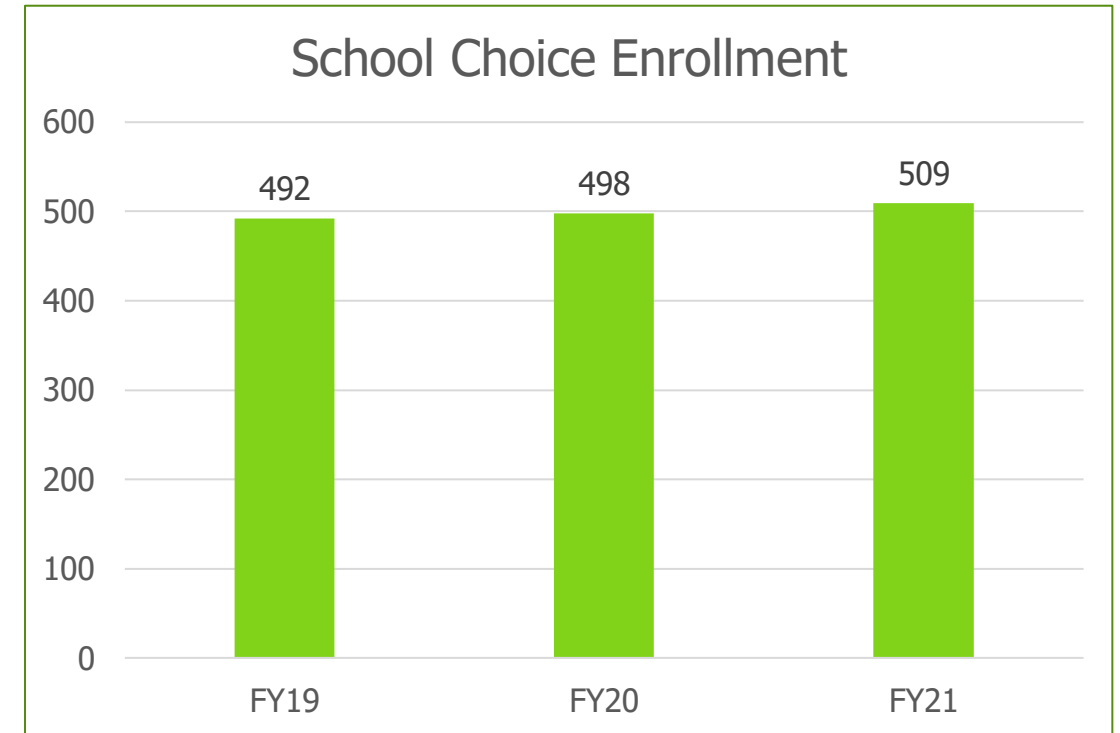
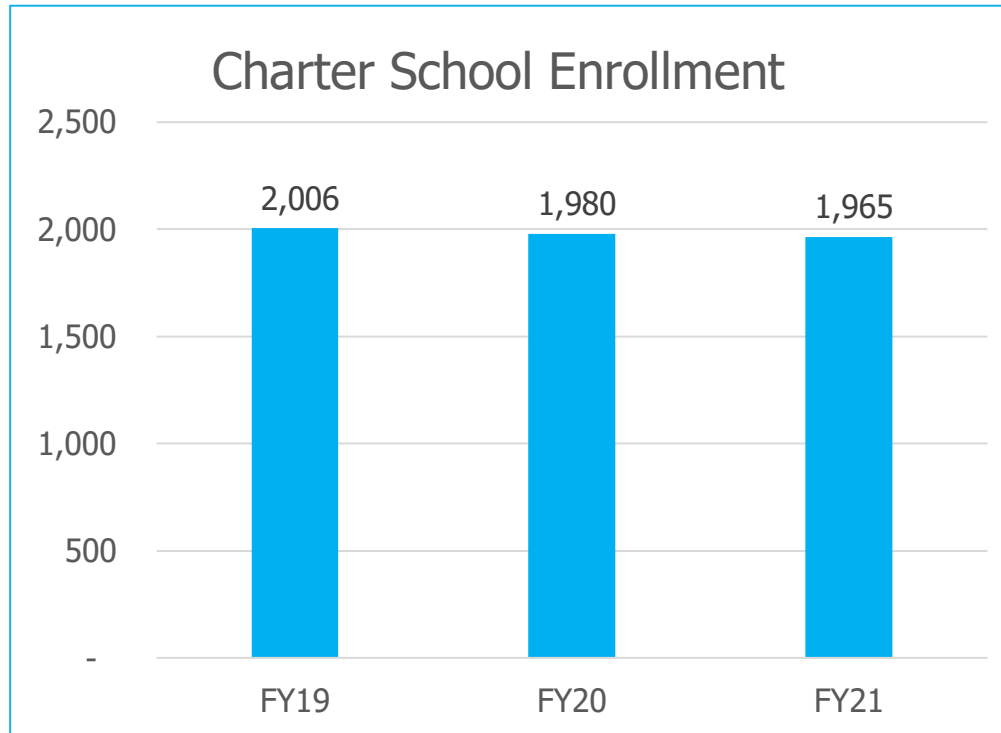


Student Enrollment

Worcester Public Schools
School-Level Enrollment Data

- **Individual Schools:** Enrollment Changed between - 17.5% to 9.2%.
- **High Schools:** Burncoat High, North High, and South High has increases of at least 4.0%
- **Middle Schools:** Burncoat Middle and Forest Grove had enrollment declines and Sullivan Middle and Worcester East Middle had enrollment increases.
- **Elementary Schools:** Canterbury Street, Clark Street, Columbus Park, Flagg Street, Roosevelt Elementary, Vernon Hill, Wawecus Road, Woodland Academy, and Worcester Arts Magnet had decreases of at least 10%. *Some of these schools have Pre-K and others do not.*
- **Elementary Schools:** Only Lincoln Street (9.2%), Grafton Street (1.9%), and Union Hill (0.5%) had enrollment increases.
- **Elementary Schools:** Burncoat Quadrant **-6.5%**, Doherty Quadrant **-7.1%**, North Quadrant **-4.2%**, South Quadrant **-10.1%**

