



The Research Bureau

Investing in Excellence

Worcester Public Schools FY23 Budget

Report 22-04

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Research in the Public Interest

In Collaboration With



Worcester Regional Research Bureau, Inc.

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Introduction

The yearly budget of the Worcester Public Schools is complicated, and necessarily so. With 23,735 students and 5,149 employees spread across 46 schools, there are many moving parts of which to take account. This report aims to demystify some of the budget of the next school year, Fiscal Year 2023, as it stands today.

This report, and its accompanying dashboard, breaks down both the revenues and expenses--both \$523,662,716, their highest ever--in the coming year. It answers in more depth questions such as:

- *Where does the Worcester Public Schools get its money to operate every year?* In short, it is a combination of state aid, City of Worcester contributions, and Federal and State grant programs.
- *How does the Worcester Public Schools spend its funds?* Largely on its employees, including over 3000 teachers and instructional assistants that interact with students every day.
- *How is the Worcester Public Schools implementing Student Opportunity Act funds?* A six-year phase-in increase of state aid for education, the Worcester Public Schools has chosen to use these funds on four areas: early literacy, early college, diversifying staff through a homegrown teachers program, and improving social-emotional learning supports.
- *How will Worcester spend its unprecedented amount of Federal grant funds?* In part through a major school bus purchase, but also to forward fund Student Opportunity Act initiatives.
- *Does the District have plans to improve its school buildings?* It does. There is a Capital Improvement Plan, and line items from this plan are funded through the City Budget, rather than the School budget.
- *Can the Community Engage in the Budget Process?* Yes. WPS and the School Committee hold budget meetings throughout the spring.

Check out our accompanying data dashboard at <https://www.wrrb.org/reports/2022/10/investing-in-excellence> to see revenues and expenditures broken down into their individual categories for this year and the previous four years, including an expenditure breakdown per school.

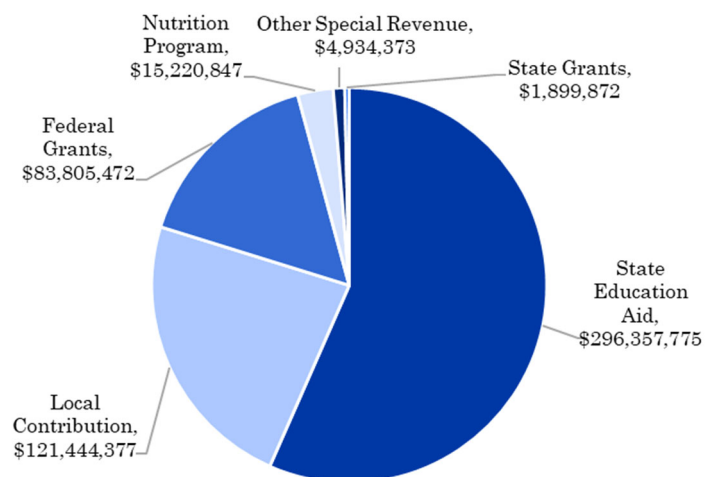
Revenues and Expenses

The Fiscal Year 2023 annual budget of the Worcester Public Schools (WPS) system is the highest budget it has ever proposed or adopted at \$523,662,716. The FY23 budget represents a \$44.1 million increase from the FY22 adopted budget of \$479,522,996, reflecting a number of revenue and spending increases in state aid and federal grants. The budget numbers in this report reflect the share going to WPS only, and do not include charter school or school choice tuition offsets.

Where does FY23 Revenue Come From?

Of this budget, \$417,802,152 is from what's known as the "General Fund," the amount of which is determined by the state's "Foundation Budget" funding formula. The General Fund consists of two amounts: a required local contribution of \$121,444,377 and combined Chapter 70 state aid and Charter School

Chart 1: Revenues, WPS Only



Source: Worcester Public Schools

reimbursement of \$296,357,775. Each year, the Massachusetts Department of Elementary and Secondary Education determines the minimum



amount of money each school district should spend on its students, to address their education needs. This is known as the Foundation Budget. The state determines, based on local income and property taxes, how much the city or town should contribute towards that Foundation Budget, and provides Chapter 70 aid to make up the difference between the two numbers.

