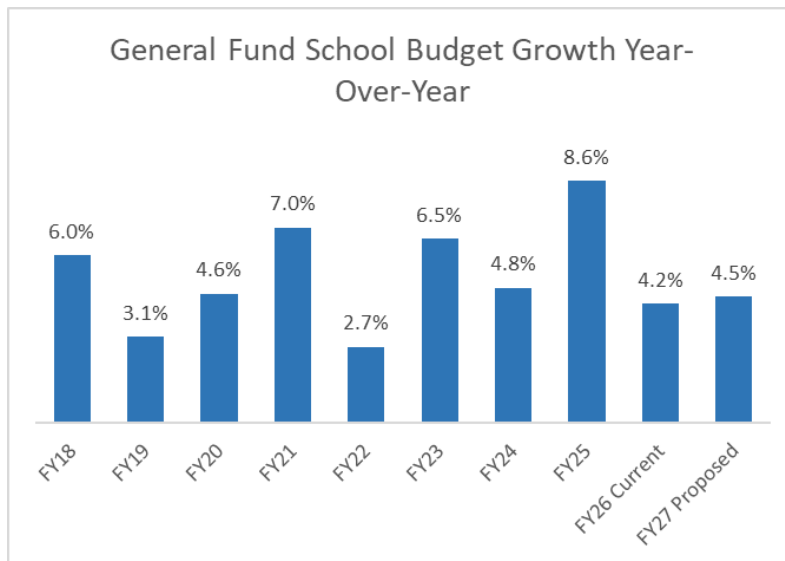


FY27 School Spending Increases 4.5% Despite Personnel Cuts

531.2 FTEs Cut as Health Insurance, Salary and Transportation Costs Grow

On February 4, Boston Public Schools’ Superintendent, Mary Skipper, revealed a general fund budget of \$1.71B, a 4.5% increase from the FY26 current budget. The proposed budget continues investments in inclusionary education for Special Education students and English Language Learners. Of the \$73.6M in additional spending in the FY27 budget, which exceeds the Mayor’s internal guidance to departments to cut spending by 2%, \$34.1M is destined to cover health insurance costs. Transportation costs, which are also heavily influenced by broader price inflation, will be another large contributor to the FY27 budget increase.

The FY27 general budget includes a substantial decrease in full-time equivalents (FTEs) of 4.8% (531.2) from FY26, bringing personnel back to levels similar to FY25. Despite the decline in FTEs, FY27 personnel spending of \$1.34B will be 4.2% (\$54.4M) higher than FY26. Although FTE reductions from FY26 were widespread, they were not directly associated with salary declines, reflecting pay increases agreed to as part of the Boston Teachers Union contract ratified in May 2025. Declining enrollment coupled with spending increases resulted in per pupil expenditure being \$35,193 in FY26. Given expected downward trends in enrollment, per pupil expenditures are likely to continue to increase in the upcoming year.



Areas of Focus – The Superintendent continues to prioritize inclusive education, which enters its penultimate year of implementation in FY27. Students requiring special education will be included in general education classrooms in grades 3, 4 and 11 in FY27. Inclusive education is expected to be implemented in remaining grades (5, 6 and 12) in FY28. The district also continues to focus on initiatives announced in prior budget years, including bolstering dual enrollment and early programs, as well as providing high quality instructional materials. One change from prior years is the focus on summer session, with funding budgeted to increase 858.5% (\$10.0M). With the increase in funding, summer session has increased from 0.1% of the budget in FY26 to a projected 0.7% in FY27.

General Fund Spending – The general fund supports 92.9% (\$1.71B) of BPS’ total FY27 budget. The FY27 proposed budget is an increase of 4.5% (\$73.6M), which is more than the increase of 4.2% from FY25 to FY26, but below the increase of 8.6% from FY24 to FY25. Cumulatively, the BPS general budget has increased \$342.2M over five years (FY22-FY26). Looking at the past ten years, (FY17 to FY26), the Boston Public Schools general fund budget has increased by 58.7%, higher than the rate of inflation over the same period (33.4%).

