

Education

OVERVIEW

The City of Boston is investing in its students to invest in its future. Education comprises 40% of the FY20 budget, with a projected \$1.139 billion to support 55,000 students at the Boston Public Schools (BPS), \$15 million for pre-kindergarten through the Quality Pre-K Fund, and \$211 million to support approximately 11,330 Boston students in charter schools. This \$65.4 million increase over the FY19 adopted budget is in spite of a projected increase of just \$1.3 million in Chapter 70 Education Aid, and a charter reimbursement from the state that is projected to be underfunded by \$5.6 million. Boston has increased its annual education spending by \$319 million since Mayor Walsh took office, with per-pupil spending increasing over 25%, despite a \$90.8 million reduction in net state education aid. (See the *Revenue Estimates & Analysis* chapter for more information.)

In FY19, the City adopted a \$1.112 billion budget for BPS. This spring, the Boston School Committee approved a \$1.139 billion budget for BPS, which marks the largest BPS budget in history (Table 1).

BPS Budget Summary

	FY19 Adopted	FY20 Recom	\$ Change
Direct School Expenses	\$724M	\$730M	\$6M
School Services Budgeted Centrally	\$276M	\$287M	\$11M
Central Administration	\$59M	\$62M	\$3M
Non-BPS Student Services	\$54M	\$60M	\$7M
Total BPS Budget	\$1.112B	\$1.139B	\$27M

Table 1

With this investment, Mayor Walsh has increased funding for the BPS annual

budget by \$26.6 million from the FY19 adopted budget, and the number of BPS educators will have increased by approximately 388 since he took office. Funding directed to schools will increase by \$5.9 million in FY20, even before the largest driver of BPS costs, employee collective bargaining increases, is negotiated.

In FY20, the City is reaffirming its commitment to universal high-quality pre-kindergarten. Along with a \$3.8 million investment in the BPS budget, the Mayor announced a \$15 million investment in pre-kindergarten through the Quality Pre-K Fund. Due to this historic investment, in the 2019-2020 school year, up to 865 new four-year-olds will start in a quality pre-kindergarten program since the UPK initiative began in FY14.

The Mayor also announced that beginning in the 2019-2020 school year, free MBTA passes will be provided to all Boston students in grades 7-12. This investment in the BPS budget will increase transportation access for an additional 10,000 students in public, charter, private, and parochial schools.

A series of investments in the BPS budget are targeted to strengthen high school pathways and support off-track youth, mostly in funds directed to schools. School-based investments include an infusion of funds for off-track youth through the Opportunity Index, as well as additional funds to grow vocational education. New central investments include building out an early warning indicator system and expanding Naviance, a college and career preparatory tool.

The budget also maintains signature investments made under Mayor Walsh, with

\$18.6 million to sustain Extended Learning Time and \$1.9 million to support students experiencing homelessness.

The FY20 budget continues the focus on finding central office and transportation efficiencies to pour back into schools and supports. While the School Committee approved a balanced budget for FY20, the district still has underlying challenges that require structural changes to allow Boston to continue to effectively invest in its students in future years.

BPS OPERATING BUDGET

At a \$1.139 billion appropriation, this marks the largest BPS budget in history. The FY20 allocation makes investments to strengthen high school pathways and support off-track youth, sustain early education opportunities, and continue assisting schools with declining enrollments, particularly those that are low-performing.

Funding directed to schools will increase by \$5.9 million from the FY19 adopted budget to \$730 million, even before the largest driver of BPS costs, employee collective bargaining increases, are negotiated.

In addition to school budgets, schools receive significant support from services that are budgeted centrally. This includes items such as transportation, certain special education services, and facility maintenance. This portion of the budget will increase 3.9% from the FY19 adopted budget to \$287 million. With these support funds added to funds budgeted at the school level, a full \$1.016 billion dollars is expected to be spent on school services. This increase is driven primarily by transportation costs, which are projected to rise to over \$125 million.

BPS is also responsible for funding services for students in Boston attending school outside of BPS, including adult education students, students placed out-of-district for special education and vocational education, and pre-kindergarten students

at community based organizations (CBOs). In addition, BPS provides transportation for out-of-district special education students, and these costs comprise 23.6% of the FY20 BPS transportation budget. Total funds budgeted for non-BPS students will increase 12.7% from the FY19 adopted budget to \$60.4 million, comprising over 5% of the overall FY20 BPS budget.

