

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 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 FY16 budget reflects the district's efforts to make targeted investments to eliminate achievement gaps, raise academic standards, and expand opportunities for all students.

BPS is working to make its budget more transparent and equitable, while serving an increasingly diverse population of students. 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 in FY16, shrinking external funds and expenditure growth present a challenge to the district.

The FY16 budget directs funds to classrooms and effectively supports programs. BPS has worked to address structural imbalances by realigning programmatic offerings and facilities with total enrollment and the needs of students served. A number of strategies have been proposed to achieve cost savings, including streamlining central office, transportation, food and nutritional services as well as closing two schools and consolidating classrooms.

Despite fiscal challenges, BPS strives to build on its successes and extend academic progress. BPS is committed to extending learning time, increasing pre-kindergarten seats, and adding inclusion classrooms; becoming a premier digital school district by 2020; and implementing school leader compensation reform.

In the 2013-2014 school year, the graduation rate continued to increase, the drop-out rate continued to decrease, and BPS students continued to

outperform their urban peers around the nation in nearly every measure.

BPS Operating Budget

The BPS FY16 general fund budget, totaling \$1,013.5 million, is an increase of \$38.6 million or 4%, from FY15. Salaries and benefits comprise approximately 77% of the general fund budget.

The FY16 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 young families by making an additional 100 kindergarten seats available to four year-old students;
- Adding forty minutes of Extended Learning Time in 16 schools in FY16;
- Expanding the BPS Digital Academy model, piloted at Eliot K-8 Innovation School in FY15, in an additional 5 schools in FY16;
- Prioritizing the creation of inclusion programs for students with disabilities;
- Implementing school leader compensation reform to attract and retain a diverse pool of high quality school leaders;
- Continuing implementation of Common Core & PARCC assessments.

In 2014 Mayor Walsh and the Boston School Committee announced the formation of a Superintendent Search Committee - a group of respected individuals who represent the diversity of the City. The Search Committee recommended four finalists that were vetted through a community process. In March 2015, the Boston School Committee selected Dr. Tommy Chang as the new Superintendent. Dr. Chang assumed the leadership role on July 1, 2015 for the 2015-2016 school year.

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 historic trends and current data. 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. Under-enrolled schools 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 enrollment projections against the actual number of students. The FY15 budget was built on a projected enrollment of 57,332, whereas actual enrollment is 57,100 as of March 2015. BPS refined projections for FY16 with a projected budgeted enrollment of approximately 57,160. Changes in school enrollment result in many schools needing to make adjustments to right-size classrooms, staffing models, and budgets. The district actively supports schools through this transition.

School Closures and Classroom Consolidations

The Boston School Committee approved the closure of two schools at the end of the 2014-2015 school year to begin to address a fundamental structural imbalance in the district. The district is working to align programmatic offerings and facilities with total enrollment and the needs of students served. The Rogers Middle School and the Elihu Greenwood Leadership Academy in Hyde Park will close due to declining enrollment, decreasing demand by families, and declining academic performance. Although these schools will close, resources will be reinvested in other schools through the redistribution of Weighted Student Funding (WSF) and other allocations.

In FY16, BPS will consolidate transition grade (K, 6, 9) classrooms across schools in the district where enrollment projections are too low to sustain classrooms. Additionally, the Community

Academy and Middle School Academy programs will be modified.

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. Under WSF, dollars follow students based on certain criteria and system-wide rules.

The increase in the BPS FY16 general fund appropriation allowed the district to increase the total direct appropriations to schools by approximately \$21 million through WSF. A school's budget is calculated by adding the individual funding amounts for every student projected to attend that school in the fall. BPS calculates a per-student funding amount by assigning a value to various factors that differentiate student need. 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. Each school also receives a foundation budget to support essential staff. In FY16, the total foundation budget increased by \$1.2 million.

As BPS makes difficult choices due to budget constraints, schools and their communities can rest assured that reductions are made based on student populations, and are applied equitably across the district.

For FY16, the fifth year using the WSF formula, BPS continues to refine this need-based method of funding. Other need-based weights include students with disabilities, English Language Learners (ELL), off track 9th and 10th grade students and vocational education students. For FY16, BPS increased the weights for special education. ELL weights also changed in FY16 to ensure appropriate student support and resources to each classroom. In FY16, as a matter of compliance, for every 20 students a school budget contains funding for 1.5 certified bilingual instructors to serve ELL students. This adjustment will provide more equitable staffing within the ELL student population.