Programmatically, general education (\$329.5M), special education (\$475.7M), and bilingual education (\$113.9M) account for 43.4% of the FY27 general budget. This distribution of spending across programs is similar to FY26. Notably, employee benefits are set to rise by 22.7% (\$40.6M), general administration spending is set to rise by 13.8% (\$18.5M), and special education will be increasing by 4.2% (\$19M).

Centrally-funded expenditures will be increasing by 9.9% (\$79.0M), driven by district-wide expenditures such as health insurance and transportation. It is important to clarify the difference between spending *on* the central office and *by* the central office, noting that the central office administers employee benefits, transportation and facilities maintenance for all schools, among other large items. Meanwhile, the 1.2% (\$10.2M) decline in school budgets can be attributed to factors such as the proposed decline in teaching staff, school closures, and the adoption of a new school funding formula that will end the district’s policy of holding some schools harmless for changes in enrollment over a 2-year transition period.

BPS General Fund Budget by Program

\$ figures millions

	FY26 Current	FY27 Budget	% Change	FY26 % of Total
Adult Education	\$1.4	\$1.5	1.7%	0.1%
Bilingual / SEI	\$124.6	\$113.9	-8.6%	6.7%
Employee Benefits	\$179.1	\$219.7	22.7%	12.8%
General Administration	\$133.6	\$152.0	13.8%	8.9%
General Education	\$334.1	\$329.5	-1.4%	19.3%
Physical Plant	\$123.0	\$124.2	0.9%	7.3%
Safety	\$7.4	\$6.6	-10.4%	0.4%
Salary Savings	-\$20.5	-\$15.7	-23.4%	-0.9%
Special Education	\$456.7	\$475.7	4.2%	27.8%
Student / School Support	\$187.0	\$183.4	-2.0%	10.7%
Summer Session	\$01.2	\$11.2	858.5%	0.7%
Transportation	\$98.8	\$98.6	-0.2%	5.8%
Vocational / Tech. Ed	\$10.6	\$10.1	-4.6%	0.6%
Grand Total	\$1,636.9	\$1,710.5	4.5%	100.0%

Personnel Spending – \$1.34B is budgeted for salaries and benefits in FY27, which represents 78.3% of the proposed general fund budget. The spending on salaries and benefits increased by 4.2% (\$54.4M) from FY26.

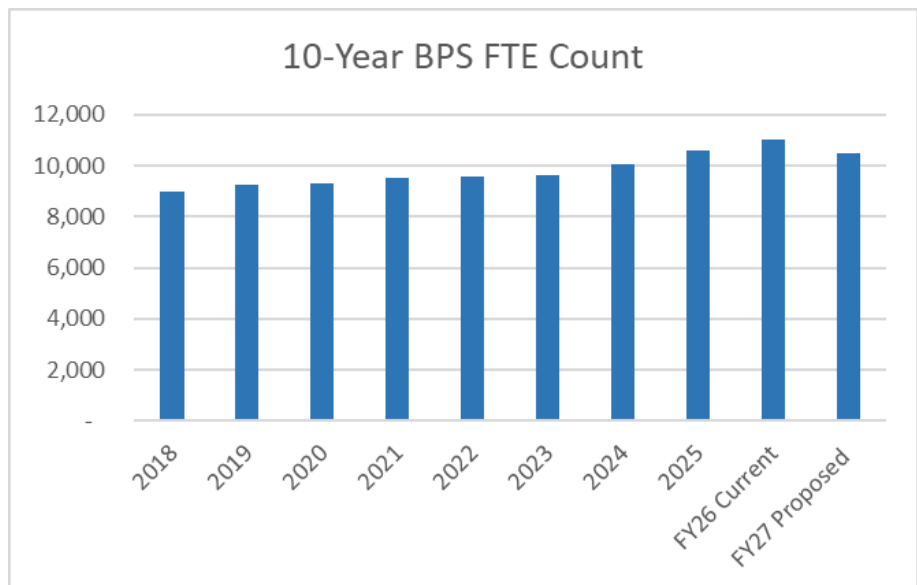
Spending on teachers’ salaries is budgeted at \$594.1M and is expected to decline by 1.1% (\$6.5M). Within spending on teachers’ salaries, general education teachers’ salaries and bilingual education teachers’ salaries saw significant declines. Spending on general education teachers went down by 8.2% (\$12.1M) and expenditures on bilingual teachers went down by 7.7% (\$8.1M). While the decline in bilingual teacher spending is driven in part by an administrative reclassification of bilingual teachers, the decline also reflects a reduction in need for bilingual education services. In contrast to the overall trend of teacher expenditures, funding for special education teachers is projected to increase by 4.9% (\$13.6M). Aides’



