

February 2012

Superintendent Submits FY13 Budget With 0.3% Increase

Despite \$23.1M cut in grants, direct appropriations to schools increased by \$20.3M

On February 1, Superintendent Johnson submitted her FY13 recommended all-funds budget to the School Committee totaling \$995.6M, an increase of \$2.5M or 0.3%. This budget is balanced, in good part, due to Mayor Menino's decision to increase the City's appropriation by \$25.6M. To balance this budget, the BPS had to address a \$28.2M gap due mainly to cuts of \$23.1M in state and federal grants. The proposal also includes an increase in direct appropriations to schools of \$20.3M. As a result, the BPS expects to increase positions across all funds by 201 FTEs or 2.3% in FY13. As shown below, the recommended city-funded operating budget totals \$856.5M, and the externally-funded budget totals \$139.1M.

Table 1
Boston Public Schools Proposed FY13 All-Funds Budget
in Millions

	FY12	FY13	Change	% Change
General Fund	\$830.9	\$856.5	\$25.6	3.1%
State & Federal Grants	162.2	139.1	-23.1	-14.2%
Total	\$993.1	\$995.6	\$2.5	0.3%

* General Fund Includes Health Insurance

The BPS used several measures to close the all-funds \$28.2M budget gap including deferring building maintenance and textbook investments (\$4.5M), management efficiencies (\$6.7M), reductions in Title I per-pupil allocations, eliminating vacant positions (\$8.4M), and strategic use of external funds (\$8.7M).

The General Fund operating budget includes increases in salaries (4.3%), transportation (7.8%), supplies (21.1%) and classroom equipment (29.4%). Salaries and benefits comprise 80% of the total, which is level with FY12 and reflects one-time health insurance savings negotiated in April 2011. The budget provides for an increase in direct appropriations to schools by \$20.3 million for employee step increases, new early childhood education classrooms, and a facilities expansion plan. Salaries account for \$18.5M or 91.1% of this increase.

Table 2
Boston Public Schools General Fund Budget
in Millions

	FY12	FY13	% Change
Salaries	\$533.9	\$557.0	4.3%
Benefits	128.5	127.7	-0.6%
Transportation	74.2	80.0	7.8%
Property Svcs.	39.5	38.6	-2.3%
Purchased Svcs.	42.8	40.2	-6.1%
Supplies	7.1	8.6	21.1%
Equipment	1.7	2.2	29.4%
Other	3.2	2.2	-31.3%
Total	\$830.9	\$856.5	3.1%

The BPS should address tight budgets through structural, not one-time measures. Deferring school maintenance for the second time in three years should be reconsidered. The outcome of current contract negotiations and student assignment are important opportunities to address structural fiscal issues.