

## Key Considerations for the Boston School Committee in the FY27 BPS Budget

On February 4, Boston Public Schools' Superintendent, Mary Skipper, released a proposed FY27 general fund budget of \$1.71B, a 4.5% increase from the FY26 current budget. The School Committee now has three more scheduled budget hearings before their expected vote on March 25, during which they can examine the proposed budget in detail and deliberate on potential revisions. This report builds on the Research Bureau's February 6 [report on the BPS budget proposal](#) to highlight critical issues that deserve attention from the School Committee during the ongoing budget finalization.

**Accurate Enrollment Forecasts** – Boston Public Schools (BPS) enrollment, including in-district charter schools, decreased by 3.4% in SY25-26 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 by 26.4%, resulting in per pupil costs climbing by 32.3% to \$35,192 per student.<sup>1</sup>

Enrollment forecasts underpin much of BPS' operating and capital budget planning. Therefore, it is critical to have a rigorous and transparent process that serves as the basis for the district's planning. In January 2025, the BPS Long-Term Facilities Plan stated that [enrollment had "stabilized"](#) after multiple years of relatively small enrollment changes. Because of this, the district was planning for a future using a "steady" scenario that forecasted a modest enrollment decline of 3% by 2030 to 47,065 students. The assessment also stated that these estimates would be reviewed yearly. As noted above, actual enrollment fell sharply in SY25-26, faster than projected under the "steady" scenario. As such, budget assumptions should continue to be updated to reflect the new reality going forward.

Developing accurate enrollment forecasts is a challenging task, involving both Boston-specific and larger trends. BPS should strive for a clear and defensible set of enrollment projections that are well-understood and accepted by the School Committee, Mayor's Office, City Council, and the citizens of Boston. The importance of accurate enrollment projections cannot be overstated; having a reliable set of assumptions on which to plan for future budget and capital needs is critical for implementing a coherent plan for BPS' future. When enrollment projections differ substantially from actual enrollment, it can result in an inefficient use of resources, such as by continuing to operate more schools than needed or by increasing staffing levels rather than reducing them. Projections should underpin the planning and budgeting of the BPS operating and capital budgets, rather than being disclosed as an appendix to other policy proposals.

**Facility Consolidation** – Interconnected with the issues of rising budgets and dropping enrollment, BPS has begun the process of closing schools, citing underutilization and poor facility quality in most cases.

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<sup>1</sup> 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 City has gone through three consecutive years of closures, closing or merging 2-5 schools each year and reconfiguring others. The FY27 proposed budget includes the expected 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. BPS has planned for closures to continue for the next few years (under the “steady” scenario) with an additional 4-8 schools to close by SY29-30.

Closing schools is a painful process – disrupting communities of learning and creating difficult transitions for students. BPS facilities are aging, [with 63% of schools](#) being over 80 years old, according to the district’s Long-Term Facilities Plan. Closures, mergers, and reconfigurations are necessary to allow BPS to continue the process of rebuilding its facilities, controlling its costs for facility operations, maintenance and transportation, and reinvesting these resources into student programming in a more efficient manner. BPS should be ready to reevaluate this plan based on the changes in enrollment and adjust the schedule of planned closures if needed.

**Reimagined School Funding Formula** – In this budget, BPS is introducing a new budgeting formula, Reimagined School Funding, to replace Weighted Student Funding (WSF). In actuality, WSF had been attenuated over time, as the pandemic-era policy of holding schools “harmless” for changes in enrollment continued to provide funding for schools after students had moved elsewhere. As the “hold harmless” policy of soft landings comes to an end, Reimagined School Funding provides an opportunity to return to a funding formula based on student need and a truer cost estimation of providing services. The new formula seeks to provide more flexibility and base each school’s allotment on the basis of “compliance funding” and “discretionary funding.” It will be implemented through a two-year transition, allowing certain flexibility for schools that have relied heavily on “hold harmless” payments. BPS should ensure that the new formula is fully and transparently implemented. If revisions are needed, the funding formula and associated rules should be adjusted in a systematic way, rather than allowing for exceptions that counter the intent of the funding formula.