Charter School and School Choice Enrollment Trends

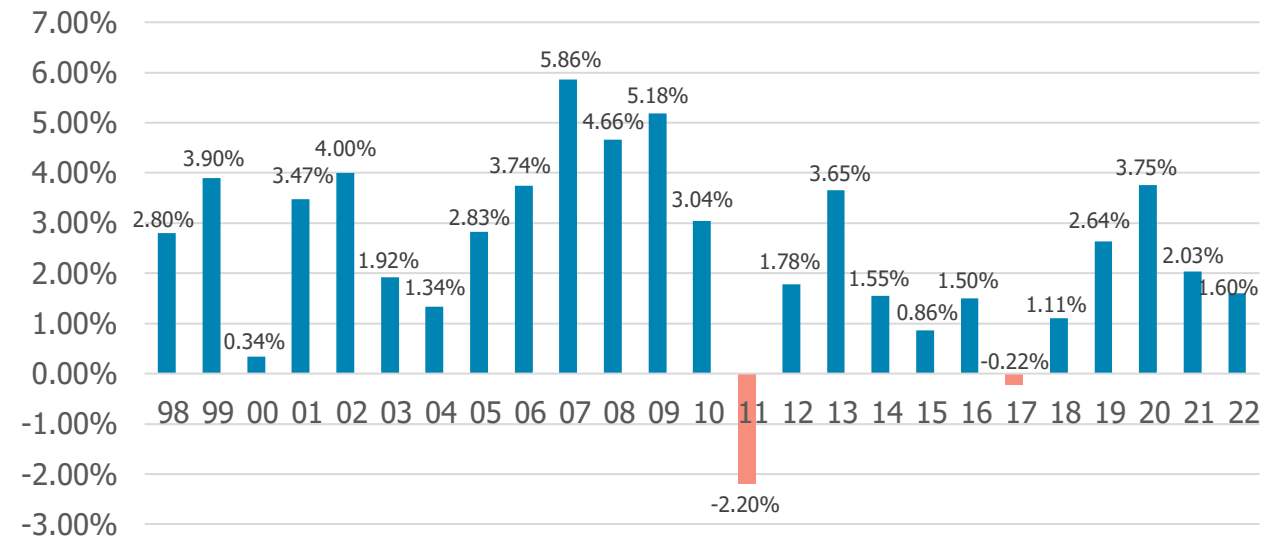


| Year | Charter School | School Choice | Total Enrollment | Change from Previous Year |
|------|----------------|---------------|------------------|---------------------------|
| FY19 | 2,006 | 492 | 2,498 | |
| FY20 | 1,980 | 498 | 2,478 | -20 |
| FY21 | 1,965 | 509 | 2,474 | -4 |



Foundation Budget Inflation Rate

Change in the Per Pupil Rate Annually based on
Implicit Price Deflators for Gross Domestic
Product for State and Local Governments



FY22 Rate: 1.41%

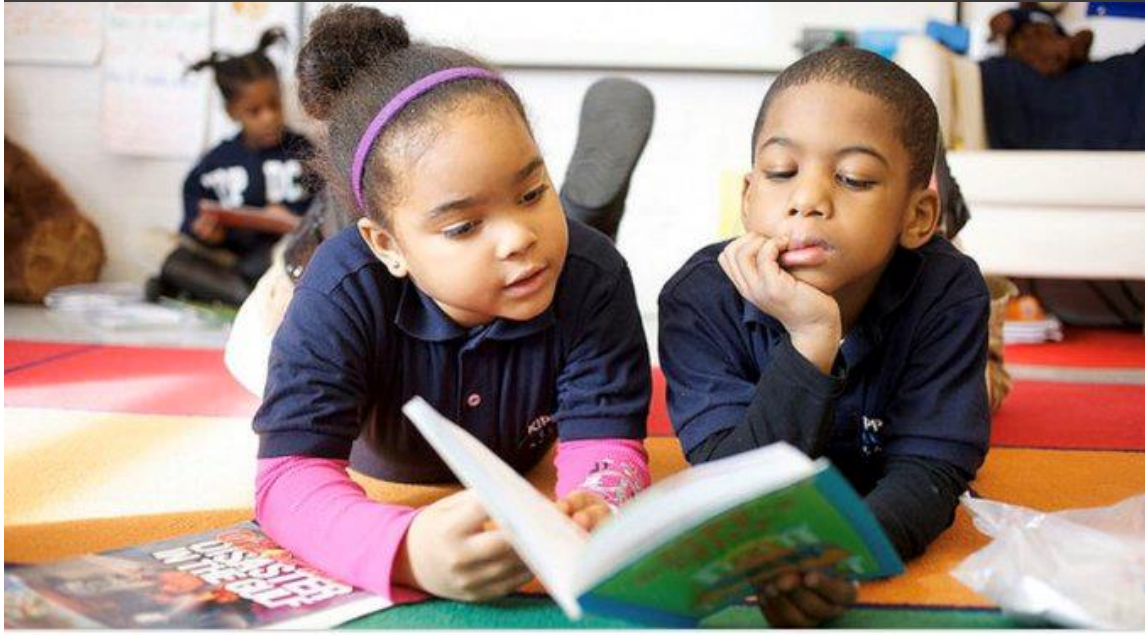
Employee Benefits Inflation Rate: 2.78%

Combined Average Increase: 1.6%

Inflation provides \$6.0 million in funding for FY22

25-year overall average: 2.44%

Each 1% Change in Rate = \$3.8 million



Foundation Budget Factors

FY22 Budget Impact for the Worcester Public Schools



Enrollment

-\$9.7 million



Inflation

+6.0 million



Student
Opportunity Act

+\$18.9 million

Includes resident charter school and school choice students in these calculations



