

Cambridge Public Schools

Five Year Financial Forecast

Fiscal Years 2013 – 2017

December 15, 2011

CAMBRIDGE PUBLIC SCHOOLS
Five-Year Financial Forecast
Fiscal Years 2013 – 2017

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. The report also serves as a financial planning tool to assist in the development of the annual School Department operating budget. This report includes the following sections:

- I. Preliminary FY 2013 General Fund Budget Estimates
- II. Enrollment Projections For SY 12/13 to SY 16/17
- III. Estimates for FY 2013 – FY 2017
- IV. Appendix

I. Preliminary FY 2013 General Fund Budget Estimates

Financial projections for the upcoming budget year begin with an analysis of the costs of salaries and benefits required to maintain current staffing levels and projections for major expenditure categories such as pupil transportation, special education out-of-district tuitions, and energy costs. This analysis yields a maintenance of effort or “**base budget**” projection, which is used as the basis of creating the upcoming fiscal year budget. Enrollment based staffing changes are included in these projections. For FY13, staffing changes related to the Innovation Agenda are incorporated in the base budget. No other program initiatives or program changes are included in this projection. Decision about program initiatives and reductions are made during the budget review process, and will be presented by the Superintendent in his FY13 Proposed Budget.

A. Impact of Innovation Agenda on Base Budget Projections

Enrollment based changes to staffing are typically included in the initial projections used to determine what it will cost the district to maintain its current level of services. For FY13, there is the added challenge of allocating staffing for the four upper school campuses for the middle grade students (grades 6, 7 and 8) that will open in September 2012, and adjusting the staffing at the JK-5

schools to reflect the new enrollment configurations. The net cost of these changes totals approximately \$350K. The following changes are reflected in the projections:

- Staff is allocated to four upper campuses, including Head of Upper School, Guidance Counselor, classroom teachers, specialist teachers (art, music, drama, physical education and health), world language teachers, Special Education teachers and aides, and Bilingual teachers and aides.
- All full time equivalent (FTE) 6th, 7th and 8th teacher positions at the current elementary schools (except the Amigos School) are reallocated.
- Specialist (art, music, physical education) teacher FTE allocations are adjusted based on the enrollment at the JK-5 schools and the upper schools.
- Staff for the library and cafeteria at the Amigos School is added
- Special Education and Bilingual staff allocations are adjusted based on enrollment as well as the placement of self-contained classrooms.
- School based funding for instructional materials, services and supplies, School Improvement Plans, and Professional Development Plans, all of which are allocated based on enrollment, is adjusted to reflect the anticipated enrollment at the 16 schools that will be in operation beginning in SY12/13.

Not included in these projections is any increase in the cost of student transportation. Depending on decisions made about school start times, additional buses may be required, which will increase the cost of transportation.

B. FY 2013 Projected Cost of Maintenance of Effort

Preliminary estimates project an increase of \$5.9 million in expenses for FY 13. Salaries and benefits, which comprise 81% of the Cambridge Public Schools General Fund budget, will increase by \$6.4 million; all other expenses will decrease by approximately \$500K.

C. Funding Available for FY 2013

The district's budget is funded primarily by local property taxes (83%), and state and federal aid (16%). Preliminary projections included an assumption of a 4.5% increase in property tax support, less the projected increase in the charter school assessment. The projected increase in the charter school assessment is \$2 million. This is based on the preliminary projected enrollment of 444 Cambridge students, which was published by the State in July. October 1 official enrollment is lower (394), and will likely result in a reduction in the assessment. The Governor's budget, which will be released in January, will provide more up to date information about state aid and the charter school assessment.

D. Difference Between Funding and Expenses

Based on these revenue calculations, the projected budget gap between revenues and expenditures for FY13 is approximately **\$2.7 million**. Between now and mid-January some changes to projections may occur. For example, the City may change the projection for health insurance, and/or revenues may be adjusted based on the Governor's budget that will be released in January.

Difference Between Funding and Expenses (In Millions)

	<u>Revenues</u>	<u>Expenditures</u>	<u>Difference</u>
FY 12 Adopted Budget	\$140.7	\$140.7	0
FY 13 Estimated Increase	<u>\$ 3.2</u>	<u>\$ 5.9</u>	<u>(\$ 2.7)</u>
FY 12 Projected Budget	\$143.9	146.6	(\$ 2.7)

Summary of FY 2013 Revenue and Expenditure Increases (In Millions)

Current year FY 2012 Adopted Budget:		\$ 140.7
<u>REVENUES</u>		
Property Taxes	\$	3.2
		2.3%
Total Estimated FY12 Revenues:		\$ 143.9
<u>EXPENDITURES</u>		
Salaries	\$	4.0
Benefits	\$	2.1
Pension	\$	0.2
Special Education Tuition	-\$	0.5
Transportation	-\$	0.3
Utilities and Fuel	\$	0.4
Total Estimated Expenditure Increase:	\$	5.9 4.2%
Total Estimated FY 2012 Expenditures:		\$ 146.6

