

CAMBRIDGE PUBLIC SCHOOLS

Five-Year Financial Forecast

Fiscal Years 2011 – 2015

Introduction

The Cambridge Public Schools Five Year Financial Forecast is intended to provide a long-range financial framework for supporting the educational mission and goals of the school district over a five-year planning period. Each year the forecast is updated to reflect actions taken in the previous year, new financial information and updated projections for enrollments, revenues and expenditures. This document also serves as a financial planning tool to assist in the development of the annual School Department operating budget. This document includes the following sections:

- I. Estimates for the FY 2011 Budget
- II. Enrollment Projections
- III. Estimates for FY 2012 – FY 2015
- IV. Appendix

I. Estimates for the FY 2011 Budget

The projections for FY 2011 currently reflect a potential budget shortfall of approximately \$3.7 million, which is the difference between projected revenues of \$137.5 million and projected expenditures of \$141.2 million. These projections, which are based on continuing the present level of services, do not include any new or expanded programs or educational initiatives. Revenue estimates were prepared in conjunction with guidelines from the City's Finance Department, and include a 5.4% increase in property tax support. Although the established formula for increases to the property tax support for the School Department budget is four percent, the City Manager approved an additional allocation of \$1.5M in property tax revenues for FY 2011. This additional allocation is intended to assist the School Department with increased costs in transportation, food services and special education, as well as the anticipated continued loss of State Circuit Breaker funds.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Difference</u>
FY 2010 Adopted Budget	\$133,563,880	\$133,563,880	\$ 0
FY 2011 Estimated Increase	<u>\$ 3,928,400</u>	<u>\$ 7,596,159</u>	<u>(\$ 3,667,760)</u>
FY 2011 Projected Budget	\$137,492,278	\$141,160,039	(\$ 3,667,760)

To prepare these initial estimates for the FY 2011 budget, the costs of providing the current level of service were reviewed and adjusted. Expenses generally increase each year because of negotiated salary increases, and inflationary increases in health insurance, energy, transportation, and special education tuition. Cost decreases, such as reductions in scheduled debt service costs and reduced tuition for technical/career

December 17, 2009

education tuition out students, occur as well. The following is a summary of the major revenue and expenditure increases projected for FY 2011.

SUMMARY OF FY 2011 REVENUE AND EXPENDITURE INCREASES
(In Millions)

Current year FY 2010 Adopted Budget: **\$ 133.6**

REVENUES

Property tax	\$ 3.7
Additional tax allocation	\$ 1.5
Intergovernmental Revenue	\$ 0.3
Debt Stabilization	<u>\$ (1.6)</u>
Total Estimated Revenue Increase:	\$ 3.9

Total Estimated Revenue Budget: **\$ 137.5 2.9%**

EXPENDITURES

Salaries	\$ 4.5
Benefits	\$ 1.7
Pension	\$ 0.1
Special Education Tuition	\$ 2.1
Transportation	\$ 0.8
Debt Service	<u>\$ (1.6)</u>
Total Estimated Expenditure Increase:	\$ 7.6

Total Estimated FY 2011 Expenditures: **\$ 141.2 5.7%**

Revenues

The financing plan for the School department budget is developed in conjunction with City Fiscal staff. The total estimated revenue increase of \$3,928,400 consists of the following:

- **Property Taxes** support approximately 82 percent of the School budget. A formula established by the City provides for an annual increase of 4% in the property tax support, less any increase in the charter school assessment. However, preliminary FY 2011 budget estimates using a 4% tax increase resulted in a projected \$5.2 million budget shortfall. As a result, the City Manager has approved a 5.4% property tax increase for the FY 2011. For years FY 2012 through FY 2015, the annual property tax increase is estimated at 4%.
- **Intergovernmental Revenue**, including State Education Aid (Chapter 70 Aid), is projected to remain level for FY 2011 and for the five-year period. However, the Commonwealth's fiscal condition continues to be uncertain, and it is unclear whether this level of funding will be maintained

when the Governor releases his FY2011 proposed budget in January. A portion (\$12.4 million in FY 2010) of general state lottery aid received by the city is allocated to the school budget each year, and those revenues are also uncertain and are projected to remain level. New for FY 2011 is a projected \$250,000 in revenue that will be received as reimbursement from other communities for the transportation of homeless students. The McKinney-Vento Act requires that communities equally share the cost of transporting home children who are temporarily living in one community but choose to attend school in the district in which they previously lived. When Cambridge transports the students, we send an invoice to the sharing community. Intergovernmental Revenue is projected to support 16.7% of the school general fund budget in FY 2011.

- **The Debt Stabilization Fund** was established in FY 2005 to cover the debt service costs for the three-year period following the end of state SBA. Although the State's School Building Assistance reimbursements for previously built elementary school capital projects ended in FY 2008, the principal and interest costs (debt service) on the bonds issued to fund those projects continues through FY 2011. In FY 2011, a revenue transfer of \$1,198,618 from the Debt Stabilization Fund to the general fund is planned as an offset to the debt service expenses which comprise \$543,250 of principal and interest payments for the older elementary projects, and \$655,368 for the school share of the War Memorial renovation project which was completed in the fall of 2008.