Foundation Budget Factors

FY22 Budget Impact for the Worcester Public Schools

Foundation Budget Change from FY21

| | |
|--------------------|---------------------|
| Inflation | \$6,035,988 |
| Student Enrollment | <u>-\$9,560,647</u> |
| Total Change | -\$3,524,660 |

Includes resident charter school and school choice students in these calculations



Foundation Budget Factors

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| Inflation | \$6,035,988 |
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| Total Change | -\$3,524,660 |
| Student Opportunity Act Funding | <u>\$18,858,121</u> |
| FY22 Foundation Budget Change | \$15,333,461 |

Includes resident charter school and school choice students in these calculations

FY22 General Fund Budget

Going from Foundation Budget to Expected Operating Budget

| | FY21 Adopted Budget | FY22 Budget (Governor's Version) | \$ Change | % Change |
|-------------------------|----------------------|----------------------------------|--------------------|-------------|
| A. Chapter 70 State Aid | \$277,395,997 | \$289,004,989 | \$11,608,992 | 4.2% |
| B. City Contribution | <u>\$123,327,975</u> | <u>\$127,052,444</u> | <u>\$3,724,469</u> | <u>3.0%</u> |
| C. Sub-Total (A+B) | \$400,723,972 | \$416,057,433 | \$15,333,461 | 3.8% |
| | | | | |
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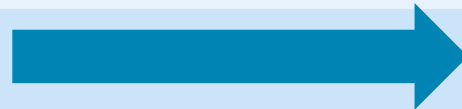
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| C. Sub-Total (A+B) | \$400,723,972 | \$416,057,433 | \$15,333,461 | 3.8% |
| | | | | |
| D. Charter School Tuition Assessment | -\$28,085,167 | -\$31,203,984 | -\$3,118,817 | 11.1% |
| E. Charter School Reimbursement | \$3,007,423 | \$4,946,129 | \$1,938,706 | 64.5% |
| F. School Choice Tuition Assessment | -\$3,045,212 | -\$3,397,816 | -\$352,604 | 11.6% |
| G. Special Education Assessment | <u>-\$202,348</u> | <u>-\$186,620</u> | <u>\$15,728</u> | <u>-7.8%</u> |
| H. Total Assessment & Reimbursement (Sum D through G) | -\$28,325,304 | -\$29,842,291 | -\$1,516,987 | 5.4% |
| TOTAL GENERAL FUND BUDGET (C-H) | \$372,398,668 | \$386,215,142 | \$13,816,474 | 3.7% |

How Does FY22 Compare to FY21?

FY21 Budget Before Pandemic-Related Reductions Compared to FY22 Initial Budget

| | FY21 Initial Budget | | FY22 Initial Budget | |
|---------------------|---------------------|---|---------------------|-------|
| Foundation Budget | \$398,714,407 |  | \$397,940,445 | -0.2% |
| General Fund Budget | \$388,455,204 |  | \$386,215,142 | -0.6% |

- Due to enrollment decline: FY22 Foundation Budget and FY22 General Fund Budget are less than the original budget amounts adopted last year.
- FY21 Budget reduction (\$16.0 million) balanced on one-time, pandemic-related savings (transportation, crossing guards, literacy tutors, etc.)
- FY22 provides less funding than adopted in FY21 original budget (and FY22 cost increases makes less revenue available than last year's original budget amount).

FY22 Budget Planning

| Budget Item | Amount |
|--|----------------------|
| FY21 Adopted Budget (December 2020) | \$372,398,668 |
| <i>Restore One-Time Remote Budget Savings:</i> | |
| Student Transportation | \$6,783,026 |
| Salary Accounts | \$5,633,945 |
| Instructional Supplies | \$398,780 |
| Day-by-Day Substitutes | \$285,000 |
| Crossing Guards | \$183,781 |
| Health Insurance (due to position vacancies) | \$168,610 |
| Trash Removal | \$89,303 |
| Security Guards | \$81,372 |
| After School Dropoff Center | \$7,500 |
| In-State Travel | <u>\$5,000</u> |
| Total One-Time Remote Budget Savings | \$13,636,317 |
| | |
| FY22 Baseline Budget | \$386,034,985 |

FY22 Budget Planning

| Budget Item | Amount |
|--|-----------------------------|
| FY22 Baseline Budget | \$386,034,985 |
| FY22 Preliminary General Fund | <u>\$386,215,142</u> |
| Difference | \$180,157 |
| 3% Initial Spending Increase (Inflation Costs) – Not including New Programs and Services | \$11,600,000 |
| Inflationary Cost Increases for: Health Insurance, Retirement Assessments, Contractual Increases, Transportation, Tuition Costs, Utility Costs, etc. | |
| ESTIMATED BUDGET GAP (As of February 4, 2021) | -\$11,419.843 |

Total Budget Increase Needed for FY22 Baseline Level (Restored One-Time Spending Cuts) and 3% inflation growth: **\$25,236,317**



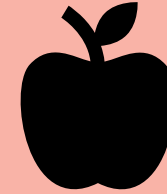
Student Opportunity Act

Chapter 132 of the Acts of 2019

Formula Changes to be phased in over seven-year period.