“General Fund” revenues are expected to increase over the next five years due to the November 2019 passage of the Student Opportunity Act. The Act updated the Foundation Budget funding formula used to allocate money to school districts throughout the state. This update was intended to alleviate inequitable outcome gaps in communities that have many low income students, English learners, and students of color. Initially intended to begin providing funds in FY21, due to budgeting shortfalls implementation of the Act was put on hold until FY22. Overall, it is expected to provide more than \$90 million in additional aid to the Worcester Public Schools over a six-year phase-in, ending in FY27.

The FY23 Budget also accounts for \$105,860,564 in other revenues from a mix of sources: State and Federal Grants, Child Nutrition Programs, and other revenues collected by the Worcester Public Schools (such as ticket sales at Foley Stadium and other program fees). Nearly half of that \$105 million, or \$50.8 million, comes from the Federal Elementary and Secondary School Emergency Relief (ESSER) funds. ESSER funds spent in FY23 will be used to bridge financing gaps presented by changing enrollment numbers, to

pre-fund Student Opportunity Act initiatives before those funds become available, ventilation and other projects related to the COVID-19 pandemic, and, this year, to make a one-time purchase of school buses to bring the student transportation fully in-house (see Table 3 for more details).

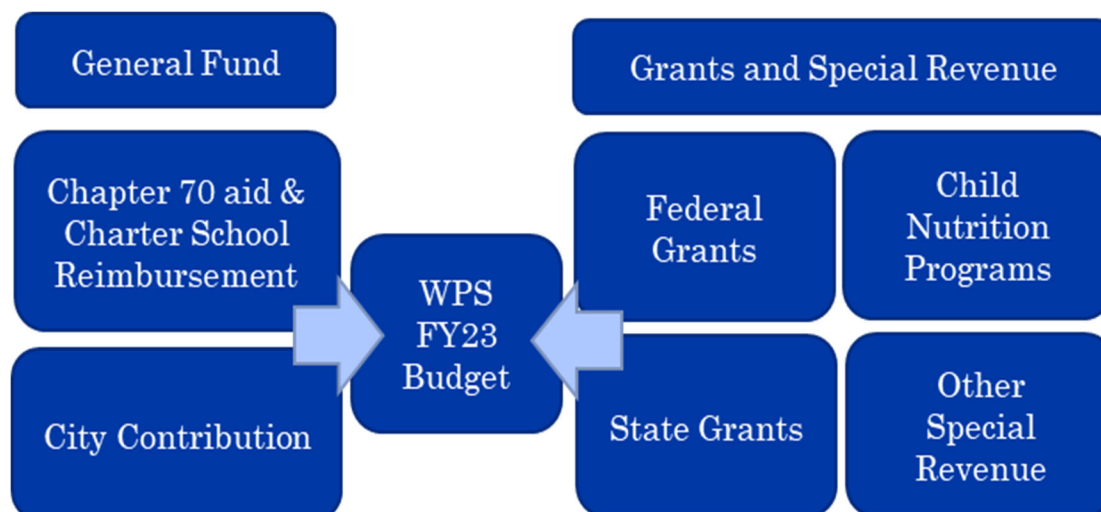
FY23 Revenue Updates

With the passage of the FY23 State Budget, Charter School tuition assessments were larger than previously expected. This will decrease the General Fund Budget for FY23 of WPS by \$945,067, from \$417,802,152 to \$416,875,085. The WPS Administration has expressed appreciation to Acting City Manager Eric Batista and the City Administration for working with them to find ways to address this shortfall. Otherwise, WPS plans to offset this reduction by using ESSER funds to ensure no impacts on programs, positions, or services.

How are funds being spent in FY23?

Each year, the majority of the budget is spent on salaries and fringe benefits (which includes health insurance and retirement). Salaries is allocated \$331,531,242 while \$88,567,120 is allocated for fringe benefits. These numbers may seem quite large, but as the budget points out (p. 145), education is a labor-intensive enterprise that requires a lot of personnel support, not the least of which includes a significant number of teachers. Two key facts about the WPS should be noted to put this into perspective.

