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# Paying for a Public Education, FY24

RESEARCH IN THE PUBLIC INTEREST

# Who Are We?



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The Worcester Regional Research Bureau is a 501(c)3 nonprofit, founded in 1985, that serves the public interest of Greater Worcester by conducting independent, non-partisan research and analysis of public policy issues to promote good governance and informed public debate and decision-making.

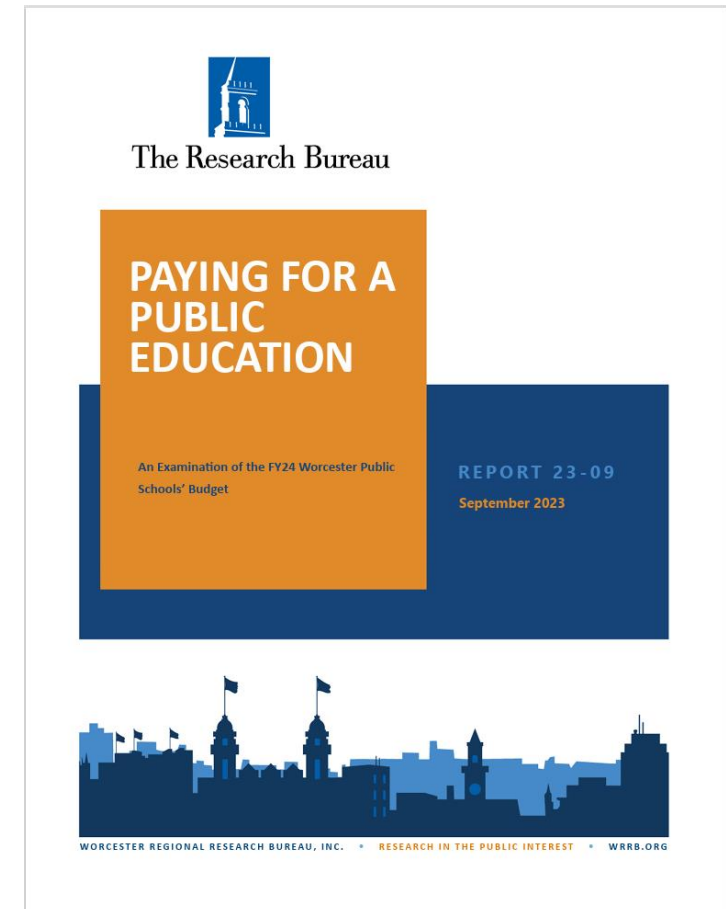
RESEARCH IN THE PUBLIC INTEREST

# Paying For a Public Education



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- Released September 2023, as part of a newly annual series from The Research Bureau focused on WPS Budget
- School funding makes up such a large portion of city budget that it merits its own report
- Of a city budget of \$847.7 million, 60% is spent on education – \$507.4 million in FY24