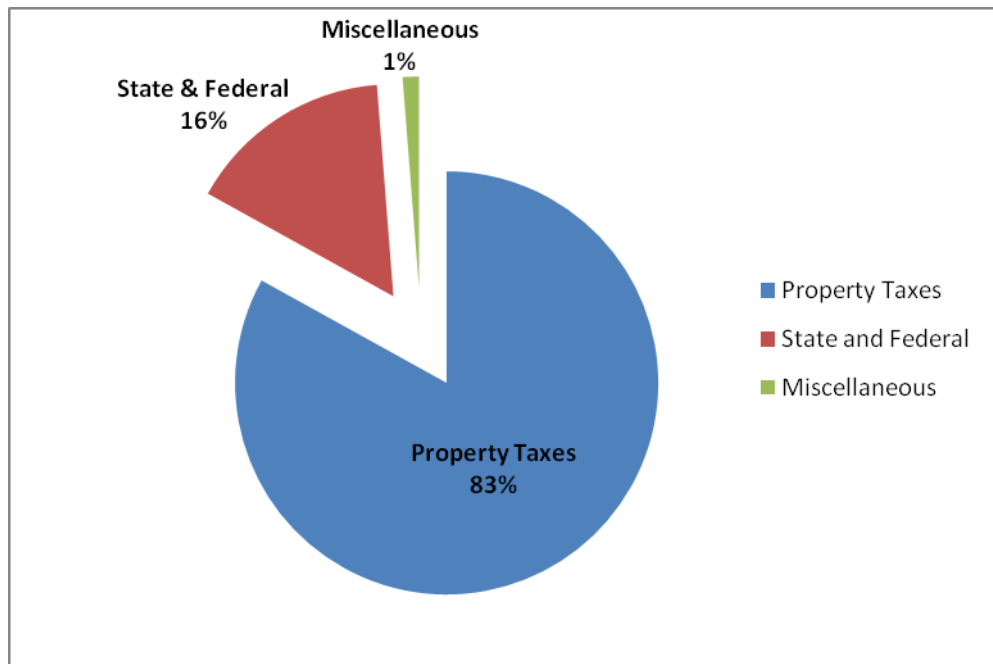
E. Revenues

The financing plan for the Cambridge Public Schools' budget is developed in conjunction with City Fiscal staff. The three primary revenue sources are taxes, state and federal revenue and miscellaneous revenues. Total revenues for FY 13 are projected to equal \$143.9 million.

Revenue Sources
In Millions

	FY 12 Adopted Budget	FY 13 Projected Budget
Property & Local Taxes	\$116.3	\$119.5
Intergovernmental Revenue	\$ 22.5	\$22.0
Miscellaneous Revenues	<u>\$ 1.9</u>	<u>\$.9</u>
Total	\$140.7	\$143.9

FY 2013 Projected Revenues by Source



Property Taxes: \$119.5 Million

Property taxes, comprising 83 percent of the total revenue budget, are the largest revenue source for the CPS general fund budget. A formula established by the City provides for an annual increase of between 4% and 4.5% in the property tax support, less any increase in the charter school assessment. For FY13, the increase to the charter school assessment is projected to be \$2 million. In FY13 the increase to the assessment was \$1.3million. The larger increase this year is due in part to a change in formula. In FY12, the State changed the reimbursement schedule to cities and towns for new students. Previously, the State reimbursed a local government 100% of the student's tuition in year 1, and 60% and 40% of the student's annual tuition in years two and three respectively. Beginning in FY12, the State reimburses 100% of the tuition in year 1, and 25% of the tuition in years two, three, four and five. This has resulted in a larger increase in the charter school assessment. In FY12, the increase was \$1.3M.

Intergovernmental Revenue (State and Federal): \$22.6 Million

Intergovernmental Revenues, including State Education Aid (Chapter 70 Aid), General State Aid, and Federal Medicaid Reimbursement, comprise 16% of the district's revenue. The City also allocates a portion of the City of Cambridge's general state aid (\$12.9 million in FY13) to the school budget each year.

Revenues from the Federal Medicaid Reimbursement program are projected at \$1 million. Medicaid reimbursement for school-based special education related health services, such as physical and speech therapy, was authorized by Congress in 1989. Recent rule changes enable the district to bill for social and psychological services that previously were not reimbursed by the program.

Miscellaneous Revenue: \$1.9 Million

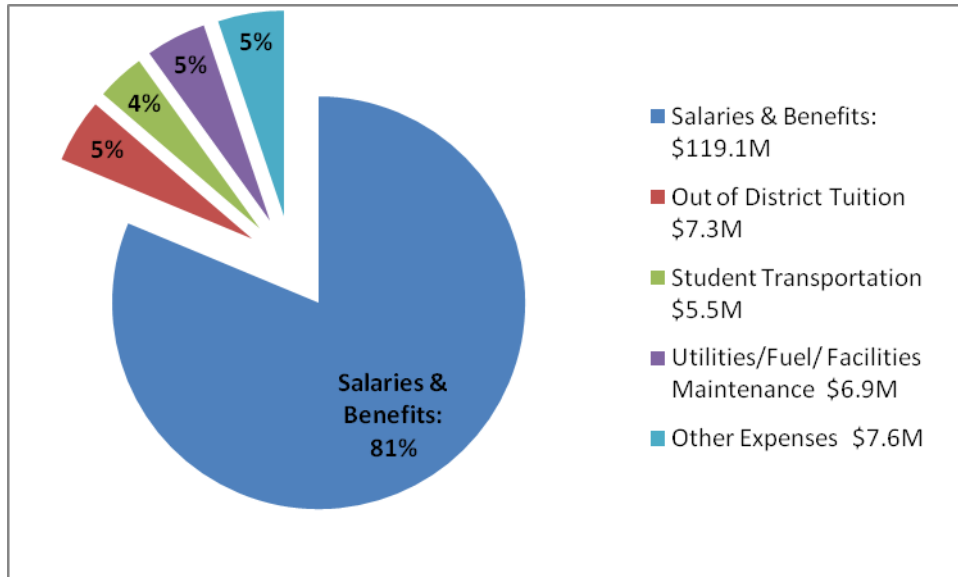
This category of revenue includes the hotel/motel excise tax and parking fines and the debt stabilization fund. The Debt Stabilization Fund was established in FY 2005 to cover the costs of debt service. In FY 2012, a revenue transfer of \$632K from the Debt Stabilization Fund to the general fund is planned as an offset to debt service expenses for prior elementary projects, and district's share of the War Memorial renovation project which was competed in the fall of 2008.