FY16 still presented a challenge for many school-based budgets. The over-projection of FY14 enrollment along with new policy decisions has

shifted the projected population mix of students for many schools. The district is responding to those shifts. In FY16, BPS will provide rules-based funding known as “soft landings” for schools that could not meet their contractual, legal, and/or academic requirements. 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.

BPS 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 recognized academic research around the impact of poverty on learning. In FY16, BPS is using "direct certification" data – such as data from the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Medicaid Enrollment – as the method for calculating poverty for allocating both WSF and Title I dollars. For WSF in FY15, the threshold for concentration of poverty was defined as 60% or more students qualifying for free or reduced price lunch. For WSF in FY16, the threshold is 50% of students directly certified. This change in methodology resulted in an increase in poverty level measurements for some schools, and a decrease for others. The FY16 projection includes an estimated 10,000 students who above the threshold for concentration of poverty.

Student Diversity

The BPS student population is racially and ethnically diverse. In FY15, the student body was 40.8% Hispanic, 36.2% Black, 13.3% White, 8.6% Asian and 1.1% multi-racial or other. Within those groups BPS students come from an array of backgrounds and cultures. Approximately 45% speak a language other than English as their first language (Figure 1).

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.

English	55.4%
Spanish	26.6%
Haitian	3.6%
Chinese	3.4%
Vietnamese	3.2%
Cape Verdean	3.1%
Other	1.6%
Portuguese	0.9%
Somali	0.9%
Arabic	0.7%
French	0.4%
Albanian	0.2%

BPS Students by First Language
2014-2015 School Year

Figure 1

Programs and Services

In FY15, approximately 77% of BPS students are in regular education programs, 11% are in bilingual education or Sheltered English Immersion (SEI), and 8% are in substantially separate special education programs.

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.

Early Childhood Education

The goal of the district is to provide all children with a strong and early start to their formal education. In 1998, Boston opened three new early education centers, providing "surround care" to students ages 3 through 6, including those with and without disabilities. Now, Boston Public Schools also guarantees a full-day kindergarten seat to every five-year-old in the city. BPS is overseeing the implementation of National Early Childhood Accreditation which on average takes 3 years in all elementary schools. As of FY15, 27 schools are accredited by the National Association for Education of Young Children. More than half of BPS elementary schools are accredited or currently going through accreditation process. BPS adds 3-5 more accredited schools each year.

BPS early education programs have been recognized as among the most effective in the nation at closing achievement gaps. Internal and independent studies reveal that enrolling in BPS

earlier than K2 has positive effects on student performance in both the short and long terms. The positive effects of K1 programs on student achievement apply to all students, including English Language Learners and students with disabilities. The District's K1 program continues to show success. Seventy-six percent of students who participated in BPS K1 programs scored at or above benchmark upon entering Kindergarten, compared to 50% for those students who did not participate. Among African-American students, 80% were at benchmark if they had participated in the K1 program, compared to 57% for those who did not; among Hispanic students, 69% were at Benchmark if they had participated in K1, compared to 35% for non-participants.

In recent years, the district has expanded early childhood programs for four year-olds, known as Kindergarten 1, or K1, and for three year-olds, known as Kindergarten 0, or K0. In FY16, BPS will invest \$1 million to create 100 new K1 seats in the district. With more than 3,100 seats available for 3 and 4 year-olds starting in September 2015, up from 700 seats in 2005, BPS has pre-kindergarten seats located in 90% of the district's elementary schools. Additionally, BPS will serve approximately 4,200 seats for five year-olds, known as Kindergarten, or K2, in FY16.

The City of Boston and the Boston Public Schools also partner with numerous community-based organizations to help families and students prepare for a successful transition to school. Boston received a \$4 million Preschool Development grant from the U.S. Department of Education to provide full-day programming in community-based programs to approximately 200 four year-olds.

Extended Learning Time

In a historic agreement, Mayor Martin J. Walsh, the Boston Public Schools, the Boston Teachers Union, and the Boston School Committee approved the extension of the school day by 40 minutes in a total of 60 Boston public schools. The additional time, which will be phased in over three years, will begin in the 2015-2016 school year in 16 schools.

The additional time will impact nearly 23,000 elementary and middle school students in 60 schools and is equivalent to adding one month of instruction for elementary students. Currently,

students in traditional BPS elementary schools are in class for six hours a day, and six hours and ten minutes for middle school students. Many schools in Boston already have a lengthened school day that allows for increased enrichment opportunities in areas such as art, music, drama and foreign languages.