salaries (\$110.8M) also increased by 1.2%. Administrators' salaries (\$118.9M) will decline by 2.9% (\$3.6M) from FY26.

Benefits account for less than a fifth (17.0%) of the \$1.34B dedicated to personnel spending but represented most of the growth in personnel spending. Of the \$54.4M increase in spending on salaries and benefits, \$40.6M is for benefits. Health insurance costs, which account for \$168.2M, are one of the biggest areas of expense growth, increasing by 25.5% (\$34.1M) from FY26. Medicare payments, which amount to \$13.8M in FY27, are increasing at a similar rate of 24.9% (\$2.8M) from the previous fiscal year. Unemployment insurance is also increasing significantly this year, up 65% (\$1.4M) from FY26.

FTE Count – The FY27 general budget will include spending to support 10,496.7 FTEs (full-time equivalents), a substantial decrease of 4.8% (531.2 FTE) from FY26. Because FY26 increased personnel by 419.3 FTEs, the FY27 FTE reduction brings personnel back to levels similar to FY25. Taking a longer view over the course of five years, however, the FY27 FTE count is 9.1% (873.0) greater than it was in 2023, and 16.6% (1491.5) more than it was in 2018.



FTE reductions are set to be widespread, impacting administrators, teachers, aides, and other workers. The largest percentage reductions are for aides, which will be declining 8.0% (161.2 FTEs), and administrators, which are projected to fall 6.8% (62.5 FTEs). In absolute terms,

teachers will see the largest change in personnel, losing 265.0 FTEs (5.2%) from FY26. Significant variation in personnel changes existed by type of teacher. Both general education and bilingual teachers will see heavy cuts, with drops of 158.9 FTEs (13.8%) and 105.3 (11.7%), respectively. Meanwhile, special education teachers are increasing slightly by 21.4 FTEs (0.9%). With the exception of sign language interpreters that will not see any change, all types of aides are budgeted to have fewer FTEs in FY27 compared to FY26: special education aides FTEs will go down by 6.9% (106.4 FTEs), bilingual aides will decline by over a fifth (21.4%, 24.4 FTEs), and instructional aide FTEs will be reduced by 10.1% (10.0 FTEs).

Collective Bargaining – Provisions of the Boston Teachers Union (BTU) contract, which was approved in May 2025, had both retroactive and prospective cost impacts on BPS' budget totaling \$181.0M from FY25 to FY27. The provisions resulted in \$33.3M in supplemental appropriations in FY25 and \$61.4M in FY26. In this year's budget, the cost of the contract is expected to add \$86.3M in budget costs, driven primarily by increased pay as part of [the contract terms](#). While teachers saw increases of 9 to 11.5% over the course

of the three-year contract, classroom paraprofessionals received large pay raises of up to 23%-31% as part of the Mayor's approach to increase the pay of the lowest-paid City workers. The relationship between changes in FTEs and salaries in the FY27 budget is due, in part, to the BTU contract. Notably, despite an 8.0% cut in the number of aide FTEs, funding for aides' salaries (\$110.8M) will be increasing by 1.2% (\$1.3M) in FY27. While teacher FTEs will be decreasing by 5.2% from FY26, teachers' salaries will decline by only 1.1% in FY27.

