

Boston Public School

FY27 Budget Presentation
February.04.2026



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Presentation Goals



Tonight's presentation is an overview of the Fiscal Year 2027 (FY27) proposed BPS budget

Tonight you will understand more about:

1. The total proposed FY27 Budget
2. FY27 fiscal challenges and opportunities
3. New funding formula and methodology
4. What this means for school budgets
5. Next Steps for FY27 Budget

FY27 Budget Hearings & Presentations



We are here!

Wednesday, February 4: Overall FY27 Budget Presentation

High Level Overview and Preview

Thursday, February 12: Budget Hearing: Schools

Process & Details of School Specific Investments & Budgets

Wednesday, March 4: Budget Hearing: Central Office

Process and Details of Central Budgets

Wednesday, March 18: Final Budget Review Hearing

Wednesday, March 25: School Committee FY27 Budget Vote

Need more information:

BostonPublicSchools.Org/Budget

**Questions and
Comments?**



FY27 Budget Process



Feb 4:
First Budget
Proposal

March 25:
SC Budget
Vote

Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
SCHOOL COMMITTEE BUDGET PROCESS					CITY COUNCIL BUDGET PROCESS				
		Policy Briefing City Council	Initial budget presentation to School Committee		Budget Hearings & Revisions		<i>City Council Budget Hearings and Vote</i>		
CENTRAL OFFICE BUDGET DEVELOPMENT									
	Investment Requests	Department and Division Reviews			Budget Reviews & Revisions				
SCHOOL BUDGET DEVELOPMENT									
	Projections and Budget Development		Budgets Released	Budget Reviews	Budget Revisions				

