

February 2010

Superintendent Presents FY11 Budget Plan

Budget gap remains, requiring further cuts while moving forward with reform agenda

Moving forward to implement a reform agenda to turnaround underperforming schools while meeting budget guidelines requiring cuts in existing services are the two forces the Superintendent must balance in finalizing the Boston Public School System's (BPS) FY11 budget. The Superintendent presented a draft of her five-year strategic Acceleration Agenda on November 18, 2009 and her preliminary budget plan was presented on February 3, 2010. This budget is not balanced and will require an additional \$32.5M cut to meet the target of \$809.7M. The budget challenge in FY12 could be even more severe, causing the BPS to consider a multi-year budgeting strategy.

The preliminary FY11 budget represents a cut of \$8.2M or 1.0% from the current appropriation of \$817.9M. City financial officials recently indicated that the City faces an estimated \$42.2M budget gap in FY11 and most departments are asked to plan for a 1% cut. The actual state aid cut is not known so the 1% request could be modified depending on the final reduction.

The BPS determined that to maintain the same level of services next year as provided this year would cost \$57.7M in excess of the FY11 target budget. Cost increases were due to contract and other increases of existing programs, the need to commit to additional services for English Language Learners due to federal and state pressure and the absorption of service costs that were formerly supported

by federal or state grants that have decreased or expired. Budget cuts planned to date by the BPS come to \$25.2M, leaving an existing gap of \$32.5M. Of the cuts made, 44% came from the central office and 27% from schools.

To further protect classroom cuts, the Superintendent's team will focus on collective bargaining and the operational services of transportation, facilities and food services. Automatic salary step increases for teachers and other employees not at maximum is costing \$13.4M this year and freezing these steps will be discussed with the unions. The plan last year to modify the student assignment plan to control busing costs was diverted by the criticism of the lack of quality schools in some neighborhoods. To what extent food services can be provided by contracted services will determine possible savings in this area.

Excess seating capacity will be a key area of discussion in finalizing this year's budget. The Superintendent's team estimates that the BPS has 4,500 empty seats, which at a cost of \$4,000 per seat, translates into a theoretical savings of \$18 million. Also, in a comparison of 21 school districts with enrollments between 50,000 and 60,000, Boston operates substantially more schools than 18 other districts. School closing must be considered but at this date how many would be closed by September 2010 is not clear.