

Education

OVERVIEW

The City of Boston is investing in its students to invest in its future. Education comprises 40% of the FY18 budget with a projected \$1.081 billion to support Boston Public Schools and \$173.8 million to support approximately 10,600 Boston students in charter schools. Education also comprises 40% of the growth in the budget, with an increase of \$57.8 million (4.8%) over FY17. This increase is in spite of a projected increase of just \$1.9 million in Chapter 70 Education Aid and a charter reimbursement that is projected to be underfunded by \$25.9 million by the state. Over the last 4 years, Boston has increased its annual spending on education by \$207 million despite a reduction in education funding from the state.

This spring, the School Committee approved a \$1.061 billion budget for the Boston Public Schools. With a \$1.061 billion appropriation and \$20 million reserved for collective bargaining, this marks the largest Boston Public Schools budget in history. With this investment, Mayor Walsh has increased funding for the Boston Public Schools' annual budget by \$143 million, and BPS staff levels will have increased by approximately 250 since he took office. Funding directed to schools will increase by almost 4% in

BPS Budget Summary

	FY17 Approp	FY18 Recom	\$ Change
Direct School Expenses	\$667M	\$692M	\$25M
School Services Budgeted			
Centrally	\$300M	\$308M	\$8M
Central Administration	\$65M	\$62M	-\$3M
Total BPS Appropriation	\$1.03B	\$1.06B	\$29M
BPS Collective Bargaining Reserve	\$9M	\$20M	\$11M
Projected Total Budget	\$1.04B	\$1.08B	\$40M

Table 1

FY18, even before the largest driver of BPS costs, employee collective bargaining increases, are negotiated, a \$25 million increase over FY17.

In FY18, Boston Public Schools is proposing to make important research-backed investments to close the opportunity and achievement gap. Boston is investing \$14 million more to give 15,000 students, from kindergarten through 8th grade, 120 additional hours of learning time — or the equivalent of 20 more school days a year. In addition, by strengthening BPS's commitment to Excellence For All, more students in fourth and fifth grade will receive the same rigorous instruction and enriched learning opportunities as those in Advanced Work Class (AWC). Boston is also making a strategic \$1.2 million investment to support 3,000 BPS students identified by the district as experiencing homelessness.

BPS will also be providing lower performing schools with a wide-range of differentiated supports, which total over \$16 million. This includes a new \$1.25 million reserve focused on supporting low level 3, 4 and 5 schools with declining enrollment.

Stemming out progress in the District's Long-Term Financial Planning project, the FY18 budget also includes several central office and transportation efficiencies. Efforts to tighten budget management and identify efficiencies, along with Mayor Walsh's commitment to education funding, make possible \$20 million in new BPS investments. While the School Committee approved a balanced budget for FY18, the District still has underlying challenges that require structural changes to allow Boston to continue to effectively invest in its students in future years.

LONG TERM FINANCIAL PLAN

In the Fall of 2015, representatives from BPS, the City of Boston, Boston School Committee, Boston Teachers Union, parent groups and community organizations began a yearlong

effort that culminated with the release of the first report in the BPS Long Term Financial Planning effort in November 2016.

The plan aims to unlock resources for future investment, as the District's costs are outpacing future revenue growth. The plan describes five main drivers that contribute BPS's yearly fiscal challenges: transportation, district footprint, salaries and benefits, student need, and federal and state revenue. To address these issues, ten big ideas were outlined within the report. The ideas include ways to decrease costs as well as increase revenue.

- Reduce long-distance BPS transportation by adjusting student assignment policies
- Adopt State-Mandated Transportation-Eligibility Distances
- Maximize Efficiencies in Transportation
- Reconfigure the District's Footprint
- Examine Teacher Wages and School Day Length
- Advocate for legislative changes related to teachers in Suitable Professional Capacity roles
- Ensure Special Education Identification and Administration Support Students Appropriately
- Streamline Central Office
- Advocate to Realign State Education Formulas
- Advocate to Give Boston More Flexibility to Modify its Revenue Structure

BPS and the City have already commenced implementation of operational efficiencies and advocacy for state education formula changes based on the findings outlined in the Long Term Financial Plan report. These will be highlighted later in the chapter. The District continues to engage with the community and conduct additional analysis on the other ideas under discussion, which have broader policy implications. No significant potential policy changes outlined in the first Long Term report are in the FY18 proposal.

