

Innovations in Education

OVERVIEW

The City of Boston is the birthplace of public education in America. With the unwavering support of Mayor Walsh and the City Council, the Interim Superintendent and School Committee are committed to providing a world-class system of innovative, welcoming schools that promote exemplary teaching to all students of the Boston Public Schools (BPS) system. The FY15 Budget reflects the district's effort to direct funds to classrooms and effective support programs.

Upon his appointment as Interim Superintendent in July 2013, John McDonough embarked on a bold plan to move BPS forward. By making targeted investments, the district is advancing in their effort to eliminate achievement gaps, raise academic standards, and expand opportunity for all students.

The FY15 Budget provides the financial blueprint for moving Boston Public Schools forward. By keeping a keen focus on strengthening teaching, developing school leadership, streamlining central offices, supporting school partnerships, and extending learning time, BPS is working to make its budget more transparent and equitable, all the while serving an increasingly diverse population of students.

Despite ongoing financial challenges, BPS has seen success in many areas. The graduation rate has been increasing, the drop-out rate has been decreasing, and BPS students continue to outperform their urban peers around the nation in nearly every measure. The achievement gap is narrowing and BPS is leveraging resources and new authority to turn around underperforming schools.

BPS continues to face tremendous fiscal challenges as the cost of education rises and total federal and state resources decline. Although BPS is receiving an increase in City funding, shrinking external funds present a challenge to the district.

BPS has worked to realign its work to best support schools. A number of strategies have been proposed to achieve cost savings, including central office reorganization and consolidations. BPS strives to build on its successes and extend academic progress as the district implements the new home-based school choice system which emphasizes quality closer to home. As implementation goes forward, BPS is committed to adding dual-language, innovation and in-district charter schools as well as full inclusion schools, and to continuing the important work of improving quality in turnaround and high-support schools.

BPS Operating Budget

The BPS FY15 budget, totaling \$974.9 million, is an increase of \$36.9 million or 3.9%, from the FY14 general fund appropriation. Salaries and benefits comprise approximately 78% of the budget. The FY15 BPS Budget invests in key priorities for the district including:

- Continuing the City's commitment to early childhood education and the needs of Boston's families by making an additional 100 kindergarten seats available to four and five year old students as well as early childhood special education students;
- Expanding programs and services for English Language Learners (ELLs) and continuing to hire and train qualified ELL teachers;
- Prioritizing the creation of highly specialized inclusion programs for students with disabilities;
- Preserving extended learning time at turnaround schools and investing in school vacation learning programs;
- Successful implementation of Common Core & PARCC assessments;

- Enhancing parents' ability to make well-informed school selections with a new student assignment plan and selection tool;
- Redesigning the central office to more effectively and efficiently provide services to schools.

Quality Improvement Funds

The City is in the second year of an effort to provide every family with quality education options that are close to home. FY14 was the first year of a \$30 million commitment of City funds over three years in Quality Improvement Funds.

The funds were split between operating and capital investments. BPS has developed a more predictable choice and assignment process, and recognizes the work remaining to improve equity and access to quality learning environments. These funds have sustained the successes of turnaround schools by preserving their extended time in the face of budget reductions. High support schools received capacity building grants to intervene early in struggling schools, as well as planning grants for schools developing inclusion programs.

These funds are also sustaining efforts to develop school leaders. BPS is making critical investments in facilities to provide students with cutting edge learning spaces, and maximizing efforts to capture efficiencies in utilities and telecommunications. Furthermore, the City has purchased property to serve as a school for downtown families in response to increased enrollment trends in the early grades. These investments reflect a deliberate effort to improve student's experience and performance.

BPS STUDENTS

Student 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. This projection is based on current data and historic trends. The projected enrollment at each school for the upcoming school year then determines the allocation of resources at the school level. Further adjustments are made once enrollment is finalized. Schools that exceed their projected enrollment have their funding adjusted, ensuring

that dollars truly follow the students. Schools that are under-enrolled do not see reductions in an effort to avoid academic disruption. However, these schools may experience reduction in the following year as enrollment projections are refined.

BPS actively monitors the accuracy of enrollment projections against the actual number of attending students. There were 57,087 students attending BPS for the 2012-2013 school year or FY13 and 56,787 students for the 2013-2014 school year or FY14, a decrease of 300 students enrolled.

The FY14 budget, which is school year 2014-2015 was built on a projected enrollment of 58,271. However, district-wide and school-based projections were over estimated. Over 1,000 students projected to enroll ultimately did not. Several classrooms were opened in preparation, but by the middle of the school year, many of those classes did not have the enrollment necessary to be sustainable in FY15.