Transportation – 11.6% (\$197.6M) of the FY27 general budget is dedicated to transportation-related costs, which include buses, bus monitors, and administrators dedicated to transportation, an increase of 5.2% (\$9.8M) over FY26. Within this total, the cost of bus transportation will be rising 5.9% (\$8.4M) to be \$151.4M in FY27. Controlled choice transportation, which will account for 78.5% (\$118.8M) of bus transportation costs, is increasing 12.3% (\$13.0M) from the last fiscal year. The overall growth in bus transportation costs was tempered by a budgeted decrease of 24.4% (\$4.6M) in transportation costs for special education out-of-district placements.

External Funds – External funding accounts for \$130M in FY27, which is a 2.6% (\$3.5M) decline from the current FY26 budget. While the decline from FY27 and FY26 is modest, overall levels of external funding are far lower than FY25. FY27 funding is less than two-thirds of the level of external funding for BPS in FY25. The decline in external funding will be decreasing the proportion of the BPS budget funded externally from 7.5% of total spending in FY26 to 7.1% in the FY27 proposed budget.

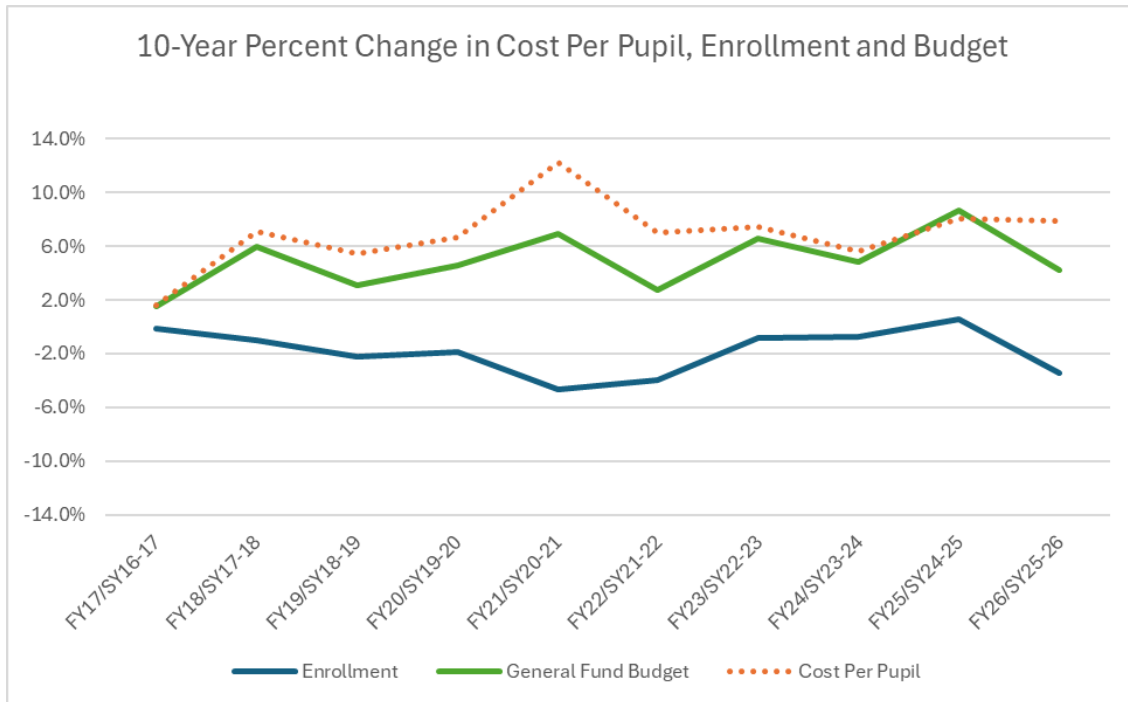
All-Funds – The proposed all-funds budget is \$1.84B for FY27, increasing by 4.0% (\$70.1M) from FY26. The increase in the all-funds budget reflects general funds increases and is attenuated by the declines in external funds. The FY27 all-funds budget allocates \$878.4M to individual schools and \$977.9M for centrally-funded services. Compared to FY26, the FY27 allocation to individual schools represents a 1.5% (\$13.8M) decrease. The allocation to centrally-funded services represents an 8.8% (\$79.1M) increase, driven by district-wide expenditures such as health insurance and transportation.

