

Boston Spending on Schools Projected to Increase 3.4%

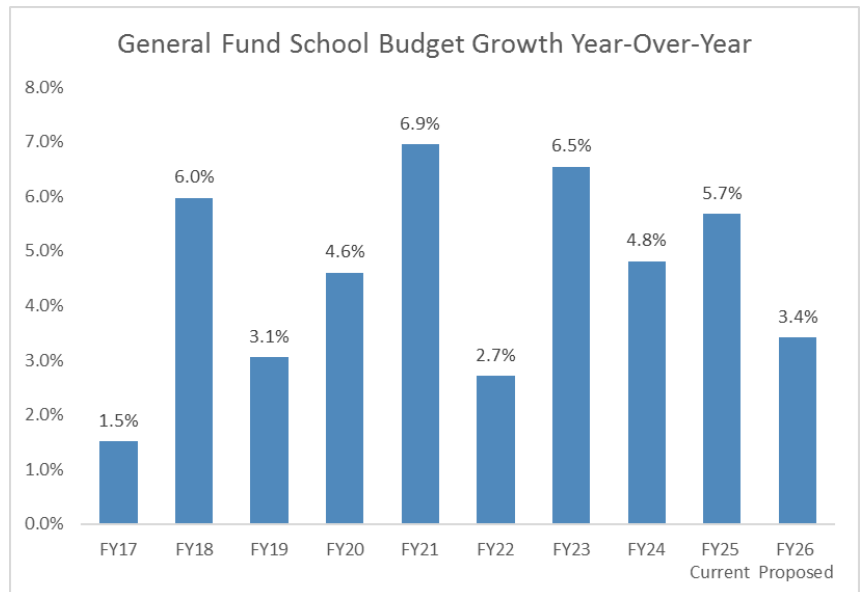
Budget Continues Investment in Existing Priorities

On February 5, Boston Public Schools Superintendent, Mary Skipper, revealed a general fund budget of \$1.58B, an increase of \$52.1M or 3.4% from the FY25 current budget.¹ The proposed budget does not anticipate any loss in federal funding as a result of the shifting funding environment since the change in presidential administration and the proposed elimination of the U.S. Department of Education, which Congress must approve. The chaos creates uncertainty as the district embarks on the FY26 budget process, but the Superintendent rightly proposed a budget that reflects current federal law.

The Superintendent did not propose any major new initiatives; the proposed budget includes ongoing investment in previously announced priorities, most notably inclusionary education for special education students and English language learners. The general fund budget projects a slight decline in FTE (full-time equivalent) positions, down 0.1%, while spending on salaries and benefits is expected to grow by 2.8% or \$33.1M. The per pupil expenditure is expected to be more than \$31,000 in FY26.

General Fund Spending Over Time –

The proposed increase of \$52.1M in FY26 is down from the increases of \$66.4M in FY24 and \$82.1M in FY25 and would be the lowest rate of increase since FY22. It represents a year-over-year increase of 3.4%, down from last year's increase of 5.7%. From FY16 to FY25 the Boston Public Schools general fund budget has increased by 50.3%, lower than the increase in the City's general fund budget (60.8%), but higher than the rate of inflation (31.7%). The proposed 3.4% increase is slightly above the current inflation rate of 3.2% for the Boston-Cambridge-Newton consumer price index.



Cost Per Pupil – Boston Public Schools enrollment, including in-district charter schools, increased by 258 students, or 0.5% in School Year 2024-2025, the first such increase since SY14-15. Despite enrollment having declined by 2,531 students (5.0%) over the last 5 years, school spending continues to increase. This combination

¹ FY25 numbers used in this report refer to the current FY25 budget instead of the adopted budget. The current budget includes supplemental appropriations since the budget was adopted, such as for collective bargaining agreements. The current FY25 budget may change throughout the FY26 budget process as more collective bargaining agreements are finalized.

of lower enrollment and higher expenses is expected to drive the projected cost per student to over \$31,000 in FY26, an amount that is even higher when calculated using the all-funds budget.

All Funds – The proposed FY26 all-funds budget, which consists of both the City’s general fund and external grant sources, is \$1.74B, up \$4.5M or 0.3% from the current FY25 all funds budget. The flatlining of the all-funds budget comes after FY25’s all-funds budget declined by 4.8%, primarily due to the loss of one-time federal Elementary and Secondary School Emergency Relief (ESSER) funds. The all-funds budget calls for allocating \$837.5M (47.6%) to individual schools and \$921.2M (52.4%) for centrally-funded services.

External Funds – External funding for Boston Public Schools is projected to decline in FY26 by \$47.6M (-23.1%) from the current FY25 budget. The decrease in external funding nearly matches the increase in the general fund, leading to an all-funds increase of just 0.3%. This decline is driven in part because BPS received competitive grants in FY25 that it is not including in the proposed FY26 budget. The decline in external funding decreases the proportion of the BPS budget funded externally from 11.9% of total spending in FY25 to 9.1% in the FY26 proposed budget.