BPS has refined their projections for FY15 by reducing the budgeted enrollment by roughly 900 students to 57,332. This change resulted in many schools needing to make adjustments to right-size their classrooms, staffing models, and budgets. The district is actively supporting schools through this transition.

Weighted Student Funding

Weighted Student Funding (WSF) is the foundation of schools' budgets because it ensures resource equity for all students no matter what school they attend. WSF delivers each school a budget that is easy to understand, more equitable, and reflective of students' needs. For FY15, the fourth year using this formula, BPS has continued to refine this need-based method of funding. As BPS makes difficult choices due to budget constraints, schools and their communities can rest assured that reductions are made based on changes in students' needs, and are applied equitably across the district. BPS funds students based on their academic need – not buildings, adults, or programs.

Under WSF, dollars follow students based on certain criteria and system-wide rules. Each school receives a foundation budget to support

essential staff. Then BPS calculates a per-student funding amount by assigning a value to various factors that differentiate student need. A school's budget is calculated by adding the individual funding amounts for every student projected to attend that school in the fall. For example, students whose family income is at or below the poverty level will receive an additional weight, and therefore more funding, no matter which school they attend. Other need-based weights include students with disabilities, ELL, off track 9th and 10th grade students and vocational education students.

The increase in the City's appropriation to BPS for FY15 allowed the district to increase the total direct appropriations to schools by over \$5 million through WSF, in addition to other non-WSF allocations that are budgeted and deployed centrally.

FY15 still presented a challenge for many school-based budgets. The over-projection of enrollment in the previous year along with new policy decisions has shifted the projected population mix of students for many schools.

The district is responding to those shifts. BPS continues their commitment to WSF with a fourth year of providing one-time rules-based funding known as "soft landings". The goal of soft landings is to provide funds for a modification period which allows schools to adjust their programmatic models and/or increase their enrollment for the following year. The FY15 budget includes soft landing funding for the following reasons:

- Under-enrolled classrooms due to district priorities (SPED and ELL overlays, inclusion rollout, programs being phased out);
- Required clinical/administrative supports for substantially separate classes for emotional impairment;
- Supports for Primary Transition Classes (PTC classes) being phased out;
- Supports for under-enrolled classes for Students with Interrupted Formal Education (SIFE students);
- Supports for inclusion start-up for schools implementing formal K2 inclusion for the first time;

- English as a Second Language (ESL) supports for English Language Learners in general education seats.

BPS has recognized that even with the success of WSF, some adjustments are still needed. Special education schools have been held harmless while the appropriate weights and programmatic models are examined. BPS also has recognized academic research around the impact of poverty on learning. Starting in school year 2014, BPS reduced the threshold for the poverty weight to 60% from 70%. This assists schools with high concentrations of poverty. The FY15 projection includes over 10,000 students who fall into this group.

Student Diversity

The BPS student population is racially and ethnically diverse. In FY14, the student body was 34.5% Black, 40.4% Hispanic, 13.6% White, 8.6% Asian and 2.5% multi-racial or other. Within those groups BPS students come from an array of backgrounds and cultures. Approximately 46% speak a language other than English as their first language.

BPS seeks to ensure equal educational opportunities and prevent discrimination and inequalities based on race, ethnicity, socio-economic status, gender, sexual orientation, or learning ability. To that end, BPS continues to develop a culturally relevant curriculum that fosters a celebration of the rich diversity in BPS while also aggressively recruiting and hiring teachers that reflect the student population.

PROGRAMS AND SERVICES

Approximately 78% of BPS students are in regular education programs, 11% are in bilingual education or Sheltered English Immersion (SEI), and 10% are in substantially separate special education programs. The projections for FY15 anticipate about 7% of students in regular education shifting to special education. This shift has been the trend as the district improves its ability to identify special needs.

Regular Education

Regular education programs at BPS include early learning opportunities, kindergarten and grades 1 through 12. BPS regular education classes vary from classical academics to technology and the arts, and from advanced work classes to remedial

and alternative education. This group also includes mainstream special education students.

English Language Learners

BPS, through its Office of English Language Learners (OELL), ensures that English Language Learners (ELL)/Limited English Proficient (LEP) students acquire proficiency in English while achieving the same standards as their fluent English-speaking peers. There are approximately 25,000 BPS students for whom English is not their first language.