Revenue from other communities in reimbursement for student transportation is projected at \$150K. 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 the district transports the student, the other community reimburses the district for its portion of the cost.

F. Expenditures

Total expenditures are projected to equal \$146.6 million in FY13, which is an increase of \$5.9 million (4.2%) over the FY12 adopted budget. Employee salaries and benefits comprise 81% of the total budget.

FY 2013 Projected Expenditures by Category



Permanent and Temporary Salaries: \$91.4 Million

Permanent and temporary salaries which make up 62% of the total budget are projected to increase by \$4.0 million, which is a 4.5% increase over the FY12 adopted budget. The salary increase is due to step increments for existing employees and estimated cost of living increases (\$3.6 million), staffing changes due to the innovation agenda (\$350K), and three teachers in reserve (\$180K).

**Breakdown of Increases to Salaries
(In Millions)**

Expense	Amount
Steps & Cost of Living	\$3.60 M
Teacher Reserves (3)	\$0.20 M
Teacher Retirement incentive	\$0.06 M
Innovation Agenda	<u>\$0.34 M</u>
TOTAL	\$4.0 M

Health and Dental Insurance: \$22.9 Million

Preliminary estimates for health insurance cost increase is 10 percent. Together, the estimated increase in health and dental insurance costs is \$2.1 million.

Pension: \$3.5 Million

Pension costs are projected to increase by 5.5 %. 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.

Instructional Materials and Supplies: \$2.0 Million

This category includes expenditures for instructional materials and supplies by schools, the Special Education Department, and the Curriculum Departments. Funding for these expenditures are distributed to each elementary school and the high school based on per pupil formulas. The formula takes into consideration the number of students in various sub-groups at each school, including the SES, ELL and the SPED populations.

Utilities and Fuel: \$4.5 Million

This expenditure category includes electricity, natural gas, fuel oil, and gasoline. The City participates in a cooperative of cities and towns that competitively bids fixed price contracts for electricity, natural gas, fuel oil and gasoline. Projected energy cost increases in FY12 are almost entirely due to the completion of CRLS. During the previous three years, parts of the building were under construction, and energy use was billed to the capital project. . The chart below provides historical information.

Energy Costs FY08 – FY13

	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Projected	FY 13 Projected
Fuel Oil	807,579	1,722,673	634,187	597,000	728,340	801,174
Electricity	2,320,484	2,199,445	2,015,879	2,352,113	2,671,414	2,751,556
Natural Gas	403,402	530,551	549,675	748,467	885,000	911,550
Gasoline & Oil	<u>47,684</u>	<u>83,406</u>	<u>63,499</u>	<u>22,641</u>	<u>27,944</u>	<u>40,253</u>
Total Energy	3,579,150	4,536,075	3,263,240	3,720,221	4,312,698	4,504,533

Special Education & Vocational Out of District Tuition: \$7.3 Million

Special Education out-of-district tuition costs are projected to total \$13.3 million in FY13. The district budgets this expense in the General Fund and the Grant Fund. For FY13, 53% of the cost of out-of-district tuitions will be paid by the General Fund. The remaining 47% will be paid from the Circuit Breaker Reimbursement (State funding) and the Federal Individuals with Disability Education Act (IDEA) grants. This projection assumes a relatively stable number of students in out of district placements (currently 181) and a 5% increase in tuition. It also reflects an assumption that the State will fund the Circuit Breaker Reimbursement program at 72%. Reductions to the Circuit Breaker reimbursement rate or changes to the number of students could cause this estimate to increase. Vocational tuition is budgeted at \$175K.

Special Education Tuition Costs FY08 – FY13

	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Adopted	FY 13 Projected
Total SPED Tuition	9,998,784	11,397,340	12,043,207	11,922,201	12,659,777	13,344,674
Funding Source						
General Fund	7,719,917	7,004,559	10,366,370	9,404,637	7,651,373	7,136,789
Grant Fund: ARRA SFSF / IDEA	-	979,784	-	1,328,026	2,517,103	2,499,834
Grant Fund: Circuit Breaker	2,278,867	3,412,997	1,676,837	1,189,,538	2,491,301	3,708,051

Transportation: \$5. 5 Million

The district contracts with a several vendors to provide pupil transportation services to regular students (including athletics and field trips), special education students and homeless students. In FY11 a new five-year contract for regular transportation services was implemented, which resulted in lower overall costs in FY11 as compared to FY10 expenditures. Increases in Transportation contract costs are estimated to increase by \$141K in FY12 as compared to the FY11 adopted budget. The chart below provides historical information about the cost of student transportation. However, these projections do not include any increases that may result from changes to school start times. Each additional bus that is added will cost approximately \$50K.