BPS Spending Pressures

The current administration at BPS inherited an expensive cost structure built up over several decades. As mentioned previously, four of the five main drivers that contribute to yearly budgetary challenges at BPS are cost related. BPS spends 45% more per pupil than comparable districts. This amounts to about \$6,400 more per pupil than comparison districts after adjusting for Boston's higher cost of living. This cost can be directly linked to the following occurrences:

- BPS spends more per pupil on transportation than nearly all of the 200 largest districts in the country - an amount nearly five times more than the average.
- Boston spends 3.1 times more on transportation costs per Special Education student than comparison districts. BPS has seen an increased number of students assigned to door-to-door pick-up versus corner bus stop pick-up.
- Due to the size of Boston's school buildings, BPS' elementary schools are 140 students smaller and secondary schools are 220 students smaller than peer districts. This causes BPS to spend 35% more per-pupil on school-based administration services.
- 20% of BPS students receive special education services compared to the national average of 13%. BPS spends nearly one fourth of its budget on special education, which is 53% greater than the comparison average.
- BPS also pays teachers more than comparison districts on average (adjusted for cost of living). BPS total compensation is 29% higher than the comparison average, and the average teacher salary is over \$90,000 even before healthcare and pension costs.

Not only is BPS spending a large portion of its budget in areas such as transportation and special education, but these areas also see the fastest rate of cost growth. Curbing costs where the district benchmarks unfavorably to other districts without negatively impacting service

delivery would allow the District to invest more heavily in other areas.

Net State Education Revenue

The Long-Term Financial Plan also identified that stagnant state education revenue, combined with the City's steeply growing charter school assessments, will continue to contribute to the district's fiscal challenges. Over the past ten years, Boston's net education aid has dramatically declined, while education costs have rapidly climbed. While Boston is projected to spend \$206.7 million more on education in FY18 than it did when Mayor Walsh took office, Boston's two major state education revenue sources have declined by \$3.8 million since that time.

Chapter 70 Education Aid, the City's main source of state education aid, does not work for Boston. Despite the Commonwealth adding over \$1 billion to its Statewide Chapter 70 appropriation since FY08, Boston's Chapter 70 Aid has increased by just \$1.6 million during this period, or an average annual growth of 0.2%. Boston's Chapter 70 aid would grow by just 0.89% or \$1.9 million under the FY18 State Budget, well short of the \$57.8 million more Boston expects to spend on education in FY18.

Charter school tuition reimbursement was an important part of the 2010 Achievement Gap law, meant to assist communities with the transition years' costs as their Commonwealth charter school costs increased. Effectively, the legislation doubled the City's charter school spending limit, while increasing the state's financial commitment to sharing in the associated increased costs. However, the state's charter school tuition reimbursement is subject to legislative appropriation, and has been underfunded between FY15 and FY18, leading Boston to lose a projected \$74 million in revenue from the state in these four years combined. Under the FY18 State Budget, Boston is projected to lose an additional \$25.9 million in FY18 due to underfunding of this appropriation by the Commonwealth. Charter School Reimbursement is a critical revenue source for Boston, which has seen its charter school tuition costs grow rapidly; Boston's charter school assessment has risen by \$105.5 million or 154% since the enactment of the 2010

Achievement Gap Legislation. In FY18, Boston's Charter School tuition makes up a greater percentage of the City's net school spending than any other community in the state.