The plan also nearly doubles the amount of teacher planning and development time that educators receive. Under the approved plan, teachers in the 60 schools will earn an additional \$4,464 for the expanded schedule (approximately 20% lower than the average contractual hourly rate).

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, or 45%, BPS students for whom English is not their first language.

In 2010, the U.S. Department of Justice and the U.S. Department of Education reached a settlement agreement with the Boston Public Schools after an investigation determined that, since 2003, the Boston Public Schools failed to properly identify and adequately serve thousands of ELL students as required by the Equal Educational Opportunities Act of 1974 and Title VI of the Civil Rights Act of 1964.

In order to serve its ELL population, the Boston Public Schools agreed to provide ELL students with Sheltered English Immersion in their core content classes, such as math, social studies and science; to deliver English as a Second Language instruction consistent with state guidance; and to train and hire a sufficient number of teachers to serve its ELL population. The Boston Public Schools also agreed to ensure that special education ELL students are properly assessed and served to address their unique needs.

BPS continues to make investments to expand ELL academic programs and teacher training. BPS increased the number of Sheltered English Immersion programs in the district and employed more teachers with English as a Second Language

(ESL) licenses. In FY16, ELL students will receive additional resources, including additional ELL teachers, to ensure schools have budgeted appropriately to meet the needs of ELL students.

Special Education

BPS provides special education services in both public schools and special education private schools to approximately 12,000 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 in bus monitors who accompany students with IEPs that require additional support 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. In FY15, 44.8% of students with disabilities were educated in full inclusion settings, 16.5% were in partial inclusion settings and 38.8% were 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 354 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 requirements. BPS is fully or partly responsible for paying for services for most of these students at an average cost of \$74,828 per year in FY15. 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 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 FY16, the district will invest \$620 thousand to deploy additional inclusion specialists throughout the district.

CENTRAL SERVICES

Overview

Schools depend heavily on centrally budgeted and deployed services. Centrally budgeted services range from custodians and food services to family engagement and safety services, but also include various academic assistance and support services that are budgeted centrally but delivered to schools throughout the district. In FY14, the district began 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 FY16 budget cycle presents an opportunity to redesign the central office. By identifying areas of duplication and ineffectiveness, the district simplified the delivery of services by making targeted reductions and consolidations to achieve additional savings. For example, in an effort to consolidate the provision of effective support

services, BPS will reduce the K-8 academic networks from six to five. One less network will require the shift of approximately 3 or 4 schools to the remaining 5 networks. Additionally, BPS will reduce central office staff and reduce stipend expenditures. These combined changes in the central office will allow the district to support its goal of allocating more dollars at the school level.

Transportation

Improvements are happening within the transportation department as well. A majority of students rely on transportation services to get to and from school. In 2014, the School Committee voted to adopt a transportation policy change under which most 7th and 8th grade students will ride the MBTA instead of yellow buses. In 2014 the district established a transport implementation plan to carry out the policy prioritizing students' safety.

Additionally, the Middle School Transportation (MST) Advisory Committee was created and tasked with assessing the first year of the Middle School Transportation Program implementation and providing recommendations on program improvement. This group reviewed data on program participation, student attendance and tardiness, student safety, and costs and savings. The MST engaged students, parents, teachers, school leaders, and stakeholders to garner feedback on the program. Few safety incidents were reported as of March 2015, as nearly all BPS 8th graders and 50% of 7th graders were riding the MBTA (Figure 2).

	Grade 6		Grade 7		Grade 8		SY 14-15	
	%	#	%	#	%	#	%	#
BPS Corner								
Bus	82.4%	2,178	49.6%	1,512	6.8%	214	44.1%	3,904
MBTA	17.6%	466	50.4%	1,539	93.2%	2,948	55.9%	4,953
Total	100%	2,644	100%	3,051	100%	3,162	100%	8,857

Transportation Program Participation by Grade
2014-2015 School Year- As of 6/25/2015

Figure 2

The MST presented recommendations to the School Committee in March 2015 related to program continuation and program improvement. The FY16 budget includes expanding the use of MBTA services for 7th and 8th graders. The transportation department will achieve additional savings through implementing route efficiencies and a new straight-line eligibility policy, transporting students whose residences measure one or more miles from their schools.