Pupil Transportation Costs FY08 – FY13

	FY 08 Actual	FY 09 Actual	FY 10 Actual	FY 11 Actual	FY 12 Projected	FY 13 Projected
Regular Bus & Athletics	1,925,082	1,943,096	2,043,013	2,004,816	2,064,270	2,166,753
Special Education	1,886,660	2,454,233	2,761,402	2,813,126	2,892,040	3,017,757
Homeless	135,298	156,617	462,699	297,867	297,867	303,824
Vocational	<u>79,263</u>	<u>107,554</u>	<u>100,290</u>	<u>55,500</u>	<u>56,650</u>	<u>58,350</u>
Total Transportation	4,026,303	4,661,500	5,367,404	5,171,309	5,310,827	5,521,684

Facilities Maintenance: \$2.2 million

This category includes expenditures for supplies, including custodial supplies, and materials related the maintenance of the school district's buildings and grounds. Also included in this category are contracts for services with vendors who provide engineering services, HVAC maintenance, building related repair services, vehicle repair, and other services required to maintain the district's property. The budget for this category is projected to remain at the same level as the FY12 adopted budget

Debt Service: \$632K

The debt service costs include principal and interest payments for the prior elementary school projects and the district's portion of the War Memorial project. The projected debt service costs for FY12 are \$560 less than the FY11 adopted budget. 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 12 are covered on the revenue side by the transfer from the debt stabilization fund.

FY 2013 Projected Expenditures by Category

	FY12 Adopted Budget	FY13 Projected Budget	Change
Salaries and Benefits			
Permanent Salaries	82,811,580	86,647,362	3,835,782
Temporary & Other Salaries	4,617,551	4,766,165	148,614
Health	19,381,121	21,513,044	2,131,923
Dental	1,458,241	1,458,241	0
Pensions - City	3,334,391	3,517,783	183,392
Medicare	1,090,504	1,117,767	27,263
Other Fringe Benefits	<u>160,747</u>	<u>160,747</u>	<u>0</u>
Subtotal:	112,854,135	119,181,108	6,326,973
Other Expenditures			
Instructional Materials/Supplies/Services	1,999,393	1,999,393	0
Professional & Technical Services	1,364,767	1,364,767	0
Other Supplies and Services	2,194,216	2,194,216	0
Special Education & Vocational Tuition	7,859,623	7,345,039	(514,584)
Student Transportation	5,856,785	5,521,685	(335,100)
Utilities and Fuel	4,357,429	4,779,665	422,236
Facilities Maintenance	2,171,716	2,171,716	0
Technology	494,102	494,102	0
Workshop stipends, Training, Conferences	874,626	872,528	(2,098)
Equipment	60,000	60,000	0
Debt Service	<u>632,468</u>	<u>632,468</u>	<u>0</u>
Subtotal	27,865,125	27,435,579	(429,546)
Grand Total	140,719,260	146,616,686	5,897,427

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 81% percent of the CPS general fund budget. The current school year (SY12) October 1, 2011 official enrollment is 6,224 students, an increase of 22 students over SY10 enrollment. The projected enrollment for SY13 is 6,330, an increase of 106 students.

- ❖ During the past five years, district enrollment has increased by 7.4%, with an average annual increase of 1.4%.
- ❖ The projected average annual rate of increase during from SY13 to SY17 is 1.25%, which means that enrollment will increase by about 6% in total during that period.

A. 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 both on a on a percentage of births to Cambridge residents five year prior and on historical trends.

Projections for middle grade students (6th through 8th grade students) who will be assigned to the new upper school campuses beginning in September 2012 were first calculated based on the historical retention rates at each school. However, at schools that historically have sent large numbers of students to the Intensive Studies Program (ISP), the district-wide average retention for grade 5 rising to grade 6 was used.

These projections are 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, three reserve positions are included in the base budget projections so that the school department can respond to an unexpected increase of students.