A proven strategy to closing achievement gaps is early intervention. The Parthenon Report on strategies for off-track youth issued in 2007 found that ELLs who enter BPS for the first time during high school are at high risk of dropping out of school before graduation. To address the needs of these students, BPS opened the Newcomers Academy in March 2009. This school's transitional program helps prepare fourteen to eighteen year old ELL students for successful entry into a diploma-granting high school. In addition, BPS has expanded enrollment at the Boston International High School, a school for ELLs that currently serves students from forty-eight countries.

BPS has made investments to expand ELL academic programs and teacher training. BPS increased the number of Sheltered English Immersion programs in the district, employed more teachers with English as a Second Language (ESL) licenses and more teachers who have training. As a result of these efforts ELL students' MCAS proficiency rates across all grades have increased, including double-digit gains in the third and eighth grades.

Special Education

BPS provides special education services in both public schools and special education private schools to approximately 11,000 students. This is an ever growing population as the practice of identifying special needs evolves. In keeping with its goal to enable all students to achieve high standards, BPS special education services focus on mitigating barriers to teaching and learning. This approach ensures that all students can reach citywide learning standards, graduate from high school, and have the tools to choose post-secondary education and/or employment. All

special education services are provided in accordance with the Individuals with Disabilities Education Act (IDEA), Massachusetts State Regulations (CMR 28), and Boston School Committee policies. BPS has made great strides in this area by working to keep students in consistent settings with skilled professionals.

Special education professionals nurture the goals and objectives specified in each student's Individualized Educational Plans (IEPs). Speech and language pathologists, occupational therapists, adaptive physical education teachers along with other specialists also provide services as determined through the IEP process. BPS is also investing heavily in bus monitors who accompany students with IEPs as they travel to and from school.

BPS strives to serve more students within inclusive settings while always recognizing the need to provide appropriate services to all students' special needs. While many special education students receive instruction in regular education classrooms and resource rooms, approximately half of students with disabilities are educated in substantially separate settings to successfully meet their special education needs.

In addition to mainstream or substantially separate placements in the district, BPS is responsible for the educational services of approximately 440 students in out-of-district placements. Students receive out-of-district placements when their needs cannot be met in a public school setting, and instead a private day school or private residential school is required to meet their educational goals and objectives. BPS is currently fully or partly responsible for paying for services for most of these students at an average cost of \$72,327 per year. Tuition rates are established by the Commonwealth of Massachusetts Rate Setting Commission.

BPS leads their urban peers in providing effective services and delivering quality education to our students with disabilities, and that work continues. Highly specialized programs have replaced isolated and discontinuous substantially separate classes. This change has allowed students with disabilities to move from grade to grade within a single school, supported by highly trained specialized staff. This in turn creates more

predictability and fewer transitions for families. In addition, BPS has increased the number of schools in the Inclusive Schools Network from five to twenty-six.

CENTRAL SERVICES

Overview

Schools depend heavily on centrally budgeted and deployed services. Services that are budgeted centrally range from custodians and food services to family engagement and safety services. They also include various academic assistance and support services that are budgeted centrally but delivered to schools throughout the district. Starting in FY14, the district has been using a network-based structure to connect schools to central services.

Network Structure

The network structure creates a team of support for each school, made up of specialists working together across departments to support their designated schools. This creates mutual accountability across departments and schools, and enables assistant superintendents to take a more holistic approach to supporting schools with streamlined communication. It also provides principals with the tools to be responsive and capable leaders, and enables collaborative budget development between schools and central office.

Department Consolidations

The FY15 budget cycle presents an opportunity to redesign the central office. By identifying areas of duplication and ineffectiveness, the district has simplified the delivery of service by making targeted reductions and consolidations. One example is the merging of the Offices of Human Resources and the Office of Educator Effectiveness into the new Office of Human Capital. This consolidates the efforts of the district to provide effective staffing and teacher development.

The district is also unifying student engagement services. Welcoming Services, Community Engagement and Family and Student Engagement offices will be joining forces to support schools through the Network Superintendent structure. This merge intentionally aligns outreach services to ensure every school is supported equitably.

Every change in the central office allows the district to send more funds to schools.

Transportation

Improvements are happening within the transportation department as well. A majority of students rely on transportation services to get to and from school. BPS has enjoyed the benefits of a new transportation vendor that has been successful in ensuring that students arrive to school on time and ready to learn.

