

Boston School Budget Will Be A Challenge In Fiscal 2013

BPS faces increased operational expenses and cuts in federal grants

The Boston Public School Department (BPS) is working on its FY13 budget and early indications are it will be another challenging year financially. A recent report by the BPS' Chief Financial Officer to the School Committee estimated that operational spending would increase by \$24.6M, not including collective bargaining costs, and that federal and state education grants could decrease by \$23.5M. The expected increase in FY13 appropriations will help but operational spending will need to be tightened further.

Budget Milestone for BPS

The CFO's report also noted that the BPS ended FY11 with an operating surplus of \$7,046. This feat marks the 20th consecutive year in the 20 years of the appointed School Committee that the BPS ended the year with an operating surplus. As shown below, these results are in sharp contrast to the fiduciary results under the elected School Committee.

FY13 Fiscal Challenges

Of the estimated increase in operational spending in FY13 of \$24.6M, employee step increases total \$11M. There are nine steps in the teachers' contract and those teachers not at the maximum step receive a step increase which represents an automatic salary raise of approximately 5%-6%. Other large increases include \$5.7M for the new facilities plan and prior facility initiatives and \$2.6M for transportation.

Grant losses of \$23.5M or 27% include \$11.7M in federal NCLB Entitlement Grants for students in poverty and English Language Learners and for teacher quality and \$10.2M in federal one-time Education Jobs Funds used to retain 123 teacher specialist positions. State grants of \$1.6M for extended learning at the Umana and Timilty schools are expected to be cut.