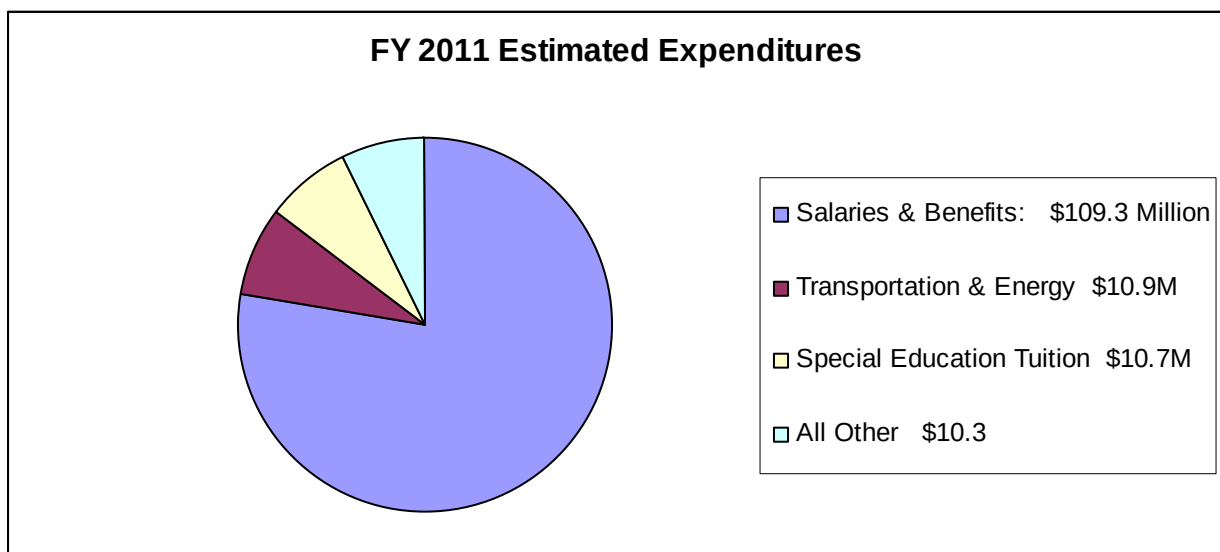
Expenditures

The projected expenditure increase of **\$7,596,159** (5.7%) consists of the following:

- **Permanent Salaries** are projected to increase by \$4.3 million, which is a 5.7% increase over the FY 2010 budget. A salary increase of 3% in FY 2011 has been negotiated with seven of the eight collective bargaining units; the same increase is assumed for planning purposes for the unit that has not yet settled. Step and degree increments account for approximately 1% of the increase. Other increases include \$450K in salary support for the food services program, and \$705K in Special Education salaries to cover positions currently funded by the ARRA IDEA and enrollment based additional service requirements. Permanent salaries comprise 57.3% of the budget estimate for FY 2011.
- **Health insurance, dental insurance and Medicare** are estimated to increase by \$ 1,667,755 to \$19,865,371 in FY 2011. Each year the cost of these benefits increases significantly. The increase in health insurance costs alone is \$1,739,019, an 11% increase. Our budget for health insurance reflects estimates from the City. Health insurance, dental insurance and Medicare comprise 14.1% of the budget estimate for FY 2011.
- **Pension** costs are projected to increase by 3.0% to \$ 3,160,560 or \$92,055. This is the school share of employer pension costs for non-teacher retirees in the City retirement system. Teacher retiree costs are budgeted and paid for in the state pension system.
- **Transportation contract costs**: are estimated to increase by \$776,243 in FY2011 as compared to the FY 2010 adopted budget. Projections for FY 2010 indicate that we will have a shortfall of more than \$360,000. Increases in transportation costs are primarily due to Special Education

transportation costs, which have increased over 11 percent in each of the past two years, and in the costs of transporting homeless students between communities.

- **Energy costs** are not projected to increase significantly in FY 2011. However, this projection may change based on the contract price for fuel oil in FY 2011. The City participates in a cooperative of cities and towns that competitively bids fixed price contracts for electricity, natural gas, fuel oil and gasoline. Although contracts for natural gas and electricity are in place, the contract for fuel oil will be bid in the spring of 2010. In recent years the price of fuel has varied greatly. The fixed price contract for fuel oil for FY09, which was bid in July 2008, was double the cost per gallon as compared to FY 2008. A new bid issued in the spring of 2009 for FY10 resulted in lower costs for FY10.
- **Special education tuition costs** for FY 2011 are estimated to increase by \$2,113,089 over the adopted FY 2010 budget. This projection assumes a relatively stable number of tuitioned-out students (currently 177) and a 5% increase in tuition. It also reflects an assumption that the State will fund the Circuit Breaker reimbursement at a rate of 38% rather than 72%. Further reductions to the Circuit Breaker reimbursement rate or changes to the number of students could cause this estimate to increase
- **Other Expenditures** are projected to remain constant. These expenditures include maintenance and facilities costs, instructional materials and supplies, technology and equipment purchases, travel and training, and professional and technical services.
- **Debt Service** costs for previous elementary school project are scheduled to decrease as bonds are paid off. As stated previously, debt service costs in FY 2011 are covered on the revenue side by the transfer from the debt stabilization fund.