The BPS Transportation department is an active player in identifying cost saving opportunities and will be expanding the use of MBTA services for 7th and 8th graders in an effort to send more dollars to the classrooms. The district is currently refining their implementation plan which will slow down this transition, delaying 7th grade participation until the following school year but allows both 6th and 7th graders to opt into usage of MBTA. BPS prioritizes students' safety and has been working closely with MBTA officials to ensure a smooth transition. This also enables students to participate in other activities because they will have access to transportation outside of school hours.

PERFORMANCE IMPROVEMENTS

Overview

BPS has been evaluating its progress by using measurable outcomes for a number of years. Through a collaborative process that involved the Superintendent and School Committee, BPS has developed and refined performance indicators and standards to promote continuous improvement in teaching and learning in every classroom. Federal and state funding guidelines also require BPS to track student progress. Changes in federal and state law over the past several years have changed the district's role with respect to accountability. As the School Committee seeks a new Superintendent, performance standards will be updated to align closely with the district's renewed direction. (*Performance Indicator & Standards data can be found in the Education chapter in Volume 2 of the City of Boston FY15 Budget.*)

District Priorities

Interim Superintendent McDonough has set ambitious targets for rapidly improving student achievement across all grade levels and

communities within the BPS system. Because student success depends on great schools as well as a supportive community, the district's performance agenda also calls for deepening ties with neighborhood groups and after-school partners. There are three core objectives to the district's work on evaluating performance:

- To ensure all students achieve MCAS proficiency;
- To close access and achievement gaps; and
- To graduate all students from high school prepared for college and career success.

BPS has developed performance measures against which they will measure progress towards their academic goals. BPS seeks to have all students learn to read by the end of Grade 1 and read to learn in Grade 3. To that end, the district is paying careful attention to its measure of first graders meeting the DIBELS benchmark. DIBELS (Dynamic Indicators of Basic Early Literacy Skills) is a formative early literacy assessment. BPS is also monitoring the percentage of third-grade students passing the English Language Arts (ELA) MCAS, and the gap between the highest and lowest student subgroups in the ELA MCAS.

BPS has set a goal of having more eighth grade students prepared to take Algebra I. The district is also focused on ensuring that English Language Learners (ELLs) acquire language mastery and fluency. In order to monitor this, BPS is looking at the percentage of ELLs who move two or more Massachusetts English Proficiency Assessment (MEPA) steps within the same grade span or one or more steps between grade spans, across all levels.

BPS is monitoring the steady increase in graduation rates, SAT scores and the percentage of students enrolled in Advanced Placement courses as it focuses on graduating all high school students college-ready and success bound. BPS also monitors the dropout rate, a significant indicator of a school's effectiveness. 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. BPS is seeing encouraging progress and expects the dropout rate to continue its decline.

Student Assignment

BPS continues to push the district toward achieving strong performance in every school. The district serves diverse families who have various academic needs and preferences. While BPS works to improve performance in each school, the district must also enable parents to make informed decisions.

With the tireless work of the External Advisory Committee (EAC), BPS engaged thousands of community members, outside partners, stakeholders and academic experts to develop a tool that empowers parents to identify quality schools. This new method helps increase access and removes the boundaries of zones by shifting away from an outdated assignment method. The first year of implementation has shown successes as well as identified areas for improvement to this new process.

The first round shows promising results. This model has reduced the distance traveled for K1 and K2 students by 17% and 18% respectively. Approximately the same number of families received one of their top-three choices this year as compared to the former three-zone plan. In the 2014-2015 assignment process 73% of families entering K2 received one of their top three school choices, and 47% received their first choice.

In post-registration surveys, families enrolling in BPS said they generally understood the new system and were pleased with the service they received during the process. 85% of respondents understood the new assignment system "well" or "fairly well" before they came to register. Students that are in transition grades and new to the district were the first to try out this assignment method.

School Quality Working Group

During the process of engaging the community to develop the school choice process, one thing became resoundingly clear: quality is at the center of choosing which school to attend. The EAC engaged over 5,000 people at 70 different community meetings and through online surveys. Among their findings, quality has a different

meaning for different families that cannot be captured in a standardized test.

In an effort to better define what quality means and how to attain it, the district established the School Quality Working Group (SQWG). This group reviewed research on school quality indicators and reached out to other districts to see what Boston could learn from them. The SQWG engaged students, parents, teachers, school leaders, and stakeholders in thoughtful conversation. The SQWG presented the School Quality Domains and Policy Recommendations in June 2014 and the School Committee voted to approve them. Further presentations on the final Quality Framework will be made by SQWG in fall 2014 and presented to the School Committee for vote.