Benefits & Fixed Charges



Guidance and Psychological Services



Special Education OOD Tuition Rate



English Learners



Low Income

Change from 10 to 12 tiers, higher rates, and revert back to previous low income calculation of students. (**Worcester is tier 11 of 12**)



Formula Changes

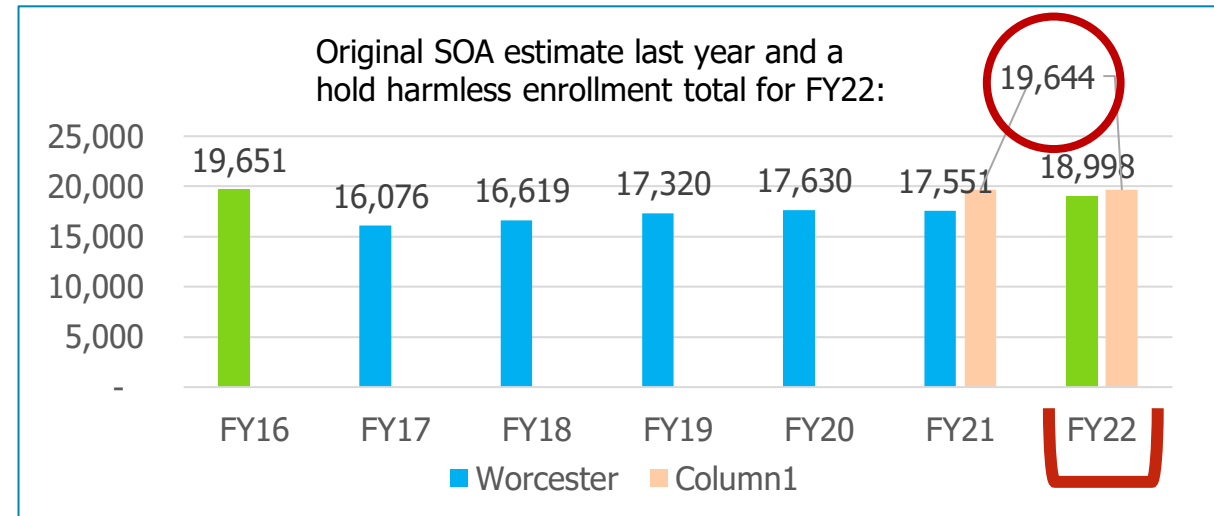
Phase in of assumed in-district special education enrollment to 5% for vocational students and 4% for non-vocational students.



Student Opportunity Act

Low Income Student Count Change

- The SOA reinstates the definition of low-income enrollment used prior to FY2017, based on 185% of the federal poverty level.
- Replaces the economically disadvantaged designation (based on 133% of the federal poverty level) used from FY2017 through FY2021.
- For FY2022, a district's low-income enrollment is the higher of: (a) the number of students matched through the Department's current direct certification process (which identifies students whose families have been approved for various federal and state benefit programs) or (b) the district's FY2016 low-income percentage multiplied by its current foundation enrollment.



FY16 Low Income Percent = 71.58%

FY22 Foundation Enrollment 26,540 x 71.58% = 18,998

Enrollment Hold Harmless Difference in Funding: \$3.4 million



Student Opportunity Act

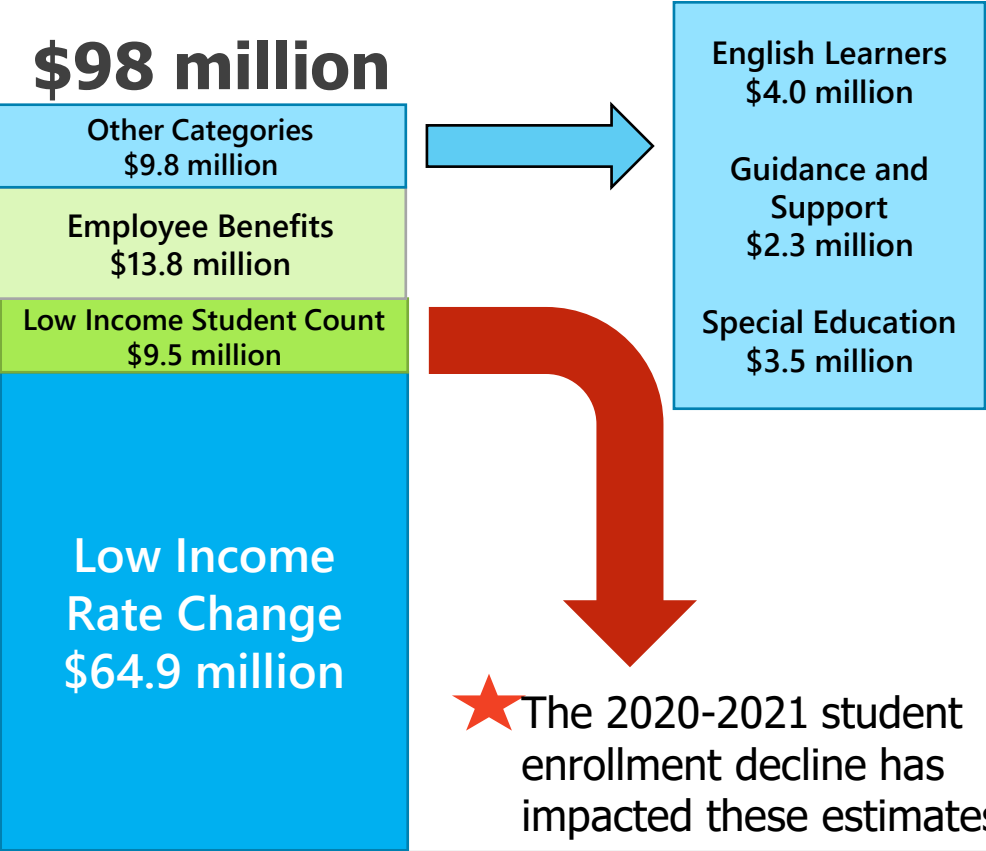
Year 1: Phase In Increase

FY22 (with FY21 Initial Proposal as Comparison)

| Category | FY22 Phase-In Increase | FY21 Initial Increase (Before Reduction) |
|-------------------------------------|------------------------|--|
| Benefits and Fixed Charges | \$2,664,792 | \$2,140,441 |
| Guidance and Psychological Services | \$349,071 | \$304,679 |
| Special Education Tuition | \$242,262 | \$246,940 |
| English Learners | \$487,491 | \$581,301 |
| Low Income Rate | \$7,534,222 | \$2,354,777 |
| Low Income Student Count | <u>\$7,580,283</u> | <u>\$10,081,186</u> |
| Total | \$18,858,121 | \$15,709,324 |

Total \$98 million increase in Foundation Budget

Actual increases subject to enrollment shifts and changes over seven-year period.