The proposed budget does not include an impact from the end of ESSER, as the transition from these funds occurred in FY25 as BPS faced a January 2025 deadline to spend the funds.

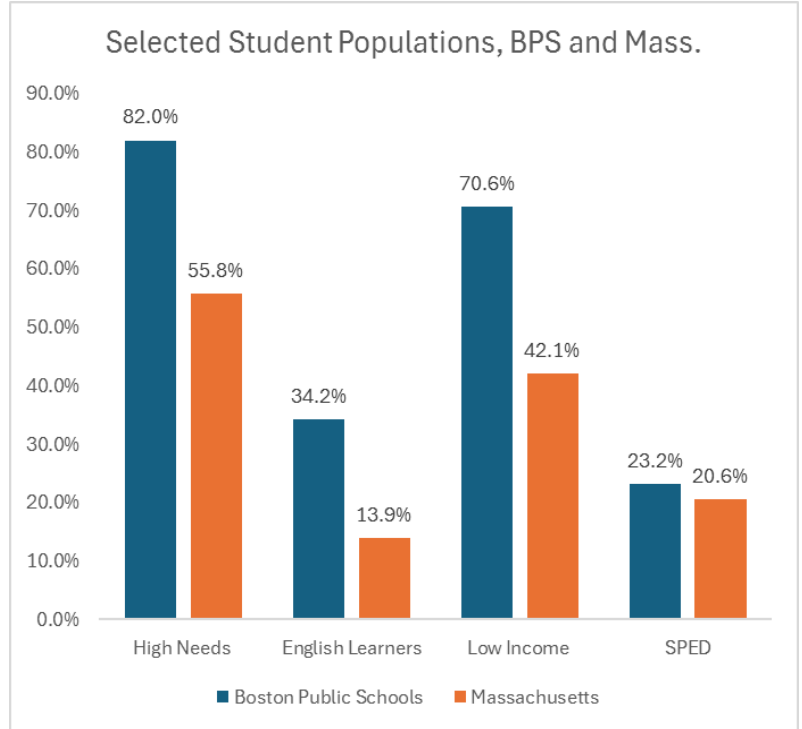
FTE Count Remains Flat – The district’s all-funds budget calls for an increase of 8.8 FTE (full-time equivalent) positions in FY26, an increase of 0.1%, with a small decline of 5.9 FTE coming from the general fund and an increase of 14.7 (1.8%) coming from externally-funded sources. It comes after a decline of 393.1 FTEs in the FY25 budget, caused primarily due to the loss of ESSER funds and elimination of vacant positions. 92.8% of the district’s 11,825.0 budgeted FTEs are funded by the City and 7.2% from external sources.

Personnel Spending – Of the proposed general fund budget, \$1.28B, or 77.7%, is for salary and benefits, an increase of \$33.1M or 2.8% from FY25. Health insurance costs are one of the biggest areas of expense growth, increasing by 16.6% or \$19.0M in FY26 to \$133.8M.

The budget includes \$567.9M for teachers, an increase of 0.4%, with a decrease in general education teachers of \$16.1M (-10.3%). Funding for special education teachers is projected to increase by 9.2% (\$21.6M) while spending on bilingual education teachers is projected to decrease 3.2% or \$3.4M. These changes are driven in part by a multi-year reclassification within BPS of how the district categorizes bilingual and special education teachers. The district also budgeted an additional \$0.5M (0.4%) for administrators, while proposing to increase funding by \$2.4M or 2.7% for aides, which includes librarians and behavioral specialists.

The budget includes \$8.3M in FY26 for the cost of a collective bargaining agreement with school bus drivers (USW Local 8751) that the City Council is expected to approve shortly. Funds are not included for any costs associated with new collective bargaining agreements, including with the Boston Teachers Union whose contract expired in August 2024 and is being renegotiated presently. Future spending caused by new union contracts will come through supplemental appropriations, likely from the City’s collective bargaining reserve.

Student Demographics – Investment in multilingual and special education is driven by the demographics of the student population. BPS serves much higher levels of low income, English language learner (ELL), and special education (SPED) students compared to the state. According to data from the Massachusetts Department of Elementary and Secondary Education, 23.2% of Boston’s students require special education compared to 20.6% for the state. 34.2% of the district’s students are English language learners compared to 13.9% statewide, while 70.6% of students are low income compared with 42.1% at the state level.² BPS has seen significant growth in its ELL population in the last five years, with ELL students comprising 34.2% of all students compared to 28.9% in SY20-21. The district has also seen growth, albeit slower, in its SPED population with SPED students making up 23.2% of students in SY24-25 compared to 21.6% in SY20-21.