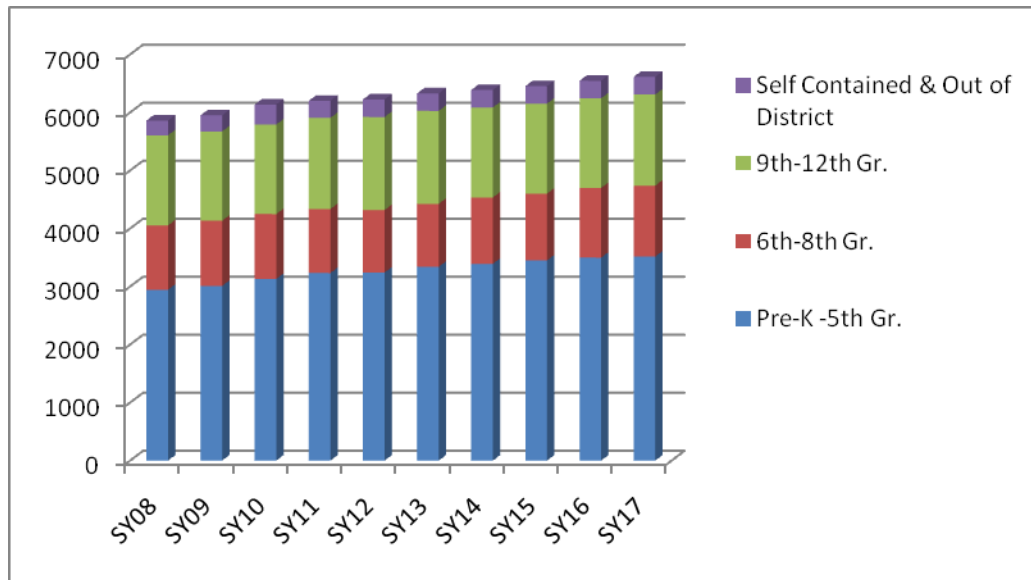
The tables and graphs below show historical data and projected trends in enrollment.

District Enrollment School Year 2008 to 2017

Year	Pre-K to 5th*	6 th -8 th	9 th -12th	Self Contained & Out of District	Total	Change from Prior Year	% Chg
SY 08	2,945	1,108	1,554	254	5,861	64	1%
SY 09	3,011	1,123	1,539	277	5,950	89	2%
SY 10	3,132	1,117	1,543	345	6,137	187	3%
SY 11	3,233	1,104	1,571	294	6,202	56	1%
SY 12	3,241	1,079	1,602	302	6,224	22	0.4%
<i>Projected</i>							
SY 13	3,340	1,085	1,602	303	6,330	106	2%
SY 14	3,391	1,144	1,551	303	6,389	59	1%
SY 15	3,449	1,153	1,551	303	6,456	67	1%
SY 16	3,498	1,201	1,545	303	6,547	91	1%
SY 17	3,518	1,222	1,571	303	6,614	67	1%

* Includes Special Start Preschool enrollment

School Year 2008 to 2017 Enrollment by Grade Grouping



B. Changes in Number of Classrooms and Class Size

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. Projections of students rising to the next grade at each elementary school are reviewed in order to maintain class sizes that adhere to requirements set forth in the collective bargaining agreement with the Cambridge Teachers' Association. Per the agreement, enrollment in kindergarten classes may not exceed 20, and enrollment in classes for students in grades one through eight may not exceed 25. The implementation of the upper school program will result in a more efficient use of classrooms and teachers in grades six through eight. The total number of general education classrooms for grades kindergarten through eighth grade (excluding SPED self contained classrooms) will decrease by six, from 231 to 222. The number of kindergarten classrooms and grades one through four classrooms are projected to remain stable. At the Tobin Montessori one new classroom will be added for the intermediate elementary program (grades 4, and 5), bringing the total to three classrooms. The additional intermediate elementary classroom will be offset by the reduction of one regular 5th grade at the Tobin. There will be relatively more change in fifth grade classrooms because there will no longer be multi-graded 5th/6th grade classrooms.

The average class size in grades kindergarten through eighth grade remains favorable. The chart below shows the average class sizes projected for SY 2013 compared to the average class size in the current school year.

Elementary Average Class Size

Average Class Size K-8	SY 2013	SY 2012	Average Montessori Class Size	SY 2013	SY 2012
Kindergarten	19	18	Children's House	23	22
Gr. 1 - 5	19	19	Lower Elementary	21	24
Gr. 6 - 8	20	18	Upper Elementary	17	11

III. Budget Growth Estimates for FY 2014 through 2017

An average annual growth rate of 2.0% is projected for total general fund revenues during the four-year period FY 2014 through FY 2017, compared to a projected average growth rate of 3.6% in expenditures. Fiscal years 2014 through 2017 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. Collective bargaining agreements are not negotiated for FY 2013 through 2017; however, modest salary increases for FY 2014 – 2017 are assumed.
- Health insurance increases of 11% annually in FY 2014- 2017. If actual costs over the five-year period meet these projections, health insurance, dental insurance and Medicare costs will reach a level of \$38 million, or 23% of the total general fund budget, by FY 2016. Currently, these expenditures comprise 18% of the budget, or \$25 million.
- Increases in energy costs of 3% and transportation costs of 3%.
- Special education tuition estimates assume a 2% increase in tuition and a 3% increase in Circuit Breaker Reimbursement for the period FY 2014 through FY 2017.

Based on current projections, the gap between projected revenues and projected expenditures will increase to \$13.4M in FY 2017. Projections in this document beyond FY 2013 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 2013 either by increasing revenues or decreasing expenditures or a combination of the two, will automatically modify the projected shortfalls for the following years.