Chart 2: Revenue Makeup of WPS FY23 Budget

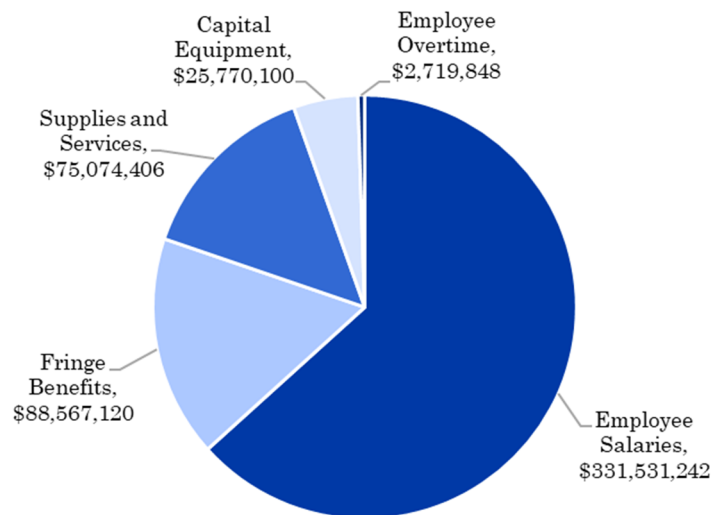


1. As of October 2021, there are 23,735 students enrolled in Worcester Public Schools. That puts Worcester at third in the state for student enrollment, after Boston with 46,169 and closely behind Springfield with 23,799.
2. WPS plans to be staffed by 5,149 employees, including 2,629 teachers and 674 instructional assistants. This is an increase of 336 total positions from FY22: 64 new teachers, 10 new instructional assistants, and 232 employees for WPS' new, District-operated bus service. In the 2021-2022 school year, the student to teacher ratio in Worcester was 12.2.

The FY23 Budget introduces a couple of new opportunities and initiatives, such as a new student information system, WooEdu, which would allow staff, parents, and students the ability to more easily track student information. The budget also creates and funds 70 building substitutes, with at least one full-time substitute attached to each building. In addition, the School Committee recently voted to raise substitute pay from \$85 to \$110 per day.

Finally, and perhaps most significantly, the FY23 Budget funds fully district-operated bus transportation, including the purchase of a fleet of school buses. WPS Administration has been exploring fully district-operated bus transportation for several years, predicting that bringing transportation in-house will create cost-savings. In a September 2019 study, the Administration predicted that switching to fully district-operated bus transportation would save WPS an average of \$3 million a year over ten years, or \$30 million. This figure was based on existing salaries negotiated between Durham

Chart 3: Expenses, WPS Only



Source: Worcester Public Schools

*Statutory account areas are explained in Table 1 below

School Services (the previously contracted company serving WPS' students) and the Teamsters Union, Local 170, and, among other assumptions includes regular raises, health insurance increases, and regular fuel and maintenance cost increases. In addition, it spreads the cost of the buses over ten years. In August 2021, the Administration updated its report on cost savings, using the same set of assumptions and with the use of ESSER funds to make the initial bus purchase. This new analysis anticipated even greater savings, an average of \$4 million a year over ten years, or nearly \$40 million in cost savings over continuing to contract bus service.

Overall, besides cost-savings, WPS predicts that bringing transportation in-house will increase

Table 1: Expenses, Statutory Account Areas

Employee Salaries	Total payments for all employees of WPS
Employee Overtime	Budgeted overtime for FY23
Fringe Benefits	Health insurance and retirement obligations
Supplies and Services	Supplies allocated to schools; contracted and maintenance services
Capital Equipment	School buses, renovations, technology equipment, school nutrition related equipment

Source: Worcester Public Schools

reliability of transit, and provide students and parents with new tools for transportation accountability. This includes parent GPS monitoring of the buses that their children ride, a collision mitigation system, an additional handrail, loose nut indicators, and an alarm that will require bus drivers to check for students before they exit the bus for the day.

