



The Research Bureau

# PAYING FOR A PUBLIC EDUCATION

An Examination of the FY24 Worcester Public  
Schools' Budget

REPORT 23-09

September 2023





## EXECUTIVE SUMMARY

**THE WORCESTER PUBLIC SCHOOLS'** adopted budget for FY24, *From Here, Anywhere...Together!* (including general and special revenue) of \$552,004,772 is a 5.4% increase from the adopted budget of FY23. This report, a follow-up to last year's *Investing in Excellence* will examine the budget-making process of the Worcester Public Schools, and analyze some of the new additions to this coming year's adopted budget. This report should be seen as an extension of The Research Bureau's annual *Breaking Down the Budget* -- rather than give the Worcester Public Schools a section of that report, this will serve as a separate, more comprehensive, and complementary report focused solely on the schools.

The report begins with an overview of the budgetary process and description of this year's revenues, including an explanation of the Foundation Budget process and the City's role in education funding. Then, it examines expenditures, new initiatives, and the use of Student Opportunity Act and ESSER funds this year. Finally, the report compares Worcester, Gateway Cities, and Worcester's neighbors on required local contributions and net school spending, and considers budget developments to watch in the coming years.

### PAGES 3-7 | THE PROCESS BY WHICH BUDGETS ARE MADE AND THIS YEAR'S REVENUE SOURCES

- The creation of the yearly school budget is a months long process that starts in earnest in January with the release of the Governor's Budget proposal and the initial Foundation Budget calculation..
- This year's revenues and expenditures of the Worcester Public Schools are their highest ever, \$552,004,772, thanks in part to the final use of ESSER funds, and the third year of Student Opportunity Act funds, that serve to raise the Foundation Budget year-over-year until level in 2027.

### PAGES 8-10 | EXPENDITURES IN THIS YEAR'S BUDGET

- Worcester Public Schools' largest expenditures are in salaries and benefits of its employees.
  - ▶ There are 5,376 employees budgeted for more than 24,000 students. Of this, 2,703 are teachers and 699 are instructional assistants.
  - ▶ There are 228 more employees in FY24 than in FY23, which includes teachers (75), transportation (49) and instructional assistants (25). Twelve are district administrators and six are school administrators.
- WPS continues to fund new initiatives, like its Spark Academy at Wawecus Road School, and to fund the Student Opportunity Act initiatives initially detailed in its 2020 SOA implementation Plan.
- Worcester has budgeted \$14.23 million for facilities and capital improvements, including renovations, maintenance, and other repairs across a variety of its schools.
- In FY24, the City will continue the construction of Doherty Memorial High School, slated to open in August 2024.

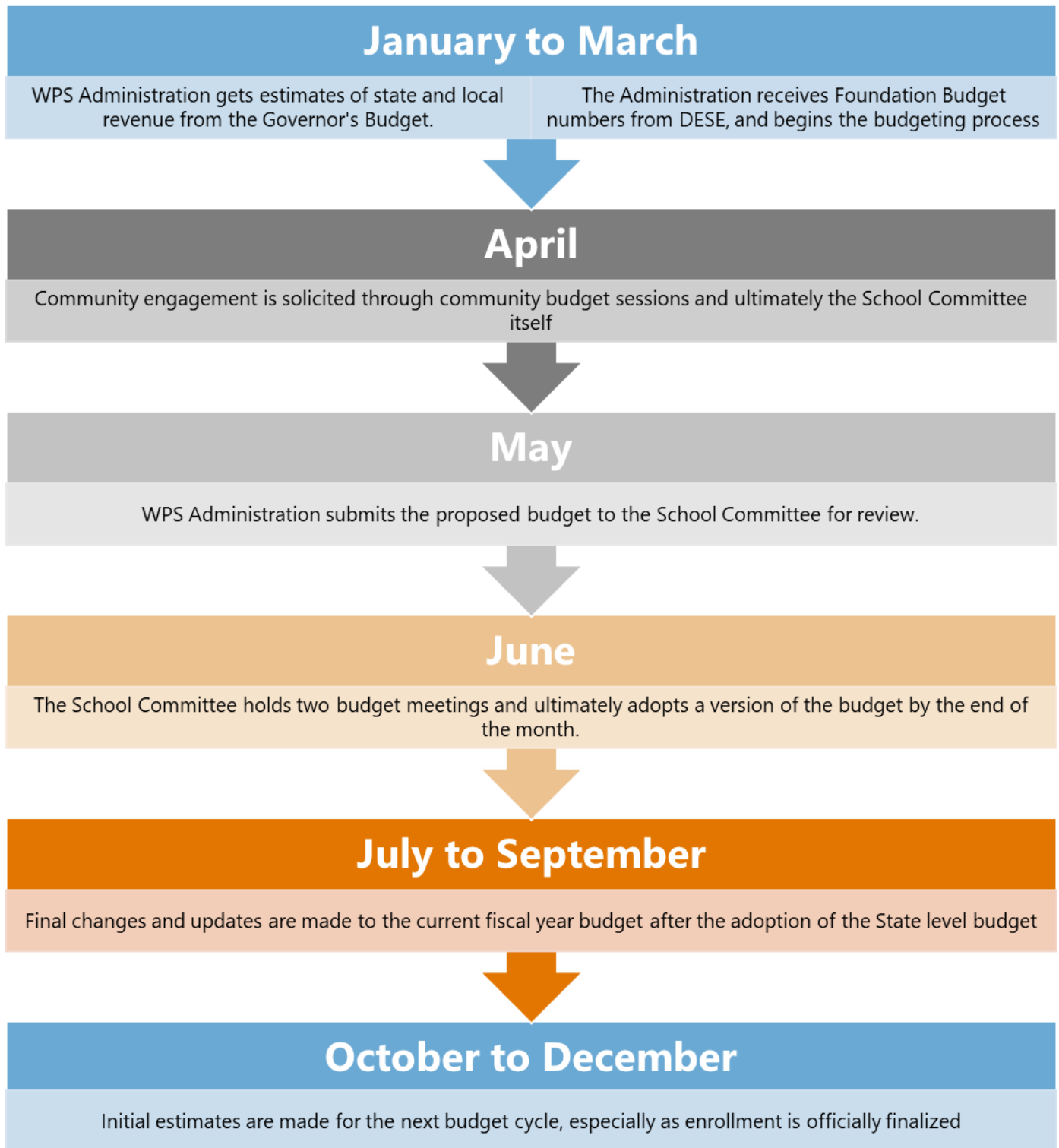
### PAGES 11-13 | COMPARISONS, WHAT TO WATCH, AND CONCLUSION

- This section compares Worcester, Gateway Cities, and Worcester's neighbors on required local contributions, state aid, and money spent in excess of the required net school spending.
- Required local contributions are based on property wealth and total community income, so communities with higher values are required to contribute more as a percentage of their Foundation Budgets. Communities with more students, and especially more low-income students have higher Foundation Budgets.
- A number of developments to watch in the coming years:
  - ▶ Next year, there will be no more ESSER funds to spend
  - ▶ A statement of interest to the Massachusetts School Building Authority has been submitted to replace Burncoat High School. If approved, it is estimated to cost at least \$500 million in total.
  - ▶ Worcester is a 1:1 Chromebook district, and it will need to replace these in the future.
  - ▶ New Student Opportunity Act funds continue to come online.
  - ▶ A new WPS strategic plan is under development



## HOW DOES THE BUDGET PROCESS WORK?

The road to making a budget requires the input of many individual actors. The following graphic lays out the key timeline of events for making the school's budget every year. The "Foundation Budget," the key to determining how much the schools should spend on their students, is discussed in a subsequent section.





## UNDERSTANDING REVENUES

The adopted budget for the Worcester Public Schools' 2023-2024 school year (FY24) is **\$552,004,772, a 5.42% increase** from the adopted budget of the year before. This amount is a combination of a **General Fund budget of \$462,693,121 and Special Revenue budget of \$89,311,651**. These numbers represent the budget of the Worcester Public Schools *only* and not any funds received by charter schools or school choice from the State or the City. The breakdown of WPS revenues can be found in the pie chart on this page.

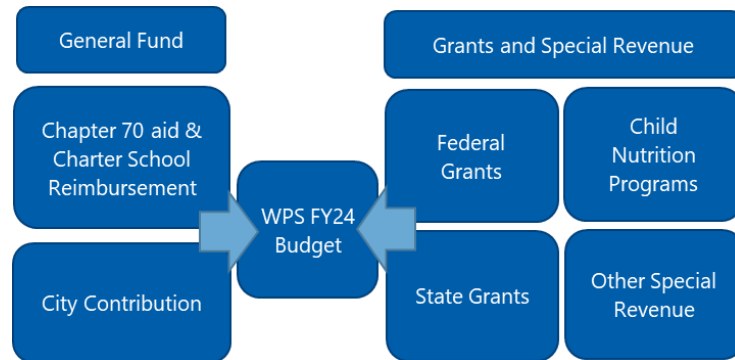
Revenues for the schools come from a variety of sources, but the greatest source is the "General Fund," which is a combination of state aid and a contribution from the City. This year, **the local contribution from the City accounts for \$129,215,192 and state aid (including a higher Charter School reimbursement this year due to the first year of the Worcester Cultural Academy) accounts for \$333,477,929 of the General Fund**. Both state aid and the City's required contribution to its schools is determined every year through what's known as the "Foundation Budget," a number determined through a process outlined in Massachusetts' General

Laws Ch. 70, and published by the Department of Elementary and Secondary Education every year. The next pages will describe the Foundation Budget process and, ultimately, the City's role in funding the Worcester Public Schools.

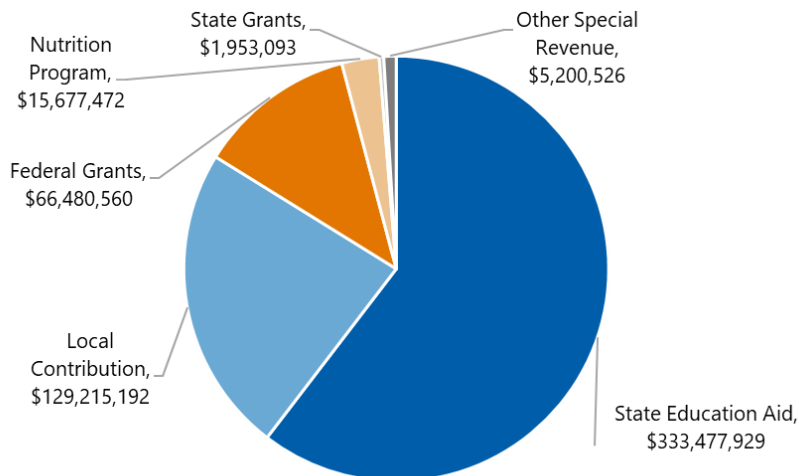
## THE FOUNDATION BUDGET PROCESS

Understanding the "Foundation Budget" in Massachusetts is critical to understanding how schools across the state are funded. Each year, the Department of Elementary and Secondary Education, through the state's Chapter 70 program, determines how much money should be spent—at a minimum—on the state's many students. The current program has its origin in "An Act Establishing the Education Reform Act of 1993," which wholly replaced the State's previous education funding formula. Chapter 70's stated intention is to "assure fair and minimum per student funding for public schools" by "defining a Foundation Budget and a standard of local funding effort applicable to every city and town in the commonwealth" (M.G.L. Ch. 70 § 1 (1993)). This "foundation" budget is then used to determine how much money a municipality itself should contribute towards the education of students, and, from there, how

### Sources of Revenue in the WPS Budget



### Revenues for FY24, All Sources



Source: Worcester Public Schools, FY24 Recommended Budget



much money the state will provide in aid to reach the Foundation Budget amount. Every municipality is guaranteed to receive some state aid, though some receive higher percentages than others. Ch.70 was further amended in 2019 with "An Act Relative to Educational Opportunity for Students," increasing the funding rates of some Foundation Budget cost centers, and applied an inflation factor to others.

The Foundation Budget for a municipality is determined by assigning different dollar amounts across a matrix. Different areas of a school (like teaching, or administration, or guidance) are assigned different dollar amounts depending on where (Pre-K, Kindergarten half day, Kindergarten full day, elementary, middle, high, vocational) they lay. Then, after enrollment is determined on October 1st every year, the Foundation Budget takes the number of students in each category and assigns a dollar amount for each area. So, for example, imagine that for each elementary school student, \$5 was assigned for administration, \$10 assigned for classroom teachers, etc, one could determine the basic amount to be spent for each student by adding up these categories. Enrollment considers most resident students, including those that are enrolled in the district's own schools, in

public charter schools, and school-choice students that attend a school in a different district but reside in that community.

However, the Foundation Budget calculation does not end there. For each student that falls into an additional category (special education in or out of district, English learners, and/or low income students), an additional amount on top of the base amount is added to the Foundation Budget. Therefore, for example, all other things being equal, one district with more low-income students than another would be allotted a higher Foundation Budget than the other.

Each municipality is then plugged into a formula that considers property value and total income, in combination with the previous year's required contribution and other factors, to determine how much that municipality should contribute towards the Foundation Budget. The remainder is filled in with state aid. Municipalities can contribute more towards their schools' general budget if they wish, but they must contribute at least their required amount, or face a penalty in a subsequent year. The [Massachusetts Department of Elementary and Secondary Education has a wide variety of papers and spreadsheets](#) that explain, in

### Ensuring Statewide Uniformity

- 59% of the statewide foundation budget is made up of local aid. Half of this must come from a property value factor, and half from income. In this step, the State determines percentages applied to property values and aggregate income from every community, so that each counts as half of the statewide local aid target. These percentages are then applied to the values in every community.

### Determining The Target Local Aid Percentage

- Percentages from the previous step are applied to total property value and total income of the community and then added together. If it is less than 82.5% of the total municipal foundation budget, this is the start of determining what required local aid for schools will be. It is then used to determine what the target percentage of local aid to state aid should be.

### Determining the Required Local Contribution

- A municipal revenue growth factor (as determined by the Department of Revenue) is applied to the previous year's required contribution. This number is the preliminary contribution. If it, as a percentage of total foundation budget, is a certain amount higher or lower than the target percentage found in the previous step, it must be either lowered or raised to meet that percentage. Otherwise, this will become the required local contribution. State aid fills in the rest of the way to the Foundation.



detail, the various elements of the formula for each municipality and school district. The following graphic presents a simplified way of how local contributions are determined.

In Worcester, for FY24, the Foundation Budget, broken down into the required local contribution as well as Ch. 70 state aid, is as follows:

FY24	Total	Percentage
Foundation Budget	\$477,974,879	100%
Of which is the Required Local Contribution	\$120,432,974	25.2%
Of which is Chapter 70 State Aid	\$357,541,905	74.8%

Importantly, the **Foundation Budget—including the required local contribution and Ch. 70 state aid—is not entirely allocated to the Worcester Public Schools.** Some of these funds are earmarked for Charter School and out-of-district school choice students. This year, the amount allocated to Charter Schools has increased due to the new Worcester Cultural Academy opening in Fall 2023.

The Foundation Budget represents the main process by which the bulk of a school district’s revenues are determined. The local contribution in combination with state aid (including any relevant reimbursements given to the district thanks to the loss of students to Charter Schools) ultimately becomes the “General Fund.” Since state aid is determined in part by what the municipality itself can contribute towards the budget of its schools, Worcester *does* play an important role in funding the Worcester Public Schools. Its contributions—both those that are required and any excess direct and indirect contributions it makes towards the operations of its schools—are explained in further detail in the next section.

## UNDERSTANDING THE CITY’S ROLE IN FUNDING EDUCATION

After the Foundation Budget process is completed, the City is required to make a local contribution towards net school spending each year; failing to meet that contribution can incur penalties on the City, including a reduction in other kinds of state aid in the next year. For some communities, the required local contribution is greater than the amount of Ch. 70 state aid that will be received, though every community is guaranteed to receive some state aid. This local contribution includes money spent on district schools as well as public charter schools and school choice tuition.

Again, communities are required only to meet the minimum contribution, but they can contribute more to their schools if they have the means. However, contributions to schools are complicated. Some community contributions count towards required spending, and some do not. For example, spending for student transportation, adult education, crossing guards, and building leases are included in the general budget of the schools, but do not count towards required school spending. This means that the specific amount contributed towards **required** school spending can sometimes be deceiving, as there may be other ways that communities contribute to their schools.

Table 1 shows all contributions being made by the City of Worcester in the FY24 adopted budget. This includes amounts that will go to WPS, charter schools, and school choice tuition. The table includes all contributions towards education in Worcester, and separates out spending that does and does not count towards the required net school spending amount set by the state in its Foundation Budget formula. Overall, including direct, indirect, required, and not required school spending, the City of Worcester will contribute \$129,215,192 towards the general budget of the Worcester Public Schools.

**Table 1: Worcester’s Direct and Indirect Contributions**

Required Contribution	\$120,432,974
Direct Contributions (includes funds for WPS and Charter Schools)	\$138,539,431
<i>Additional (Indirect) Contributions</i>	
City Administration	\$6,816,045
Police	\$574,022
Water/Sewer	\$692,131
Total Direct and Indirect Contributions	\$146,621,629
Contributions that Don't Count Towards Required Spending	\$24,774,403
Spending that Counts Towards Required Spending	\$121,847,226
Excess over Required Spending	\$1,414,252

Source: Worcester Public Schools FY24 Budget, p. 418



### THE STUDENT OPPORTUNITY ACT

This year represents the third year of implementation of the "Student Opportunity Act" (SOA), a 2019 law that changed and expanded the Foundation Budget funding formula for all Massachusetts school districts (amending M.G.L. Ch. 70), increasing long term funding of public schools to address inequitable gaps in student outcomes. More specifically, the law aims to close disparities in outcomes and experiences among low income students, English learners, and students of color. Each school district is required to submit an actionable plan to the state Department of Elementary and Secondary Education to close those gaps. These plans must be based on evidence-based program areas, and 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.

General fund revenues of the Worcester Public Schools are expected to increase over the next four years thanks to the Student Opportunity Act's updated Foundation Budget formula. Ultimately, by the end of the six-year implementation period, the Worcester Public Schools anticipates receiving an additional \$90 million a year from the Student Opportunity Act. This is \$90 million more than the Worcester Public Schools would have received without the Student Opportunity Act's passage in 2019.

### SPECIAL REVENUES

In addition to its general fund revenues, the Worcester Public Schools receive special revenues from a variety of sources, including State and Federal grants. These are also accounted for in the FY24 budget. These revenues are expected to total \$89,311,651. The adopted budget includes preliminary numbers for some of these revenue sources, as their total amount is not yet fully known. These categories include Federal grants (including ESSER funds, which are fully utilized in FY24), State grants, Child Nutrition Programs, and other revenues including other grant funds and funds raised directly by the Worcester Public Schools.

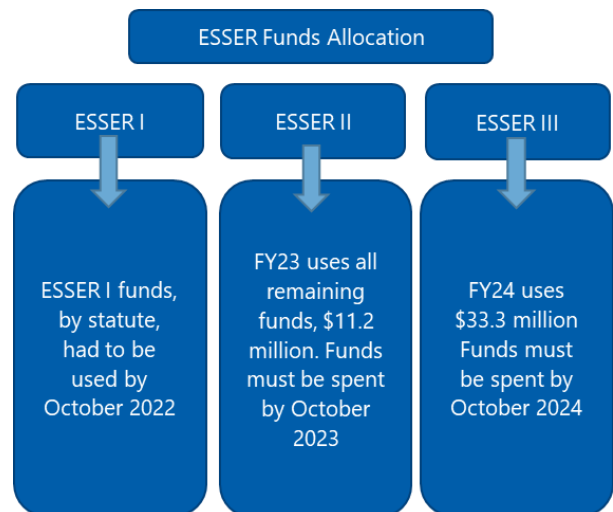
**More than \$33 million of FY24's special revenues are from Federal COVID-19 relief funds, the last of the "Elementary and Secondary School Emergency Relief Fund" or "ESSER Fund."** These funds will be discussed in more detail in the next section; however, as was noted, FY24 represents the last of the more than \$122 million that the WPS has received since 2020. Legally, these funds must be spent by October 2024, and according to this year's budget, WPS will be spending the last of its funds in the coming year.

### THE ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER)

Since March 2020, the Worcester Public Schools has received three sets of Federal grant funds meant to address disparities caused by the COVID-19 pandemic. Altogether, these funds are known as the "Elementary and Secondary School Emergency Relief Fund," a series of funds stemming from the March 2020 CARES Act, December 2020 CRRSA Act, and March 2021 ARPA, and known as ESSER I, ESSER II, and ESSER III. These funds were available only temporarily, and had to be spent by the district by October 2022, October 2023, and October 2024, respectively.

Overall, the Worcester Public Schools received \$122,448,776 in ESSER relief funds. These funds were relatively flexible, with some restrictions related to preventing, preparing for, and responding to the impacts of COVID-19. For example, a significant amount of these funds was spent on improving ventilation systems across Worcester's many school facilities; between FY21 and FY24, more than \$22.84 million will be spent on these ventilation upgrades--18.7% of the total amount of ESSER funds.

Other use restrictions applied. For example, 20% of ESSER III funds had to be spent 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. Funds were largely used to create and expand new programs and as revenue replacements when funding during the pandemic was not always certain.





## UNDERSTANDING EXPENDITURES

For every dollar in revenue, WPS has an equal dollar expenditure. The pie chart on this page shows the breakdown of major expenditure areas for FY24.

The Worcester Public Schools' largest expenses are on the salaries and benefits of its employees. **In FY24, there are 5,376 employees budgeted for more than 24,000 students.** Slightly more than half of those employees are teachers; if instructional assistants and teacher substitutes are included in that number, **a little more than 65% of WPS employees are directly teaching students,** but of course all employees are integral to the education of Worcester Public Schools' students.

Indeed, education is a labor-intensive exercise. The 2,703 teachers are an increase in FY24 of 75; the 699 instructional assistants is an increase of 25. Overall, there are 228 more employees in WPS budgeted for FY24 than in FY23. The largest increases in employees are teachers, followed by transportation with 49 (as this year continues the fully in-district student transportation begun in earnest in FY23). Only 12 of the 228 new employees budgeted for FY24 are district administrators, and six are school administrators.

In FY24, employee salaries account for \$356,743,891 in expenditures; "fringe benefits," that is, health insurance, retirement, and other employee benefits account for \$94,262,576 in this budget. It should be noted that this new school year does include a new, three-year teacher and paraeducator contract that includes one retroactive year.

The rest of this section will explain the new strategic plan process, which will serve to guide future Worcester Public Schools' budgets, facilities and capital improvement

expenditures in the coming year, new initiatives, and expenses related to the Student Opportunity Act and ESSER funds.

### THE NEW STRATEGIC PLAN

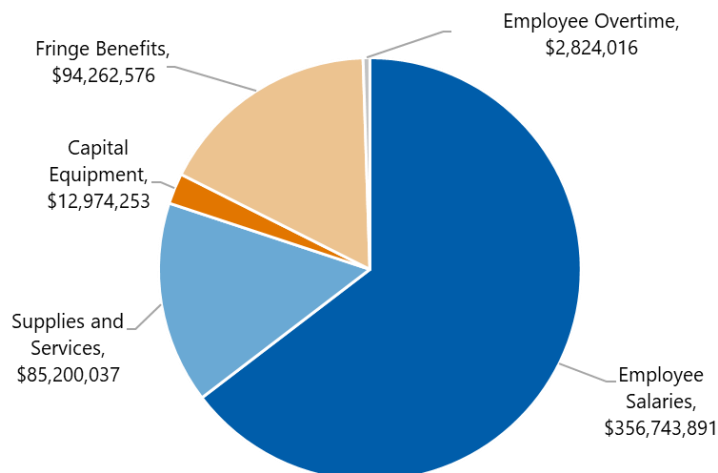
The 2022-2023 school year marked the fifth and final year of the strategic plan created in 2018 for the Worcester Public Schools, [Defining Our Path: A Strategic Plan for Education in Worcester](#). That plan was the first strategic plan for WPS in 26 years, and its creation was led by the Worcester Education Collaborative and the Worcester Regional Research Bureau in collaboration with the Worcester Public Schools. The Research Bureau released a report in late 2022 about the progress in that strategic plan, [Strategizing for Excellence: Status of the Worcester Public Schools Strategic Plan](#).

As WPS has reached the end of its current strategic plan, it is currently undertaking the process of creating a new five-year plan. As the current plan informed budgetary decisions for the past few years, the next plan should do the same. That strategic planning process officially began in early 2023. So far, the Worcester Public Schools has named possible district representatives, City and elected officials, and community and business partners, including the Worcester Regional Research Bureau as Chair, to be members of an advisory committee. WPS has also employed Hanover Research to help facilitate the new strategic plan.

### FACILITIES AND CAPITAL IMPROVEMENTS

The FY24 budget includes \$4 million from the City and \$10,234,856 from ESSER funds for facilities improvements and building renovations, and \$500,000 for capital equipment purchases and maintenance. The City Manager recommends the capital budget for the City to

**WPS FY24 Expenses by Account Area**



Source: Worcester Public Schools, FY24 Budget





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. The Massachusetts School Building Authority (MSBA) provides a reimbursement of 78% to Worcester for approved Accelerated Repair Projects, which are windows, roofs, and boiler projects; however, MSBA Accelerated Repair Project reimbursements were paused in FY23.

There are three important updates to facilities and capital improvements on which to focus. First, not included in Table 2 is the construction of the new Doherty Memorial High School, on which construction will continue throughout FY24. **According to the FY24 budget, the new Doherty facility should be open in August 2024 for the 2024-2025 school year, with some additional site work to follow. The project was initially estimated to cost about \$293 million, with \$124.5 million reimbursed by the MSBA. As of 11/15/2022, because of inflation and the rising cost of construction materials, the full cost of constructing the new facility was set at \$316,384,178.**

Second, in 2023, the City of Worcester and Worcester Public Schools submitted another Statement of Interest to the MSBA for the replacement of Burncoat High School, after its 2022 Statement of Interest was ultimately rejected in December 2022 (see the School Committee Agenda for 1.19.23, which includes a copy of the December 2022 letter from the MSBA). The City should be informed by the end of the year on whether Burncoat was accepted into the MSBA's core facilities program for replacement. Additionally, **Massachusetts' FY24 budget increases the amount that the MSBA can award in new construction grants to \$1.2 billion, which could affect the Burncoat proposal.**

Finally, although it is in Table 2, it is worth pointing out that WPS has budgeted \$500,000 to support other, non-construction related capital equipment. Capital equipment includes vehicle replacement and equipment and infrastructure replacement in IT. IT infrastructure includes tens of thousands of Chromebooks, iPads, and desktop computers, as well as the WPS' VOIP telephone, security, and other relevant systems. IT is level funded at \$175,000.

**NEW INITIATIVES**

The adopted budget for FY24 has a number of new initiatives, including (but not exclusively):

- ▶ A "Spark Academy" at Wawecus Road School for advanced technology and experiential project-based learning for students
- ▶ A full-day Kindergarten Preparation classroom at Quinsigamond Elementary School for students aged four between September 1 and December 31.
- ▶ Wrap-around coordinators for every school. "Wrap-Around Coordinators" support children's social and emotional well-being through individualized plans that center those children in their communities.
- ▶ Continuing work on the student information system, WooEdu
- ▶ Funding for school safety recommendations based on an audit conducted (and nearly completed) in FY23.