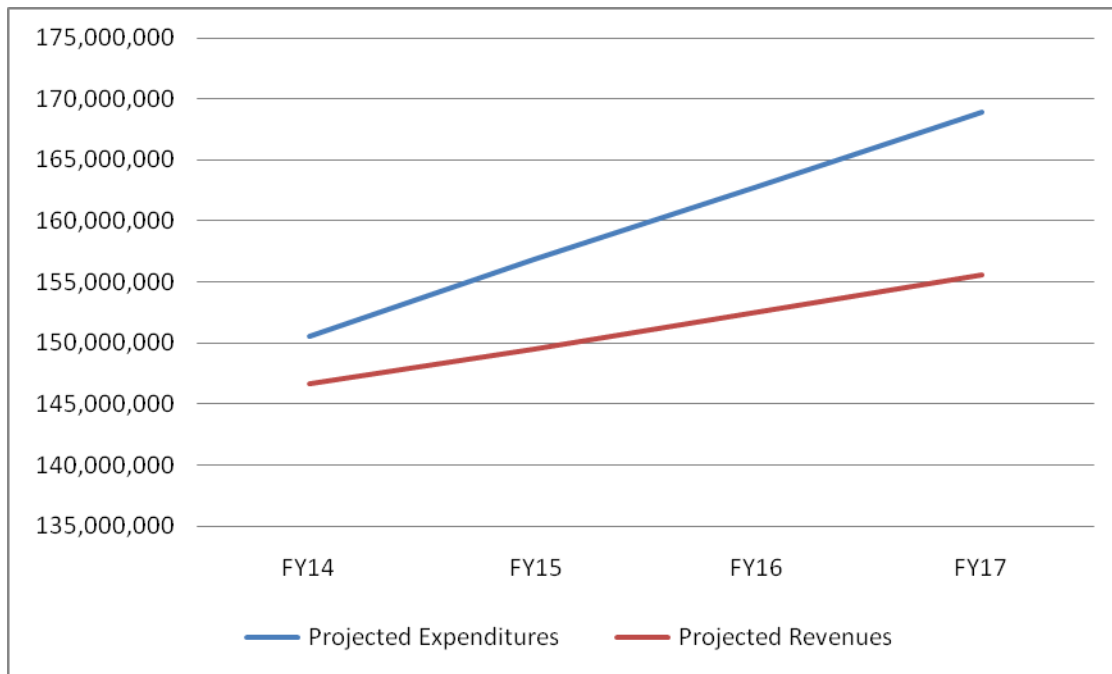
Projected Expenditures and Revenues

FY 13 – FY 17

	Projected FY14	Projected FY15	Projected FY16	Projected FY17
Projected Expenditures	150,593,197	156,859,491	162,781,401	168,970,851
<i>Expenditure Percent Increase</i>	2.7%	4.2%	3.8%	3.8%
Projected Revenues	146,688,354	149,532,503	152,491,335	155,569,435
<i>Revenue Percent Increase</i>	1.9%	1.9%	2.0%	2.0%
<i>Shortfall Revenues vs Expenditures</i>	(3,904,843)	(7,326,988)	(10,290,066)	(13,401,415)

Expenditure Growth Vs. Revenue Growth

FY 2013 – FY 2017



IV. Appendix

Table I: Five Year Financial Forecast-Revenue Projections

Table II: Five Year Financial Forecast:-Expenditure Projections

Table III: Ten Year Enrollment History & Enrollment Projections

Table IV: SY 11/12 Enrollment by School and Grade

Table V: SY 12/13 Enrollment Projection by School and Grade

Five Year Financial Forecast
REVENUE PROJECTIONS
December 14, 2011

	Budget FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17
Property Taxes						
Real Estate Taxes	\$ 117,656,635	\$ 121,529,158	\$ 124,285,937	\$ 127,152,986	\$ 130,134,718	\$ 133,235,718
Less: Net Charter School impact	\$ (1,360,790)	\$ (2,023,450)	\$ (2,023,450)	\$ (2,023,450)	\$ (2,023,450)	\$ (2,023,450)
Subtotal: Net Property Tax Levy	\$ 116,295,845	\$ 119,505,708	\$ 122,262,487	\$ 125,129,536	\$ 128,111,268	\$ 131,212,268
Intergovernmental Revenue						
State Ch70 Education Aid	\$ 8,643,120	\$ 8,643,120	\$ 8,643,120	\$ 8,643,120	\$ 8,643,120	\$ 8,643,120
State School Lunch Aid	\$ 29,495	\$ 29,495	\$ 28,135	\$ 28,135	\$ 28,135	\$ 28,135
General State Aid	\$ 12,932,330	\$ 12,932,330	\$ 12,881,945	\$ 12,881,945	\$ 12,881,945	\$ 12,881,945
Federal Medicaid Reimbursement	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal: Intergovernmental Revenue	\$ 22,504,945	\$ 22,604,945	\$ 22,553,200	\$ 22,553,200	\$ 22,553,200	\$ 22,553,200
Miscellaneous Revenue						
Hotel/Motel Excise Tax	\$ 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
McKinney-Vento Transportation Reimbursement	\$ 250,000	\$ 150,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Transfer from Debt Stabilization Fund	\$ 632,470	\$ 609,570	\$ 586,667	\$ 563,767	\$ 540,867	\$ 517,967
Subtotal: Miscellaneous Revenues	\$ 1,918,470	\$ 1,795,570	\$ 1,872,667	\$ 1,849,767	\$ 1,826,867	\$ 1,803,967
PROJECTED REVENUE BUDGET	\$ 140,719,260	\$ 143,906,223	\$ 146,688,354	\$ 149,532,503	\$ 152,491,335	\$ 155,569,435
<i>Percent Increase</i>	2.3%	2.3%	1.9%	1.9%	2.0%	2.0%
Difference	\$ 3,226,985	\$ 3,186,963	\$ 2,782,130	\$ 2,844,149	\$ 2,958,831	\$ 3,078,101

