

March 2015

School Committee Approves FY16 Budget with a 4% Increase

General Fund budget surpasses \$1 Billion for first time in BPS history

The School Committee approved a General Fund FY16 budget on March 25 totaling \$1.01B, an increase of \$38.6M or 4.0%. Salaries and employee benefits total \$781.6M or 77.1% of the operating budget. External grants added \$119.6M for a total All-Funds BPS budget of \$1.13B to serve a projected enrollment of 57,157 students.

The General Fund budget supports 8,692 FTE positions, a decrease of 91 positions. The loss of state and federal funds of \$15.2M or 11.3% will result in a decrease of 53 externally funded positions, creating an all-funds reduction of 144 positions.

Despite the 4.0% appropriation increase, the BPS still had to address a budget gap of \$42M. Contributing factors include the rising cost of employee spending, a very expensive transportation system, a food service system that is not self-sufficient, excess capacity, and declining state and federal education aid.

Student enrollment is expected to decrease by roughly 300 students. However, funding under “weighted student funding” is expected to increase by \$21.1M due an increase in the number of students who meet learning or economic conditions that require additional school funding and rising personnel costs.

To close the gap the School Committee voted to close two schools, make significant changes to two programs for at-risk students, and consolidate classrooms in transition grades. Transportation costs were limited by redefining

the walk zone and shifting those 7th graders not currently using MBTA services from yellow buses to MBTA passes. Additionally, \$16.6M in savings comes from a planned restructuring of central office services which resulted in the reduction of 134 positions. A restructuring of the central office last year to reduce positions produced less than planned savings so this plan should be monitored.

FY16 BPS Budget

General Fund In Millions

Account	FY16 Budget	% of Total	% Change FY15-16
Salaries	\$648.9	64.0%	1.5%
Benefits	132.7	13.1%	5.8%
Sub-total	\$781.6	77.1%	2.2%
Transp.	\$98.2	9.7%	3.4%
Purch.Serv	57.8	5.7%	-5.4%
Prop. Serv.	38.2	3.8%	-1.2%
Supplies	8.5	0.8%	10.8%
Equipment	4.7	0.5%	-1.8%
Reserve	22.4	2.2%	1819.2%
Misc.	2.1	0.2%	-0.3%
Sub-total	\$231.9	22.9%	10.2%
	\$1,013.		
Total	5	100%	4.0%

The large increase in the reserve account is temporary. In addition to reserve funds, this budget account currently holds other funds, such as savings from school closures and funds for extended learning time, which will be distributed to the correct accounts after the student assignment process is completed.