Despite rising healthcare costs, the Central Administration budget will increase by only 5.2% to \$62.1 million.

The FY20 BPS budget includes \$7 million in targeted central investments aimed at closing opportunity gaps:

- \$3.8 million to sustain high-quality pre-kindergarten seats in Boston, as part of the Universal Pre-K (UPK) initiative
- \$750,000 to facilitate improved outcomes for students in schools identified as needing the greatest amount of support
- \$500,000 to support improvements to family engagement at schools and BPS Welcome Centers
- \$440,000 for leadership development and technical supports for low-performing schools
- \$375,000 to strengthen science instruction, including supplemental curriculum and professional learning
- \$364,000 to host the ISEE, the entrance exam for the district's exam schools, in students' home schools
- \$275,000 to expand Becoming a Man, a school-based group counseling program for young men in grades 7-12
- \$200,000 for an early warning indicators system to help students stay on track to graduate
- \$173,000 for an executive director of school supports focused on special education

- \$150,000 to expand Naviance, a post-secondary planning tool, to all high schools

In addition, BPS will invest \$500,000 to expand free MBTA passes to all students in Boston in grades 7-12. Students will receive a pass whether they attend a public, charter, private, or parochial school. Under the current policy, students in grades 7-12 receive free MBTA passes if they live more than 2 miles from their school (1.5 miles for students in grades 7-8). Approximately 20,000 students currently receive free passes, and this number will increase to approximately 30,000 in FY20. This investment will greatly expand access to transportation resources for Boston students, allowing them to explore the city and the many opportunities it provides.

The budget also includes new school-based investments to address opportunity gaps and strengthen high school pathways. \$2.5 million in additional funds will be directed to schools for high-need students through the Opportunity Index, including \$500,000 to support high school students with early warning indicators. In addition, school budgets include \$2.0 million in increased soft landings for schools with declining enrollments, and \$910,000 to expand vocational programming.

BPS has not yet negotiated their collective bargaining agreements effective in FY20. Consequently, this budget does not include general wage increase for FY20. Funding for the next contract is included in the City's FY20 collective bargaining reserve.

Early Childhood Education

Under Mayor Walsh's leadership, the City has continually expanded the number of quality pre-kindergarten seats, as part of the Universal Pre-K (UPK) initiative. In April 2019, Mayor Walsh announced the creation of a first-of-its-kind \$15 million investment in the Quality Pre-K Fund, to support the creation of a citywide mixed-delivery

system with school-based programs and community-based organizations (CBOs). Because of this historic investment, on the first day of school next year, up to 865 new four-year-olds will start in a quality pre-kindergarten program since the UPK initiative began in FY14, more than halfway toward the City's goal of 1,500. By leveraging private funds and state and federal dollars, the Quality Pre-K Fund will enable the City to close the existing gap in quality seats, guaranteeing every four-year-old in Boston a high-quality pre-kindergarten experience.

This \$15 million investment is in addition to BPS investments in UPK. The FY20 BPS budget allocates \$31.8 million for quality pre-kindergarten, including \$3.8M to replace the Preschool Expansion Grant (PEG). The PEG replacement funds maintain access to quality seats in CBOs for 250 four-year-olds.

In FY20, BPS will have created 415 new quality seats in pre-kindergarten classrooms since FY14. BPS early education programs have been recognized as among the most effective in the nation at closing achievement gaps. They are content-rich in science, literacy, arts and math. Data shows that BPS pre-kindergarten attendees outperform their peers in third and fifth grade MCAS, in both ELA and Math.

More than 66% of BPS early childhood classrooms have earned accreditation from the National Association for the Education of Young Children (NAEYC), affirming that these programs offer high-quality, state-of-the-art education to help get children off to successful starts.

Special Education

The FY20 BPS budget makes significant investments in special education, including 90 new school-budgeted special education teachers and paraprofessionals. The special education budget totals \$259 million in FY20, an increase of \$8.9 million or 3.5%

from FY19 adopted. The special education budget accounts for approximately 23% of the total BPS budget and supports the over 11,000 students with disabilities, or 20% of the BPS student population.

The FY20 budget includes \$673,000 in new funding to support students with autism through the Applied Behavior Analysis (ABA) program. 1 in 39 BPS students has autism as a primary disability, a higher rate than the national average, and the rate continues to grow. To meet increased need, BPS will add 7 new ABA specialists and 1 new ABA program director, as well as ABA-licensed contractors to provide additional services. The FY20 budget will also add 4 clerks to support coordinators of special education and 1 administrator focused on special education school supports.