Budget by Program – The general fund budget calls for an increase of \$43.4M (5.8%) allocated to centrally-funded services and an increase of \$10.2M (1.3%) to schools. Spending on general education is projected to decrease by \$13.4M (-3.9%). At \$325.8M, it represents 20.6% of the proposed general fund budget. Spending on special education is projected to be 26.8% of the general fund budget (\$423.6M), an increase of 9.0% or \$34.9M. Bilingual education is projected to decrease by \$4.7M or 3.7% to \$123.1M. Employee benefits, driven by higher healthcare costs, is budgeted to be 11.3% of the general fund budget (\$178.4M).

BPS General Fund Budget by Program
\$ figures millions

	FY25 Current	FY26 Budget	% Change	FY26 % of Total
Adult Education	\$1.2	\$1.2	1.2%	0.1%
Bilingual / SEI	\$127.8	\$123.1	-3.7%	7.8%
Employee Benefits	\$158.5	\$178.4	12.6%	11.3%
General Administration	\$128.0	\$131.3	2.6%	8.3%
General Education	\$339.2	\$325.8	-3.9%	20.6%
Physical Plant	\$119.6	\$125.0	4.5%	7.9%
Safety	\$8.0	\$8.2	2.0%	0.5%
Salary Savings	-\$19.1	-\$20.5	7.7%	-1.3%
Special Education	\$388.7	\$423.7	9.0%	26.8%
Student / School Support	\$174.2	\$175.7	0.8%	11.1%
Summer Session	\$0.6	\$0.5	-13.3%	0.0%
Transportation	\$92.3	\$98.7	6.9%	6.2%
Vocational / Tech. Ed	\$8.9	\$9.0	1.8%	0.6%
Grand Total	\$1,528.0	\$1,580.1	3.4%	100.0%

Key Areas of Focus – The Superintendent continues to prioritize literacy and improving the quality of reading education by increasing funding for reading by 12.1% or \$0.8M. Universal Pre-K, a major area of investment in FY25, remained essentially flat, increasing 0.1% from FY25.

² Includes Boston Public Schools as well as in-district Horace Mann charter schools

Inclusive education, a policy which began last year that includes special education and English-learning students in general education classrooms, continues to be a focus for BPS, with implementation for SPED in grades 1, 2, 8 and 10 occurring in FY26. Following an investment of \$15.0M in FY24 for planning and \$20.0M in FY25 for initial implementation, the proposed budget includes an additional \$14M for this year, \$10.0M of which will be on SPED inclusion and \$4.0M on multilingual learners.

Transportation – The FY26 budget proposes \$143.8M in spending on transportation, an increase of 10.3% or \$13.4M over FY25, driven in part by an expected collective bargaining increase for bus drivers. Spending on transportation for special education out-of-district placements is budgeted to grow 31.6% (\$4.5M) to \$18.9M in FY26. As part of the 2022 state-ordered Systemic Improvement Plan, the district is required to achieve a 95% on-time bus arrival rate each month, a benchmark which the district has thus far not consistently met. It is not clear from the district’s budget and presentation to the School Committee how, if at all, the transportation spending increase will help the district improve its on-time performance.

School and Classroom Closures – The FY26 proposed budget includes the planned closures of the Lilla Frederick and West Zone ELC schools, the merger of the Philbrick and the Sumner schools, and grade reconfigurations at 5 other schools. In addition to these changes, the Superintendent is proposing to close a net of 22 classrooms across the system. No unannounced school closures or mergers are included in the proposed budget. As expected, there are no changes in the budget as a result of the [recently announced](#) school closures and mergers as these changes will occur at the end of the 2025-2026 school year, in FY27.

Next Steps – In March 2024, the Research Bureau [issued a report](#) calling for improvements in the School Committee’s review of the BPS budget and identifying questions the School Committee should ask about the budget. The Research Bureau is pleased that Boston Public Schools will be resuming publication of a budget book for the first time since FY19, giving the public more insight into funding, the rationale for proposed expenditures, and how spending connects to district goals. The Research Bureau urges the School Committee to revisit the other recommendations as it embarks on its review of the proposed FY26 budget, with the goal of enhancing its consideration of the Superintendent’s proposal. Now is the time for the School Committee to leverage its unique budgetary oversight powers. As explained in the Research Bureau’s [February 2024 report](#), the steps in the budget review process are:

Date	Step in Budget Process
February 5	The Superintendent must submit a recommended budget to the School Committee no later than the first Wednesday in February.
February 13	The School Committee will hold a budget hearing on school-specific investments and budgets.
March 5	The School Committee will hold a budget hearing on the central budget.
March 19	The School Committee will hold a hearing to review the Superintendent’s final recommended budget.
March 26	Under state law, the School Committee must take “definite action” on the budget, which can include adopting, rejecting or reducing it, on or before the fourth Wednesday in March.
April 9	Traditionally, the Mayor submits to the City Council an annual operating and capital budget for the City, including the BPS budget, for the forthcoming fiscal year by the second Wednesday in April. The inclusion of the school budget in this submission is based on tradition but is not required.
May 14	The Mayor is required to submit the school budget to the City Council no later than the second Wednesday in May.
June 11	The City Council must act on the Mayor’s school budget recommendation by the second Wednesday in June.