PERFORMANCE IMPROVEMENTS

Overview

BPS has been evaluating its progress towards academic goals using measurable outcomes for several years. The three core objectives to the district's work on evaluating performance are as follows:

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

BPS has seen positive gains in several metrics of performance including increases in graduation rates, SAT scores and 10th grade performance in English Language Arts (ELA), Math and Science as it focuses on graduating all high school students college-ready and success-bound. Graduation rates for BPS students have been rising for eight years. The four-year graduation rate, which accounts for students who entered the 9th grade in 2010 and graduated in 2014, shows 66.7% of the class graduated. The graduation rate is the highest ever recorded by BPS and has increased steadily since 2007. The graduation rate for African American students is also the highest recorded (65.8%) and the rate for Hispanic students matched last year's high of 59.8%.

Boston's dropout rate, a significant indicator of a school's effectiveness, dropped below 4% for the first time in history. At 3.8%, 2014 is the second consecutive year that the district has achieved its lowest dropout rate on record. Dropout rates are also the lowest across all demographic groups, including English Language Learners, students with disabilities, and low income students. Ten schools have less than a 1% dropout rate, while another eight schools have fewer than 4% dropping out. BPS expects the dropout rate to continue its decline. 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.

District Priorities Going Forward

Mayor Walsh together with the Interim Superintendent and the School Committee set ambitious targets for rapidly improving student achievement across all grade levels and

communities within the BPS system. Through a collaborative process in FY15, BPS developed a new strategic vision with new 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. Developments in federal and state law over the past several years changed the district's role with respect to accountability. (*Performance Indicator & Standards data can be found in the Education chapter in Volume 2 of the City of Boston FY16 Budget.*)

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 implementation has shown successes as well as identified areas for improvement to this new process.

In Round 1 of the student assignment process for the 2015-2016 school year this model reduced the distance traveled for K1 and K2 students as compared to the former three-zone plan. More families received one of their top-three choices in the 2015-2016 school year as compared to the former three-zone plan. In the 2015-2016 assignment process, 80.5% of families entering K2 received one of their top three school choices, and 55.9% 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. Eighty-six percent of respondents understood their school choices “very well” or “fairly well” before visiting a welcome center to register for school, while more than 83%

of respondents said they had enough time to make informed choices.

School Quality Working Group

The School Quality Working Group (SQWG) was established by the Boston School Committee in May 2013 to continue the efforts of the External Advisory Committee (EAC) to identify the core indicators of school quality. By engaging in a year-long discussion and incorporating the feedback of students, parents, and community members, the SQWG developed a comprehensive School Quality Framework that looks at the broad range of measures of school quality.

While no single measurement can capture the full range of characteristics that make a school “high quality” to each student or family, the framework reflects both the quantitative and qualitative conceptions of quality. The quantitative component, based on five core domains of school quality that are associated in research with student achievement, aggregates various measurements of school performance. Meanwhile, the qualitative component describes features or attributes of a school that may play a role in school quality for some families and students (such as school hours, after-school programs, or athletics opportunities). The School Committee voted to approve the Boston Public Schools' Quality Framework in September 2014.

Recognizing the importance of school quality to families, the framework can be used as a reference as students and families investigate their school choices. In addition, the domain scores will be incorporated as a part of the assignment process by helping to determine the potential school choices available to students. The overall measurement that schools receive on the five core domains will be used to place each school into an assignment tier. Students will have access to the closest two schools from the top-quality assignment tier, the closest four schools from assignment tiers 1 or 2, and the closest six schools from assignment tiers 1, 2, or 3.

The Quality Framework also ensures that there is transparency around school quality in order to promote greater public accountability. Using the range of qualitative and quantitative components of the Framework, all stakeholders will have the information they need to evaluate for themselves the quality of any school. In this way, the

Framework serves as a powerful tool not only for students and families, but also for a variety of other stakeholders: teachers, school leaders, other school and district staff, community based organizations, potential funders and supporters, officials of the Commonwealth, and all Boston residents and taxpayers who wish to monitor the performance of their city's schools.

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 most serious category in Massachusetts accountability system, representing receivership. Despite targeted investments, these two schools did not show satisfactory improvement and required further action. UP Education Network will develop a turnaround plan for the John P. Holland Elementary School and Blueprint Schools 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.