Turnaround Receivership

BPS has seen great gains in many schools, but every school must demonstrate improvement. The Department of Elementary and Secondary Education named receivers/turnaround operators for two BPS Level 5 schools in the 2014 school year. Level 5 is the lowest performing category in the Massachusetts accountability system, representing receivership. Despite targeted investments, these two schools did not show satisfactory improvement and require further action. Unlocking Potential will develop a turnaround plan for the John P. Holland Elementary School and Blueprint Education Network will do the same at the Paul A. Dever Elementary School. The work at these schools will be informed by recommendations developed by each school's site council and local stakeholder groups. The district will work to ensure stability and opportunity for students and staff at each school.

Common Core and PARCC

This year, BPS is strengthening curriculum and instruction across the board to ensure mastery of the new Common Core standards, which will prepare all students for college and career success in the 21st century economy. Designed through collaboration among teachers, school leaders, administrators, and other experts from across the country, the national standards provide a clear and consistent framework for educators. The standards define the knowledge and skills

students should gain throughout their K-12 education in order to graduate high school prepared to succeed.

The State of Massachusetts is also exploring a new assessment test -- the Partnership for Assessment of Readiness for College and Careers (PARCC), which is aligned to the rigorous curriculum standards of Common Core.

BPS, along with other districts, has randomly selected schools to participate in the field study of PARCC assessments which will inform the state-wide implementation. This new assessment is computer-based and aligned to the newly adopted, common set of college and career ready learning standards in English language arts and mathematics. PARCC is a key component of the district's commitment to ensure that all students are well prepared for success after high school. The district is investing \$2 million in FY15 for technology and infrastructure to enable students to capitalize on the integration of technology and learning.

Educator Evaluation and Effectiveness

Massachusetts was granted a waiver in 2012 to implement elements of the No Child Left Behind Act. Under the Massachusetts Model System for Educator Evaluations, school leaders will complete a five-step annual evaluation cycle to inspire critical reflection. This state-wide model focuses on data based evaluations and supports mutual accountability and participatory evaluation of performance. Self-assessment leads to goal development and action steps to achieve improvement.

The City of Boston employs over 4,000 teachers and supports the growth and development of every educator, from recruitment to retirement. BPS has worked to streamline this support, merging the Office of Educator Effectiveness and the Office of Human Resources to become the Office of Human Capital. Data drives this work, as the district improves the evaluation system to ensure educators get effective feedback.

BPS must compete with other cities and school systems to recruit, hire, and retain the very best teachers. The district recognized that in order to attract a diverse and talented work force, they needed to make sweeping changes to the hiring timeline. Previously, positions were not posted

until the spring, which is relatively late compared to other districts.

In FY14 BPS reformed their process by introducing a new web site, along with opening over 1,000 teacher positions in hopes of attracting diverse, highly qualified teachers. These positions are open due to regular attrition, retirements and other vacancies that occur annually. In addition, many schools have open-posting positions that are held on a year-to-year basis by provisional teachers and these positions are now available to qualified internal or external candidates, including current provisional teachers.

ALTERNATIVE SCHOOL DESIGNS

Pilot Schools

Innovation is essential to continuous school improvement. In recognition of this fact, BPS and the Boston Teachers Union (BTU) collaborated in 1994 to create pilot schools that could serve as laboratories for innovative ideas in quality instruction. Pilot schools, which are exempt from many elements of the BTU contract and School Committee rules and regulations, can test creative educational ideas that can later be introduced to the entire BPS community.

In FY15, twenty-one pilot schools will be in operation, serving roughly 8,400 students across the district. This population has grown in recent years due to the hard work of the following schools:

Another Course to College, Baldwin Early Learning Center, Boston Arts Academy, Boston Community Leadership Academy, the Boston Teachers Union School, Fenway High School, Lilla G. Frederick Pilot Middle School, Gardner Pilot Academy, Greater Egleston Community High School, Haley Elementary, Harbor School, Lee Academy, Lyndon K-8 School, Lyon 9-12, Mason Elementary School, Mission Hill K-8 School, New Mission High School, Orchard Gardens K-8 School, Quincy Upper School, TechBoston Academy and Young Achievers Science and Math K-8 School.

Horace Mann Charter Schools

The City of Boston has six Horace Mann charter schools operating in FY15: UP Academy of Boston, Boston Day and Evening Academy, Boston Green Academy, the Edward M. Kennedy Academy for Health Careers, the Dudley Street Neighborhood

School, and UP Academy of Dorchester. The Horace Mann Charter Schools are projected to serve over 2,000 students.