The all-funds budget shows a decrease of 549.4 FTE (full-time equivalent) positions in FY27, a decline of 4.8% largely driven by the decline in general-fund FTEs. External funds FTEs are also declining by 3.7% (18.2) in FY27, contributing to the slightly larger all-funds decline. The district is budgeting for 10,973.2 all-funds FTEs in FY27, with 95.7% (10,496.7) coming from general funds and 4.3% (476.5) coming from external funding sources.

Health Insurance

The Superintendent named health insurance costs as one of the top four cost drivers in FY27. Health insurance costs, which account for \$168.2M, are one of the biggest areas of expense growth, increasing by 25.5% (\$34.1M) from FY26. BPS noted that a higher than anticipated uptake of BPS health insurance among employees drove up costs. A more important driver, however, is the surge in health insurance premiums. Because BPS is subject to the plan design and cost-sharing parameters set in the City of Boston's Public Employee Committee (PEC) contract from 2020, BPS has few meaningful tools at their disposal to respond to the dramatic market changes in premiums. As employees continue to enroll in BPS' health insurance, health costs will likely cause significant upward pressure on BPS' budget.

Enrollment & Cost Per Pupil – Boston Public Schools enrollment, including in-district charter schools, decreased by 1,645 students, or 3.4% in School Year 2025-2026 to 46,514 students. Despite enrollment having declined by 2,140 students (4.4%) from SY21-22 to SY25-26, general fund spending has increased 26.4% (\$342.2M), resulting in per pupil costs¹ climbing 32.3% (\$8,582) over the same period. The combination of lower enrollment and higher expenses is expected to drive the projected cost per student to over \$35,192 in FY26, an increase of 7.9% (\$2,581) from FY25. The cost per pupil calculated using the all-funds budget is even higher, coming in at \$38,062 for FY26, an increase of 0.4% from FY25.



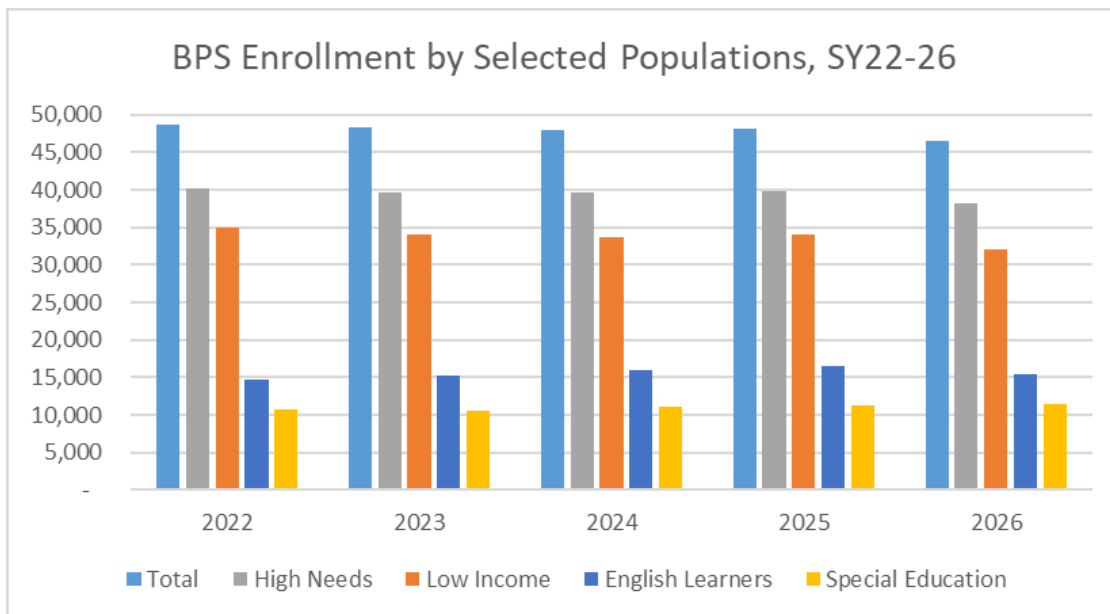
Student Demographics – BPS serves a complex student population. In SY25-26, 38,104 (81.9%) of BPS students were high needs, meaning they either required special education, were low-income or were English Language Learners (ELL).