The district currently has eight Level 4 schools. In 2014, the Jeremiah E. Burke High School made significant enough progress that it exited Level 4 status, while Dorchester Academy High School and Henry Grew Elementary were identified as Level 4 schools. The Dearborn Middle School, Elihu Greenwood Leadership Academy, English High School, and the Channing, Winthrop and Mattahunt elementary schools retained designation as Level 4 schools in 2014. The School Committee approved the closure of the Elihu Greenwood Leadership Academy at the end of the 2014-2015 school year. The district is committed to upgrading the status of each of the remaining Level 4 and Level 5 schools.

Common Core and PARCC

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. In Summer 2014 after piloting the PARCC assessment, the School Committee approved the Superintendent's recommendation to adopt PARCC assessment district-wide, which will allow the district leaders to know whether students are mastering the academic standards set by the district.

This new assessment is computer-based (with a paper option available) 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. In FY15, 56% of schools opted to take the assessment online while 44% of schools opted to take the assessment on paper. In FY16, the district is investing \$1 million in technology infrastructure upgrades, \$500 thousand for continued support to 10,000 PARCC devices and a \$500 thousand for an expansion of the Digital Academy model to enable students to capitalize on the integration of technology and learning.

The MCAS assessment will still be used for students graduating through 2018. The State Board of Education will decide in the Fall of 2015 on whether Massachusetts will adopt PARCC.

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 approximately 4,400 teachers and supports the growth and development of every educator, from recruitment to retirement. 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 changes to the hiring timeline. Previously, positions were not posted until the spring, which is relatively late compared to other districts.

The first year of the new hiring reform was implemented for the 2014-2015 school year. Eighty-one percent of new teachers were hired by July 2014 for the 2014-2015 school year and eighty-three percent of new teachers were hired by July 2015 for the 2015-2016 school year, a huge improvement over the previous hiring process. However as a result of the hiring reform, some permanent teachers were left without permanent teaching positions. Many of these teachers retired or resigned, while others were placed by the district in positions as either long-term substitutes or in a classroom as co-teachers. In an effort to continue to move the district's hiring practices forward, the district is committed to hiring teachers as early as possible. In FY16, the district will again be faced with placing permanent teachers who have not found positions by September.

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, 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 FY16, twenty pilot schools will be in operation and are projected to serve more than 8,100 students across the district.

Horace Mann Charter Schools

The City of Boston has six Horace Mann charter schools operating in FY16. The Horace Mann Charter Schools are projected to serve

approximately 2,700 students in FY16. 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 with a total of eight Innovation Schools with a projected enrollment of over 4,000 students in FY16. The Roger Clap Innovation School opened in the fall of 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 BPS turnaround schools, the Trotter and Blackstone, were approved by school faculties and the Boston School Committee and received their designation as Innovation Schools by the Commonwealth.

Commonwealth Charter Schools

Also 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 equivalent to the local foundation tuition from the student’s sending district plus facilities tuition. 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. In FY15, Boston students are attending 27 Commonwealth charter schools, 19 of which are in the City of Boston. In addition, Boston students attend eight other charter schools outside the City.

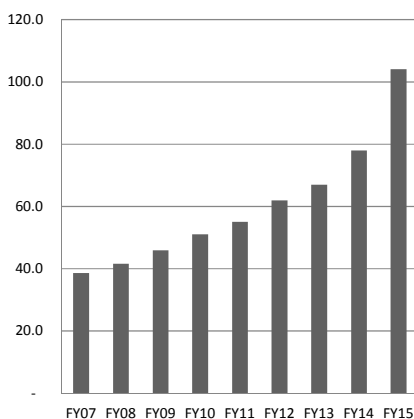
The Act Relative to the Achievement Gap of 2010 amended the Education Reform Act of 1993 and increased the 9% district spending cap up to 18% with an annual growth limit of 1%. This resulted in an expansion of the number of seats permitted to charter schools in Boston under the Act of 2010. If a district performs in the lowest 10% on MCAS statewide for the prior two years, the cap increases

by 1% each fiscal year until it reaches a cap of 18% of a district’s net school spending. Boston currently falls into this category. The cap is at 17% for FY16 and the cap will reach 18% in FY17.

This increase in the amount of funding that may be diverted from a sending school district allows for more seats at charter schools to be available to Boston resident students. In FY15, 8,475 Boston students are attending 27 Commonwealth charter schools. In FY16, enrollment of Boston students in charter schools is projected to increase to 9,525 students.