Fiscal Year 2027 Budget

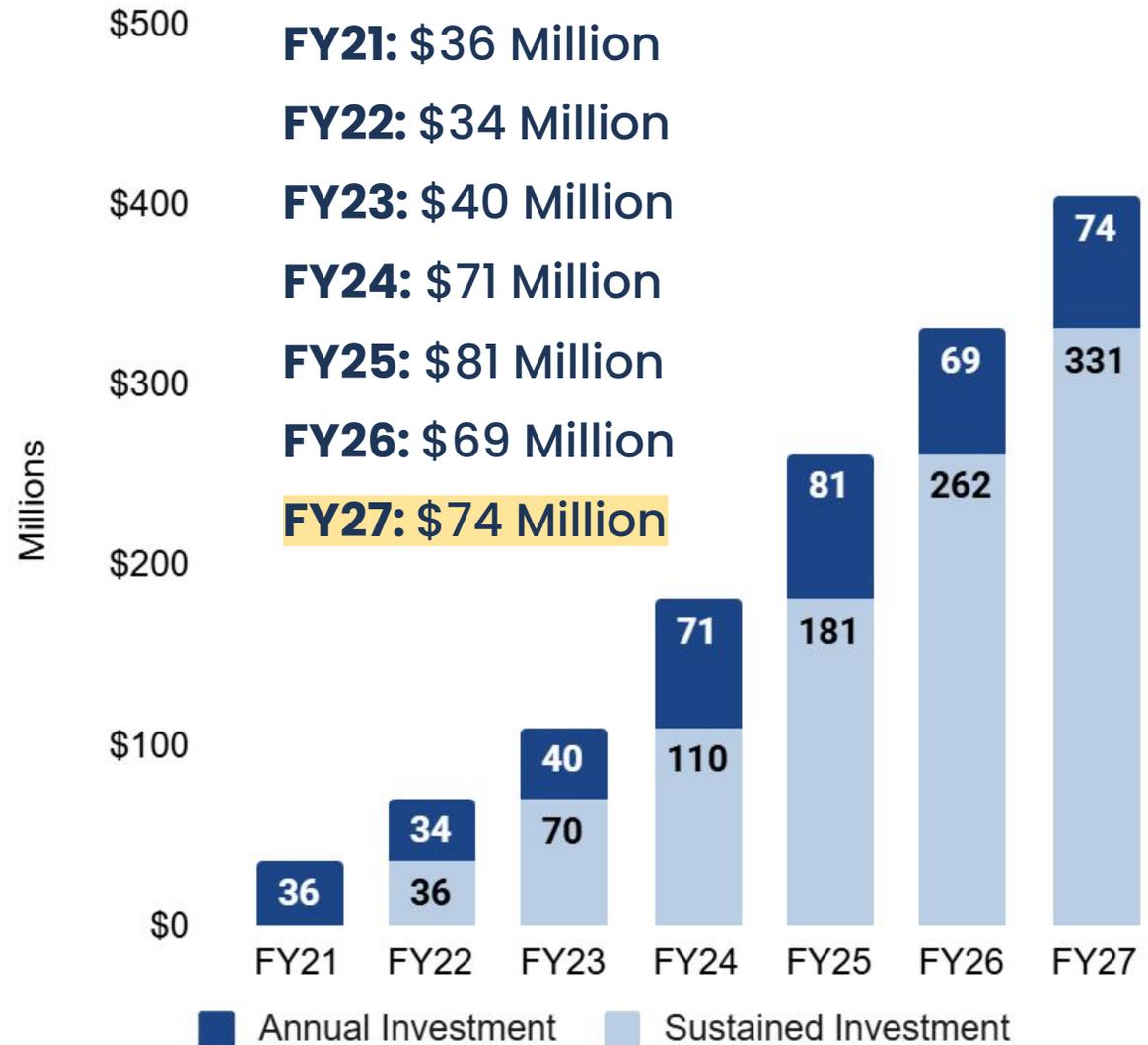


Years of Historic Investments

Over the last several years, Mayor Wu and the City have provided unprecedented funding.

The City's increased investment for FY27 (\$74M) is a sign of the Mayor's continued commitment to public education.

Inflationary pressures and declining enrollment require us to make structural changes that better align our spending with our current student population.





FY27 Budget Proposal



Tonight we bring you a FY27 budget proposal of **\$1.71B**. This is a **\$74M (4.5%) increase** over our current budget.

The FY27 budget reflects:

1. Continued alignment to the School Committee and District priorities
2. A new and reimagined funding formula to ensure our students have access to equitable resources
3. Deep and sustained investments in priority areas such as inclusive education, bilingual programming, instructional resources (e.g. HQIM), student supports, and college and career readiness programming (e.g. early college, dual enrollment, CTE)
4. Management of significant financial pressures stemming from inflation and historically high healthcare costs

Fiscal Year 2027 Budget:



Financial Challenges and Opportunities



FY27 Financial Pressures



For FY27 there are four main obligations totaling approximately **\$86M** of increased costs **on top of typical inflationary increases**:

- ❖ **Escalating Health Insurance Costs:** Significant rise due to higher rates and increased FTEs (Full-Time Equivalents)—a major state trend (**\$34M** budget increase from FY26 to FY27)
- ❖ **Rising Transportation Expenses:** Driven by increased demand for door-to-door services and work to achieve improved on-time performance (**\$11M**)
- ❖ **Accelerating Special Education Costs:** Rapid growth in related services post pandemic (Speech Therapy, 1-1 paras, OT, PT) and out of district tuitions is increasing central budget demands (**\$12M**)
- ❖ **Cost Increases from Collective Bargaining Agreements:** Increased costs based on the agreements with all of our unions (**\$29M**)



FY27 Additional Considerations and Opportunities



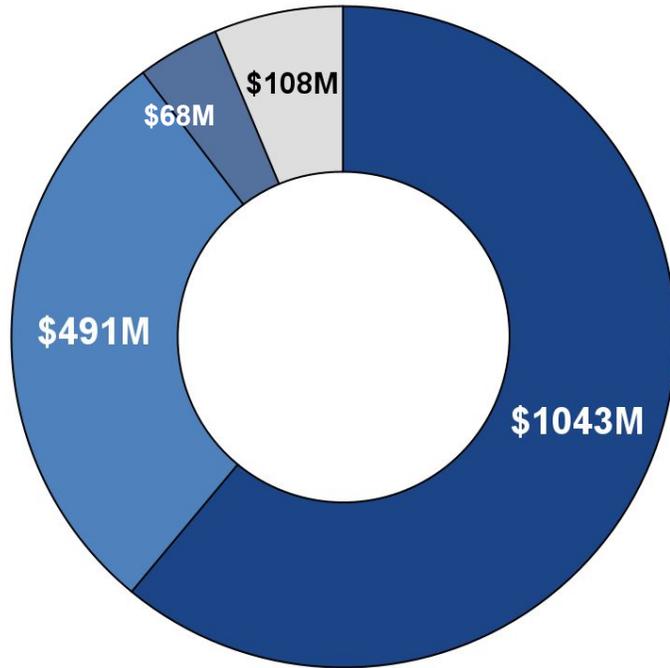
In addition to significant cost increases in a few particular areas, there are other factors that make this budget year unique and particularly challenging

1. **Enrollment is declining**, and the decline is hitting some schools harder than others. We are projected to decline by about 3,000 students since 2024-25.
2. We are rolling out a **new funding formula** to create more equity and predictability for schools.
3. We are in the middle of **strategic long term plans that require continued or sustained investments**: High Quality Instructional Materials/ Equitable Literacy, Inclusive Education, Bilingual/Dual Language Programming and college and career readiness programming (e.g. early college, dual enrollment, CTE).

