

Five Year Financial Forecast
FY 13 ~ FY 17
CAMBRIDGE PUBLIC SCHOOLS

December 20, 2011

Purpose of Five Year Financial Forecast

- ❖ Projections for revenues, expenditures and student enrollment over next five years.
- ❖ Determine cost of “maintenance of effort”
- ❖ Planning tool for developing the FY13 general fund operating budget.
- ❖ Longer-range planning tool as well

FY 13 Preliminary Estimates

- ❖ Current Year Budget: \$140.7 Million
- ❖ FY 13 Projected Revenue Increase: \$3.2 Million
- ❖ FY 13 Projected Expenditure Increase: \$5.9 Million
- ❖ **Projected Shortfall: \$2.7 Million**

FY 2013 Revenue Assumptions

- ❖ Financing Plan (revenues) developed with City fiscal staff
- ❖ Revenues increase 2.3%
- ❖ Property tax (\$119.5M) makes up 83% of revenue
- ❖ Property Tax support increase of 4.5%, less charter school assessment increase.
- ❖ Charter School assessment increase of \$2.0M

How Was Revenue Budget Established?

- ❖ CPS is a department of the City of Cambridge
- ❖ The City's fiscal team, including the City Manager & City Treasurer set the total City budget for the upcoming year and establish guidelines for school allocation
- ❖ Property taxes support about 83% of the budget; State aid makes up most of the remainder
- ❖ CPS general fund budget allocation continues to provide a high per pupil expenditure: **\$22,700 per pupil**

FY 2013 Revenue Projections

in Millions

Property & Local Taxes

Real Estate Tax – 4.5% increase \$5.2M	\$121.5
Less: Charter School Increase	<u>(\$ 2.0)</u>
	\$119.5

Intergovernmental Revenues

Chpt 70 Education Aid	\$ 8.6
General State Aid	\$ 12.9
Medicaid Reimb	<u>\$ 1.0</u>
	\$ 22.6

Miscellaneous Revenues

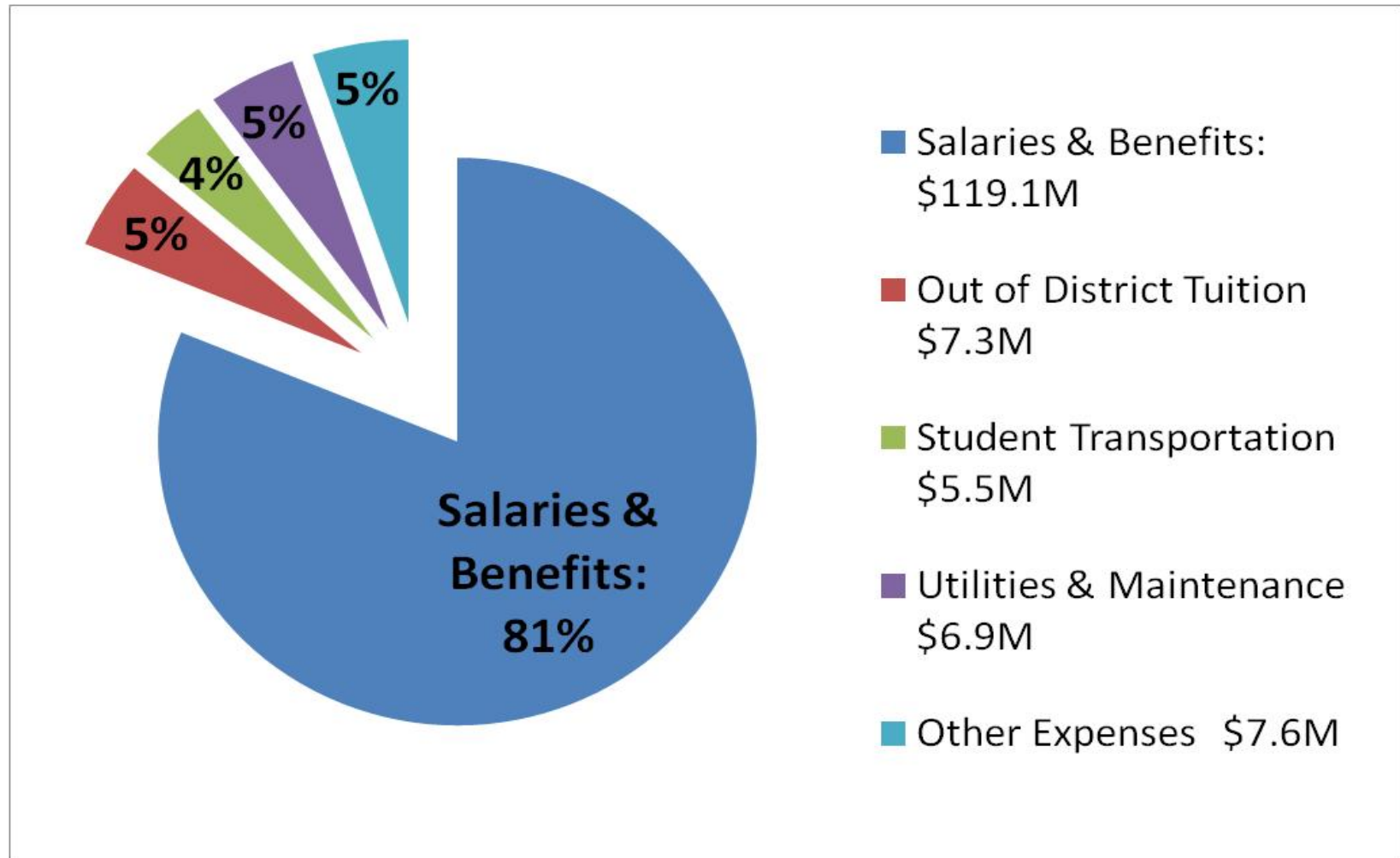
Debt Stabilization & Other	\$.8
Hotel/Motel, Fines & Forfeitures	<u>\$ 1.0</u>
	\$ 1.8