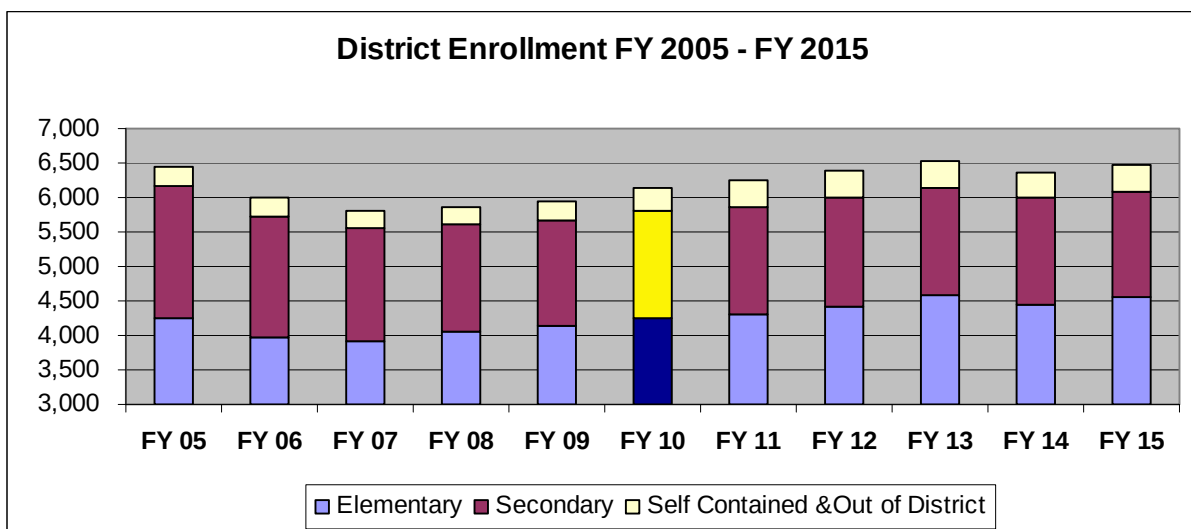
II. Enrollment Projections

Student enrollment is of critical importance in the budget development process because enrollment determines staffing and staffing largely drives the budget. Together, salaries and benefits of employees account for 77% percent of the FY 2010 budget. After a period of declining enrollment between FY 1997 and FY 2007, enrollment began to increase in FY 2008. The FY 2010 October 1, 2009 enrollment was 6,146 students, an increase of 196 students over FY 2009 enrollment. The pro

jected enrollment for FY 2011 is 6,246, an increase of 100 students. The tables and graphs below show - historical data and projected trends in enrollment. During the five year forecast period of FY 2011 to FY 2015, it is projected that enrollment will increase by 323 or 5%.

DISTRICT ENROLLMENT FY 2005 - 2015

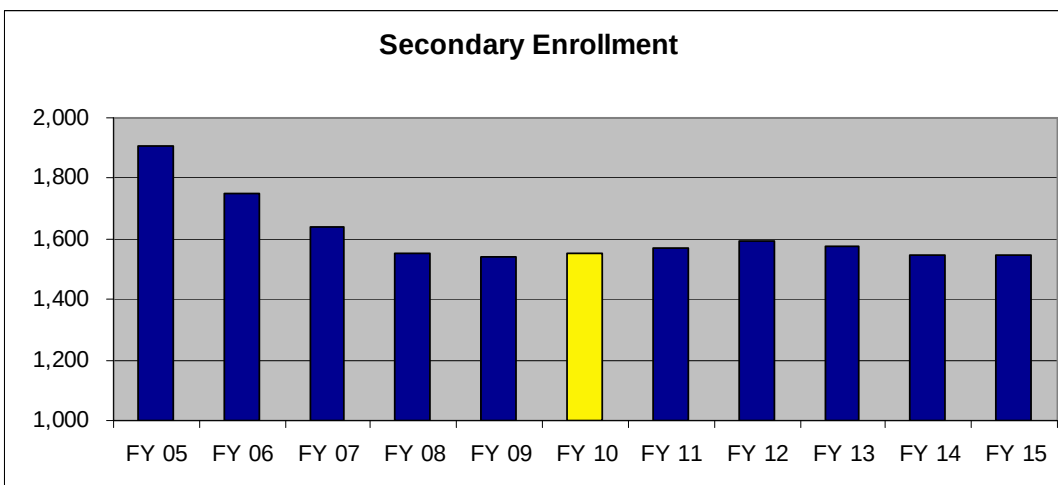
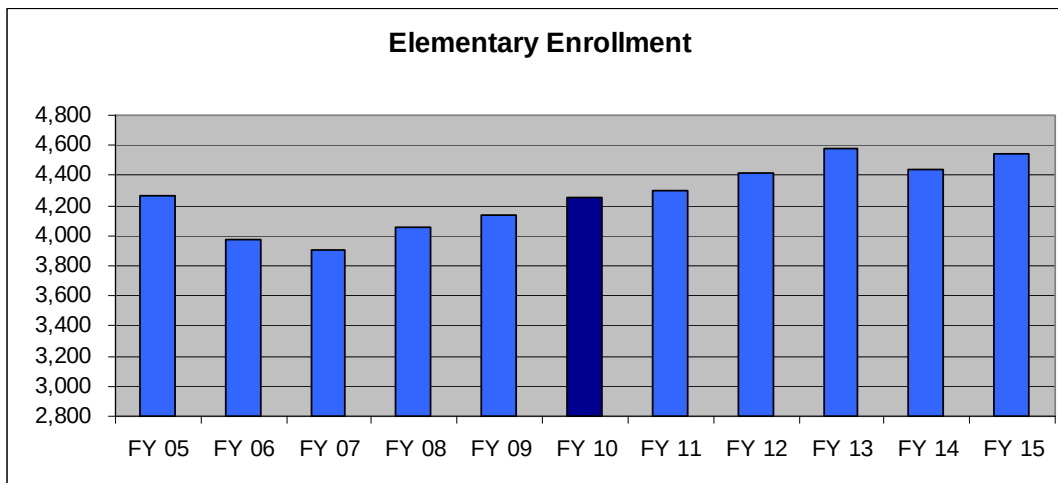
Year	Elementary	Secondary	Self Contained &Out of District	Total	Change	% Chg
FY 05	4,263	1,909	278	6450		
FY 06	3,972	1,752	277	6001	-449	-7%
FY 07	3,907	1,637	253	5797	-204	-3%
FY 08	4,053	1,554	254	5861	64	1%
FY 09	4,134	1,539	277	5950	89	2%
FY 10	4,249	1,552	345	6146	196	3%
<i>Projected</i>						
FY 11	4,300	1,568	378	6246	100	2%
FY 12	4,413	1,591	378	6382	135	2%
FY 13	4,578	1,574	378	6530	148	2%
FY 14	4,445	1,546	378	6369	-161	-2%
FY 15	4,543	1,549	378	6470	101	2%