Five Year Financial Forecast
EXPENDITURE PROJECTIONS
December 14, 2011

	Adopted Budget FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16	Projected FY17
Salaries and Benefits						
Permanent Salaries	82,811,580	86,647,362	\$ 88,813,546	\$ 91,033,885	\$ 93,309,732	\$ 95,642,475
Temporary & Other Salaries	4,617,551	4,766,165	\$ 4,823,941	\$ 4,883,162	\$ 4,943,864	\$ 5,006,083
Health	19,381,121	21,513,044	\$ 23,879,479	\$ 26,506,222	\$ 29,421,906	\$ 32,658,316
Dental	1,458,241	1,458,241	\$ 1,531,153	\$ 1,607,711	\$ 1,688,096	\$ 1,772,501
Pensions - City	3,334,391	3,517,783	\$ 3,605,727	\$ 3,695,870	\$ 3,788,267	\$ 3,882,974
Medicare	1,090,504	1,117,767	\$ 1,151,300	\$ 1,185,839	\$ 1,221,414	\$ 1,258,056
Other Fringe Benefits	160,747	160,747	\$ 160,747	\$ 160,747	\$ 160,747	\$ -
Subtotal:	112,854,135	119,181,108	\$ 123,965,893	\$ 129,073,435	\$ 134,534,026	\$ 140,220,405
		81%				
Other Expenditures						
Instructional Materials/Supplies/Services	1,999,393	1,999,393	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Professional & Technical Services	1,364,767	1,364,767	\$ 1,364,767	\$ 1,364,767	\$ 1,364,767	\$ 1,364,767
Other Supplies and Services	2,194,216	2,194,216	\$ 2,194,216	\$ 2,194,216	\$ 2,194,216	\$ 2,194,216
Special Educ and Vocational Tuition	7,859,623	7,345,039	\$ 7,136,789	\$ 8,013,832	\$ 8,193,127	\$ 8,375,078
Student Transportation	5,856,785	5,521,685	\$ 5,673,091	\$ 5,830,009	\$ 5,982,812	\$ 6,147,246
Energy/Fuel/Telephones	4,357,429	4,779,665	\$ 4,923,055	\$ 5,070,746	\$ 5,222,869	\$ 5,379,555
Facilities Maintenance	2,171,716	2,171,716	\$ 2,171,716	\$ 2,171,716	\$ 2,171,716	\$ 2,171,716
Technology	494,102	494,102	\$ 494,102	\$ 494,102	\$ 494,102	\$ 494,102
Workshop stipends, Training, Conferences	874,626	872,528				
Equipment	60,000	60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Debt Service	632,468	632,468	609,568	586,667	563,767	563,767
Subtotal	27,865,125	27,435,579	26,627,304	27,786,056	28,247,375	28,750,446
Grand Total	\$ 140,719,260	\$ 146,616,686	\$ 150,593,197	\$ 156,859,491	\$ 162,781,401	\$ 168,970,851
<i>Expenditure Percent Increase</i>		4.2%	2.7%	4.2%	3.8%	3.8%
Total Revenue	140,719,260	143,906,223	146,688,354	149,532,503	152,491,335	155,569,435
<i>Revenue Percent Increase</i>		2.3%	1.9%	1.9%	2.0%	2.0%
GAP						
<i>Shortfall Revenues vs Expenditures</i>		\$ (2,710,464)	\$ (3,904,843)	\$ (7,326,988)	\$ (10,290,066)	\$ (13,401,415)

Ten Year Enrollment History By Grade

Births 5- yrs previous																	Incr/(Decr)		Percent Change	
Year	Pre-K	MK	K	1	2	3	4	5	6	7	8	9	10	11	12	Self-Cont'd & Out of District	Total	from Prior Yr.		
2002-03	943	55		715	511	520	486	503	499	491	476	521	508	490	526	472	338	7,111	(185)	
2003-04	986	55		694	489	466	479	443	454	467	465	460	474	505	508	500	297	6,756	(355)	-5.0%
2004-05	923	50		708	461	462	441	445	398	440	420	438	433	471	506	499	278	6,450	(306)	-4.5%
2005-06	1041	52		730	408	421	430	407	412	387	350	375	417	441	454	440	277	6,001	(449)	-7.0%
2006-07	946	70		689	458	386	413	413	380	391	365	342	393	397	429	418	253	5,797	(204)	-3.4%
2007-08	982	74	37	761	432	443	397	391	410	371	377	360	394	385	378	397	254	5,861	64	1.1%
2008-09	1041	93	38	763	490	414	415	401	397	388	367	368	429	378	376	356	277	5,950	89	1.5%
2009-10	1071	92	40	813	494	471	412	416	394	371	383	363	436	391	376	340	345	6,137	187	3.1%
2010-11	998	97	37	872	491	466	475	398	397	380	349	374	400	408	420	343	294	6,202	65	1.1%
2011-12	1127	98	37	849	514	475	436	447	384	394	340	344	419	396	410	379	302	6,224	22	0.4%
5 Year AVG Survival Rate	(PK)		(K)	(K-1)	(1-2)	(2-3)	(3-4)	(4-5)	(5-6)	(6-7)	(7-8)	(8-9)	(9-10)	(10-11)	(11-12)					
	1.00	1.000	*	0.615	0.959	0.973	0.970	0.974	0.966	0.943	0.983	1.140	0.955	1.014	0.912					