In addition to mainstream or substantially separate placements in the district, BPS is responsible for the educational services of approximately 509 special education students in out-of-district placements. BPS has seen an increase in the number of high-need students and DCF-involved students placed in group homes who require private placement. BPS is fully or partly responsible for paying for services for most of these students, at a total projected cost of \$39.7 million in FY20. Some of the costs for these services will be reimbursed by Circuit Breaker. Tuition rates are established by the Commonwealth of Massachusetts Rate Setting Commission.

BPS is also responsible for providing education services to student with IEPs in private placements. The number of students is expected to grow to 250 in FY20, an increase of 50 students over FY19. To better support these students, the FY20 budget includes a \$577,000 investment to establish a proportionate share team responsible for conducting IEP meetings and evaluations, comprised of 2 new coordinators and 4 new related service providers.

Bilingual Education

The Bilingual/Sheltered English Immersion budget totals \$89.8 million in FY20, an increase of \$3.9 million or 4.5% from FY19 adopted. Approximately 33% of BPS students have an ELL designation. Currently, English Learning students within the district speak more than 71 different languages.

BPS Enrollment

Student enrollment is the foundation of the BPS budget. The preliminary stage of the budget process involves enrollment projections for each program, grade, and school, which are based on historic trends and current data. The projected enrollment at each school for the upcoming school year determines the allocation of resources at the school level through the weighted student funding formula. The FY20 budget development process continued the work done for FY19 to use data more rigorously and collaborate between school leaders and BPS Finance to develop accurate enrollment projections.

In FY20, the BPS projected budgeted enrollment is approximately 54,781. At the school level, BPS has seen some shifts in enrollment. BPS gives parents a voice in where their child attends schools, which causes shifts from year to year. The BPS School Committee has also supported school communities that have requested to expand grades in recent years, which has led to shifts in enrollment.

Weighted Student Funding

Weighted Student Funding (WSF) ensures resource equity for all students no matter the school they attend. The weighted student funding model creates a baseline per-student funding amount and then adjusts the amount depending on individual student need. For example, students whose family income is at or below the poverty level will receive additional funding in the

formula. Other need-based weights include students with disabilities, English Language Learners (ELL), and vocational education students. A school's budget is calculated by adding the individual funding amounts for every student projected to attend that school in the fall. Additionally, each school also receives a foundation budget to support essential staff.

For FY20, the ninth year using the WSF formula, BPS continues to refine this need-based method of funding. Student-based allocation models are the standard for transparent and equitable school budgeting. Such models allow dollars to follow students, and those dollars are weighted based on student need. BPS's highest-need students receive more resources through the weighted student funding structure.

When enrollment declines at a school, the central office works closely with the school to appropriately adjust staffing. Particular care is made through this process to make classrooms full so that they are affordable to schools. There are safeguards in place to assist schools with declines in enrollment, including sustainability allocations and soft landings, as well as other reserves that are used throughout the budgeting process.

In FY20, the district increased WSF funding to \$517.6 million. WSF is only one component of schools' funding; total school funding will rise by \$5.9 million in FY20.

BPS's FY20 budget includes a series of substantial supports on top of WSF that differentially serve the district's highest need students. In addition to FY19 investments for students experiencing homelessness, high-need students, and low-performing schools, BPS is investing additional funding in school budgets for high-need students, low-performing schools, and vocational education.

The Opportunity Index

FY20 is the second year that BPS will be using the Opportunity Index (OI) as part of WSF. The OI is an innovative tool that quantifies differences in experiences, opportunities, and need between students, allowing BPS to allocate resources more equitably. The OI is a composite index that incorporates a range of data representing factors that are outside of the schools' control, yet are predictive of students' academic outcomes. By rolling multiple measures into a single, more accessible metric ranging from 0.01 to 0.99, BPS is better equipped to direct resources and supports to the schools and students who need them most.

In FY20, BPS is making a number of changes to the OI model based on community feedback. In addition to alterations to existing variables, changes include the addition of three new variables: how often a student has moved, whether a student lives in public housing, and whether a student is a recent immigrant. The FY20 budget includes a \$2.5 million investment through the OI to support high-need students.