Compared to SY24-25, fewer low-income and ELL students were enrolled in BPS. The number of ELL and low-income students enrolled declined by roughly 6%, with 994 fewer ELL and 1,064 fewer students with low-income enrolled in SY25-26. The declines in overall enrollment since the COVID-19 pandemic have outpaced the changes in enrollment among low-income students, ELL, and students requiring special education. As a result, these populations accounted for a larger share of the BPS’ student body in SY25-26 compared to SY19-20.

According to data from the Massachusetts Department of Elementary and Secondary Education, the distribution of BPS’ student population differs in significant ways from state averages. A majority (68.8%) of children attending BPS schools in SY25-26 are low-income, a substantially larger share compared to

¹ The Research Bureau calculated cost per pupil by dividing the total budget by the corresponding school year’s total enrollment for all Boston public schools, including in-district charter schools.

the state average of 41.1%. A third (33.3%) of the district’s students in SY25-26 are ELL, well above the state average of 13.4%. Nearly a quarter (24.6%) of Boston’s students require special education, which is a slightly larger share compared to 21.1% for the state.



School Closures – The FY27 proposed budget includes the planned closures of Dever Elementary, Excel High, Mary Lyon Pilot High, Community Academy, as well as the merger of the Clap and Winthrop into the Lilla G. Frederick Elementary, which are expected to generate \$23M in savings in FY27. There are no changes in the FY27 budget as a result of the recently announced school closures of Lee Academy, Another Course to College, or Community Academy of Science and Health or the reconfiguration of the Henderson Inclusion School. However, because these changes will occur at the end of the 2026-2027 school year, in FY28. The district estimates another 4-8 closures will be made before the end of the decade, but the FY27 budget will not include any other school closures or mergers besides those already announced as of February 2026.

School Committee’s Role – Now is the time for the School Committee to leverage its unique budgetary oversight powers. The Research Bureau’s report, “[BPS Budget: The Crucial Role of the Boston School Committee](#),” provides insight on the School Committee’s responsibilities in the review of the BPS budget and provides specific actions available to the School Committee to enhance its consideration of the Superintendent’s proposal.

Next Steps - As explained in the Research Bureau’s February 2024 report, the steps in the budget review process are:

Date	Step in Budget Process
February 4	The Superintendent must submit a recommended budget to the School Committee no later than the first Wednesday in February.
February 12	The School Committee will hold a budget hearing on school-specific investments and budgets.
March 4	The School Committee will hold a budget hearing on the central budget.
March 18	The School Committee will hold a hearing to review the Superintendent’s final recommended budget.
March 25	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 8	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 13	The Mayor is required to submit the school budget to the City Council no later than the second Wednesday in May.
June 10	The City Council must act on the Mayor’s school budget recommendation by the second Wednesday in June.

Throughout the FY27 process, the Research Bureau will continue to provide up-to-date analysis with a particular focus on enrollment, long-term cost implications of collective bargaining and health insurance contracts, as well as the new funding formula and its implications for costs amid BPS’ facility consolidation.