PROJECTED GROWTH IN ELEMENTARY AND SECONDARY ENROLLMENT

Elementary				Secondary		
Year	Elementary	Change	% Chg	Secondary	Change	%Chg
FY 05	4,263			1,909		
FY 06	3,972	-291	-7%	1,752	-157	-8%
FY 07	3,907	-65	-2%	1,637	-115	-7%
FY 08	4,053	146	4%	1,554	-83	-5%
FY 09	4,134	81	2%	1,539	-15	-1%
FY 10	4,249	115	3%	1,552	13	1%
<i>Projected</i>						
FY 11	4,300	51	1%	1,568	16	1%
FY 12	4,413	113	3%	1,591	22	1%
FY 13	4,578	164	4%	1,574	-16	-1%
FY 14	4,445	-132	-3%	1,546	-29	-2%
FY 15	4,543	98	2%	1,549	4	0%

**includes Special Start*



Enrollment Projection Methodology

Enrollment for Grades 1-12 is projected using a five year weighted formula to calculate the average retention rate of students (i.e. students who progress to the next grade). The formula is structured such that the rate of retention between the most recent two years is given more weight than the rate of retention between year five and year four. Kindergarten enrollment projections are based on a percentage of births to Cambridge residents five year prior. For FY 2011 through FY 2015, kindergarten enrollments are based on an assumption that 80% of children born to Cambridge residents five years prior to the start of school will enroll. Enrollment is projected at both the district level and for each school. School based projections enable us to determine whether staffing adjustments are required to address changes in student enrollment.

Staffing Impact of Enrollment Increases

Projections of students rising to the next grade at each elementary school are reviewed in order to maintain class sizes that do not exceed 25. In FY 2010 a net of 9 elementary classrooms, including five new kindergartens, were added. Despite a projection of a slight increase of about 1% in elementary students in FY 2011, no increase in the number of elementary classrooms is anticipated. This projection is subject to revision based on several factors, including the number of prospective students registered during the initial kindergarten registration period in January. Because many factors influence enrollment, reserve positions are budgeted so that the school department can respond to an unexpected increase of students. The projected budget for FY 2011 includes 3.0 FTEs in reserve teacher positions and 3.68 FTEs in classroom and lunchroom aide positions.

III. Estimates for FY 2012 through 2015

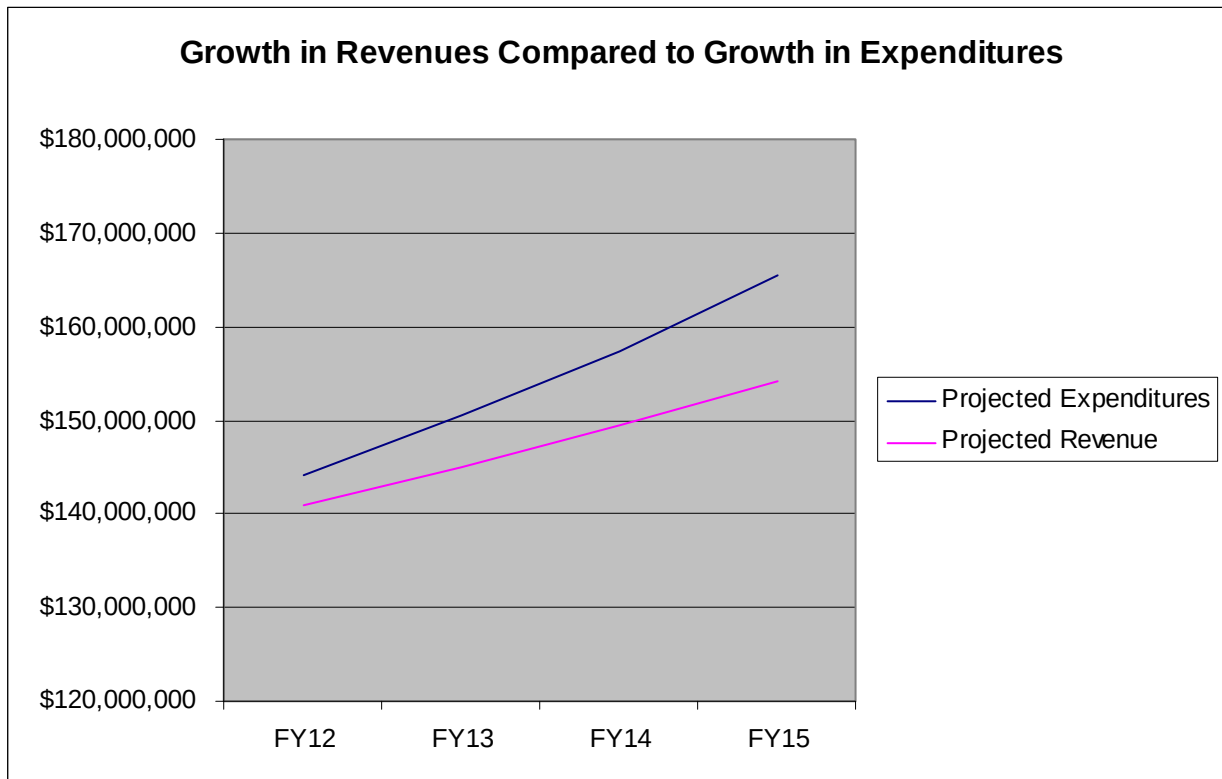
An average annual growth rate of 2.9% is projected for total general fund revenues during the four-year period FY 2012 through FY 2015, compared to a projected average growth rate of 4.2% in expenditures. Fiscal years 2012 through 2015 will present fiscal challenges as we continue to deal with limited state revenues and reliance on the property tax for revenue increases, while still facing inflationary costs in a number of areas, including the following:

- Cost of living increases in salaries. The most recent contracts are in effect through FY 2012. In FY 2012 there will be no cost of living increase for employees. Modest salary increases for FY 2013 – 2015 are assumed.
- Health insurance increases of 12% annually in FY 2012- 2015. If actual costs over the five-year period meet these projections, health insurance, dental insurance and Medicare costs will reach a level of \$30.5 million, or 18.5% of the total general fund budget, by FY 2015. Currently, they represent 13.5% of the budget, or \$18.1million.
- Increases in energy costs of 3% and transportation costs of 7%.
- Special education tuition costs increases of 5% for the period FY 2012 though FY 2015.