Student Opportunity Goal Rates

Total additional funding expected in Worcester Public Schools between FY22-FY28

Benchmark: Seven Year Expected Funding Model

Seven Year Funding Amounts Assumed flat enrollment,
2.64% annual inflation with the new Goal Rate Numbers

Estimates from February 2020

| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | TOTAL |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Enrollment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inflation | \$10.0 | \$10.3 | \$10.6 | \$10.8 | \$11.1 | \$11.4 | \$11.7 | \$75.9 |

Enrollment assumed to be level during the seven years in this model

Note that the Inflation amounts are used to pay annual cost increases to sustain level service and has always been part of the funding formula.

Benchmark: Seven Year Expected Funding Model

Seven Year Funding Amounts Assumed flat enrollment,
2.64% annual inflation with the new Goal Rate Numbers

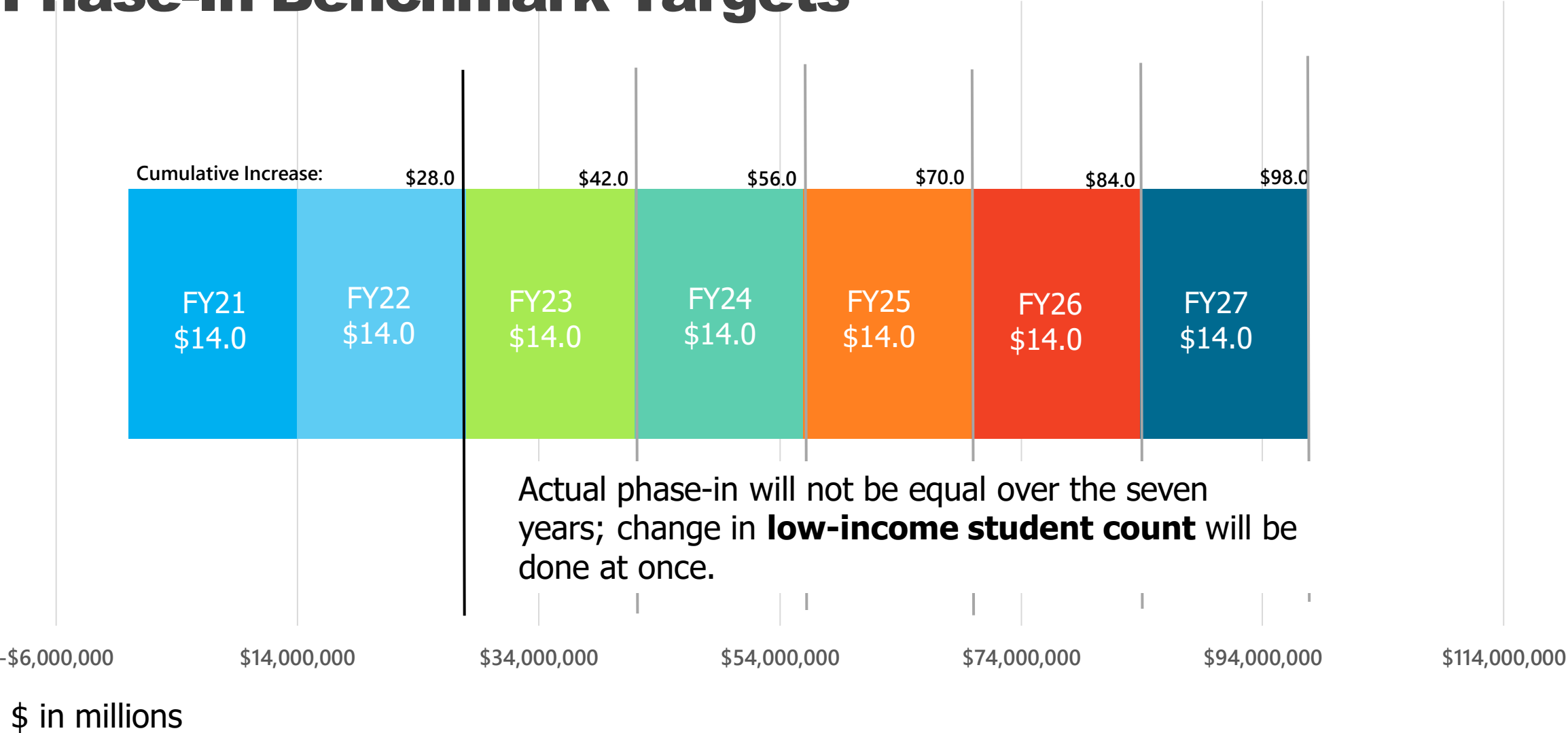
Estimates from February 2020

| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | TOTAL |
|------------|--------|--------|--------|--------|--------|--------|--------|---------|
| Enrollment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inflation | \$10.0 | \$10.3 | \$10.6 | \$10.8 | \$11.1 | \$11.4 | \$11.7 | \$75.9 |
| SOA | \$14.0 | \$14.0 | \$14.0 | \$14.0 | \$14.0 | \$14.0 | \$14.0 | \$98.0 |
| Total | \$24.0 | \$24.3 | \$24.6 | \$24.8 | \$25.1 | \$25.4 | \$25.7 | \$173.9 |