FY27: Budgeting for Direct Student Support and Services



93% of the BPS budget **goes to student services**



- Direct School Expenses
Ex: School Budgets
- School Services Budgeted Centrally
Ex: Transportation, Special Education, Facilities, Benefits, Regional Support Teams,
- Non-BPS Student Services
Ex: Services and transportation legally required to provide for non-BPS students
- Central Administration
Ex: Family & Constituent Services Support, Academic Leadership and Supervision

FY27 Central Office Efficiencies for Reinvestment into Schools



For FY27 we've identified **\$32M** in reductions to **Central Office budgets**.

We made reductions based on these considerations:



- 1. Student impact:** We collected information from schools to determine which initiatives and programs have the greatest impact on supporting student learning.
- 2. Vacant positions:** We worked with departments to identify which vacant positions could be eliminated entirely by shifting the work or ceasing to do the work if it's not having a direct student impact.
- 3. Strategic alignment:** We have a number of strategic long term plans that require continued investments. If work we are doing does not align to those plans, it was reviewed and considered for a pause or reduction.

Impact on School Budgets



Budget Year	Budget	Proj. Enrollment
FY26 School Year	\$861 Million	49,565
FY26 Services at FY27 Costs	\$901 Million	49,565
FY27 Proposal	\$853 Million (-5%)	46,547 (-6%)

We are building a budget to serve 3,000 fewer students. Because of this decline, **our proposed budget is down \$48M** from the cost of keeping the same services we have now.



Sources of \$48M Reduction



We saved a total of **\$23M** due to the Long Term Facilities Plan:

- **\$19M** with the FY27 closures
- **\$4M** with the reduction of entry grades for FY28 closures and reconfigurations

The remaining **\$25M** in decreases come from reductions in staff due to enrollment declines and transitioning away from legacy soft landings.

In addition, we are continuing investment in high quality student experiences.

Fiscal Year 2027 Budget:



Reimagined School Funding Formula



Reimagining School Funding

In FY27 we are using a new funding formula to fund school budgets.



The past several years have been unique as we **did not** cut school budgets according to the old formula (weighted student funding) or to reflect enrollment declines.

We did this for a few reasons:

1. The old formula was based primarily on student enrollment and rewarded schools that were full. Enrollment declines and the resulting budget reductions disproportionately impacted our highest needs schools.
2. The pandemic caused a major disruption to our schools, systems and students' lives. Schools needed to be as stable as possible during this time of recovery.

Now is the time to start using a new formula.



What is the new formula?



The new formula has two different components and starts with knowing the students you're serving:

Compliance: Using district policies, collective bargaining contracts and state and federal laws, we identify the staff required to serve students. *Examples: Teachers, Paras, Nurse, etc.*

Flexible Spending: Each school receives flexible resources to help build the special programming, partnerships and/or academic models that make their community unique beyond what is required. *Examples: external partnerships, additional staff beyond what is required*

Compliance Funding + Discretionary Funding = School Budget

An explanation of these rules is available in tonight's materials and will be covered in more detail at our School Budget presentation on February 12

What's Different Between the Formulas?

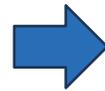


Weighted Student Funding

Homerrooms needed to be 87.5% full to be funded

Schools that were full received more flexible dollars per pupil

Schools might not receive enough funding to meet compliance, which resulted in the need for soft landings and hold harmless dollars



Reimagined School Funding

Homerrooms are funded based on instructional staffing needed to meet projected enrollment and class size rules



Flexible dollars per pupil varies based on student need (ex. Funding for external partners)



As a system, compliance is funded first, then flexible dollars are allocated. No need for soft landings or hold harmless, but will have 2 year transition plans.

Fiscal Year 2027 Budget:



What this means for school budgets

Budget Scenarios

Using the new formula, schools will fall into ONE of FIVE different Scenarios



Category	Description
Scenario A	Enrollment is declining and budgets are declining roughly proportionately
Scenario B	Budget is going down and enrollment is flat or increasing
Scenario C	Budget is going up and enrollment is flat or declining
Scenario D	Budget is going up and enrollment is increasing
Scenario E	Budget and enrollment change is relatively small or adjustments are straightforward

Schools in Scenario A and B are where the village is needed the most



Budget Planning with Schools



As we roll out the new formula and consider the context of the FY27 budget, we are doing a few things to support our schools:

- Schools with declining enrollment will be asked to reduce staff (classrooms or sections) to match their projected enrollment.
- Schools with significant reductions due to enrollment or the end of hold harmless will be able to apply for transition funding for a 2 year plan to get to their new funding level.
- Schools receiving new funding that is not tied to enrollment will not get all of their funding right away, as we ensure schools with declining budgets get the support they need.