TOTAL REVENUE BUDGET	\$143.9
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Expenditure Projection Assumptions

- ❖ Projection assumes providing the current level of services.
- ❖ Enrollment based staffing changes, **including Innovation Agenda related changes**, are incorporated in projection.
- ❖ No other new program initiatives or program reductions.
- ❖ Projected salary costs include cost of living (COLA) & step increases
- ❖ Health insurance increase of 11% & pension increases of 5.5% based on City projections

Projected Expenditures by Category: \$146.6 M



Expenditure Increases for FY13: *\$5.9M*

❖ Salary increases due to steps, cost of living (COLA), & benefit costs total \$6.3 million:

▪ Step increases & COLA	\$ 3.7M
▪ Health Insurance, Pension	\$ 2.3M
▪ Innovation Agenda	\$ 350K

❖ Non-Salary Expenses decreased: (\$ 430K)

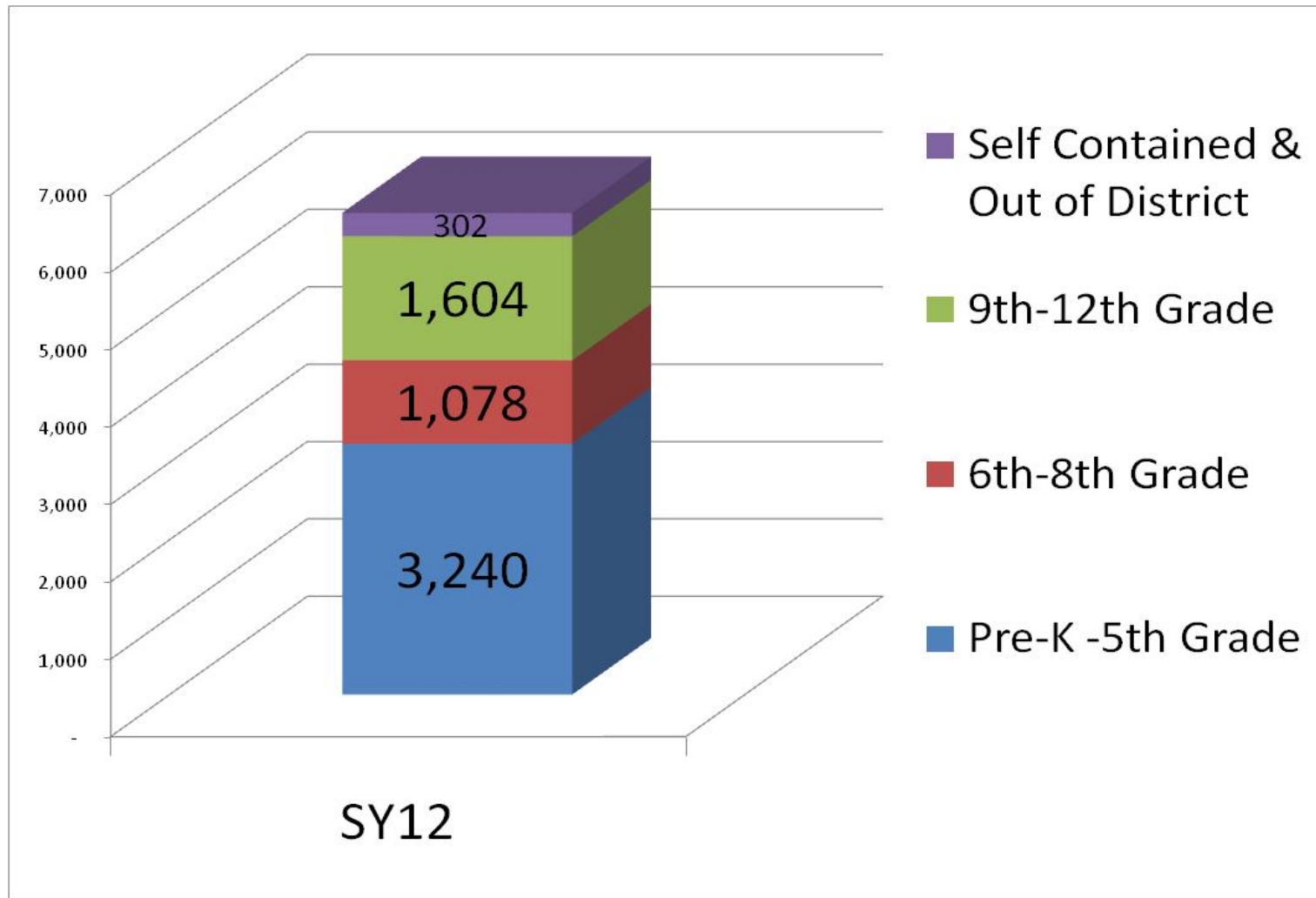
Budgetary Factors Used To Estimate Innovation Agenda Costs