Based on current projections, the gap between projected revenues and projected expenditures will increase to \$11.9M in FY 2015. Projections in this document beyond FY 2011 reflect the cumulative effect of differences between estimated revenues and expenditures over the five-year period. Therefore, since state law in Massachusetts requires a balanced budget, resolving the budget shortfall for FY 2011 either by

increasing revenues or decreasing expenditures or a combination of the two, will automatically modify the projected shortfalls for the following years.

PROJECTED BUDGET GAP FY 2012 -2015



	Projected FY12	Projected FY13	Projected FY14	Projected FY15
Projected Expenditures	\$ 144,733,635	\$ 151,187,006	\$ 158,111,962	\$ 166,174,385
<i>Expenditure Percent Increase</i>	2.53%	4.46%	4.58%	5.10%
Projected Revenue	\$ 140,994,535	\$ 145,075,327	\$ 149,476,217	\$ 154,237,359
<i>Revenue Percent Increase</i>	2.55%	2.89%	3.03%	3.19%
<i>Shortfall Revenues vs Expenditures</i>	(3,739,100)	(6,111,679)	(8,635,745)	(11,937,026)

IV. Appendix

Table I:	FY 2011 Revenue Projections
Table II:	FY 2011 Expenditure Projections
Table III:	Five Year Financial Forecast: Revenue Projections
Table IV:	Five Year Financial Forecast: Expenditure Projections
Table V:	Special Education Out of District Tuition, Historical and Projected Costs FY 2009-2015
Table VI:	Ten Year Enrollment History & Enrollment Projections SY 00/01 – SY 14/15
Table VII	SY 10/11 Enrollment Projection by School and Grade
Table VIII:	Kindergarten Enrollments Compared to Cambridge Birth Data

FY2011
REVENUE PROJECTIONS

	Budget FY10	FY 11 Increase	Projected FY11
A GENERAL FUND REVENUES			
Taxes			
R.E. Prop. Tax- FY10 & thereafter - 4%	\$ 107,150,630	\$ 4,107,436	\$ 111,258,066
Additional Allocation		\$ 1,497,705	\$ 1,497,705
Less: Net Charter School impact	<u>\$ (171,720)</u>	<u>\$ (329,591)</u>	<u>\$ (501,311)</u>
Equals: Net Property Tax Levy	\$ 106,978,910	\$ 5,275,550	\$ 112,254,460
 Hotel/Motel Excise Tax	 \$ 936,000	 \$ -	 \$ 936,000
Fines & Forfeits - Parking Fines	\$ 100,000	\$ -	\$ 100,000
Sub-total: General Fund Revenue	\$ 108,014,910	\$ 5,275,550	\$ 113,290,460
 B INTERGOVERNMENTAL REVENUE			
State Education Aid -			
Ch70 Education Aid	\$ 9,130,365	\$ -	\$ 9,130,365
School Lunch Aid	\$ 28,135	\$ -	\$ 28,135
General State Aid -Lottery	\$ 12,394,700		\$ 12,394,700
Federal Medicaid Reimbursement	\$ 900,000		\$ 900,000
McKinney-Vento Transportation Reimbursement	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Sub-total: Intergovernmental Revenue	\$ 22,453,200	\$ 250,000	\$ 22,703,200
 C MISCELLANEOUS			
Free Cash	\$ 300,000	\$ -	\$ 300,000
Transfer from Debt Stabilization Fund	<u>\$ 2,795,768</u>	<u>\$ (1,597,150)</u>	<u>\$ 1,198,618</u>
Sub-total: Miscellaneous Revenues	\$ 3,095,768	\$ (1,597,150)	\$ 1,498,618
 D PROJECTED REVENUE BUDGET	\$ 133,563,878	\$ 3,928,400	\$ 137,492,278
<i>Percent Increase</i>			<i>2.9%</i>

FY 2011
EXPENDITURE PROJECTIONS

	Adopted Budget FY10	FY 11 Increase	Projected FY11	Percent Increase
A. SALARIES AND BENEFITS				
Permanent Salaries	76,498,145	4,337,662	80,835,807	5.7%
Temporary & Other Salaries	5,191,494	206,593	5,398,087	4.0%
Health	15,809,265	1,739,019	17,548,284	11.0%
Dental	1,289,293	(134,252)	1,155,041	-10.4%
Pensions - City	3,068,505	92,055	3,160,560	3.0%
Medicare	958,742	44,102	1,002,844	4.6%
Other Fringe Benefits	140,316	18,886	159,202	13.5%
Subtotal:	102,955,850	6,304,155	109,259,825	6.1%
OTHER EXPENDITURES				
Instructional Materials/Supplies/Services	1,967,478	-	1,967,478	
Professional Devel & Professional Technical Svc	2,204,589	-	2,204,589	
Other Supplies and Services	2,063,462	-	2,063,462	
Special Educ and Vocational Tuition	8,554,547	2,113,089	10,667,636	24.7%
Student Transportation	5,347,578	776,243	6,123,821	14.5%
Utilities and Fuel	4,830,230	-	4,830,230	
Facilities Maintenance	1,901,992	-	1,901,992	
Technology	745,823	-	745,823	
Equipment	196,564	-	196,564	
Debt Service	2,795,767	(1,597,149)	1,198,618	-57.1%
Capital Expenditures	-	-	-	
Subtotal	30,608,030	1,292,184	31,900,214	4.2%
Grand Total	133,563,880	7,596,159	141,160,039	5.7%
Total Revenue	133,563,878	3,928,400	137,492,278	2.9%
Revenue Percent Increase				
<i>Shortfall Revenues vs Expenditures</i>			(3,667,760)	