All Horace Mann charters require the approval of the local school committee, and are ultimately granted charters by the Commonwealth of Massachusetts. Charters are granted for five years and are renewable. Charter schools must comply with state regulations on testing and assessments, measure their progress against the goals specified in their charter, and produce a formal annual report. In addition, site visits are used to assess progress.

Horace Mann charter schools were originally authorized under the Education Reform Act of 1993, which has since been amended by the Act Relative to the Achievement Gap - Chapter 12 of the Acts of 2010. There are now three types of Horace Mann charter schools, each with varying rules regarding teacher contracts, level of approval needed, and different origins. The four newest Horace Mann charters are all Type III, meaning they are brand new schools and do not require pre-approval by local collective bargaining units. Instead, notice is given in good faith to the effected unions with limited time for negotiation. If agreement is not reached within that time, the school may operate under the terms of its charter. The enabling law limits the number of Type III charters to 14 state-wide, of which at least 4 are reserved for Boston.

Horace Mann charter schools submit a budget request to the Superintendent and School Committee each year. The cost of Horace Mann charter schools is included in the BPS operating budget. In accordance with the Massachusetts law governing charter schools, a Horace Mann charter school's budget allocation must be consistent with the allocation to other public schools in the district.

Innovation Schools

An amendment to the Education Reform Act of 1993, Chapter 12 of the Acts of 2010, Act Relative to the Achievement Gap, authorized the creation of Innovation Schools by districts in the Commonwealth. These schools have greater autonomy and flexibility than traditional district schools with regard to curriculum, staffing,

budget, schedule/calendar, and district policies. These schools establish measurable goals for performance and are evaluated annually by the Superintendent. Innovation Schools are authorized by the School Committee for up to five years, and can be reauthorized at the end of that term. Innovation Schools receive the same per pupil allocation as any other school in the district.

BPS is aggressively pursuing this new school model. The Roger Clap Innovation School opened in fall 2011, and three additional Innovation Schools opened in the fall of 2012: Madison Park, the Eliot K-8, and Margarita Muniz Academy. Muniz Academy follows a dual-language high school model similar to the Hernandez K-8, providing students with an opportunity to continue their bilingual studies.

Two of our turnaround schools, the Trotter and Blackstone, have been approved by school faculties and the Boston School Committee and have received their designation as Innovation Schools by the Commonwealth. They began the 2014-2015 school year as Innovation Schools.

Commonwealth Charter Schools

In accordance with the Act Relative to the Achievement Gap, the Board of Education can grant charters to public schools that allow them to be independent of local school committees. Commonwealth charter schools differ from pilot schools and Horace Mann charter schools in that the granting of their charters does not require the approval of the local school committee or school unions, and they do not submit an annual budget request to the local school committee.

Commonwealth charters receive per-pupil tuition plus facilities tuition from the student's sending district. Tuition costs for charter school students who live in Boston are paid for by the City of Boston through a state assessment separate from the BPS operating budget.

The Act Relative to the Achievement Gap of 2010 also lifts the 9% district spending cap most schools face, resulting in an expansion of the number of seats permitted to charter schools in Boston. If a district performs in the lowest 10% on MCAS statewide for the prior two years, the cap increases over several years until it reaches 18% of a district's net school spending. Boston currently falls into this category. The cap is at 16% for FY15

and will grow by 1% each fiscal year until it reaches 18% in FY17.

Boston students were attending thirty two Commonwealth charter schools in FY14; 21 of which are in the City of Boston. The state Charter School Office expects that expansions will bring Boston to its 18% cap when those schools reach full enrollment in FY17. In FY14, 7,503 Boston students attend Commonwealth charter schools. In FY15, enrollment of Boston students in charter schools is projected to increase to 8,625 students. *(For more information on charter school funding see Revenue Estimates and Analysis.)*

Vocational Education

An intervention has been designed to rapidly improve student achievement at Madison Park Technical Vocational High School. The goal of this intervention is to ensure the success of Madison Park's Innovation Plan that was developed by teachers, parents, and community partners and was approved by the School Committee in June 2012. The Innovation Plan called for a longer school day, deep partnerships with the business and vocational communities, and a school schedule that allows students to train for 21st century careers while also receiving rigorous academic instruction. An intervention team will initiate an assessment of the reasons for underperformance and present a plan for improvement after spending time at the school and talking with students, school staff, parents, and community members. The intervention team completed its assessment and forwarded its recommendations to the Superintendent. BPS continues to make the necessary administrative changes to improve education at the Madison Park Technical Vocational High School.