Education Legislation

In light of the growing chasm between education costs and state revenue, Mayor Walsh filed comprehensive education finance reform legislation that aims to invest equitably in public education and expand access to high-quality education for students of all ages. In addition to the internal changes recommended to be explored at BPS, the Long-Term Financial Plan's 10 Big Ideas included a call to "Advocate to Realign State Education Formulas" and to "Advocate to Give Boston More Flexibility to Modify its Revenue Structure." Based on these findings, the Mayor has filed comprehensive education finance reform legislation that would increase annual available funding for Boston by about \$35 million for increased investment in education in its first year of implementation. The package would fix the broken charter school finance model, more fully fund the cost of the Commonwealth's highest need students, and redirect existing tax revenue produced in Boston back to its residents. In addition, if more state revenue becomes available for education, the Mayor's Chapter 70 Education Aid proposal would fundamentally change Boston's stagnant state education aid and provide an additional \$150 million per year to Boston students within several years.

To fix the broken Charter School Transition Funding Model, the Mayor's proposed legislation would relieve the State General Fund of the cost of charter facilities, creating additional capacity for state funding for charter transition costs. The proposal also streamlines charter school transition funding in a way that limits state and city costs by committing the Commonwealth's support for additional charter school seats by providing 3 years of transitional funding directly to the charter schools (100% of the tuition in year 1, 50% in year 2, and 25% in year 3, with the municipality responsible for the balance in Years 2 and 3 and thereafter). The legislation also addresses a flaw in the current charter assessment formula that directly penalizes communities that have had their

charter reimbursement appropriations underfunded. Finally, it grants charter schools access to the Massachusetts School Building Authority.

To provide every Boston 4-year old with a high quality Pre-Kindergarten seat, the Mayor proposed legislation dedicating \$16.5 million to early education. The Universal Pre-Kindergarten Taskforce gained important insight into the supply and demand of pre-K seats in Boston. It found that Boston had solved the overall access challenge, but continued to face a significant shortage of quality seats. The taskforce estimates a 1,350 seat gap in Boston between the number of quality seats—roughly 4,000—and the current number of 4-year olds (5,350). Mayor Walsh is proposing to close the “quality gap” in pre-kindergarten seats in Boston by investing in programs at public schools and community based organizations with surplus revenue raised in Boston from the Convention Center Fund. The proposed legislation redirects the surplus amounts generated from two Convention Center Fund revenues that are produced exclusively in Boston, the Boston Sightseeing Surcharge and the Boston Vehicular Rental Transaction Surcharge.

Boston Public School students face more significant and more numerous disabilities than students in other districts. BPS’s students in out of district educational programs cost an average of \$84,000 per pupil. Currently, the state reimburses districts for 75% of costs above 4 times the statewide average foundation per pupil rate, subject to appropriation. To increase districts’ reimbursements for the highest-need and highest-cost students, the Mayor has proposed legislation that would change this threshold to 3 times the average pupil cost.

The Mayor has also proposed legislation to make transformational education funding available for Boston if the State identifies a new education revenue source. The proposal fixes the Chapter 70 Education Aid formula for communities like Boston that serve the Commonwealth’s most economically disadvantaged students, are investing more in their students than is required, but are receiving stagnant education aid each year. If

new state revenue is identified for education aid, the proposal caps the municipal revenue growth factor at 2 ½% for communities like Boston, and implements needed foundation budget updates for economically disadvantaged, special education, and English Language Learning students. If adopted, Boston could fundamentally change its State Education Aid picture and invest an additional \$150 million per year in its students within the next several years.

Additionally, the City and BPS are advocating for restoration of funding for Kindergarten Expansion Grants that was cut in the FY17 state budget. This line item was a critical source of revenue assisting BPS in providing access to full day kindergarten to all five-year olds in Boston. This year, BPS had to divert funding to minimize the impact of this \$1.8 million cut on students, funding that could have been used to expand learning hours or K1 seats, and for many other purposes.