- ❖ Upper Schools staffing
- ❖ JK-5 Schools staffing
- ❖ Non-staff budget allocations
 - Per Pupil allocations for instructional materials and services, and supplies
 - School Improvement Plan Budgets
 - Professional Development Plan Budgets

Enrollment

- ❖ Current year enrollment 6,224.
- ❖ Increase of 22 students
- ❖ Projected enrollment SY12/13: 6,330
- ❖ During past 5 years, enrollment increase of 7.4%
- ❖ Project enrollment increase of 6% over next 5 years

Enrollment



Enrollment Changes at JK-5 Schools

Average Decrease of 21%

	CURRENT YEAR	SY 12/13 Projected			CURRENT YEAR	SY 12/13 Projected	
School	Enrollment	Enrollment	Diff.	% Diff	# Class Rooms *	# Class Rooms *	Dif
Amigos	334	344	10	3%	18	18	0
Baldwin	363	269	(94)	-26%	20	16	(4)
Cambridgeport	262	244	(18)	-7%	15	11	(4)
Fletcher-Maynard Academy	271	222	(49)	-18%	19	18	(1)
Graham & Parks	409	348	(61)	-15%	22	21	(1)
Haggerty	290	255	(35)	-12%	17	14	(3)
Kennedy/Longfellow	407	302	(105)	-26%	26	14	(12)
King	294	254	(40)	-14%	18	14	(12)
King Open & Ola	487	332	(155)	-32%	31	21	(12)
Morse	401	320	(81)	-20%	22	18	(4)
Peabody	501	319	(182)	-36%	27	15	(12)
Tobin	418	292	(126)	-30%	23	13	(10)

* Includes SPED Self Contained Classrooms

Upper School Projected Enrollment

	Enrollment	# Gen. Ed Class Rooms	SPED Self- Contained Class Rooms
Cambridge St Upper School	245	12	
Putnam Ave Upper School	246	12	2
Rindge Ave Upper School	260	12	1
Vassal Lane Upper School	252	12	3
Vassal Lane Upper School SEI	38	3	

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	20	Lower Elementary	21	97
Gr. 6 - 8	20	18	Upper Elementary	17	11

❖ Projections for next year show net reduction of six regular education classrooms in grades 6th, 7th and 8th.

FY 13 Budget Process

- ❖ January: Further discussions with City about CPS Budget allocation (revenues)
- ❖ January-early Feb: Budget Meetings with Principals & Department heads to discuss initiatives and reductions
- ❖ January-early Feb: Principals meet w/ School Councils
- ❖ March 6: Superintendent presents proposed budget to School Committee
- ❖ March: Public Hearings
- ❖ April: School Committee Adopts Budget
- ❖ May: City Council Hearing