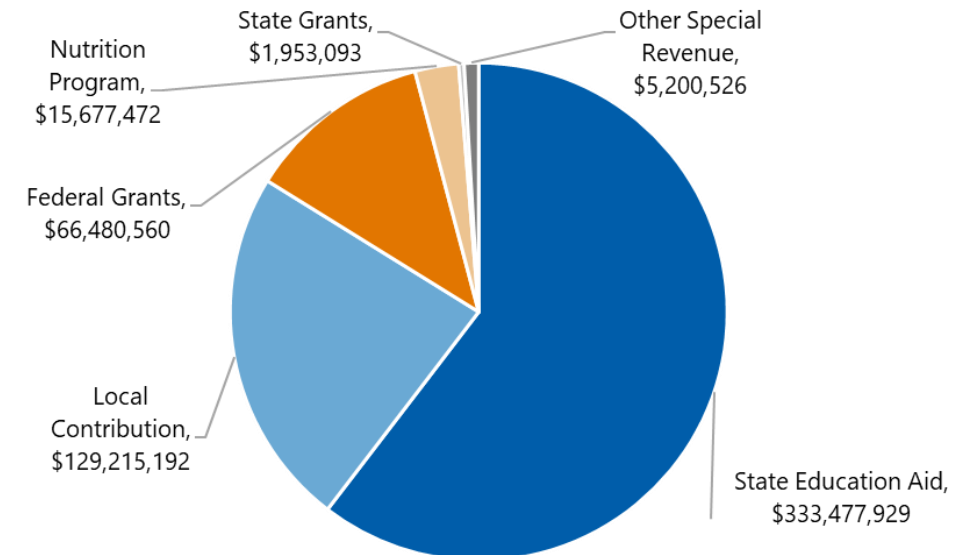


# What Was the WPS FY24 Budget?



- The Adopted WPS FY24 budget was \$552,004,772 – a combination of:
  - \$462,693,121 (State Aid, City Contribution, Charter School Reimbursement)
  - \$89,311,651 (State and Federal Grants, Child Nutrition Programs, other sources)
- Year-long budget process – assesses needs for the entire district on a building-by-building basis and, importantly, following statewide Ch. 70 baseline
- Ch. 70 sets the “Foundation Budget” – the floor for what a district needs to spend on its students *at a minimum* to get an adequate education


Adopted Revenues for FY24, All Sources



# What is the Foundation Budget?



- The Foundation Budget helps determine
  - What a municipality must contribute towards education
  - Which then determines state aid
- 59% of statewide foundation budget must be local contribution; every community is guaranteed at least some state aid
- Each community is plugged into an equation to determine local contribution
- State aid is added to the local required contribution to reach the foundation budget amount

 Updated August 2023	
<b>FY24</b>	
Equalized Valuation	18,737,985,800
Statewide Property Percentage	0.3534%
Local Effort from Property	66,220,533
Income	5,003,741,000
Statewide Income Percentage	1.5331%
Local Effort from Income	76,712,335
Combined Effort	142,932,867
Enrollment	26,552
Foundation Budget	477,974,879
% Change in Foundation Budget	11.0%
Target Contribution	142,932,867
Target Local Share	29.90%
Municipal Revenue Growth Factor	4.35%
Preliminary Contribution	119,289,804
Excess Effort	0
Effort Reduction	0
Shortfall From Target	23,643,063
Additional Effort: 1 or 2 Percent	1,143,170
Additional Effort Up to FY08 Spend	0
Required Contribution	120,432,974
Percentage of Foundation	25.20%
% Change in Required Contribution	5.3%

# What is the City's Role in Funding Education?



- Communities are only required to meet the minimum contribution, but there really aren't limits to contributing more, besides simply what a community has to offer
- Not every excess contribution is counted by the State as "required school spending"
  - Examples: student transportation, adult education, crossing guards, building leases – these don't count

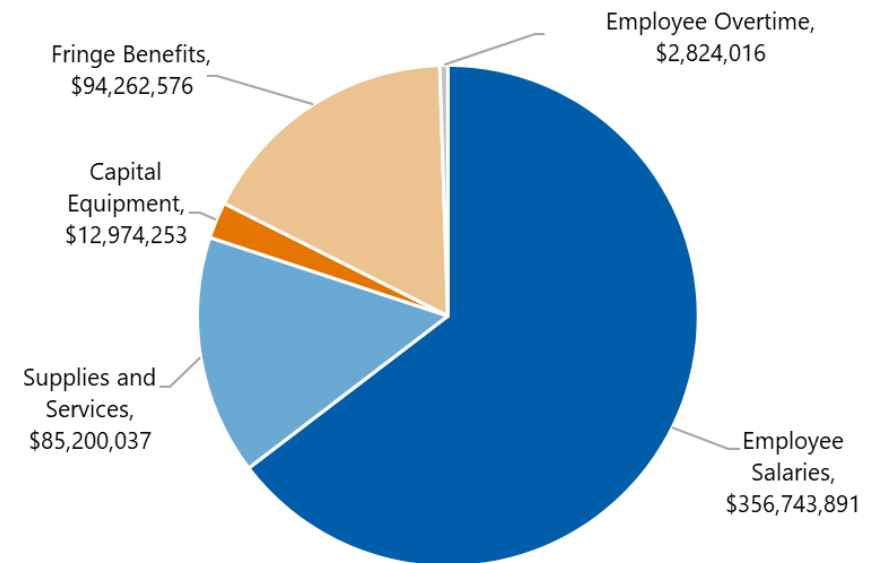
Required Contribution	\$120,432,974
Direct Contributions (includes funds for WPS and Charter Schools)	\$138,539,431
<i>Additional (Indirect) Contributions</i>	
City Administration	\$6,816,045
Police	\$574,022
Water/Sewer	\$692,131
Total Direct and Indirect Contributions	\$146,621,629
Contributions that 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