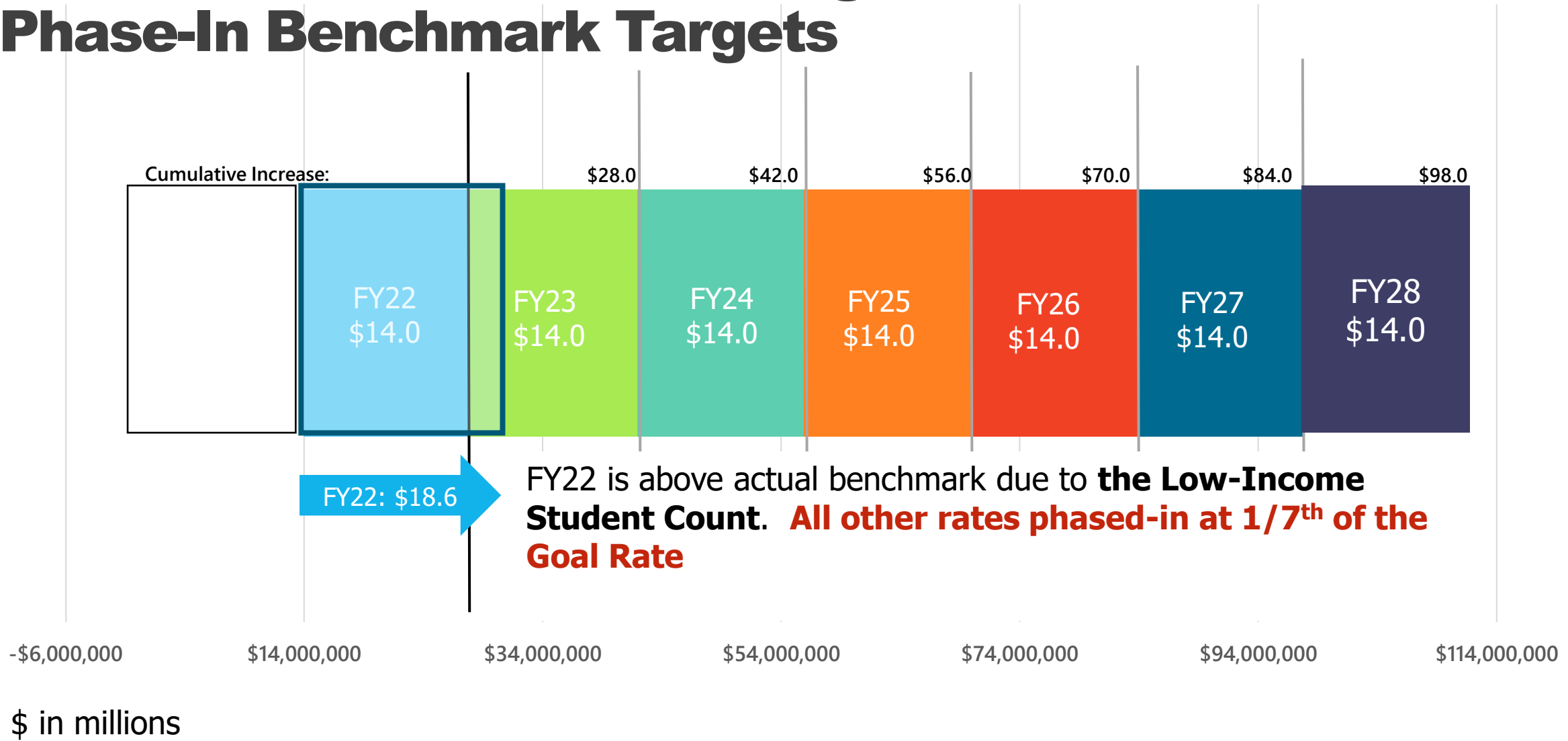
Enrollment assumed to be level during the seven years in this model

Note that the Inflation amounts are used to pay annual cost increases to sustain level service and has always been part of the funding formula.