Five Year Financial Forecast
REVENUE PROJECTIONS

	Prior Year FY09	Budget FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14	Projected FY15
A GENERAL FUND REVENUES							
Taxes				\$ -	\$ -	\$ -	
R.E. Prop. Tax- FY10 & thereafter - 4%	\$ 104,027,466	\$ 107,150,630	\$ 111,258,066	\$ 116,744,639	\$ 120,975,781	\$ 125,243,622	\$ 129,844,364
Additional allocation	\$ 1,000,000		\$ 1,497,705				
Less: Net Charter School impact	\$ (1,031,842)	\$ (171,720)	\$ (501,311)	\$ (421,772)	\$ (549,222)	\$ (393,272)	\$ (232,872)
Equals: Net Property Tax Levy	\$ 103,995,624	\$ 106,978,910	\$ 112,254,460	\$ 116,322,867	\$ 120,426,559	\$ 124,850,350	\$ 129,611,492
 Hotel/Motel Excise Tax	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000
Fines & Forfeits - Parking Fines	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
 Sub-total: General Fund Revenue	\$ 105,031,630	\$ 108,014,910	\$ 113,290,460	\$ 117,358,867	\$ 121,462,559	\$ 125,886,350	\$ 130,647,492
 B INTERGOVERNMENTAL REVENUE							
State Education Aid -							
Ch70 Education Aid	\$ 9,316,701	\$ 9,130,365	\$ 9,130,365	\$ 9,130,367	\$ 9,130,367	\$ 9,130,367	\$ 9,130,367
School Lunch Aid	\$ 25,956	\$ 28,135	\$ 28,135	\$ 28,135	\$ 28,135	\$ 28,135	\$ 28,135
School Construction Reimb.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total: State Education Aid	\$ 9,342,657	\$ 9,158,500	\$ 9,158,500	\$ 9,158,502	\$ 9,158,502	\$ 9,158,502	\$ 9,158,502
 General State Aid -Lottery	\$ 12,210,543	\$ 12,394,700	\$ 12,394,700	\$ 12,394,698	\$ 12,394,698	\$ 12,394,698	\$ 12,394,698
Federal Medicaid Reimbursement	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
McKinney-Vento Transportation Reimbursement			\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Sub-total: Intergovernmental Revenue	\$ 22,453,200	\$ 22,453,200	\$ 22,703,200	\$ 22,703,200	\$ 22,703,200	\$ 22,703,200	\$ 22,703,200
 C MISCELLANEOUS							
Free Cash	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Transfer from Debt Stabilization Fund	\$ 2,919,340	\$ 2,795,768	\$ 1,198,618	\$ 632,468	\$ 609,568	\$ 586,667	\$ 586,667
 Sub-total: Miscellaneous Revenues	\$ 3,219,340	\$ 3,095,768	\$ 1,498,618	\$ 932,468	\$ 909,568	\$ 886,667	\$ 886,667
 D PROJECTED REVENUE BUDGET	\$ 130,704,170	\$ 133,563,878	\$ 137,492,278	\$ 140,994,535	\$ 145,075,327	\$ 149,476,217	\$ 154,237,359
<i>Percent Increase</i>		<i>2.2%</i>	<i>2.9%</i>	<i>2.5%</i>	<i>2.9%</i>	<i>3.0%</i>	<i>3.2%</i>