New Opportunities for Funding in FY23

New funding opportunities present WPS with a unique opportunity to implement a number of goals in accord with Massachusetts' Every Student Succeeds Act (ESSA) and the Worcester Public Schools Strategic Plan. The Student Opportunity Act (SOA) provides increased long-term funding for the district while Federal ESSER funds provide shorter term funding that will end in FY24.

How does the "Student Opportunity Act" affect the Budget of the Worcester Public Schools?

Between FY22 and FY27, the Student Opportunity Act will provide an additional \$15 million a year to Worcester Public Schools, for a total increase of about \$90 million a year over pre-Act levels. This is the second year of the SOA phase-in. One of the requirements for the implementation of SOA funds includes the creation and implementation of renewable plans. These plans require each Massachusetts school district to submit a three-year, evidence-based plan aimed at closing disparities in outcomes and experiences among low income students, English learners, and students of color. Any evidence-based program could potentially qualify, though the Massachusetts Department of Elementary and Secondary Education provided 21 examples, spread across four content areas, that districts could adopt. By law, each district must make measurable progress towards each of its program choices, and must regularly reevaluate their goals, metrics, and progress as funding increases each year. In addition, Districts must engage with families and the larger community in the planning and implementation process of their programs. The WPS chose to implement the following four:

Table 2: Student Opportunity Act, New Budgeted Initiatives for FY23

Early Literacy	
2 Special Education Preschool Teachers	\$178,222
Learning Ally Literacy Support	\$135,000
iPads for Preschool and Kindergarten	\$100,000
Dual Language Instructional Coach	\$99,347
Early College and Innovation Pathways	
2 Innovation Pathways Specialist (CAP	\$178,222
Innovation Pathways Curriculum, Supplies, and Materials	\$40,000
Innovation Pathways Teacher After-School Program	\$37,452
Diversifying Staff	
Director of Recruitment and Cultivation	\$95,000
Administrative Clerical Support Staff	\$61,766
Course Vouchers for Instructional Assistants	\$38,490
MTEL Test Vouchers for Instructional	\$11,730
Diversity Office Supplies	\$6,000
Diversity Recruitment Fairs	\$5,000
Social-Emotional Learning Supports	
12 Wraparound Coordinator Positions	\$916,721
4 School Adjustment Counselors	\$356,444
2 Special Education Behavior Specialists	\$178,222

Source: Worcester Public Schools

- Expanding preschool with the aim of increasing early literacy and improving third-grade reading achievement
- Expanding early college programming
- Diversifying Worcester educators, through an emphasis on pipeline programs that will allow WPS to support homegrown educators
- Focusing on social-emotional learning and increasing staff to support those programs and students who have experienced trauma

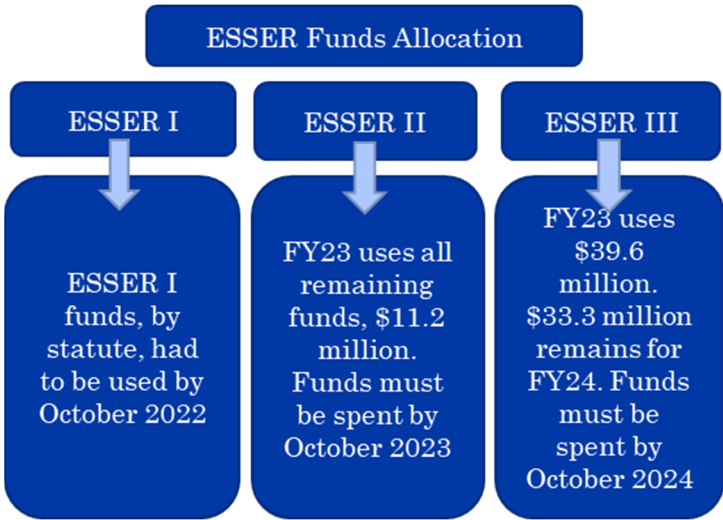
Table 2 shows new, budgeted SOA expenses for FY23, in each of the four categories listed above. These are in addition to funding that began in FY21, using ESSER funds, and continued through FY22, using SOA funds.