BPS OPERATING BUDGET

At a \$1.061 billion appropriation plus a \$20 million collective bargaining reserve, this marks the largest Boston Public Schools budget in history. The FY18 allocation makes targeted investments in programs that increase academic rigor and enrichment, pre-kindergarten, extended learning time, vocational programming, and resources for students experiencing homelessness.

Funding directed to schools will increase by almost 4%, even before the largest driver of BPS costs, employee collective bargaining increases, are negotiated. When taking into account total spending at schools, funding directed to schools is projected to increase at 96 schools, even with flat overall district enrollment. This includes additional funding for lengthening the school day at 39 schools, new homeless resources, weighted student funding (WSF) allocations, a projected allotment from the collective bargaining reserve, supports added to schools after WSF, and other new investments.

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 2.5% to \$308 million. With these support funds added to funds budgeted at the school level, a full billion dollars is expected to be spent on school services. This increase is driven primarily by transportation costs, which are expected to rise to \$116 million. While transportation costs have risen, BPS expects the \$10 million in transportation efficiencies identified for FY17 to be realized over two years.

As BPS looked to achieve efficiencies to fund strategic investments and approve a balanced budget, they were able to focus the majority of their savings initiatives on central office departments. Overall, the Central Administration budget will decrease by 5.5% to \$62 million. The FY18 budget assumes reductions to central office budgets in areas such as stipends, travel, and food, making way for strategic investments such as extended learning time.

To close opportunity and achievement gaps and support students most in need, the FY18 BPS budget includes the following new investments:

- \$14.2 million to support an extended day for 15,000 more, from kindergarten through 8th-grade, 120 additional hours of learning time — or the equivalent of 20 more school days a year;
- \$1.25 million to support Level 3, 4 and 5 schools, particularly those with declining enrollment;
- \$1.2 million to support more than 3,000 students BPS has identified as experiencing homelessness;
- \$700 thousand to expand the Excellence for All initiative that increases academic rigor and enrichment to 5th graders in 13 schools, reaching a total of 1,569 students with this program;
- \$1.3 million for new vocational programming at The English High School and Edward M. Kennedy Academy for Health Careers;
- \$500 thousand for an additional 100 K1 students to be served;

- \$340 thousand to support the District's water policy;
- \$275 thousand for additional substitute custodians;
- \$81 thousand to open new dual language classrooms;

Like most City departments, Boston Public Schools has not yet negotiated their collective bargaining agreements effective in FY18. Consequently, this budget does not include general wage increase for FY18. The City will reserve \$20 million for BPS's FY18 collective bargaining costs to be used when agreements are negotiated.

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 FY18 budget development process included a more rigorous use of data, and collaboration between school leaders and BPS Finance to develop accurate enrollment projections. In FY18, the BPS projected budgeted enrollment is approximately 57,200, including an additional 100 prekindergarten seats. Overall enrollment has remained consistent over the past 5 years, ranging from a high of 56,959 students in 2014-15, to a low of 56,404 in the 2016-2017 school year.

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. It is projected that 600 more students will be enrolled in the District's highest performing schools next year.

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. In FY18, the district increased the total direct appropriations to schools by approximately \$2.8 million to \$483.3 million through WSF. WSF is only one component of schools' funding; total school funding is expected to rise by almost 4% or \$25 million in FY18.

For FY18, the seventh 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 needs. BPS's highest-need students receive more resources through the weighted student funding structure.

When enrollment declines at a school, central office works closely with that school to appropriately adjust staffing. Particular care was 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.

BPS's FY18 budget includes a series of substantial supports on top of WSF—including existing and proposed new investments totaling over \$16 million—that differentially serve the district's highest need students. These include the new proposed investment to support students experiencing homelessness, state grants for turnaround schools, Academic Response Teams, and a new \$1.25 million

reserve specifically targeted at Level 3, 4, and 5 schools. These funds will support lower performing schools, particularly those with declining in enrollment. BPS anticipates significant funds from this reserve will support Excel High School and Brighton High School, which are in the turnaround planning process and will see budget increases at the conclusion of that process.