**Collective Bargaining and Health Insurance Cost Pressures** – Collective bargaining agreements have significant cost implications in both the near and long-term. The City negotiates with 12 unions that represent BPS employees, with the largest being the Boston Teachers Union (BTU). Provisions of the BTU contract, which was approved in May 2025, are expected to add \$86.3M in budget costs in FY27, driven primarily by increased pay as part of [the contract terms](#). Notably, in FY27, increases in salaries will limit cost savings associated with reductions in FTEs. For example, while teacher FTEs will be decreasing by 5.2% from FY26, total teachers’ salaries will decline by only 1.1% in FY27. In the case of aides, significant reductions (8.0%) in FTEs will be accompanied by an increase of 1.2% in salaries. As the School Committee examines substantial salary increases within other collective bargaining agreements, it would be worthwhile to not only consider the added costs to the budget generated by collective bargaining agreements but also the potential constraints to future staffing created from salary negotiations.

As noted in [our report](#) last week, health insurance will be a major driver behind increases in personnel spending in FY27. According to BPS, in the current fiscal year, health insurance spending has exceeded

the adopted budgeted amount and was a key driver of FY26 cost overruns, which have led to a [hiring freeze](#). While BPS has limited tools to control health care costs stemming from surges in premiums in FY27, the School Committee would be well advised to be part of stakeholder engagement when the Public Employee Committee contract is renegotiated. Importantly, the School Committee should support contract renegotiation as opposed to an extension of the contract in FY27.

**Managing Increasingly High Transportation Costs** – BPS has among the highest per pupil transportation costs of any district in the nation. The FY27 budget calls for an expenditure on transportation of \$197.6M, an increase of 5.2% from FY26, representing over 10% of the proposed FY27 budget. The magnitude of this expenditure is amplified by the fact that most general education students in grades 7-12 do not utilize BPS transportation but travel to school via the MBTA.

Despite this expenditure, moving Boston’s school children is a challenge, complicated by the city’s school choice system, congested streets, and requirements for specialized services for certain students. While Boston has not consistently reached the 95% on-time performance standard demanded by the state previously, it has put time, effort, and resources into improving transportation services.

Transportation remains a costly and expanding part of the budget. One dimension of the cost pressure, Boston’s robust school choice mechanism, received prominent mention in Mayor Wu’s second inaugural address. Controlled choice transportation, which will account for 78.5% (\$118.8M) of bus transportation costs in FY27, is increasing 12.3% (\$13.0M) from last fiscal year. Periodic reforms to Boston’s school choice system have proven difficult and controversial, but the Mayor’s willingness to engage on this topic is an important step in addressing transportation costs. The School Committee should be an active participant in any changes to the City’s school choice system. With a finite amount of funds available in the school budget, increased amounts of money spent on transportation can take away funds that may otherwise be spent on educational programming.

**External Funding Amid Uncertainty** – External funding (\$130.0M in FY27) will be declining by 2.6% (\$3.5M) from the current FY26 budget. Within external funding, federal funds account for a significant, but increasingly uncertain, source of funds. Based on the [last available data in FY24](#), several of Boston’s largest federal grant programs are education-related: \$58.9M in Title I funds, \$30.9M from the National School Lunch Program, and \$17.9M in funds from the Individuals with Disabilities Education Act (IDEA). Given the level of uncertainty of federal commitments, it would be prudent for BPS to examine potential cuts to these or other federal programs. Having this information in-hand would be helpful in the event that a loss of federal funding does occur with limited advance notice to Massachusetts. The School Committee should press for clarity from the district on which federal programs, if any, are at risk of losing federal funds and if declines are included in the FY27 budget.

**Conclusion** – As the BPS budget process continues, the School Committee should exercise its [unique fiscal oversight powers](#) to drill down into some of the thorniest issues regarding the proposed FY27 BPS budget. In a tough budget year, addressing the topics posed in this report can help ensure that the district’s resources are well allocated, and provide maximum support for student learning within the \$1.84B all-funds operating budget.