Dual Language and Inclusion

Extensive research has shown the benefits of having diverse learning environments. BPS is committed to supporting students with language and disability needs. The Office of English Language Learners will be leading the effort to establish and develop dual-language schools. Planning grants for these schools were established through the Mayor's Quality Improvement Funds. Existing schools will work with central office and the community to build their own dual-language

programs. BPS will be investing \$5 million to support ELL students.

Along with the success of expanding ELL services, the district has made great progress in providing options for inclusive settings to students with special educational needs. Since 2009, the percent of students in a partially or fully inclusive setting has risen and the number of schools in the BPS Inclusive Schools network has risen from five to twenty-six over the same time frame. BPS has committed to developing a pathway for students throughout their tenure with the district. By partnering with the community the district will follow through with their commitment to developing a K-12 pathway for inclusion. Furthermore the district will be investing \$1.5 million to deploy inclusion specialists throughout the district.

FUNDING RESOURCES

BPS has seen a rapid decline in various State and Federal funding sources in recent years. External funds are critical to the success of BPS. They are targeted for specific purposes that enhance teaching and learning and are part of a strategic all-funds approach to budgeting. External funds are provided through formula grants (called entitlements), competitive grants, reimbursement accounts and other grants, primarily from state and federal sources. **BPS expects to receive \$114.3 million in external funds in FY15. The FY15 budget for external funds represents a decrease of approximately \$15.7 million or 10.45% reduction from the FY14 budget.** As these funds have declined, the district has been strategic in evaluating programs and ensuring funding supports effective instruction and learning, and preserving some programs with operating general funds.

State Aid

The primary source of State aid to schools is Chapter 70 education aid. (Note: This funding is not included in the BPS external resources total as it is normally distributed as direct general fund revenue to the City.) The state began distributing dedicated education aid after the enactment of the state's comprehensive school reform law, the Education Reform Act of 1993. The City received \$205.4 million in FY12, \$207.9 million in FY13 and \$209.4 million in FY14. The FY15 local aid

resolution gives the City \$211.0 million for Chapter 70 funding.

The school funding system in Massachusetts includes a mandated local level of contribution to education spending or a "local contribution" which is increased annually based on local resource changes measured by the "municipal revenue growth factor." The City has consistently met these requirements, and contributed beyond the level of funding required. State aid is then added to the local contribution to support a minimum level of total education spending called "required net school spending."

Additionally, the state provides important aid to mitigate the financial costs of educating students with disabilities with Circuit Breaker reimbursements. The state shares the cost of educating students with disabilities once the cost to educate those students exceeds a threshold amount. Circuit Breaker aid was enacted in 2000 and implemented in 2004. Circuit Breaker funding was \$13.7 million in FY13 and \$14 million in FY14. BPS is projecting approximately \$14 million for FY15. *(Please see the Revenue Estimates Section for more detail on school aid.)*

Federal Aid

Federal dollars received through Race to the Top and American Recovery and Reinvestment Acts are expiring, creating a significant shortfall for BPS. The district is projecting additional decreases for FY15 in Title I and Title IIA along with other smaller non-recurring one time external funds.

Title I

Title I is a core area of funding for BPS. It is an entitlement grant designed to support the efforts to counter the impact of poverty on learning. This is the fourth consecutive year of ten percent reductions to this federal grant. BPS anticipates a \$3.5 million decline for FY15. Title I provides direct funding to schools with higher levels of poverty. In addition, Title I supports much of the Family and Student Engagement work, as well as some out-of-school and in-school learning opportunities for students. The BPS FY15 budget relies on the increased City appropriation to help absorb these decreases.

IDEA

Funding for students with disabilities is provided through another major federal grant, the Individuals with Disabilities Education Act (IDEA). This funding is a revenue source for the district's comprehensive special education program. IDEA funding for BPS will decrease 3% in FY15. These funds enable the district to provide special education in the least restrictive environment possible for children with disabilities ages 3 through 21. These funds also enable districts to provide early intervention services for children from birth through age two. This has led to BPS expanding K1 and K2 seats as the process of identifying autism is evolving. The City has remained committed to special education and has consistently provided funds to support this work as grant levels have dropped.

School Improvement Grants

One component of federal funding in the BPS budget that is not recurring is the Department of Education's School Improvement Grant (SIG) program. Massachusetts was awarded \$59 million, of which \$25.7 million was awarded to 12 BPS schools over three years. This funding allowed BPS' lowest performing schools, 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. Although SIG grants have expired, the district has shifted these activities to the operating budget to continue the work of turning around low performing schools.