Five Year Financial Forecast
EXPENDITURE PROJECTIONS

	Prior Yr. Exp. & Enc. FY09	Adopted Budget FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14	Projected FY15
A. SALARIES AND BENEFITS							
Permanent Salaries	\$ 73,425,953	\$ 76,498,145	\$ 80,835,807	\$ 81,371,362	\$ 83,917,221	\$ 86,541,711	\$ 89,868,324
Temporary & Other Salaries	\$ 4,718,103	\$ 5,191,494	\$ 5,398,087	\$ 5,458,740	\$ 5,510,801	\$ 5,564,164	\$ 5,618,861
Health	\$ 15,363,230	\$ 15,809,265	\$ 17,548,284	\$ 19,654,078	\$ 22,012,568	\$ 24,654,076	\$ 27,612,565
Dental	\$ 1,006,788	\$ 1,289,293	\$ 1,155,041	\$ 1,299,421	\$ 1,461,849	\$ 1,644,580	\$ 1,850,152
Pensions - City	\$ 3,013,987	\$ 3,068,505	\$ 3,160,560	\$ 3,255,377	\$ 3,336,761	\$ 3,420,180	\$ 3,505,685
Medicare	\$ 955,031	\$ 958,742	\$ 1,002,844	\$ 1,032,929	\$ 1,063,917	\$ 1,095,835	\$ 1,128,710
Other Fringe Benefits	\$ 244,293	\$ 140,316	\$ 159,202	\$ 159,202	\$ 159,202	\$ 159,202	\$ 159,202
Subtotal:	\$ 98,726,934	\$ 102,955,850	\$ 109,259,825	\$ 112,231,110	\$ 117,462,320	\$ 123,079,747	\$ 129,743,498
OTHER EXPENDITURES							
Instructional Materials/Supplies/Services	\$ 2,069,313	\$ 1,967,478	\$ 1,967,478	\$ 1,967,478	\$ 1,967,478	\$ 1,967,478	\$ 1,967,478
Professional Devel & Professional Technical Svc	\$ 2,877,033	\$ 2,204,589	\$ 2,204,589	\$ 2,204,589	\$ 2,204,589	\$ 2,204,589	\$ 2,204,589
Other Supplies and Services	\$ 1,804,941	\$ 2,063,462	\$ 2,063,462	\$ 2,063,462	\$ 2,063,462	\$ 2,063,462	\$ 2,063,462
Special Educ and Vocational Tuition	\$ 7,126,907	\$ 8,554,547	\$ 10,667,636	\$ 11,235,896	\$ 11,833,616	\$ 12,462,299	\$ 13,123,526
Student Transportation	\$ 5,613,071	\$ 5,347,578	\$ 6,123,821	\$ 6,253,083	\$ 6,579,364	\$ 6,913,598	\$ 7,273,669
Utilities and Fuel	\$ 4,831,895	\$ 4,830,230	\$ 4,830,230	\$ 4,975,137	\$ 5,124,391	\$ 5,278,123	\$ 5,436,466
Facilities Maintenance	\$ 1,899,314	\$ 1,901,992	\$ 1,901,992	\$ 1,901,992	\$ 1,901,992	\$ 1,901,992	\$ 1,901,992
Technology	\$ 987,801	\$ 745,823	\$ 745,823	\$ 745,823	\$ 745,823	\$ 745,823	\$ 745,823
Equipment	\$ 107,204	\$ 196,564	\$ 196,564	\$ 196,564	\$ 196,564	\$ 196,564	\$ 196,564
Debt Service	\$ 2,919,343	\$ 2,795,767	\$ 1,198,618	632,468	609,568	586,667	563,767
Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 30,236,824	\$ 30,608,030	\$ 31,900,213	32,176,493	33,226,846	34,320,594	35,477,337
Grand Total	\$ 128,963,757	\$ 133,563,880	\$ 141,160,039	\$ 144,407,603	\$ 150,689,166	\$ 157,400,341	\$ 165,220,835
			5.7%	2.3%	4.3%	4.5%	5.0%
Total Revenue		\$ 133,563,880	137,492,278	140,994,535	145,075,327	149,476,217	154,237,359
Revenue Percent Increase							
<i>Shortfall Revenues vs Expenditures</i>			\$ (3,667,760)	\$ (3,413,068)	\$ (5,613,838)	\$ (7,924,124)	\$ (10,983,476)

Special Education Out of District Tuition
Historical and Projected Costs
FY 2009 - FY 2015

	<u>FY2009 Actual</u>	<u>FY 2010 Budget</u>	<u>FY 2010 Projected</u>	<u>FY 2011 Projected</u>	<u>FY 2012 Projected</u>	<u>FY 2013 Projected</u>	<u>FY 2014 Projected</u>	<u>FY 2015 Projected</u>
Day & Residential Prog. Tuition Gross Budget	11,397,340.00	10,948,395.00	11,820,520.85	12,411,547	13,032,124	13,683,730	14,367,917	15,086,313
Less FY2009 SFSF Grant	(979,784)							
Less Prior Year Circuit Breaker Balances	(685,337)							
Less: Circuit-Breaker Reimb.	<u>(2,727,660)</u>	<u>(2,651,892)</u>	<u>(1,676,837)</u>	<u>(1,743,910)</u>	<u>(1,796,228)</u>	<u>(1,850,115)</u>	<u>(1,905,618)</u>	<u>(1,962,787)</u>
Equals: Net Gen. Fund Tuition	<u>7,004,559</u>	<u>8,296,503</u>	<u>10,143,684</u>	<u>10,667,636</u>	<u>11,235,896</u>	<u>11,833,616</u>	<u>12,462,299</u>	<u>13,123,526</u>

FY 2011 -FY 2015 Assumptions: 5% increase in tuition and 38% Circuit Breaker Reimbursement Rate

SY 10/11 Enrollment Projection by School and Grade

School	Sped Self-Cont.	P/K	M/3	M/4	K	1	2	3	4	5	6	7	8	9	10	11	12	Out of District	Projected Total	Curr. Yr.	Diff.
Amigos	6				54	37	37	35	28	23	31	20	21						293	295	-2
Baldwin	4				57	40	42	41	46	42	36	35	40						384	383	1
Cambridgeport	7				54	34	34	29	33	33	27	29	27						307	295	12
Fletcher-Maynard Acad.	19	14			46	29	28	29	22	17	16	14	16						251	249	2
Graham & Parks					59	40	42	44	42	43	41	37	40						386	384	2
G & P SEI						4	7	6	7	7	6								37	34	3
Haggerty	5				58	43	38	56	37	39	25								301	296	5
Kennedy/Longfellow	22	8			85	40.5	36	31	16	27	15	16	25						322	313	9
Kennedy/Longfellow ISP											18	17	22						57	55	2
King	13				68	42	34	32	19	26	14	21	10						277	263	14
King Open	15				66	43	46	35	47	39	35	43	41						411	417	-6
King Open Ola'					20	12	8	12	7	8	5	9	5						86	81	5
Morse	5	24			72	46	41	44	46	48	32	36	41						435	419	16
Peabody	8	18			89	52	49	52	41	41	24	27	39						441	444	-3
Peabody ISP											41	33	19						93	76	17
Tobin	14	27							21	18	15	10	18						122	149	-27
Tobin Montessori			40	32	48	25	28	22											195	167	28
Tobin SEI					12	2	3	1	2	4	3	11	9						47	47	0
Elem. Sub-Total	118	91	40	32	788	489	472	468	413	416	386	358	374						4,446	4,367	79
CRLS	40													407	395	367	323		1531	1521	10
High School Extension Prog.														11	15	18	18		62	62	0
Secondary Subtotal																			1593	1583	10
Spec Ed Tuition-Out																		180	180	177	3
Career/Tech Tuition-Out																		10	10	10	0
Total Projected Enrollment	158	91	32		788	489	472	468	413	416	386	358	374	418	410	385	341	190	6228	6137	101