How does the Federal Elementary and Secondary School Emergency Relief Fund (ESSER) affect the Budget of the Worcester Public Schools?

While the Student Opportunity Act provides a longer-term opportunity for Worcester Public Schools to increase programs and opportunities, the Federal Elementary and Secondary School Emergency Relief Fund, a conglomeration of funds from the CARES Act (March 2020), CRRSA Act (December 2020), and ARPA (March 2021), known as ESSER I, ESSER II, and ESSER III respectively, has provided a short-term boost to programs and opportunities for the District. ESSER funds are only available temporarily, so it is important that WPS focus on using the funds in a way that avoids any potential fiscal cliffs.

Each of the ESSER funds have some use restrictions, largely related to preventing, preparing for, and responding to the impacts of COVID-19. For example, 20% of ESSER III funds must be used to manage learning loss because of the pandemic, using evidence-based programs and interventions that respond directly to student social, emotional, and academic needs, and that respond to students from groups disproportionately affected by the pandemic, such as low-income students, English learners, students with disabilities, and students from a variety of racial and ethnic backgrounds. ESSER funds have also been used to improve ventilation

Chart 4: ESSER Fund Allocation, by Grant



Source: Worcester Public Schools

and make other building improvements to respond appropriately to the pandemic.

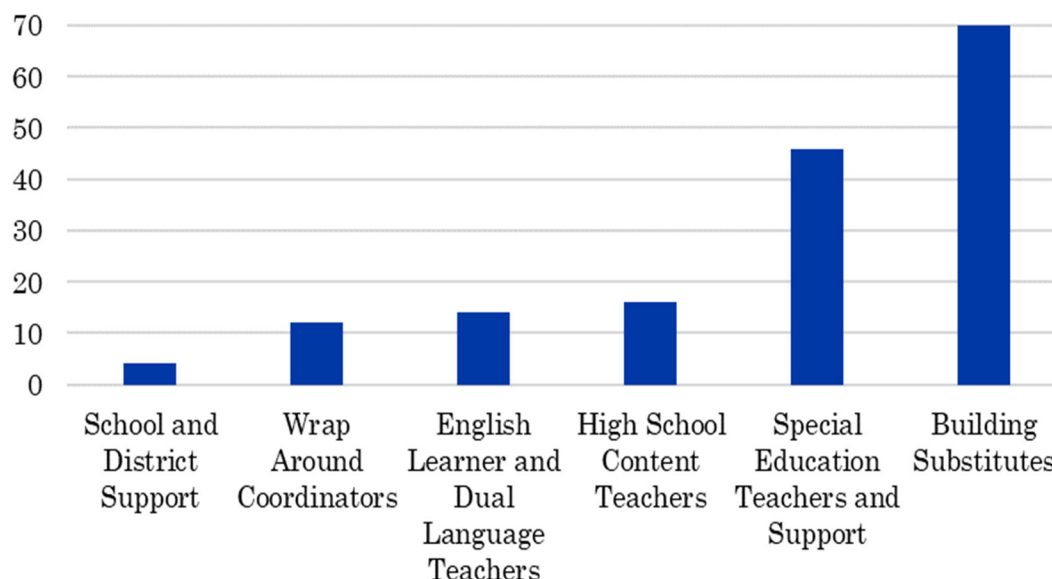
Table 3 shows which programs the combined ESSER grants are being spent on in FY21 through a projected FY24. Besides supporting summer programs, professional development, technology needs, and building maintenance and ventilation, some specific areas should be noted:

Student Opportunity Act Bridge Funds: As the SOA provides more and more funding every year,