Location	Purpose	City Share	ESSER Share	Total
Various Locations	Ventilation Systems		\$10,234,856	\$10,234,856
Mill Swan Head Start	Modular Unit Demolition	\$600,000		\$600,000
Worcester East Middle	Bathroom Renovations	\$600,000		\$600,000
Burncoat High School	Upgrades for NEASC Accreditation Status	\$600,000		\$600,000
Forest Grove Middle	Replace Chillers and Compressors	\$500,000		\$500,000
Claremont Academy	Repair Front Entry & Driveway	\$400,000		\$400,000
North High	Replace Chillers and Compressors	\$350,000		\$350,000
Various Locations	Paving	\$150,000		\$150,000
Administration/Engineering		\$300,000		\$300,000
Facilities	Vehicle Replacement and Equipment	\$200,000		
Information Technology	Infrastructure Replacement	\$175,000		
Student Transportation	Vehicle Equipment	\$125,000		
Totals		\$4,000,000	\$10,234,856	\$14,234,856

Source: Worcester Public Schools FY24 Budget



### STUDENT OPPORTUNITY ACT EXPENSES

New Student Opportunity Act funds continue in FY24. The use of these funds continue to be informed by the initial SOA plan released in early 2020 by the Worcester Public Schools. This plan included four program areas:

- ▶ 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 3 shows the new, budgeted SOA expenses for FY24 in each of these program categories. In addition to the FY24 adopted budget from WPS, [this dashboard at the website of the Massachusetts Department of Elementary and Secondary Education](#) includes information about Worcester's initial SOA plan, and allows you to see the plans of each other district in Massachusetts (though the dashboard does not include all the latest information on SOA implementation). It should be noted that the new spending listed on this page is not entirely where SOA funds go—the District also spends its SOA funds on employee salaries and other new initiatives each year, in addition to the continued funding of programs that began each other year. For a better idea of this spending, it is helpful to examine the ESSER funding that is meant to bridge the gap to new SOA initiatives.

### THE USE OF ESSER FUNDS IN FY24

Overall, the Worcester Public Schools **adopted budget includes \$33,308,504 in budgeted spending from ESSER III, the last of the ESSER funds available to the district.** This includes \$13,157,478 in forward spending

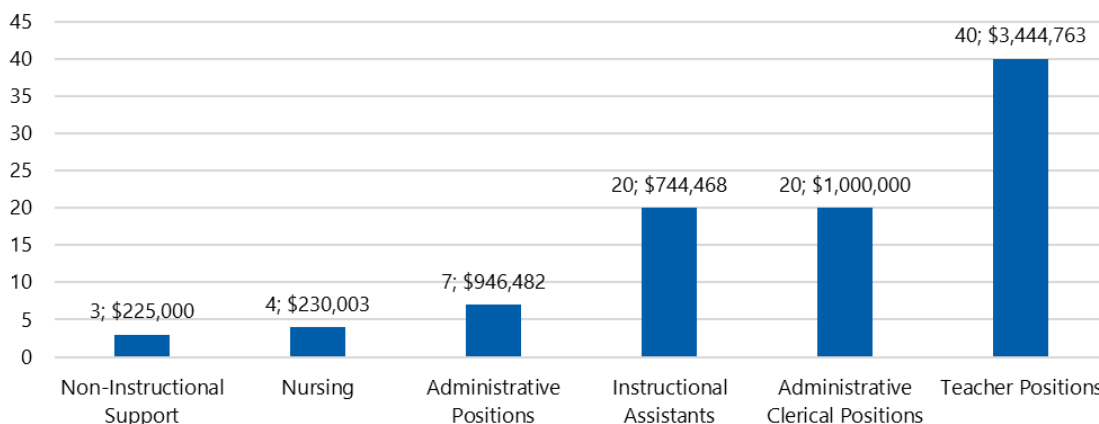
Table 3: New Spending in FY24 Towards SOA Initiatives	
Early Literacy	
6 Preschool Teachers	\$533,613
12 Preschool Instructional Assistants	\$446,681
Preschool Classroom Furniture	\$100,000
Early College and Innovation Pathways	
3 Chapter 74 Teachers for Doherty program	\$266,807
Administrative Clerical Support Staff	\$63,743
Research and Evaluation Specialist	\$48,000
Diversifying Staff	
4 DEI Coaches to lead DEI work in each	\$368,550
Communications Coordinator	\$85,000
Social-Emotional Learning Supports	
Director of School Climate and Culture	\$150,000
5 School Psychologists	\$444,678
5 Special Education BCBA	\$444,678
3 FTC SAC 250:1	\$180,000
2 Coping Room Teachers	\$120,000
8 Climate and Culture Specialists	\$297,787
20 Wrap/FACE Liasions	\$1,000,000

Source: Worcester Public Schools FY24 Budget

for Student Opportunity Act initiatives, \$5 million in learning loss initiatives, \$2 million for the purchase of district-operated school buses (after a \$16.5 million purchase in FY23), and the \$10,234,856 in capital expenses.

The forward, or "bridge," spending for Student Opportunity Act initiatives are an attempt to fund initiatives a year earlier than they would otherwise be funded, as if the money that would otherwise come in FY25 from the Student Opportunity Act was available a year earlier. Since these ESSER funds will no longer be available, this would appear to be an attempt to avoid the so-called "Fiscal Cliff," an event where funds are used to create new initiatives and to pay for new positions, without the ability to pay for them when the funds have run out.