Enrollment Projections SY 12-13 to SY 16-17

2012-13	1194	98	37	864	503	502	463	433	440	371	376	338	428	376	412	386	303	6,330	106	1.7%
2013-14	843	114	40	864	531	482	489	449	422	425	350	369	385	409	381	376	303	6,389	59	0.9%
2014-15	1250	114	40	875	531	509	469	474	437	408	401	344	421	368	415	348	303	6,456	67	1.0%
2015-16	1180	114	40	885	538	509	495	455	461	423	384	394	392	402	373	378	303	6,547	91	1.4%
2016-17		114	40	885	544	516	495	480	443	446	398	378	449	374	408	340	303	6,614	67	1.0%

Projection Methodology

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.

SY 11-12
Enrollment by School and Grade as of 10/1/2011

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	Program Total	School Total	Prior Year	
Amigos	5				75	46	30	36	39	29	27	27	20							334	318	
Baldwin	6				52	41	43	42	44	40	38	34	24							364	373	
Cambridgeport	4				51	32	30	33	26	30	26	15	16							263	282	
Fletcher-Maynard	15	20			54	36	31	21	29	18	14	15	18							271	239	
Graham & Parks					57	40	44	37	41	42	42	42	42						387		388	
Graham & Parks SEI						1	2	3	5	8	3								22	409	27	
Haggerty	4				65	38	41	34	44	31	33									290	262	
Kennedy/Longfellow	24	13			89	53	41	38	32	17	20	11	17						355		342	
Kennedy/Longfellow ISP											16	18	17						51	406	60	
King	15				39	42	34	35	25	19	23	9	17						258		285	
King Manderin					36														36	294	0	
King Open	15				80	33	34	43	38	41	37	42	43						406		410	
King Open - Ola'					14	12	12	7	11	6	6	3	8						79	485	83	
Morse	9	21			74	45	43	33	41	39	31	36	29							401	427	
Peabody	7	18			66	50	50	43	49	38	17	24	17						379		422	
Peabody ISP											31	44	47						122	501	114	
Tobin	7									19	16	14	16						72		118	
Tobin Montessori	7	26	37	37	34	38	31	29	21										260		197	
Tobin SEI					26	7	9	2	2	7	14	6	13						86	418	92	
Elementary Subtotal	118	98	37	37	812	514	475	436	447	384	394	340	344							4,436	4,439	
CRLS	7													418	381	390	357			1,546	1522	
High School Extension Prog.														1	15	20	22			58	58	
Career/Tech Tuition-Out														3			2			5	7	
Secondary Subtotal	7													422	396	410	381			1,616	1587	
OSE Tuition Out																				172	172	176
Out of District Subtotal																				172	176	
Total Enrollment	125	98	37	37	812	514	475	436	447	384	394	340	344	425	396	410	383			6,224	6,202	

SY 12-13 Enrollment Projection by School and Grade

School	SPED												SY 12/13							
	Self-Cont.	P/K	M/3	M/4	K	1	2	3	4	5	6	7	8	9	10	11	12	Projected	Curr. Yr.	Diff.
Amigos					75	48	44	30	35	37	25	25	25					344	334	10
Baldwin	8				52	37	42	44	43	43								269	363	(94)
Cambridgeport		16			71	33	32	33	33	26								244	262	(18)
Fletcher-Maynard Acad.	24				54	34	35	28	20	27								222	271	(49)
Graham & Parks	13				57	38	43	45	35	45								276	387	
G & P SEI					20	14	13	3	12	10								72 348	22 409	(61)
Haggerty					65	40	35	40	32	43								255	290	(35)
Kennedy/Longfellow		17			75	52	48	42	36	32								302	407	(105)
King					39	22	38	37	34	22								192	256	
King Mandarin					38	24												62 254	38 294	(40)
King Open	16				75	39	31	32	43	36								272	408	
King Open Ola'					16	7	11	9	7	10								60 332	79 487	(155)
Morse	22	22			74	41	44	42	33	42								320	401	(81)
Peabody	3	19			75	40	47	48	41	46								319	501	(182)
Tobin Montessori, SEI, Standard		24	37	37	41	34	39	30	29	21								292	418	(126)
Cambridge St. Upper School											92	81	72					245		245
Putnam Ave Upper School	14										73	88	71					246	0	246
Ringe Ave Upper School	4										74	84	98					260		260
Vassal Lane Upper School	13										89	92	58					252		
Vassal Lane Upper School SEI											18	6	14					38 290		290
Elem. Sub-Total	117	98	37	37	827	503	502	463	433	440	371	376	338					4,542	4,436	105
CRLS	7													417	370	392	366	1552	1551	1
High School Extension Prog.														11	6	20	20	57	58	(1)
Career/Tech Tuition-Out																		7	7	0
Secondary Subtotal	7													428	376	412	386	1609	1609	(0)
Spec Ed Tuition-Out																		172	172	0
Total Projected Enrollment	124	98	37	37	827	503	502	463	433	440	371	376	338	428	376	412	386	6330	6224	106