Early Childhood Education

Research confirms that pre-kindergarten has a positive impact on student achievement in the Boston Public Schools. BPS currently serves approximately 2,500 children in pre-kindergarten classrooms, and demand increases every year. Those students are part of the 90% of Boston's 5,350 four-year-olds who are enrolled in a pre-kindergarten program, in either a school or community-based setting. 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 BPS prekindergarten attendees outperform their peers in third and fifth grade MCAS, both in ELA and in Math.

In FY18, Mayor Walsh will continue his successful campaign to expand BPS pre-kindergarten (K1) seats and make an investment to establish a universal pre-k infrastructure. With more than 100 additional K1 students to be served in FY18, Mayor Walsh will have added 422 K1 seats to BPS since he took office at a total investment of over \$4.3 million. Mayor Walsh has also filed early education finance legislation to close the "quality gap" in pre-kindergarten seats in Boston by investing in programs at BPS and in community based organizations. The Universal Pre-Kindergarten (UPK) taskforce estimates a 1,350 seat gap in Boston between the number of quality seats—roughly 4,000—and the current number of 4-year olds (5,350). To dedicate \$16.5 million to early education, this legislation would redirect the surplus amounts generated by two Convention Center Fund revenues that are produced exclusively in Boston.

BPS will continue to strengthen and expand programs, including full-day K1 classrooms for four-year-olds. More than half 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 special education budget totals \$267.6 million in FY18, an increase of \$8.5 million or 3.3% from FY17 levels. The special education budget accounts for approximately 22% of the total BPS budget and supports the almost 12,000 students with disabilities, or 20% of the BPS population.

In FY18, the District will continue implementation of a special education data management system. This data system will allow BPS to better manage and monitor Individualized Education Programs (IEPs) and ensure students are getting the services they need.

In addition to mainstream or substantially separate placements in the District, BPS is responsible for the educational services of approximately 498 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 an average cost of \$84,000 per year in FY16. Tuition rates are established by the Commonwealth of Massachusetts Rate Setting Commission.

Bilingual Education

The Bilingual/SEI budget totals \$75.6 million in FY18, an increase of \$800 thousand or 1.1% from FY17 levels. Approximately 30% of BPS students have an ELL designation. Currently, English Learning students within the District speak more than 71 different languages. In FY18, the City will make an \$81 thousand investment to open new dual language classrooms.

Additionally, BPS continues to make investments to expand ELL academic programs and teacher training. The number of Sheltered English Immersion programs in the district will be increased, as will the number of teachers

with English as a Second Language (ESL) licenses.

Extended School Day

In 2015, Mayor Walsh launched a reform to extend the school day for kindergarten through 8th grade schools over three years. In the 2017-2018 school year, Boston is investing \$14.2 million to allow 39 more schools and 15,000 more students to receive 40 minutes more each school day through the implementation of Extended Learning Time (ELT). This expansion brings the total number of students receiving extended learning to over 23,000 at 57 schools throughout the District at a total investment of \$18.9 million. This investment will add 120 more hours, or the equivalent of 20 additional school days a year, to kindergarten through 8th grade students. Prior to this reform, students in traditional BPS elementary and middle schools were in class for six hours and six hours and ten minutes, respectively, well below the national average.

The extended time will help more students gain valuable learning and enrichment opportunities. Schools with extended learning showed a “statistically significant” positive effect in 5th grade science, 6th grade math, 8th grade science and 7th grade English Language Arts, according to a statewide study. Students in ELT schools also outperformed their peers in non-ELT schools in growth measurements on all MCAS tests. Teachers in the Massachusetts ELT program reported that the extended day allowed them to accomplish their teaching goals and cover the instructional material their students need to learn.

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 11% of total funding in FY18 from 17% in FY12 (Figure 3). 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. Overall, BPS is expecting a decrease of \$1.8 million, or 1.4%, compared to FY17.