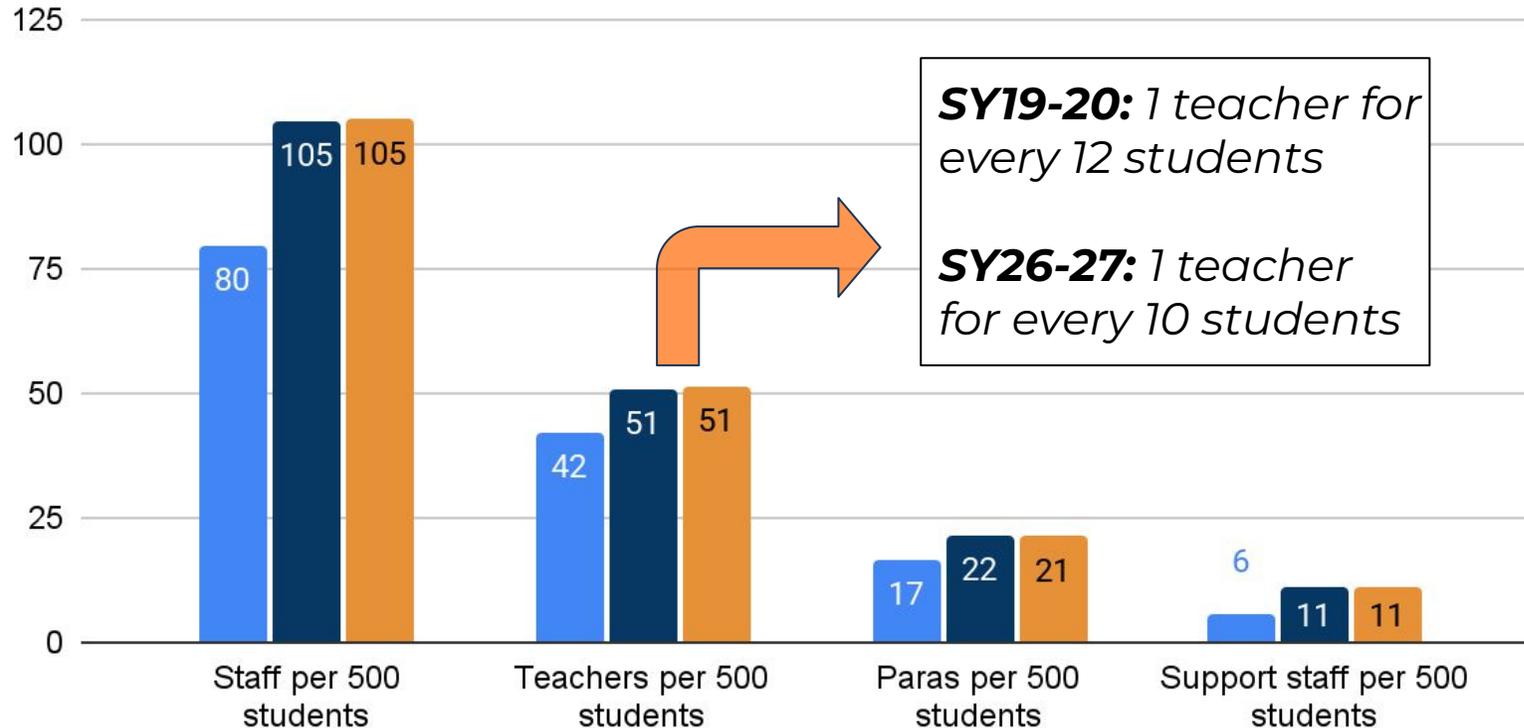
Impact of budget changes on school staffing

Staffing cuts are aligned with declining enrollment, and remain higher than pre-pandemic levels.



Budgeted FTE per 500 Projected Students

2019-20 2025-26 2026-27



Proj. Enrollment	
FY20	55,191
FY26	49,565
FY27	46,547

Fiscal Year 2027 Budget:



What's Next?

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Next Hearing:

- School Budget Process
- School Leaders Examples
- Direct School Investments



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**Questions and
Comments?**





Materials for the Public



Go to bostonpublicschools.org/budget and click on FY27 Budget Development

1. FY27 Final Budget Memo_SC
 - a. Equity Impact Statement
 - b. Racial Equity Planning Tool
2. FY27 Budget Presentation
3. FY27 School Committee Tables (PDF and Excel version)
 - a. By Program and Fund
 - b. By Department and Fund
 - c. Account Detail for Multilingual Learners
 - d. Account Detail for Special Education
4. School Allocations
 - a. Total Allocations to Schools
 - b. List of Funding Rules with Descriptions
 - c. Individual School Allocation One-Pagers
5. Supplemental Documents
 - a. Grant Projections

Questions