FORMAL BUDGET PROCEDURES

Governance

The seven-member Boston School Committee is appointed by the Mayor to staggered appointment terms and serves as the policy-making body of the BPS. The School Committee appoints a Superintendent who serves as the Chief Executive Officer of BPS. The Superintendent, who is responsible for the management and supervision of the public schools, reports directly to the School Committee and serves as a member of the Mayor's cabinet. At each school, site councils, consisting of the building administrator, parents, teachers, representatives from collaborating institutions and a student (at the high school level), assist principals and headmasters in decision-making processes.

The Boston School Committee is charged with facilitating the search for a new superintendent. With the help of a privately funded search firm and countless hours of community engagement, the Committee has developed a strategic plan, identified core values, updated the job description, and set the time line for the search. The Committee has used public input throughout the process.

Mayor Walsh and the Boston School Committee announced the formation of a Superintendent Search Committee to spearhead this effort - a group of respected individuals who represent the diversity of the City. The Search Committee is tasked with vetting the pool of possible candidates presented by the search firm and recommending three finalists. The plan is to have a permanent superintendent in place by the 2015-2016 school year.

The Operating Budget Process

The operating budget serves as the financial plan for carrying out the educational mission of the school system. The operating budget is developed in accordance with the goals and objectives approved by the School Committee and with extensive input from principals, headmasters, school site councils, the Superintendent's leadership team, and the larger school community.

The public school operating budget is developed under the following statutory schedule:

- The Superintendent is required to submit to the School Committee a proposed budget for the next fiscal year by the first Wednesday in February.
- The School Committee is required to submit to the Mayor estimates of the next fiscal year's operating budget by the fourth Wednesday in February.
- The School Committee is required to take "definite action" on the proposed budget by the fourth Wednesday in March. The School Committee may adopt, reject, reduce, or increase any item in the Superintendent's recommended operating budget. If the School Committee fails to take action on the Superintendent's recommended operating budget by the fourth Wednesday in March, the budget

recommended by the Superintendent is automatically and officially approved.

- After School Committee approval of the next fiscal year's annual budget, the Superintendent submits the budget to the Mayor who may approve or reduce the total recommended budget, but who may not allocate among expenditures.
- The Mayor must submit the school's operating budget to the City Council for appropriation on or before the second Wednesday in April.
- The City Council shall vote on the total amount of the appropriations requested by the Mayor, but neither the Mayor nor City Council shall allocate the appropriations among accounts.

As BPS continues to face a difficult fiscal climate, participation is more important than ever. Feedback from students, parents, school leaders and the community has helped stimulate meaningful conversations. Budget hearings, emails and open forums have helped inform decisions along the way.

CAPITAL IMPROVEMENTS

The capital plan funds projects that support education and youth achievement in all neighborhoods across the City. The goals of the capital plan are to ensure that Boston's educational facilities are equipped to meet the needs of the City's families and support the academic agenda of the district. Capital expenditures for schools between FY12 and FY13 totaled \$104.3 million. FY14 capital expenditures for schools are estimated at \$52.7 million. FY15 capital expenditures are projected to be \$62.1 million.

BPS is currently developing a long-term strategic capital plan to inform investments in school facilities and technology. The capital plan includes the following:

- Complete the design of the proposed new Dearborn 6-12 STEM/Early College Academy in Roxbury which will be built on the site of the current Dearborn School. The new school will instruct

students exclusively in a STEM (Science, Technology, Engineering and Mathematics) curriculum. The project will be partly funded with a grant from the Massachusetts School Building Authority.

- Comprehensive school facilities condition assessment and master plan.
- A building addition and facility renovation will be completed by the end of the fiscal year at Fenway High School's new location.
- The Quality Improvement Fund will focus on expanding capacity in high-demand schools, including ACC and Boston Green Academy, Haley K-8 Pilot School, adult education at Madison Park High School, the Muniz Academy, and an expanded Montessori program at the newly re-opened Alighieri school building.
- Major renovations will be completed at Charlestown High School, and major renovations will begin at the North Bennet Street buildings that will support an expanded Eliot School program.
- Security improvements to schools across the City will continue with card access, motion detector and intercom system installations, and exterior door replacements.
- Maintenance of exterior masonry and replacement of roofs through annual capital programs are planned for the Garfield, Mary Lyon, Mason, Dever, Channing, Eliot, and Rogers schools.