Table 3: ESSER Fund Use, FY21 - FY24				
Initiatives	FY21	FY22	FY23	FY24
Student Opportunity Act Bridge Funds	\$0	\$13,157,478	\$13,157,478	\$13,157,478
Enrollment Increase Sustainability	\$0	\$5,585,106	\$4,100,000	\$0
Summer, Afterschool, and PD Programs	\$0	\$8,000,000	\$5,000,000	\$5,000,000
Technology Spending	\$1,274,947	\$2,250,000	\$1,500,000	\$1,250,000
COVID-19 Maintenance Spending	\$345,028	\$1,250,000	\$1,000,000	\$1,000,000
Personal Protective Equipment (PPE)	\$879,442	\$750,000	\$0	\$0
Ventilation System and Building Projects	\$0	\$4,063,315	\$8,544,672	\$10,234,856
School Bus Purchase	\$0	\$0	\$16,500,000	\$2,000,000
City of Worcester Indirect Costs	\$51,009	\$715,427	\$1,016,370	\$666,170
Total Spending	\$2,550,426	\$35,771,326	\$50,818,520	\$33,308,504

Source: Worcester Public Schools

Chart 5: New Positions Added under ESSER Student Opportunity Act Bridge Funds in FY23



Source: Worcester Public Schools

using the ESSER funds as a bridge fund allows WPS to jumpstart programs and opportunities that will later transfer to the General Fund budget as the money becomes available, as well as to fund some existing programs and positions. In order to match the expected increase in SOA funds year-over-year, \$13.2 million is allocated for this purpose. Most of these funds are being used across the district to fund salaries for Special Education Teachers, High School Content Teachers, and permanent Building Substitutes. See Chart 5 to see where those new positions have been allocated.

WPS is using \$16.5 million in ESSER funds to make a one-time purchase of school buses.

Other Areas of Interest

Is there a plan for improving school buildings?

The FY23 Budget includes \$3.5 million from the City and \$8.5 million from ESSER funds for building rehabilitation projects, and \$500,000 for the purchase of capital equipment. The City Manager recommends the capital budget for the City to City Council, and capital improvement projects are funded through borrowed funds. These debts are represented in the City budget rather than the Public Schools' budget. In addition, the Massachusetts School Building Authority (MSBA) provides a 78% reimbursement for Accelerated Repair Projects.

While many of these Accelerated Repair Projects are roof or boiler replacements, the WPS continues its construction of Doherty Memorial High School. Doherty's original estimated cost was \$293 million, however, overall cost increased 30% with material costs increasing 10%-90% over four months. Overall project costs were offset by reducing overall expenses, combined with an additional loan of \$23 million.

Enrollment Increase Sustainability: Total WPS enrollment decreased during the pandemic. Since Chapter 70 state education aid is allocated on a per-student basis, the WPS chose to move some general fund line items (such as Kindergarten Instructional Assistants) to ESSER funds. This allows the District to continue to fund positions that would otherwise be unfunded. It should be noted that the WPS predicts enrollment will decrease by 1.3% over the next 4 years. This line-item supports 73 kindergarten instructional assistants, as well as MCAS tutors, literacy tutors, and parent liaisons.

School Bus Purchase: In line with creating District-operated transportation services, the

In addition, WPS has resubmitted a Statement of Interest to the MSBA for a major renovation or construction of Burncoat Senior High School. The MSBA denied a previous submission in February because Burncoat Senior High School and Burncoat Middle School are considered “integrated facilities.” This resubmitted Statement includes both properties, and it is estimated that the project will cost \$500 million, with approximately 50% covered by the City.

Between FY22 and FY24, the WPS set aside \$22.8 million in ESSER funds for capital improvement projects related to ESSER priorities. FY23 budgets \$12 million for capital improvement projects, using combined City and ESSER funds. Ventilation improvements across the district will be funded by \$8.5 million from ESSER funds. The remaining \$3.5 million is allocated according to the following chart from the FY23 Budget. See Table 4 on the next page for more details.

Capital Equipment is budgeted at \$500,000, split between three departments: Facilities, Student

Transportation, and Information Technology. The \$200,000 allotment for Facilities is earmarked for the purchase, replacement, and support of equipment and vehicles, snow removal, and other grounds equipment throughout the district. Student Transportation is budgeted \$125,000 for fleet maintenance and other school bus equipment. Finally, \$175,000 was budgeted for IT infrastructure replacement, supporting the tens of thousands of personal computer hardware throughout the district, as well as a myriad of other technology needs.

How does Worcester Compare to Other Municipalities on a Per-Pupil Basis?