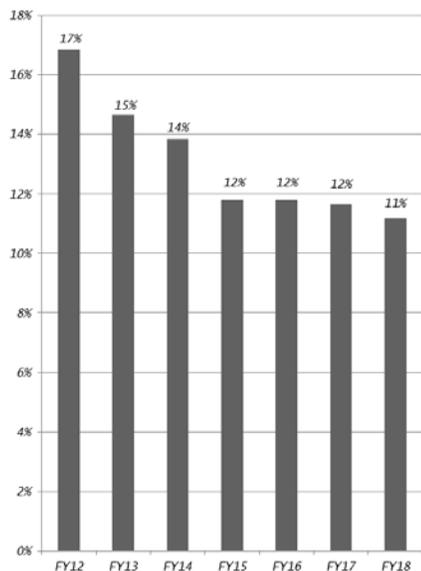


Figure 1 - External Funds as % of Total Funds, FY12-15 Actuals, FY16 Budget, FY17 Projected

One of the largest sources of federal revenue for BPS is the Title I entitlement grant. BPS is projecting \$36.2 million in Title I revenue in FY18. The grant’s purpose is to improve the academic achievement of disadvantaged students by ensuring that 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 is projected to receive approximately \$15 million in Circuit Breaker revenue in FY18. Additionally, funds provided through the federal Individuals with Disabilities Education Act (IDEA) grant enable the district to provide special education in the least restrictive environment possible for children with disabilities ages 3 through 21, and to provide early intervention services for children from birth through age two. BPS is projecting to receive \$17.9 million, or a 3.7% increase in IDEA funds in FY18.

School Improvement Grants

BPS anticipates \$2.09 million in School Improvement Grants from the Commonwealth in FY18. This funding is provided to the lowest performing schools in BPS, also known as turnaround schools, to extend the instructional day by at least 30 minutes, hold an additional 100 professional development hours for teachers, and provide other school based support, such as after school tutors and literacy coaches. In FY18, the district has applied for funding for Grew Elementary, Dorchester Academy, Madison Park Technical Vocational High School, Excel High School, and Brighton High School. Although previous School Improvement Grants have expired, the district has shifted these activities to the operating budget to continue the work of turning around low performing schools. The FY18 budget includes an additional \$750 thousand in funding to transition the Dearborn and the Mattapan Early Elementary, School where previous School Improvement Grants have ended. Also, as mentioned previously, an additional \$1.25 million reserve will be set up for Level 3, 4, and 5 schools that are experiencing declining enrollment.

PERFORMANCE

The creation of a Performance Meter comprised of 14 key performance indicators (KPIs) associated with school improvement was an initiative that was developed as part of Superintendent Chang’s 100 Day Plan. 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 KPIs 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 2016 was 72.4%. This represents a 1.7% increase over the 2015 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 2016 graduation rate is the highest ever recorded by BPS.

Additionally, twelve Boston high schools achieved graduation rates of 80% or above, meeting the state's accountability target. They include: New Mission High School; Boston Latin School; Boston Latin Academy; Boston Another Course to College; John D. O'Bryant School of Mathematics and Science; Boston Arts Academy; Boston Community Leadership Academy; Mary K. Lyon High School; Fenway High School; Josiah Quincy Upper School; Edward M. Kennedy Academy for Health Careers; and TechBoston Academy.

Dropout Rate

BPS's annual dropout rate for students in grades 9-12 increased slightly from 4.4% to 4.5% in the 2015-16 school year. Previously, BPS had two consecutive years that it achieved its lowest dropout rate on record.

In 2014, Boston's dropout rate, a significant indicator of a school's effectiveness, dropped below 4% for the first time in history. 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) classifies all Massachusetts districts and schools into one of five accountability and assistance levels, with the highest performing in Level 1 and lowest performing in Level 5. Boston has a track record of leading struggling schools to success.