BPS will continue to use the OI for the allocation of two central sources of funding in FY20: School Support Funds, which support schools' academic priorities, and the Partnership Fund, which enables schools to partner with community nonprofit organizations. Funding is allocated based on student enrollment and level of need. In FY20, \$5 million in unrestricted School Support Funds will be awarded to schools with an OI score greater than or equal to 0.35, a \$2 million increase from the FY19 adopted budget. \$6 million from the Partnership Fund will be awarded to schools with an OI score greater than or equal to 0.56.

EXTERNAL FUNDS

External funds are provided directly to BPS through formula grants (entitlements),

competitive grants, reimbursement accounts, and other grants, primarily from state and federal sources. These external funds are critical to the success of the district, but have decreased to 10.6% of total funding in FY20 from 17% in FY12 (Figure 1). Decreased external funding was identified as a challenge to BPS’s long-term financial stability in the Long-Term Financial Plan. In recent years, the BPS budget has relied on the increased City appropriation to help absorb these decreases.

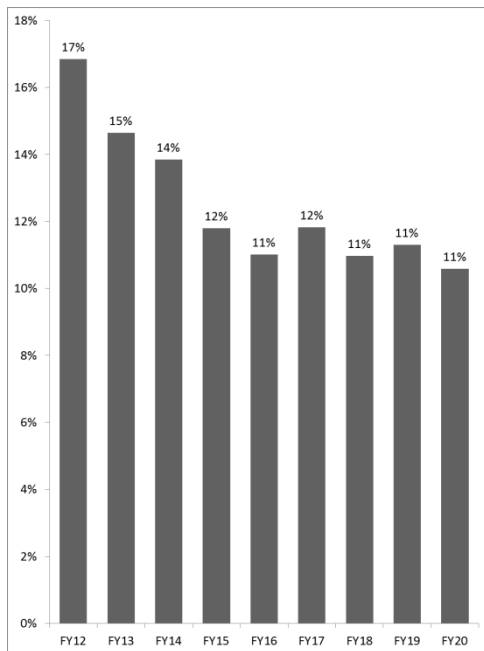


Figure 1
External Funds as % of Total Funds
FY12-18 Actuals, FY19 Budget, FY20
Projected

One of the largest sources of federal revenue for BPS is the Title I entitlement grant. BPS will receive \$39.9 million in Title I revenue in FY20. The grant’s purpose is to improve the academic achievement of disadvantaged students by ensuring that all students have an equal opportunity to obtain a high-quality education. The grant provides direct funds to schools with higher levels of poverty.

BPS receives two external revenue sources to fund the district’s comprehensive special education program. Through Circuit Breaker reimbursements, the Commonwealth shares the cost of educating students with disabilities once the cost to educate those students exceeds a threshold amount. BPS has budgeted approximately \$17.4 million in Circuit Breaker revenue in FY20. Additionally, funds provided through the federal Individuals with Disabilities Education Act (IDEA) grant enable the district to provide special education services in the least restrictive environment possible for children with disabilities ages three through twenty-one, and to provide early intervention services for children from birth through age two. BPS is projecting to receive \$17.6 million in IDEA funds in FY20.

School Improvement Grants

BPS anticipates \$1.1 million in School Improvement Grants from the Commonwealth in FY20 to support the Grew, Brighton, Excel, and Dever. This funding is provided to the lowest performing schools in BPS, also known as turnaround schools, to extend the instructional day, increase professional development, and provide other supports.

As School Improvement Grants end for each school as they exit turnaround, the district has shifted these activities to the operating budget to continue the work of turning around low-performing schools. The FY20 budget includes \$1.2 million in funding to transition the Channing, Grew, Winthrop, Madison Park, and English schools, where previous School Improvement Grants have ended or funding is tapering.

Going forward from FY20, the Commonwealth will have less funding available to support schools in turnaround. In order to ensure that these schools have sufficient support despite the lack of state funding, BPS is investing \$750,000 to

support twelve schools implementing DESE-required comprehensive improvement plans.

PERFORMANCE

BPS is committed to using data to improve school performance and provide the best education to students.

The Performance Meter is a critical step in establishing a performance management culture within the district, and will allow BPS to identify the most effective supports for schools. The Performance Meter tracks 15 key performance indicators concentrated on the achievement gap, early literacy, proficiency of certain age groups in specific subjects, and college and career readiness. The use of authentic evidence and data will allow BPS to continue to close opportunity and achievement gaps.