**New Positions Added Through SOA "Bridge Funding" Using Remaining ESSER Funds**



Source: Worcester Public Schools, FY24 Budget



## COMPARING WORCESTER TO OTHER COMMUNITIES

Since the bulk of education funding is a combination of a local contribution and State aid, it is possible to compare to different municipalities on these particular metrics. However, this cannot be a straight one-to-one comparison because Foundation Budgets vary wildly from district to district based on student demographics, and required community contributions can differ significantly because of the local wealth of that community.

What could be valuable, however, is these numbers in conjunction with community contributions above required net school spending. As was explained earlier, communities do make many direct and indirect

contributions towards their schools. Some of these contributions count towards required spending, and some do not. The following table compares Worcester on these metrics with other Gateway Cities, its direct neighbors, Boston, and the state in FY22, the most recent year for which full information is available. Statewide, based on 317 reporting districts, schools spent 27.3% more than required net school spending.

A couple of caveats should be noted about the data. First, in FY22 Worcester’s foundation enrollment counted 26,540 students, making it the 3rd highest in the state that year (this number includes students in the district as well as Charter School and School Choice students attending schools outside of the city). Second, excess school spending does not, as was previously established,

**Table 4: Net School Spending for FY22, Worcester compared to Gateway Cities and Neighbors**

City	FY22 Foundation Budget**	Local Contribution	State Aid	Required Local Contribution as a % of Foundation Budget	Required Net School Spending (including carryover penalty if applicable)	Actual Net School Spending	Amount Over or (Under) NSS	Actual NSS as a % of Required NSS
<b>Gateway Cities</b>								
Quincy	\$138,447,528	\$106,595,521	\$31,872,332	76.99%	\$138,467,853	\$164,430,885	\$25,963,032	118.75%
Haverhill	\$109,839,438	\$44,857,002	\$64,982,436	40.84%	\$109,839,438	\$125,203,118	\$15,363,680	113.99%
Lowell	\$232,660,515	\$54,112,190	\$178,553,488	23.26%	\$232,665,678	\$241,290,484	\$8,624,806	103.71%
New Bedford*	\$206,188,928	\$32,442,344	\$173,746,584	15.73%	\$207,315,042	\$213,066,945	\$5,751,904	102.77%
Brockton	\$261,944,927	\$49,559,396	\$212,385,531	18.92%	\$261,944,927	\$265,007,695	\$3,062,768	101.17%
<b>Worcester</b>	<b>\$400,051,103</b>	<b>\$108,945,977</b>	<b>\$291,115,647</b>	<b>27.23%</b>	<b>\$400,061,624</b>	<b>\$401,591,097</b>	<b>\$1,529,473</b>	<b>100.38%</b>
Springfield	\$446,524,568	\$43,175,654	\$403,348,914	9.67%	\$446,524,568	\$446,524,575	\$7	100.00%
Lynn*	\$268,344,427	\$55,110,068	\$213,234,359	20.54%	\$269,973,692	\$268,716,513	(\$1,257,179)	99.53%
Fall River*	\$179,465,810	\$34,286,248	\$145,182,843	19.10%	\$182,699,137	\$181,022,709	(\$1,676,428)	99.08%
Lawrence*	\$234,592,261	\$12,048,747	\$222,543,514	5.14%	\$245,266,148	\$238,056,497	(\$7,209,651)	97.06%
<b>Greater Worcester</b>								
Shrewsbury	\$67,854,308	\$52,472,153	\$20,252,968	77.33%	\$72,725,121	\$88,360,951	\$15,635,830	121.50%
Grafton	\$33,113,667	\$22,380,816	\$11,350,399	67.59%	\$33,731,215	\$45,733,197	\$12,001,982	135.58%
Auburn	\$27,367,441	\$15,568,309	\$12,284,561	56.89%	\$27,852,870	\$35,770,786	\$7,917,916	128.43%
Millbury	\$19,104,093	\$12,049,555	\$7,927,312	63.07%	\$19,976,867	\$27,626,692	\$7,649,825	138.29%
Berlin-Boylston	\$10,696,910	\$8,558,303	\$2,169,034	80.01%	\$10,727,337	\$16,708,006	\$5,980,669	155.75%
West Boylston	\$9,723,141	\$7,800,056	\$3,058,965	80.22%	\$10,859,021	\$15,340,724	\$4,481,703	141.27%
Leicester	\$17,918,102	\$8,874,997	\$9,846,237	49.53%	\$18,721,234	\$20,892,158	\$2,170,924	111.60%
<b>Worcester</b>	<b>\$400,051,103</b>	<b>\$108,945,977</b>	<b>\$291,115,647</b>	<b>27.23%</b>	<b>\$400,061,624</b>	<b>\$401,591,097</b>	<b>\$1,529,473</b>	<b>100.38%</b>
Wachusett Regional School District	\$73,176,177	\$45,202,423	\$29,762,018	61.77%	\$74,964,441	\$95,087,530	\$20,123,089	126.84%
<b>Boston and Statewide</b>								
Boston	\$978,880,394	\$788,497,356	\$223,736,165	80.55%	\$1,012,233,521	\$1,376,101,437	\$363,867,916	135.95%
Statewide	\$11,926,225,792	\$6,827,673,657	\$5,502,959,667	57.25%	\$12,353,873,866	\$15,723,270,003	\$3,369,396,137	127.27%

\*Required NSS includes carryover from underpaying year before

\*\*Foundation budgets include all students in a community, including Charter School enrollments

Source: Massachusetts Department of Elementary and Secondary Education, FY23 District Profile; FY22 Net School Spending Compliance Report



count certain categories of expenses that municipalities may contribute towards their schools, and so does not necessarily tell the entire story. **For example, in FY22 the City of Worcester contributed an excess of \$25.8 million towards its schools, but only \$1.5 million is counted towards required net school spending.** The remaining \$24.3 million, spent on student transportation, crossing guards, adult education, and building rentals is not counted by the state towards required school spending, but is still an integral part of paying for Worcester's schools.

