

School Spending Projected to Drop \$83.8M City's Share of BPS Budget Grows Significantly

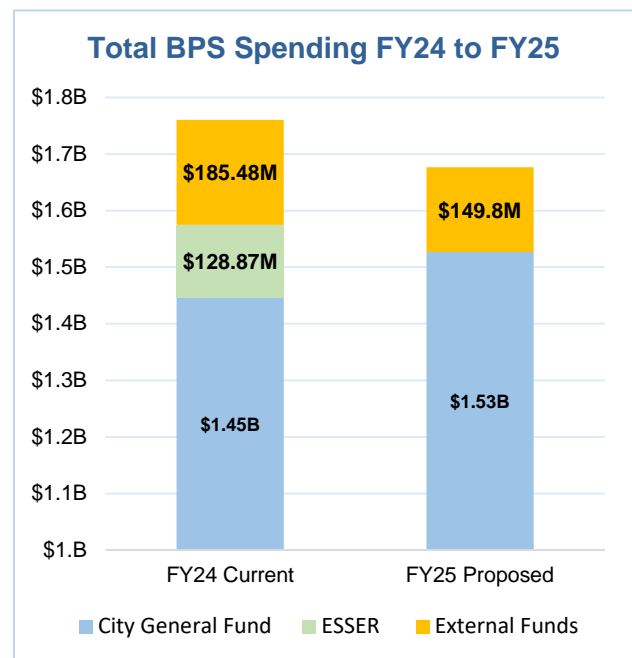
Proposed FY25 budget eliminates 393.1 FTE positions

On February 7, Boston Public Schools Superintendent, Mary Skipper, revealed an all-funds budget of \$1.68B, down \$83.8M or 4.8% from FY24. The BPS all-funds budget consists of multiple funding sources, with revenue coming primarily from the City's general fund, but also from other external sources such as grants. The \$83.8M budgeted decrease is driven primarily by the loss of one-time Elementary and Secondary School Emergency Relief (ESSER) funds, a federal program designed to support schools dealing with the impacts of the pandemic. Spending on the all-funds budget is anticipated to decline by \$30.4M (-3.6%) for individual schools and by \$64.2M (-6.8%) for centrally-funded services.

Personnel - The district's all-funds budget calls for eliminating 393.1 FTE (full-time equivalent) positions in FY25, with a loss of 492.2 ESSER-funded FTE positions and an increase of 167.1 FTEs (1.6%) in the general fund. While the net decrease in budgeted personnel is in part due to elimination of vacant positions, it remains unclear if or how many layoffs will occur due to the position cuts. BPS must be upfront about any expected layoffs, and in what areas of the school system they will occur.

Of the proposed general fund budget, \$1.19B, or 77.9%, is for salary and benefits, an increase of \$49.6M or 4.4% from FY24 budget. It includes \$561.9M for teachers overall, an increase of 0.2%, with an increase of \$24.0M (11.7%) in special education teachers and a decrease of \$4.1M (-3.8%) for bilingual teachers. The district also budgeted an additional \$9.6M (8.9%) for administrators, while decreasing funding by \$2.1M or 2.3% for aides, which also includes librarians and behavioral specialists.

General Fund - The Superintendent recommended an FY25 general fund budget of \$1.53B, an \$80.8M, or 5.6% increase from the FY24 current general fund budget. This increase in City funding includes funding to partly offset the \$128.9M decrease in ESSER funding. The general fund budget calls for allocating \$753.2M to centrally-funded services and \$792.4M to schools. In addition to the loss of ESSER funds, the district faces other challenges in FY25, including continued declining enrollment and grade reconfigurations, the implementation of a new inclusion policy for English language learners and special education students, and the start of a transition from the weighted student funding model.



Budget by Program - Spending on general education is projected to decrease \$1.2M (-0.3%). At \$337.3M, it represents 22.1% of the proposed general fund budget. Spending on special education is projected to be 25.4% of the budget (\$387.3M), an increase of 9.6% or \$34.0M.

Key Areas of Focus - Universal pre-K, a major initiative in the FY24 budget, continues to be a focus, drawing an additional \$11.8M or 86.8% increase in funding. The City also continues to prioritize equitable literacy and improving the quality of its reading education by increasing funding for reading by \$1.0M or 16.9%. Following an investment of \$15.0M in FY24 for planning, the proposed budget includes an additional \$20.0M to phase in inclusion, a policy that includes special education and English-learning students in general education classrooms, beginning with implementation in grades K0, K1, K2, 7, and 9 in FY25.

BPS General Fund Budget by Program

\$ figures millions

	FY24 Current	FY25 Proposed	Variance	% Change	FY25 % of Total
Adult Education	\$1.2	\$1.3	\$0	3.0%	0.1%
Bilingual / SEI	131.8	127.3	(4.5)	-3.4%	8.3%
Employee Benefits	162.3	167.3	5.0	3.1%	11.0%
General Administration	124.8	126.6	1.8	1.5%	8.3%
General Education	338.5	337.3	(1.2)	-0.3%	22.1%
Physical Plant	112.0	119.0	7.1	6.3%	7.8%
Safety	5.5	7.8	2.3	41.1%	0.5%
Salary Savings	(12.9)	(12.9)	.0	0.0%	-0.8%
Special Education	353.3	387.3	34.0	9.6%	25.4%
Student / School Support	150.6	169.5	18.8	12.5%	11.1%
Summer Session	.6	.5	(0.1)	-17.3%	0.0%
Transportation	85.7	92.6	6.9	8.0%	6.1%
Vocational / Tech. Ed	9.3	9.1	(0.2)	-1.8%	0.6%
Salary Transition Costs	(16.8)	(6.0)	10.8	-64.2%	-0.4%
Grand Total	\$1,445.9	\$1,526.6	\$80.8	5.6%	100.0%

Transportation - Spending on transportation is expected to increase by 8.0%. The proposed general fund budget includes \$92.6M for transportation, an increase of \$6.9M from the current FY24 budget, including \$45.3M for general education transportation (48.9% of total) and \$24.2M for special education transportation (26.1% of total). Fuel and vehicle maintenance costs made up 6.3% and 8.6% of the transportation budget respectively, with the remaining 10.1% allocated for purposes such as homeless transportation and state-required transportation requests. As part of BPS' Systemic Improvement Plan, the district is working to comply with the 95% on-time bus arrival rate per month required by DESE.

Enrollment and Cost Savings - In FY25, BPS is proposing to close a net of 52 classrooms across the system, resulting in a savings of \$7.4M, while pursuing grade reconfigurations and the merger of UP Academy Dorchester and UP Academy Boston. BPS will continue its policy of holding some schools harmless for changes in enrollment, budgeting \$34.6M in hold harmless funds in FY25, down \$26.0M from FY24. No unannounced school closures or mergers are included in the proposed budget. As expected, there are no significant changes to the staffing or budgets of the John D. O'Bryant and Madison Park high schools, as the announced changes to the schools are scheduled for FY26.

Despite enrollment having declined by more than 7,900 students (14%) over the last 7 years, the BPS budget continues to increase, with the cost per pupil rising by 46% over the last 5 years. This combination of declining enrollment and increasing expenses is expected to drive the projected cost per student to over \$30,000 in FY25.