Based on the most current information, the number of charter schools students will increase over the next several years until Boston reaches an estimated 11,544 seats available under the max cap as of 2015. This expansion will substantially increase the City’s charter school tuition assessment going forward. The Commonwealth, subject to appropriation, is required to pay the City a reimbursement for tuition paid to charter schools. The tuition reimbursement under the current charter school law requires 100% reimbursement for year one and 25% reimbursement for years two through six that a student attends a charter school.

The net cost of charter schools for the City of Boston, the charter school tuition assessment the City pays for Boston students attending charter schools less any charter reimbursement the City receives from the state, totaled \$104 million in FY15, a 33% increase from FY14 (Figure 3).



Net Cost to City of Boston for Charter Schools
(in millions)
FY07-14 Actuals, FY15 Projected

Figure 3

Vocational Education

The district provides vocational and technical education at Madison Park Technical Vocational High School. The school's Innovation Plan, representing the foundational roadmap for the direction and vision for Madison Park, was developed by teachers, parents, and community partners and approved by the School Committee in June 2012. The 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.

In Spring 2014, an intervention was designed to rapidly improve student achievement at Madison Park Technical Vocational High School to ensure that the school's Innovation Plan makes progress. The Innovation Plan requires that the district establish a new admissions process to help ensure students entering Madison Park are proactively choosing a vocational/technical school, extend the school day, and implement a schedule to maximize instructional time for students.

Despite these changes, Madison Park Technical Vocational High School began the school year 2014-2015 experiencing a series of challenges. The district's Interim Superintendent quickly recognized these challenges and took a number of administrative actions including: revamping the school's administrative team, increasing investment in ongoing professional development, and resolving a problem with the school's schedules. The district is committed to working closely with Madison Park staff, students and school community to increase support and investments at the school recognizing the important role Madison Park plays in the BPS community.

Dual Language and Inclusion

Extensive research shows 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.

The district has made great progress in providing options for inclusive settings to students with special educational needs. Currently, the district has full inclusion schools, partial inclusion schools and schools with inclusive opportunities. BPS has committed to developing a pathway for students throughout their tenure with 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, but have decreased to 11% of total funding in FY16 (Figure 4). These funds are targeted for specific purposes to 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 \$131.6 million in external funds in FY16. The FY16 budget for external funds represents a decrease of approximately \$7.1 million, or 11%, from the FY15 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.

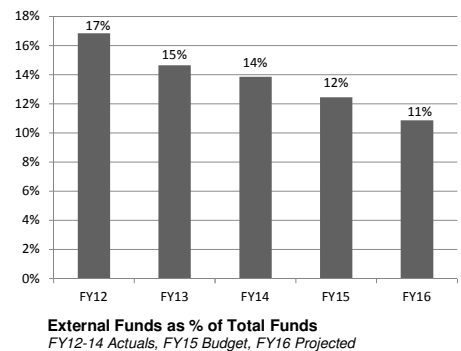


Figure 4

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 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, \$209.4 million in FY14, and \$210.9 million in FY15. The FY16 state budget gives the City \$212.6 million for Chapter 70 funding, an increase of only \$1.7 million.

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 \$14.1 million in FY14. BPS received \$15 million for FY15 and is projecting approximately \$15.1 million for FY16. *(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 FY16 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. Title I provides direct funding to schools with higher levels of poverty. In FY16, Title I funding decreased by 2.4%. Title I also 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 FY16 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 decreased 3% in FY16. 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.

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 May.
- 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.

Quality Improvement Funds

FY16 will be the third 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. These investments reflect a deliberate effort to improve student's experience and performance.

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 FY13 and FY14 totaled \$96.9 million. FY15 capital expenditures for schools are estimated at \$62.1 million. FY16 capital expenditures are projected to be \$74.5 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:

- Design will begin on upgrades to the Carter Development Center to provide for more varied therapy opportunities including a new pool for the school's population of children with both severe, intensive disabilities and complex health needs.
- Fenway High School will start the school year in a newly renovated and expanded facility on Allegheny Street.
- The Quality Improvement Fund will provide for modular classrooms at the growing Dudley Street Neighborhood School and improvements to the locker rooms at the Mattahunt School gym and pool.
- The planning process to develop a 10-year facilities master plan for BPS will be underway by the start of the fiscal year.
- Asset preservation work will continue through dedicated projects for masonry, HVAC, roof, fire alarm, electrical, plumbing, and more.