Finally, notice that the required local contribution as a percentage of the Foundation Budget is the third highest among Gateway Cities, but the lowest among Worcester's neighbors. What does this tell us? Local contribution is based on a combination of property value and total income of the community. That Worcester's required local contribution is a lower percentage of its Foundation

Budget than its neighbors would indicate that, overall, its total property value and/or income is lower than its neighbors, and that it has a greater number of higher needs students than the others.

### **WHY NOT COMPARE ON PER-PUPIL EXPENDITURES?**

Municipalities could be compared based on per-pupil expenditures. However, demographic differences between schools make these comparisons fraught. The funding formula allocates higher needs and greater costs in districts with more low-income students, so that *more* could potentially be spent per-pupil in low-income districts than in high-income districts.

## **WHAT TO WATCH IN FUTURE BUDGETS**

In FY25, and beyond, there are several things to watch.

First, in FY25 specifically there will be no ESSER funds to spend. These have been a financial lifeline to schools throughout the United States since the COVID-19 pandemic began, but FY24 marks the final year at WPS where any of these funds will be spent (statutorily, the last funds must be allocated by September 30, 2024). While in FY23 and FY24 ESSER funds were spent on one-time purchases (such as purchasing buses for fully in-district transportation, ventilation systems, and building projects) and to forward fund initiatives that will be paid for with Student Opportunity Funds in the following year, the question remains: what happens in FY25 and beyond when these funds are no longer available? Ventilation and other building improvement projects will likely need to continue, as will the initiatives to manage learning loss from the pandemic. This is an area of key concern going forward.

Second, the City and WPS have submitted letters of interest to the Massachusetts School Building Authority for a major new reconstruction of Burncoat High School three times in the past three years, which includes one submission in January 2023. In an April 2022 communication to the City Council, the City Manager estimated the cost of reconstruction of both Burncoat Middle and Burncoat High to be about \$500 million. If accepted into its current core programs, the MSBA would likely reimburse about 50% of that cost, leaving the City to pay the remaining \$250 million; with interest, the City Manager estimated a final cost of about \$370 million to the City, which overall would add \$14 million to the City's

annual debt payment. Still, while this would be a major expense, it is worth pointing out that Burncoat is the remaining quadrant high school that has not been reconstructed in the last fifteen years.

Third, in the coming years (whether FY25 or later), Worcester will need to make large technology purchases as Chromebooks (of which the district has more than 30,000) phase out and other technologies phase-in. WPS is currently a 1:1 district, where every student from grades 1 to 12 has been provided a Chromebook. According to an Administration report to the School Committee dated 3/28/23, if there is no plan to replace the Chromebooks purchased in 2022, it will cost \$7.5 million in four years to replace those Chromebooks. That same report outlined an alternative plan for a cycle of buying and leasing new technology that, while still expensive, would incur lower costs per year than a sudden \$7.5 million purchase, and could last through at least FY36. This replacement schedule is estimated to cost \$750 thousand in its first year, and cost \$3.8 million per year by FY29.

Fourth, there are still three years of increased Student Opportunity Act funds to look forward to (until FY27). While new SOA funds are currently siloed into one of the four major strategic areas outlined in the district's SOA plan, those plans do need to be periodically resubmitted—and it should be noted that the previous plan was developed under the previous Superintendent and a previous School Committee. Additionally, the "bridge" funds using ESSER money do telegraph how some of the funds next year will be spent. In any case, each of these years will be key to see how WPS spends these funds towards its overall goals.



Fifth, and finally, the new strategic plan, currently in development, will include funding priorities for the next five years. Interested parties in the community should keep a close eye on the development of that plan and how funds are spent to support it over the coming years, and especially in the next budget cycle for FY25.

## **CONCLUSION**

FY24 marks the largest year of spending ever in the Worcester Public Schools, with \$552,004,772 in budgeted revenues and expenditures. What that number will look like in FY25 will be very interesting—more than \$30 million of total revenues and expenditures in FY24 are from the remaining ESSER funds, which will not be available in FY25. Additionally, Worcester Public Schools will receive a smaller charter school reimbursement in FY25 thanks to the creation and second-year of the Worcester Cultural Academy. State aid and local contributions are meant not only for the Worcester Public Schools but also for the city's charter schools. Increased charter school enrollment does mean that more money from the Foundation Budget amount will go to those charter schools, with decreasing reimbursements for WPS; the state reimburses increases in charter school tuition aid for up to three years, when total enrollment in those schools increases. However, this reimbursement decreases each year. For example, Worcester Public

Schools will be reimbursed by 100% for the loss of tuition for the creation of the Worcester Cultural Academy this fiscal year. In its second year, that reimbursement decreases to 60%, 40% in year three, and then decreases to zero in its fourth year, provided there are not increases in enrollment at said charter school.

It should also be noted that in January 2025, a new School Committee, with a completely new structure, will take office. This new School Committee will consist of eight, rather than six, members, and will move to largely district representation rather than the all at-large structure it is today; ultimately, there will be six district-based members and two at-large. [The Research Bureau previously wrote about this change, and governance of the Worcester Public Schools, in December 2022's \*Governing for Excellence\*.](#)

In the coming years, the Worcester community should keep an eye on how the Worcester Public Schools responds to the end of ESSER funds programs; the potential replacement of Burncoat High School; the continued purchase and replacement of technology as it becomes broken or obsolete; the continued use of Student Opportunity Act funds as they become available; and the new five-year strategic plan and how it will impact funding choices going forward.



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