Graduation Rates

BPS has been evaluating its progress towards academic goals using measurable outcomes for several years. The district has seen positive gains in several performance metrics, including increases in graduation rates. The overall four-year graduation rate for the BPS class of 2018 was 75.1%. This represents a 2.4% increase over the 2017 rate. The BPS high school graduation rate has increased each year since the 2006-2007 school year, when the graduation rate was 57.9%. The 2018 graduation rate is the highest ever recorded by BPS.

Additionally, eleven Boston high schools achieved graduation rates of 80% or above: Edward M. Kennedy Academy for Health Careers, Boston Latin School, John D. O'Bryant School of Mathematics and Science, Boston Latin Academy, New Mission High School, Mary K. Lyon High School, Fenway High School, Another Course to College, TechBoston Academy,

Excel High School, and Boston Arts Academy.

Dropout Rate

BPS has cut the dropout rate by 30% over the past ten years, from 7.2% in 2008 to 5.4% in 2018, with a decrease of more than 450 students dropping out annually over that period.

According to state guidelines, students in grades 6-12 are counted as dropouts if they leave school during the year for any reason other than transfer, graduation, death, or expulsion with an option to return.

Accountability Results

The Massachusetts Department of Elementary and Secondary Education (DESE) implemented a new accountability system in the fall of 2018, which determines schools' need for assistance or intervention based on a set of accountability indicators including student growth, graduation rate, and chronic absenteeism.

In 2018, DESE singled out the Manning and the Winship as schools of recognition. Twenty-one schools were classified as meeting targets, and twenty-nine were classified as partially meeting targets. BPS met English language arts targets for all students in grades 3-8, and many schools showed strong progress against targets.

Boston has a track record of leading struggling schools to success, and the City will continue to work with state and community partners to make more improvements in our schools across the board.

BUILD BPS

In FY18, Mayor Walsh announced BuildBPS, a \$1 billion investment to modernize Boston's public school infrastructure. Through a dedication of City capital funds and a strong working relationship with the Massachusetts School Building Authority (MSBA), the plan more than doubles the

capital spending on BPS facilities from FY18 to FY27.

This ten-year investment will be the largest school building plan in forty years. The plan will result in twelve new schools or major transformations completed or in construction by 2027, as well as increased investments district-wide for all school buildings and communities. The planning process is focused on creating high-quality, twenty-first-century learning environments for students, which contributes to closing opportunity gaps for more students.

Since FY18, BPS has completed construction on the new building for the Dearborn STEM Academy. The Boston Arts Academy and the Eliot School at 585 Commercial Street are currently in construction. The Josiah Quincy Upper School and the Carter School are currently in the process for MSBA funding. BPS is planning five new or expanded schools, with a focus on Dorchester, Roxbury, East Boston, and Mattapan.

All schools will receive security improvements, twenty-first-century furniture, and technology infrastructure. The City is investing in schoolyard repairs, accreditation repairs for certain schools, and a three-phase kitchen upgrade project as part of the My Way Café initiative. The City is also leveraging the MSBA Accelerated Repair Program to fund roof, window, and boiler repairs.

Mayor Walsh's FY20-24 capital plan implements early action BuildBPS initiatives and supports planning for large-scale projects coming out of the BuildBPS engagement process. The City is projected to spend \$117 million on BuildBPS capital projects from FY18 through FY19. The FY20-24 capital plan projects \$355 million in spending over the next five years, and the City has committed an additional \$272 million for the remainder of the ten-year plan. When combined with projected MSBA

matching funds, Boston is committing \$1 billion to BPS capital projects over ten years.

CHARTER SCHOOL TUITION

Commonwealth charter schools, which are granted charters by the State Board of Education, are publicly-funded schools administered independently from local school committee and district bargaining rules and regulations. Commonwealth charter schools are primarily financed by the home districts of their students through a per-pupil-based charge.

Commonwealth charter schools are projected to educate approximately 11,300 Boston students in FY20. Boston is assessed by the Commonwealth to fund charter schools on a per-pupil basis, and Boston's charter school tuition assessment is projected to increase by \$23.8 million over the FY19 budget to a total of \$211 million due to growing attendance and a higher per pupil tuition rate.

Since the enactment of the 2010 Achievement Gap legislation, Boston's charter school assessment has risen by 209%. The state committed to partial charter tuition reimbursement to ease the challenges of managing transition costs, but the Legislature has underfunded Boston's reimbursement by \$102 million cumulatively from FY14 to the Governor's proposed FY20 budget. This has put increasing pressure on the City to fund schools as overall state support has decreased.