Table 5 shows in-district per-pupil expenditures in FY21, the most recent data available from the Massachusetts Department of Elementary and Secondary Education. This table compares expenditures of the top ten Gateway Cities by in-district pupils, and compares Worcester to schools in the Greater Worcester region. Gateway Cities are defined by the Massachusetts State Legislature as municipalities with a population

Table 4: Capital Improvement Plan, Renovation Projects for FY23

School	Project	City Share	ESSER Share	Total Project
Various	Ventilation System Upgrades	\$0	\$8,544,672	\$8,544,672
Roosevelt Elementary	Traffic Reconfiguring	\$1,500,000	\$0	\$1,500,000
Lincoln Street	Bathroom Renovation - Phase 2	\$650,000	\$0	\$650,000
Burncoat High and Middle Schools	Hot Water Tank Replacement	\$400,000	\$0	\$400,000
Norrback Avenue	Fire Pump Replacement	\$150,000	\$0	\$150,000
Norrback Avenue	Water Pump Replacement	\$150,000	\$0	\$150,000
McGrath Elementary	Replace Gym / Cafeteria Floor	\$150,000	\$0	\$150,000
West Tatnuck Elementary	Replace Cafeteria Floor	\$150,000	\$0	\$150,000
Burncoat High	Replace Bleachers	\$100,000	\$0	\$100,000
Various	Upgrade Building Controls	\$100,000	\$0	\$100,000
Various	Cameras / Security	\$50,000	\$0	\$50,000
Administration / Engineering		\$100,000	\$0	\$100,000
Total		\$3,500,000	\$8,544,672	\$12,044,672

Source: Worcester Public Schools



between 35,000 and 250,000, a median household income below the state average, and a rate of educational attainment of a bachelor's degree or above that is below the state average. Worcester is one of 26 communities with such a classification.

Each municipality in the table is arranged in terms of total expenditures for in-district pupils. Worcester ranked fifth in FY21 compared to other Gateway Cities for per pupil expenditures. In comparison with Worcester's direct neighbors, Worcester ranked third of nine in terms of per pupil expenditures.

How does the Budget Process Work?

WPS Administration, the City of Worcester, and the Worcester School Committee continuously develop each year's budget over the course of the fiscal year. From July to September, WPS begins initial preparation of the budget including making any final changes to the current FY

budget. October to December sees some initial estimates for the next budget cycle, and then January through March the Administration begins meeting with District Leadership to estimate location allocations.

Community engagement is especially solicited April through June, including community budget sessions, open City Council meetings about the Citywide budget, and then School Committee budget sessions in June, before a final adoption at the very end of June. However, there are other opportunities to meet with WPS Administration and the School Committee to express concerns, including regularly scheduled School Committee meetings.

Investing in Excellence is supported by a grant awarded by the Worcester Education Collaborative with funding from the Barr Foundation.

Table 5: 2021 Per Pupil Expenditures, Worcester vs. Gateway Cities and Greater Worcester

Gateway Cities	In-District Pupils	Per Pupil Expenditures	Greater Worcester	In-District Pupils	Per Pupil Expenditures
Springfield	24078	\$19,151.98	Millbury	1576	\$18,017.45
New Bedford	12565	\$17,375.76	West Boylston	892	\$17,766.70
Lawrence	13167	\$17,271.93	Worcester	24019	\$17,119.36
Brockton	15187	\$17,174.82	Berlin-Boylston	1035	\$17,115.89
Worcester	24019	\$17,119.36	Leicester	1372	\$15,478.72
Fall River	10183	\$16,839.16	Auburn	2509	\$14,890.18
Quincy	9459	\$16,749.67	Wachusett Regional School District	6576	\$14,597.19
Lowell	13964	\$16,693.17	Grafton	3153	\$14,538.63
Haverhill	7774	\$16,115.86	Shrewsbury	6003	\$14,394.86
Lynn	15549	\$15,980.43			
	In-District Pupils		Per Pupil Expenditures		
Boston	48747		\$27,671.31		
Statewide	859560		\$18,521.88		

Source: Massachusetts Department of Elementary and Secondary Education

*Counts In-District Per Pupil Expenditures Only

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