# What does the WPS spend its money on?



- Simply put, its biggest expense is its people
- For FY24, there were 5,376 budgeted employees, for more than 24,000 students
  - Of these, 2,703 are teachers, and another 699 are instructional assistants.
  - If you count, teachers, instructional assistants, and substitutes, a bit more than 65% of WPS employees are providing instruction to students in classrooms
- Employee salaries in FY24, then, accounted for \$356,743,891; benefits, like health insurance, counted for \$94,262,576

Adopted WPS FY24 Expenses by Account Area



# Other Areas of Interest?



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- Part of the adopted FY24 budget included the last bits of the ESSER fund
- Part of the fear of using ESSER funds in other communities nationwide has been the fiscal cliff – or, spending on new initiatives one year where funds won't exist the next
- WPS, so far, has managed this problem effectively – using ESSER funds for one-time purchases, like school buses, or forward funding programs that new Student Opportunity Act funds will fund the next year



# Can We Compare Worcester to Other Districts on Funding?



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- Yes and No. We can compare Worcester to other districts though such comparisons often come with caveats
- Per-Pupil spending, for example, does not tell you anything about the number of low-income students in a community, which affects that community's foundation budget
- Could compare on % of actual net school spending by local community over required school spending

# Comparing Worcester and Others in FY23



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	Foundation Enrollment	Foundation Budget	Required Local Contribution	Chapter 70 Aid	Ch 70 % of Total
Worcester	26,165	\$430,557,180	\$114,317,014	\$316,240,166	73.45%
Brockton	16,975	\$276,250,953	\$52,190,600	\$224,060,353	81.11%
Fall River	12,103	\$204,753,290	\$36,332,032	\$168,421,258	82.26%
Haverhill	8,252	\$121,331,843	\$47,425,533	\$73,906,310	60.91%
Lawrence	14,593	\$253,714,475	\$13,007,684	\$240,706,791	94.87%
Lowell	16,103	\$257,876,445	\$56,906,426	\$200,970,019	77.93%
Lynn	17,808	\$299,740,597	\$57,821,484	\$241,919,113	80.71%
New Bedford	14,011	\$233,389,315	\$34,303,277	\$199,086,038	85.30%
Quincy	9,460	\$146,803,428	\$111,395,437	\$35,407,991	24.12%
Springfield	28,613	\$483,882,872	\$44,717,025	\$439,165,847	90.76%
Auburn	2,425	\$30,252,650	\$16,217,482	\$14,035,168	46.39%
Berlin-Boylston	977	\$11,425,016	\$8,986,309	\$2,438,707	21.35%
Grafton	3,053	\$36,001,738	\$23,384,218	\$12,617,520	35.05%
Leicester	1,465	\$19,402,051	\$9,299,222	\$10,102,829	52.07%
Millbury	1,618	\$20,670,956	\$12,891,181	\$8,024,392	38.82%
Shrewsbury	6,003	\$70,918,717	\$55,216,447	\$20,613,148	29.07%
Wachusett Regional School District	6,814	\$79,469,579	\$47,034,063	\$32,435,516	40.82%
West Boylston	825	\$10,560,011	\$8,098,019	\$3,108,465	29.44%