Original Seven Year Funding Phase-In Benchmark Targets

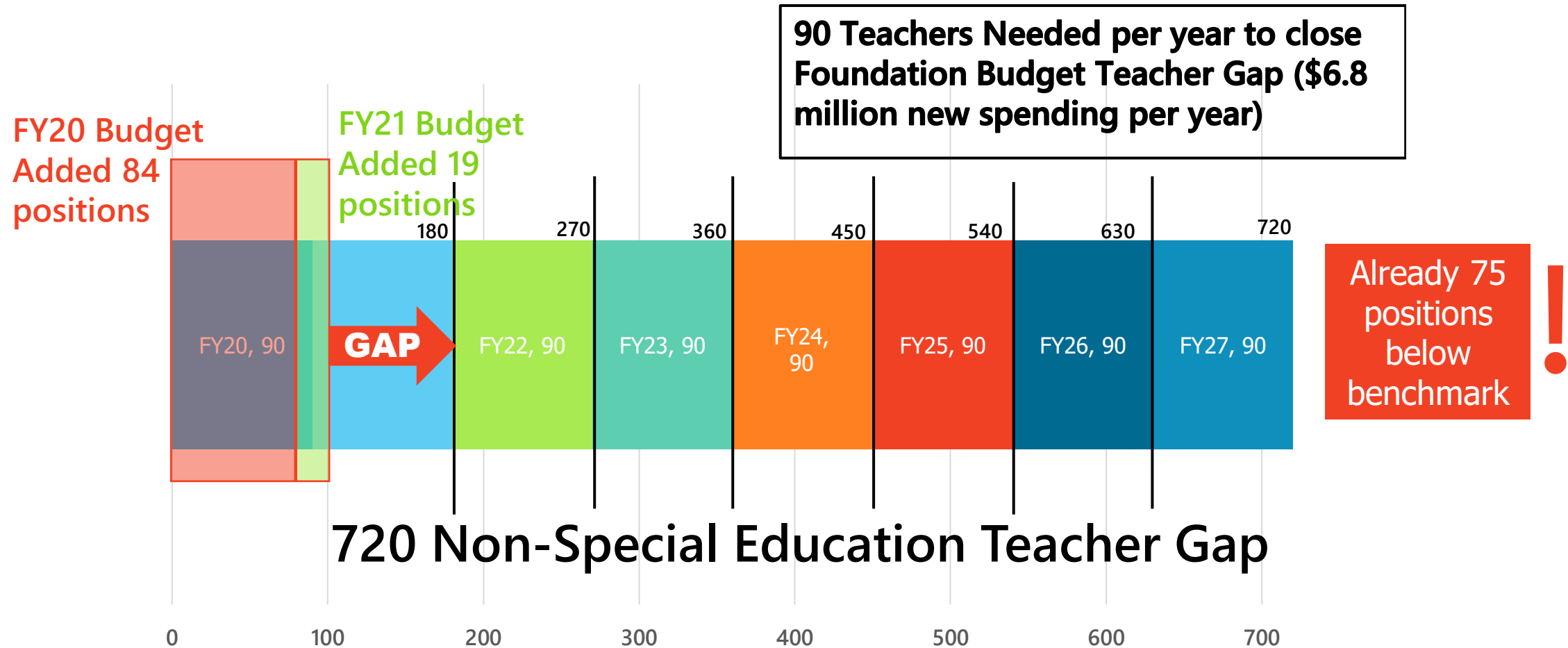


UPDATED Seven Year Funding Phase-In Benchmark Targets



Benchmark: Adding Teaching Positions

Actual Staffing Levels Compared to Foundation Budget Formula





Federal Stimulus Funds

Coronavirus Relief Funds
ESSER Funds – I and II
Remote Learning Technology



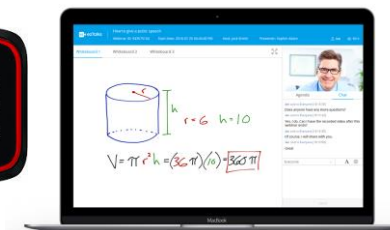
Remote Learning Technology

\$2.3 million



Coronavirus Relief Fund

\$5.7 million



Elementary & Secondary School Emergency Relief Fund I and II

\$9.5 million
(through 9/30/22)

NEW!
\$34.8 million
(through 9/30/23)

Grant application available on February 5



Federal Stimulus Funds

Coronavirus Relief Funds
ESSER Funds – I and II
Remote Learning Technology

| Funding Source | Award Amount | Deadline for Spending |
|--------------------------------------|---------------------|---------------------------------|
| Remote Learning Technology | \$2,253,313 | 6/30/21 Grant Complete |
| CvRF School Reopening | \$5,729,400 | 6/30/21 Grant Complete |
| State Coronavirus Prevention Program | \$1,862,200 | 6/30/21 |
| State Special Support Earmark | \$75,000 | 6/30/21 |
| ESSER – CARES Act I | \$9,463,606 | 9/30/22 |
| ESSER – CARES Act II | <u>\$34,815,950</u> | 9/30/23 Awaiting Grant Award |
| Total | \$54,199,469 | |

Difference between Hold Harmless Enrollment & Hold Harmless Funding

- Declining enrollment often results in lower foundation budget amounts for those districts. This could result in needing less Chapter 70 state aid to meet the foundation budget.
- The state uses **Hold Harmless Funding** to protect school districts by providing no less in Chapter 70 state aid than received in the previous year
- The state has used Hold Harmless Funding for many years. The FY21 Hold Harmless Amount is **\$361.3 million.**

FY22 Legislative Priority

HOLD HARMLESS ENROLLMENT TO 10/1/2019

Difference between Hold Harmless Enrollment & Hold Harmless Funding

- **Hold Harmless Enrollment** recognizes an unprecedented statewide enrollment decline attributed to the pandemic.
- 46% of statewide enrollment decline is at the Pre-K and Kindergarten level.
- Levels the funding for anticipated return of Pre-K and K students next year that did not enroll this year.

| District | Foundation Enrollment Decline |
|-----------|-------------------------------|
| Boston | -2,186 |
| Lynn | -931 |
| Worcester | -902 |
| Brookline | -790 |
| Newton | -718 |
| Lawrence | -621 |
| Wellesley | -410 |

FY22 Legislative Priority

HOLD HARMLESS ENROLLMENT TO 10/1/2019

Hold Harmless Enrollment

Massachusetts Association of School Superintendents Legislative and Advocacy Platform

Use October 1, 2019 (or June 30, 2020) student enrollment.

Without Enrollment Hold Harmless

Foundation Budget Change from FY21

| | |
|-----------|-------------|
| Inflation | \$6,035,988 |
|-----------|-------------|

| | |
|---------------------------|----------------------------|
| Student Enrollment | <u>-\$9,560,647</u> |
|---------------------------|----------------------------|

| | |
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| Total Change | -\$3,524,660 |
|--------------|--------------|

| | |
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|---------------------------------|---------------------|

| | |
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|-------------------------------|--------------|

FY22 Legislative Priority

HOLD HARMLESS ENROLLMENT TO 10/1/2019

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With Enrollment Hold Harmless

Foundation Budget Change from FY21

| | |
|-----------|-------------|
| Inflation | \$6,035,988 |
|-----------|-------------|

| | |
|---------------------------|--------------------|
| Student Enrollment | <u>-\$0</u> |
|---------------------------|--------------------|

| | |
|--------------|-------------|
| Total Change | \$6,035,988 |
|--------------|-------------|

| | |
|---------------------------------|---------------------|
| Student Opportunity Act Funding | <u>\$18,858,121</u> |
|---------------------------------|---------------------|

| | |
|--------------------------------------|---------------------|
| FY22 Foundation Budget Change | \$24,894,109 |
|--------------------------------------|---------------------|

| | |
|---|---------------------|
| Total Budget Increase Needed for FY22 Baseline Level and 3% growth: | \$25,236,317 |
|---|---------------------|

