

February/March 2008

Boston Schools Face FY09 Budget Challenge

Multi-year strategy for efficient change should be high priority

On March 26th, the Boston School Committee approved a FY09 operating budget of \$827.5M, an increase of \$44.7M or 5.7% over the current appropriation. This budget is \$12M over the initial target budget of \$815.5M because it became clear that deeper cuts in the budget now would be too disruptive without time to properly plan and execute thoughtful strategies. The City will allocate \$10M from non-recurring reserves (Free Cash) and the Boston Public Schools (BPS) will execute plans to increase city revenues by \$2M to support the budget.

This revised budget plan will give Superintendent Johnson more time to develop a multi-year plan to achieve greater efficiencies and cost savings in such areas as transportation, student assignment, staffing, and facility utilization. From this effort should come decisions on hard issues like school closings that can be implemented by FY10. The City cannot indefinitely support school services by utilizing one-time revenues.

The FY09 budget of \$827.5M is \$18.7M less than a level service budget from this year with limited new initiatives. Budget cuts of \$16.7M have been identified primarily in central services to protect classrooms. The cuts include the elimination of 49 central positions of which 32 or 65% are vacant positions. An additional \$2.0M in cuts must be achieved that could result in a further reduction of 32 administrative positions which would be more difficult to achieve with vacancies already captured in the first set of reductions.

Pressure Points on BPS Budget

- Negligible net state aid increase (\$3.1M or 0.7%) based on Governor's budget. [MORE>](#)
- Reductions in external funds (\$16.2M) such as Title 1 and other grant sources that require service costs to be absorbed in the operating budget or eliminated.
- Increased costs in FY09 for collective bargaining contracts (\$28M). The increase in the Boston teachers' contract alone is \$22M next year and \$184M over four years.
- Escalating costs for utilities (\$1.6M), health insurance (\$4.9M), other employee benefits (\$2.3M) and transportation (\$1.0M).
- Declining enrollment of 9.5% over five years that affects allocations for state Chapter 70 school aid and Federal Title 1 grants.
- Growing levels of BPS employees (453 FTE in 3 years) as initiatives were approved to address instructional needs but not offset by cuts elsewhere in response to enrollment declines.

The School Committee should reconsider its cut of \$300,000 for professional development in the ten Superintendent Schools. This plan to turn around underperforming schools came at a high cost in the teachers' contract and should not be weakened further.