

April 2007

BPS FY08 Budget Soars with Salary Increases

Collective bargaining agreement adds to costs in FY07 and FY08

A \$782.0M Boston Public School (BPS) budget was recently approved by the Boston School Committee. The approved budget is \$34.9M more than the \$747.1M budget originally proposed, primarily due to the finalization of Boston Teachers Union (BTU) contract negotiations. Including collective bargaining increases, the BPS budget grew by 4.6% from FY07 to FY08.

Provisions in the negotiated contract that impact the FY08 budget include:

- Salary increases of 13% over four years, beginning with a 2% increase retroactive to September 1, 2006 and a 3% increase effective September 1, 2007.
- A \$500 one-time bonus for teachers and paraprofessionals, retroactive to September 1, 2006.
- A \$600 step increase for teachers, except those on step 1, and a \$300 step increase for paraprofessionals, effective February 1, 2008.
- An increased contribution by the BPS to the BTU Health and Welfare Fund, which provides such benefits as dental and eye care.
- Staffing increases for paraprofessionals and nurses.
- A new Peer Assistance program to provide support for teachers having difficulty in the classroom and improve teaching.

The increases retroactive to FY07 require a supplemental appropriation of \$13.0M, raising the FY07 budget total to \$747.5M. In FY08, the new contract provisions add an additional \$21.6M to the budget. An additional \$1.5M was also included in the revised budget to fund costs relating to ten Superintendent Schools, which will have longer school days and more professional development opportunities for teachers.

The BTU contract also provides some savings in the FY08 budget by eliminating one of the more costly employee health insurance plans and by gradually increasing the percentage share of the health insurance premium paid by employees to 15% for HMO plans and 20% for POS plans. Currently, employees pay 10% of HMO premiums and 15% of POS premiums. A first year reduction by 1% translates into a \$1.1M savings in the FY08 budget.

Other changes to the budget include six additional Family and Community Outreach Coordinators as well as a staff member for the Deputy Superintendent for Family and Community Engagement as a response to input from the community during public hearings. The additional \$385.0K for these positions is funded through a reallocation of funds within the existing budget.