Twelve schools increased in level between the 2015 and 2016 accountability reports, with six schools rising two levels from Level 3 to Level 1, including Boston Arts Academy, Boston International Newcomers Academy, Harvard/Kent Elementary School, Mildred Avenue Middle School, and Mozart Elementary

School. Fenway High School, James Otis Elementary School, Josiah Quincy Elementary School, Manassah E. Bradley Elementary School, and New Mission High School rose from Level 2 to Level 1, while the Boston Community Leadership Academy rose from Level 3 to Level 2. The City will continue to work with state and community partners to make more improvements in our schools across the board.

BUILD BPS

The FY18-22 Capital Plan funds facility and technology projects that support education and youth achievement in all neighborhoods across the City. Mayor Walsh announced a \$1 billion investment to modernize Boston's public school infrastructure, and the *BuildBPS* plan will guide that process. Through a dedication of City capital funds and a strong working relationship with the Massachusetts School Building Authority (MSBA), the plan will more than double the capital spending on BPS facilities over the next decade. Mayor Walsh's FY18-22 Capital Plan begins to implement early action *BuildBPS* initiatives while reserving funding for projects coming out of the *BuildBPS* engagement process.

A robust community process will commence in FY18 and continue each year. The planning principles, data, and analysis outlined during the *BuildBPS* planning process will guide community workshops across the City. These workshops will be the vehicle through which the community can propose new projects and investments. The City and BPS will further analyze the proposed projects that will become the foundation of each year's capital plan.

The \$13 million BuildBPS 21st Century Schools Fund will provide schools with 21st century tools, including new technology and comfortable, movable furniture. This initiative will promote learner-centric programs, benefit professional development, and provide greater flexibility in both current and future learning spaces. Relative to larger-scale building renovations and repairs, these upgrades can be done at lower cost and on an accelerated timeline. BPS will create a menu of 21st century packages that schools will be able to select from, depending on their needs. BPS will work

with school leaders to complete these upgrades in the 2017-18 school year.

Boston has also successfully ramped up its efforts to leverage MSBA Accelerated Repair Program (ARP) dollars to provide much needed improvements to its schools. This summer, Boston will invest \$13.6 million to unlock a \$16.3 million grant from the MSBA to provide seven BPS schools with new windows. In addition, the MSBA has approved a \$6.4 million grant, with Boston providing \$3.4 million in matching funds, to replace roofs and boilers at five BPS schools. The Mayor's Capital Plan sets aside an additional \$24 million over five years to position Boston to further leverage MSBA ARP dollars in the future.

Finally, this Capital Plan allows Boston to invest in BPS projects already in the pipeline:

- Slated to be completed in winter of 2017/2018, the \$73 million Dearborn STEM Academy will open for students in September 2018. The project, which leverages a projected \$37 million match from the MSBA, is designed based upon a project-based learning curriculum, with an emphasis on STEM education.
- Over the next two years, the Eliot School construction projects will be completed. The new \$23 million North Bennet Street building will welcome 5th to 8th graders this fall into a 21st century learning environment while this summer, the final phase of construction will begin at the Commercial Street building.
- Renovations will occur at the Mattahunt Elementary School as it transitions to the Mattapan Early Elementary School.
- The Capital Plan provides for Boston's matching investment in the Josiah Quincy Upper School (JQUS) and Boston Arts Academy (BAA), which are collaborative projects with the Massachusetts School Building Authority (MSBA). BPS will continue the 5 year plan to upgrade technology infrastructure across the district in support of 21st century learning.

In total, Boston will invest \$312 million in BPS capital projects over the next five years, with an additional \$418 million committed for the

following five years. 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 10,660 Boston students in FY18. 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 \$21.9 million over the FY17 budget due to growing attendance and a higher per pupil tuition rate. Boston's charter school assessment has risen by 154% since the enactment of the 2010 Achievement Gap Legislation.

In total, the City of Boston will spend \$1.235 billion in operating dollars to support education-related programs in FY18 – from prekindergarten to high school in the Boston Public School system, as well as Commonwealth Charter Schools. Boston will also dedicate \$312 million from City borrowing over five years to provide Boston's students with 21st century learning environments.