FY22 Legislative Priority

HOLD HARMLESS ENROLLMENT TO 10/1/2019

Enrollment Hold Harmless

Reflects unprecedented statewide enrollment decline most likely attributed to COVID-19 pandemic



**FY22 Legislative
Priority**

Hold Harmless
FUNDING

- Typically used to ensure that district receives no less Chapter 70 funding during previous year.
- Usually caused by enrollment decline.
- Implementation of Student Opportunity Act funds masks the effects of pandemic-related enrollment decline.

Hold Harmless
ENROLLMENT

- Recognizes unprecedented, pandemic-related enrollment declines (notably at Pre-K and K level).
- Allows districts to absorb return/enrollment of students with sustained funding.
- Reconciliation of actual enrollments to occur for FY23 Budget.

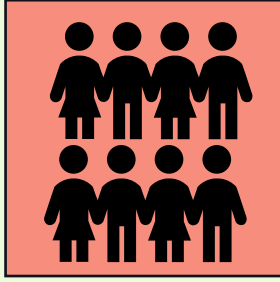
At a minimum, a Foundation Reserve (or “Pothole”) fund should be established in the FY22 state budget for **Kindergarten Enrollments** that exceed 2020-2021 enrollment levels.

Key Areas of Impact

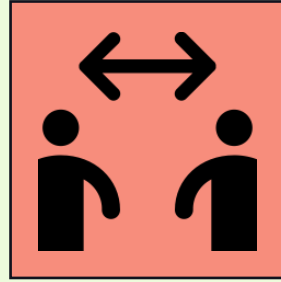
FY22 BUDGET PLANNING



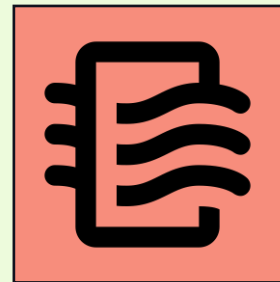
Elementary Enrollment



Pre-K and K Enrollment



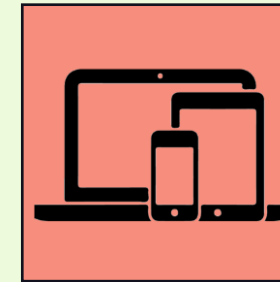
Vaccinations and Spacing



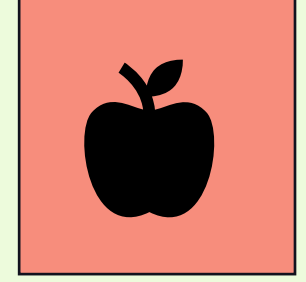
Ventilation Systems



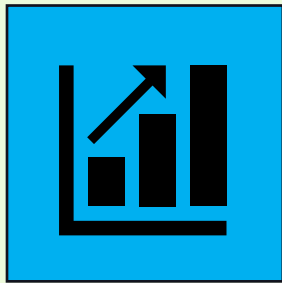
Continuation of Remote Learning Options



Continuation of Technology and PPE



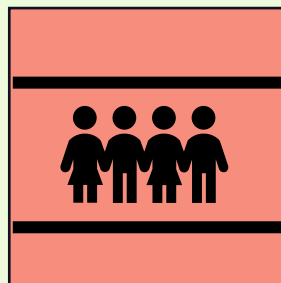
Budget Gap & Use of One-Time Funds to Support FY22



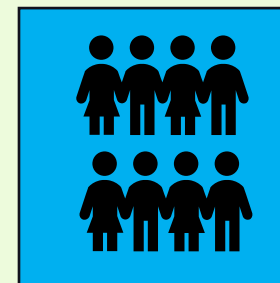
Retirement & Health Insurance



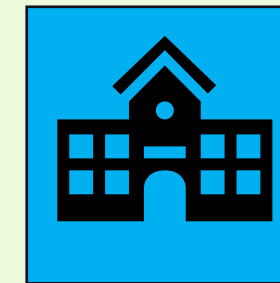
New South High Open



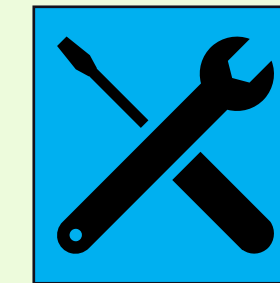
Hold Harmless Enrollment



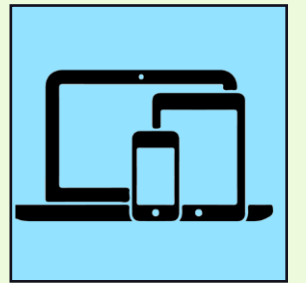
Low Income Student Count



Dual Language School



Facilities Dept. Space



Long Term 1:1 Sustainability

Budget Calendar



February-March

School and District Resource Allocation Meetings to develop budget priorities and recommendations



May 19

Senate Budget Released (Expected Date)



April 14

House of Representatives Budget Released (Expected Date). This budget is used to develop budget recommendations to School Committee



May (Week of 24th)

Standing Committee on Finance and Operations Public Budget Hearing prior to School Committee Budget Deliberations



May 14

FY22 Budget to be submitted to School Committee and posted on district website



June 3 & 17

School Committee Budget Hearings

FY22 Budget Planning – Alignment of Resources

- **Student Opportunity Act**



- **Strategic Plan**



- **Seven Point Plan for Advancing Student Achievement and Program Sustainability**





From Here, Anywhere!