Ten Year Enrollment History SY 00/01 to SY 09/10

Births 5-yrs previous																	Incr/(Decr) from Prior Yr.	
Year	Pre-K	MK	K	1	2	3	4	5	6	7	8	9	10	11	12	Self-Cont'd & Out of District	Tot	
1996-97	935 24		780	615	672	660	615	601	572	538	486	477	514	505	487	507	8053	
1997-98	1008 25		774	641	610	649	636	571	570	531	515	485	471	498	464	434	7874	(179)
1998-99	948 23		750	605	594	567	613	573	526	544	499	489	507	468	454	434	7646	(228)
1999-00	918 23		685	572	580	575	554	584	532	518	519	484	510	485	460	419	7500	(146)
2000-01	829 20		684	536	524	552	539	539	542	517	514	481	551	510	468	390	7367	(133)
2001-02	900 50		722	538	498	549	516	529	511	545	527	493	541	505	486	286	7296	(71)
2002-03	943 55		715	511	520	486	503	499	491	476	521	508	490	526	472	338	7111	(185)
2003-04	986 55		694	489	466	479	443	454	467	465	460	474	505	508	500	297	6756	(355)
2004-05	923 50		708	461	462	441	445	398	440	420	438	433	471	506	499	278	6450	(306)
2005-06	1041 52		730	408	421	430	407	412	387	350	375	417	441	454	440	277	6001	(449)
2006-07	946 70		689	458	386	413	413	380	391	365	342	393	397	429	418	253	5797	(204)
2007-08	982 74	37	761	432	443	397	391	410	371	377	360	394	385	378	397	254	5861	64
2008-09	1041 93	38	763	490	414	415	401	397	388	367	368	429	378	376	356	277	5950	89
2009-10	1071 92	40	813	494	471	412	416	394	371	383	363	436	391	376	340	345	6137	187
5 Year AVG Survival Rate			(PK) 1.00	(K) 1.000	(K-1) *	(1-2) 0.635	(2-3) 0.956	(3-4) 0.980	(4-5) 0.982	(5-6) 0.983	(6-7) 0.950	(7-8) 0.964	(8-9) 0.977	(9-10) 1.146	(10-11) 0.950	(11-12) 0.976	0.918	1.095

Enrollment Projections SY 10/11 to SY 14/15

2010-11	998 91	40	820	489	472	468	413	416	386	358	374	418	410	385	341	348	6228	91
2011-12	1127 94	40	868	521	468	462	460	406	395	373	349	429	397	400	354	348	6364	135
2012-13	1196 94	40	921	551	498	458	454	452	386	381	364	401	408	387	367	348	6512	148
2013-14	846 94	40	651	585	527	488	450	446	430	373	373	417	381	398	356	348	6357	(155)
2014-15		94	40	800	414	559	517	480	443	424	414	364	427	397	372	366	6458	101

Projection Methodology

* Kindergarten enrollment projections based on 80% of births five years previous in SY10/11 and 77% in SY11/12 through SY13/14.

Grade 1-12 projections based on weighted 5 year average rate of progression between grades. This formula gives proportionately more weight to the more recent years.

Kindergarten Enrollments Compared to Birth Data

<u>Year</u>	<u>Cambridge Residents Born in Cambridge</u>	<u>Cambridge Residents Born Outside Cambridge</u>	<u>Total Births</u>	<u>% Change From Prior Year</u>	<u>Kdgt. Students 5 Yrs. Later (Oct. 1)</u>		<u>Percentage Survival Rate: Kdgt Enr to Births 5 Yrs Previous</u>	<u>3-Year Average Survival Rate</u>	<u>MK Program</u>
					<u>SY</u>	<u>ENR</u>			
1987	356	471	827		SY 92-93	768	92.9%		
1988	427	723	1150	39.1%	SY 93-94	803	69.8%		
1989	425	689	1114	-3.1%	SY 94-95	828	74.3%		
1990	436	406	842	-24.4%	SY 95-96	769	91.3%		
1991	426	509	935	11.0%	SY 96-97	780	83.4%	83.0%	
1992	401	607	1008	7.8%	SY 97-98	774	76.8%	83.8%	
1993	401	547	948	-6.0%	SY 98-99	750	79.1%	79.8%	
1994	391	527	918	-3.2%	SY 99-00	685	74.6%	76.8%	
1995	305	524	829	-9.7%	SY 00-01	684	82.5%	78.7%	
1996	305	595	900	8.6%	SY 01-02	722	80.2%	79.1%	
1997	294	649	943	4.8%	SY 02-03	715	75.8%	79.5%	
1998	324	662	986	4.6%	SY 03-04	694	70.4%	75.5%	
1999	337	586	923	-6.4%	SY 04-05	708	76.7%	74.3%	
2000	358	683	1041	5.6%	SY 05-06	730	70.1%	72.4%	
2001	281	665	946	5.1%	SY 06-07	689	72.8%	73.2%	
2002	328	654	982	4.1%	SY 07-08	761	77.5%	73.5%	37
2003	354	687	1041	6.0%	SY08-09	763	73.3%	74.5%	38
2004	426	645	1071	2.9%	SY09-10	858	80.1%	77.0%	40
2005	384	614	998	-6.8%	SY10-11	800			
2006	487	640	1127	12.9%	SY11-12	867			
2007	479	715	1194	5.9%	SY12-13	919			
2008	373	473	846		SY13-14	651			

Cambridge Birth Data Source: City Clerk's Office

* Projections for SY10-11 thru SY 12-14 based on the SY09-10 5-year weighted average survival rate: