

Cambridge Public Schools

Five Year Financial Forecast

Fiscal Years 2015 – 2019

January 7, 2014

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 upcoming fiscal year's general fund budget. This report includes the following sections:

- I. Preliminary FY 2015 General Fund Budget Estimates
- II. Enrollment Projections For School Year (SY) 2014/15 to 2018/19
- III. Budget Growth Estimates for FY 2016 – FY 2019
- IV. Appendix

I. Preliminary FY 2015 General Fund Budget Estimates

Financial estimates for the upcoming budget year begin with an analysis of salary and benefit cost increases required to maintain current staffing levels, any projected enrollment-based needs for additional staff, and the projected costs for major expenditure categories including pupil transportation, special education out-of-district tuitions, and energy. These estimates assume that the district will make no significant change to existing staff, programming or services. This analysis yields a “maintenance of effort” or base budget projection, which is used as the basis of creating the upcoming fiscal year budget.

Revenue to support the Cambridge Public Schools budget is allocated by the City. The district works closely with the City Manager and his fiscal staff to develop the revenue budget for the upcoming fiscal year. The preliminary revenue estimate is \$156.7 million, which is 3.8% more than the FY 2014 Adopted Budget of \$151.9 million. This revenue allocation fully supports the preliminary expenditure projection.

The preliminary estimate for FY 2015 expenditures is \$156.7 million, which is \$5.7 million (3.8%) more than the FY 2014 Adopted Budget of \$151.9 million. The increase in costs is attributable mainly to increases in salaries and benefits of current employees, including a 2.0% cost of living (COLA) increase, which is stipulated by collective bargaining agreements; increases due to salary schedule steps and degree increments; a 7% increase in health insurance costs; and increases to Medicare and pensions costs. In addition, approximately 10 additional FTEs (a combination of teacher and aide positions) are included in this estimate based on specific enrollment-based requirements. Salary and benefit costs comprise 82% of the district's total general fund budget. Other large spending categories for the district include special education out-of-district tuition, student transportation and energy accounts. Only modest changes are projected for these categories. Although enrollment based staff changes are included in this estimate, no new program initiatives or major program changes are included in this

projection. Decisions about program changes, including new initiatives and reductions are made during the budget review process, and will be presented by the superintendent in his FY 2015 Proposed Budget.

**FY 2015
Summary of Projected Increases and Decreases In Expenditures
(In Millions)**

Current Year FY 2014 Adopted Budget:		\$ 150.9	
			% Inc
<u>EXPENDITURES</u>			
Salaries	\$	3.9	
Health & Dental Benefits	\$	1.5	
Pension/Medicare	\$	0.3	
Transportation	\$	0.1	
Utilities/Energy/Debt Service	(\$	0.1)	
Projected Expenditure Increase:	\$	5.7	
Total Projected FY 2015 Expenditures:	\$	156.7	3.8%

**FY 2015 Projected Revenues and Expenditures
(In Millions)**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Difference</u>
FY 14 Adopted Budget	\$150.9	\$150.9	0
FY 15 Estimated Increase	<u>\$ 5.7</u>	<u>\$ 5.7</u>	<u>0</u>
FY 15 Projected Budget	\$156.7	156.7	0

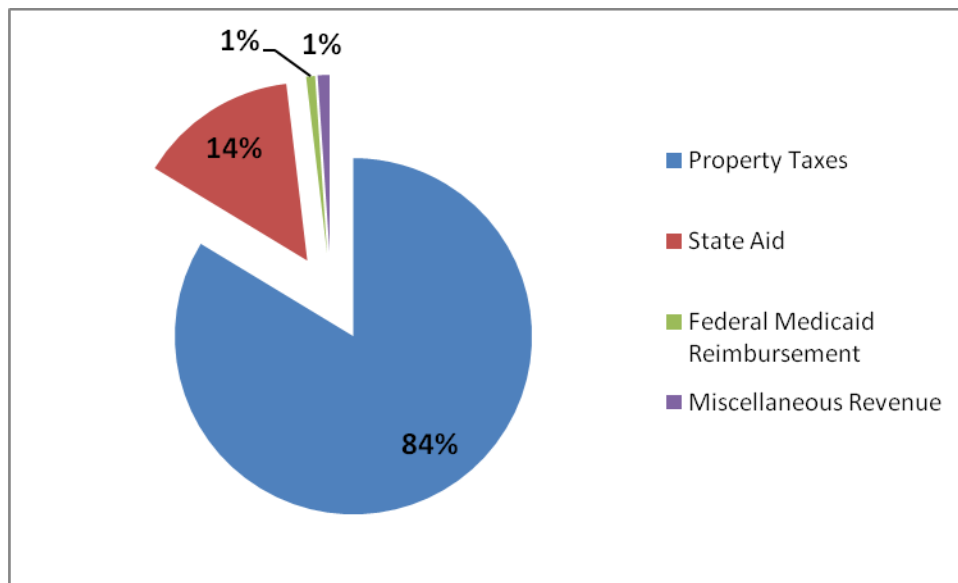
A. Projected Revenues

The financing plan for the Cambridge Public Schools' budget is developed in conjunction with City fiscal staff and the City Manager. The three primary revenue sources supporting the school district's general fund budget are taxes, state and federal revenue and miscellaneous revenues. FY 2015 revenues are projected to equal \$156.7 million. The district's budget is funded primarily by local property taxes (84%), and state and federal aid (15%).

**Revenue Sources
(In Millions)**

	FY 14 Adopted Revenues	FY 15 Projected Revenues	Increase	% Change
Property & Local Taxes	\$126.5	\$132.2		
Intergovernmental Revenue	\$ 22.8	\$22.8		
Miscellaneous Revenues	<u>\$ 1.6</u>	<u>\$1.7</u>		
Total	\$150.9	\$156.7	\$5.7	3.8%

FY 2015 Projected Revenues by Source



Property Taxes: \$132.2 Million

Property taxes provide the largest share (84%) of revenues for the CPS general fund budget. A formula established by the City provides for an annual increase of between 4% and 5% in the property tax support, less the projected increase in the charter school assessment. For FY 2015, the increase to the charter school assessment is projected to be \$700,000. As a result, the net increase to property taxes is 4.5%.

Charter School Tuition Assessment

At the end of School Year (SY) 2012/13, 401 Cambridge students were enrolled in a charter school. As of October 1, 2013 (SY 2013/14), the total number of Cambridge students enrolled in charter schools was 411 (+10 students). The State assesses the district a per pupil tuition charge for each Cambridge resident who attends a charter school. The State shares some of the cost with the district in the first five years that a student attends a charter school. The State's reimbursement formula is 100% of a student's tuition in year one of enrollment, and 25% of the tuition in years two, three, four and five. Thus, new students in the current year will impact the district's assessment for the first time next year when we will pay 75 % of the tuition.

Complicating our ability to project the actual increase to the charter school assessment for next year is the fact that in FY 2013 and in the current year (FY 2014) the State did not budget enough to fully fund the reimbursements due to cities and towns. In fact, the state currently projects that the district will receive only 63% of the reimbursement due in FY 2014. 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 for FY 2015.

Charter School Enrollment and Tuition Assessment SY 2009/10 to SY 2013/14

(Based on Data from Mass Department of Elementary & Secondary Education)

	SY 09/10	SY 10/11	SY 11/12	SY 12/13	SY 13/14
	Q4 Final	Q4 Final	Q4 Final	Q4 Final	Q2 Estimate
Student FTE	289	339	376	401	411
Total Tuition	\$ 6,530,363	\$ 8,003,300	\$ 9,314,249	\$ 9,923,179	\$ 10,214,100
State					
Reimbursement	<u>\$ (525,944)</u>	<u>\$ (1,789,392)</u>	<u>\$ (2,005,712)</u>	<u>\$ (1,362,158)</u>	<u>\$ (920,001)</u>
Net District Cost	\$ 6,004,419	\$ 6,213,908	\$ 7,308,537	\$ 8,561,021	\$ 9,294,099
Avg. Student Tuition	\$22,596	\$23,608	\$24,772	\$24,746	\$24,851

Intergovernmental Revenue (State and Federal): \$22.8 Million

Intergovernmental revenues, including State Education Aid (Chapter 70 Aid), General State Aid, and Federal Medicaid Reimbursement, comprise 15% of the district's revenue. The district's State Education aid for FY 2014 is \$9 million, which is the projection for FY 2015. The City allocates an additional \$12.5 million in general state aid to the School Department's revenue budget. Revenues from the Federal Medicaid Reimbursement program are projected at \$1.2 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: \$1.6 Million

This category of revenue includes hotel/motel excise tax, parking fines and a transfer from the Debt Stabilization Fund. The Debt Stabilization Fund was established in FY 2005 to cover the costs of debt service. In FY 2015, a revenue transfer of \$563K from the Debt Stabilization Fund to the general fund is planned as an offset to debt service expenses for prior elementary projects, and the district's share of the War Memorial renovation project which was completed in the fall of 2008. Transfers from the Debt Stabilization Fund will end after FY 2018 when the final debt service payment is due.

B. Projected Expenditures

Total expenditures are projected to equal \$156.7 million in FY 2015, which is an increase of \$5.7 million (3.8%) over the FY 2014 Adopted Budget of \$150.9 million.

FY 2015 Projected Expenditures by Category

	FY 14 Adopted Budget	FY15 Projected Budget	Change
Salaries and Benefits			
Permanent Salaries	\$ 90,486,609	\$ 94,342,299	\$ 3,855,690
Temporary & Other Salaries	\$ 4,713,650	\$ 4,713,650	\$ -
Health	\$ 21,367,686	\$ 22,863,424	\$ 1,495,738
Dental	\$ 1,258,241	\$ 1,258,241	\$ -
Pensions - City	\$ 3,723,573	\$ 3,941,402	\$ 217,829
Medicare	\$ 1,163,936	\$ 1,270,044	\$ 106,108
Other Fringe Benefits	\$ 72,000	\$ 72,000	\$ -
Subtotal:	\$ 122,785,695	\$ 128,461,060	\$ 5,727,589
Other Expenditures			
Instructional Materials /Services	\$ 1,788,098	\$ 1,788,098	\$ -
Professional & Technical Services	\$ 2,030,187	\$ 2,030,187	\$ -
Other Supplies and Services	\$ 2,286,586	\$ 2,286,586	\$ -
Special Education and Vocational Tuition	\$ 7,776,692	\$ 7,776,692	\$ -
Student Transportation	\$ 5,995,245	\$ 6,101,311	\$ 106,066
Energy/Fuel/Telephones	\$ 4,132,813	\$ 4,054,472	\$ (78,341)
Facilities Maintenance	\$ 1,730,648	\$ 1,730,648	\$ -
Technology	\$ 867,199	\$ 867,200	\$ -
Workshop stipends, Training, Conferences	\$ 890,160	\$ 890,160	\$ -
Equipment	\$ 119,455	\$ 119,455	\$ -
Debt Service	\$ 586,667	\$ 563,767	\$ (22,900)
Subtotal	\$ 28,203,750	\$ 28,208,575	\$ 4,825
Grand Total	\$ 150,989,445	\$ 156,721,860	\$ 5,732,414

Permanent and Temporary Salaries: \$99.1 Million

Permanent and temporary salaries, which make up 63% of the total budget, are projected to increase by \$3.9 million, which is a 4.3% increase over the FY 2014 Adopted Budget. Approximately \$2.6

million of this increase is due to a 2.0% cost of living increase to all permanent salaries, and step and degree increments for existing, eligible employees. Approximately \$900K of the increase is due to additional staff positions added to the base budget in order to respond to increases in enrollment in the Sheltered English Immersion program (5.0 FTEs) and the Special Start program (3.0 FTEs), and to respond to the need for additional specialist teachers (Health, Art, Drama) at the Upper Schools (2.6 FTEs). In addition, the salary projection includes \$350K in salaries for reserve teacher and aide positions. These vacant positions are budgeted and held in reserve to enable the district to respond to enrollment driven needs for additional teachers or aides that may arise during the school year.

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

Expense	Amount
Steps & Cost of Living	\$2.6M
Staff Increases due to enrollment	\$.9M
Teacher /Aide Reserves	<u>\$.4M</u>
TOTAL	\$3.9M

Health and Dental Insurance: \$24.1 Million

The district's projected FY 2015 cost for providing health insurance to employees is \$22.8 million, an increase of 7% or \$1.5 million over FY 2014 costs. Dental insurance costs are \$1.3 million and are not expected to increase in FY 2015. Together, expenditures for health and dental insurance comprise 15% of the district's total general fund budget.

Pension: \$3.9 Million

Pension costs are projected to increase by 5.8 %. 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 Services \$1.8 Million

This category includes expenditures for instructional materials and supplies by schools, the Special Education Department, and the Curriculum Departments as well as district-wide accounts for new classrooms and teachers' instructional materials reimbursement. School-based funds 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 students eligible for free and reduced lunch, English Language Learners and students with special needs.

Technology: \$870K

Technology costs include hardware and software expenditures and the cost of maintaining the district's network infrastructure. Approximately \$360K is budgeted in the Educational Technology department for the replacement of school-based instructional technology including desktop and laptop computers and smart boards. The district's goal is to replace instructional (teacher and student) devices within a 5-6 year cycle to provide current technology to meet the needs of teaching and learning. Those needs are assessed at each grade level and department to create a model that is both developmentally appropriate and instructionally aligned. In grades 3-12, the model is at a 2:1 ratio –i.e. one device per every two students--in order to support the integration of 21st Century skills such as communication, collaboration, and critical thinking with technology. In grades K-2, the model is a set of devices per classroom to accommodate small group work and the introductory experiences with technology.

Professional and Technical Services: \$2.0 Million

Expenditures in this category include payments to organizations that provide psychological testing and other assessment services, home-based tutoring services, nursing and other clinical services, mental health services, legal services, consulting services, and staff training. Payments to partners such as Cambridge School Volunteers and City Sprouts are also included in this category.

Utilities and Energy: \$4.0 Million

This expenditure category includes telephones, 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. The total cost for heating, cooling and electricity for district buildings is \$3.7 million. The chart below provides historical information.

Energy Costs FY 2010– FY 2015

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Q1 Estimate	FY 15 Projected
Fuel Oil	634,187	597,000	419,575	566,174	535,000	570,000
Electricity	2,015,879	2,352,113	2,285,000	2,259,122	2,259,120	2,300,000
Natural Gas	549,675	748,467	567,040	691,740	720,000	800,000
Gasoline & Oil	<u>63,499</u>	<u>22,641</u>	<u>26,107</u>	<u>26,710</u>	<u>34,472</u>	<u>34,472</u>
Total Energy	3,263,240	3,720,221	3,297,722	3,543,746	3,548,592	3,704,472

Special Education & Vocational Out of District Tuition: \$7.8 Million (*General Fund portion*)

Special Education out-of-district tuition costs are projected to total \$13.6 million in FY 2015. The district budgets this expense in the General Fund and the Grant Fund. For FY 2015, 57% of the cost of out-of-district tuitions (\$7.8 million) will be paid by the General Fund. The remaining 43% will be paid from the State Circuit Breaker Reimbursement program and the Federal Individuals with Disabilities Education Act (IDEA) grants. Reductions to the Circuit Breaker reimbursement rate or an increase in the number of students may increase the General Fund budget share of this cost. Vocational tuition is

budgeted at \$75K. In the current school year, four Cambridge students attend an out of district vocational school and no increases are anticipated.

Special Education Out-of-District Tuition Costs FY 2010– FY 2015

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Adopted	FY 15 Projected
TOTAL TUITION	12,043,207	11,922,201	13,074,666	13,011,514	13,797,725	13,709,887
FUNDING SOURCES:						
General Fund	10,366,370	9,404,637	7,354,761	6,615,155	7,676,692	7,656,691
Grant Fund: IDEA/ARRA	-	1,328,026	2,257,130	2,554,750	2,502,005	2,502,005
Grant Fund: Circuit Breaker	1,676,837	1,189,538	3,462,275	3,841,609	3,619,028	3,551,191

Transportation: \$6.1 Million

The district has contracts with two vendors to provide pupil transportation services for regular students (including athletics and field trips), special education students and homeless students. In FY 2015, the budget for transportation costs is projected to increase by \$106K as compared to the FY 2014 Adopted Budget. The chart below provides historical information about the cost of student transportation.

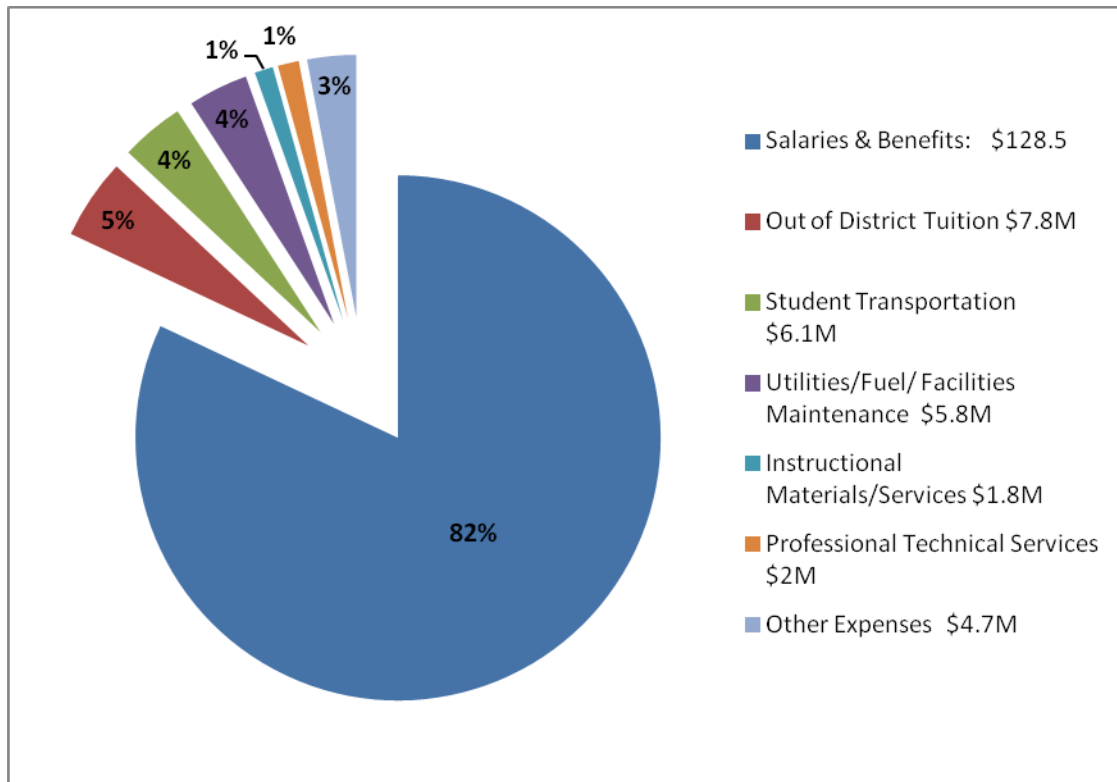
Pupil Transportation Costs FY 2010 – FY 2015

	FY 10 Actual	FY 11 Actual	FY 12 Actual	FY 13 Actual	FY 14 Adopted	FY 15 Projected
Regular Bus & Athletics	2,183,475	2,004,816	2,141,372	2,261,668	2,354,245	2,408,925
Special Education	3,039,604	2,813,126	2,942,016	3,331,207	3,409,000	3,447,986
Homeless	498,765	297,867	170,454	327,677	224,000	244,400
Vocational	<u>55,500</u>	<u>55,500</u>	<u>57,165</u>	<u>12,051</u>	<u>8,000</u>	<u>0</u>
Total Transportation	5,777,344	5,171,309	5,311,007	5,932,603	5,995,245	6,101,311

Facilities Maintenance: \$1.7 Million

This category includes expenditures for 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 FY 2014 Adopted Budget

FY 2015 Projected Expenditures by Category



II. Enrollment Projections

Student enrollment is of critical importance in the budget development process because enrollment determines staffing and employee costs largely drive the budget. The (SY2013/14) October 1, official enrollment for the current school year is 6,518 students, an increase of 125 students over SY2012/13 enrollment of 6,393. The projected enrollment for SY2014/15 is 6,698, an increase of 180 students.

- ❖ During the past seven years, district enrollment has increased by 12.4%, with an average annual increase of 1.7%.
- ❖ During the next 5 years (SY 2015 to SY 2019) enrollment is projected to increase by 511 students (8%).

A. Enrollment Projection Methodology

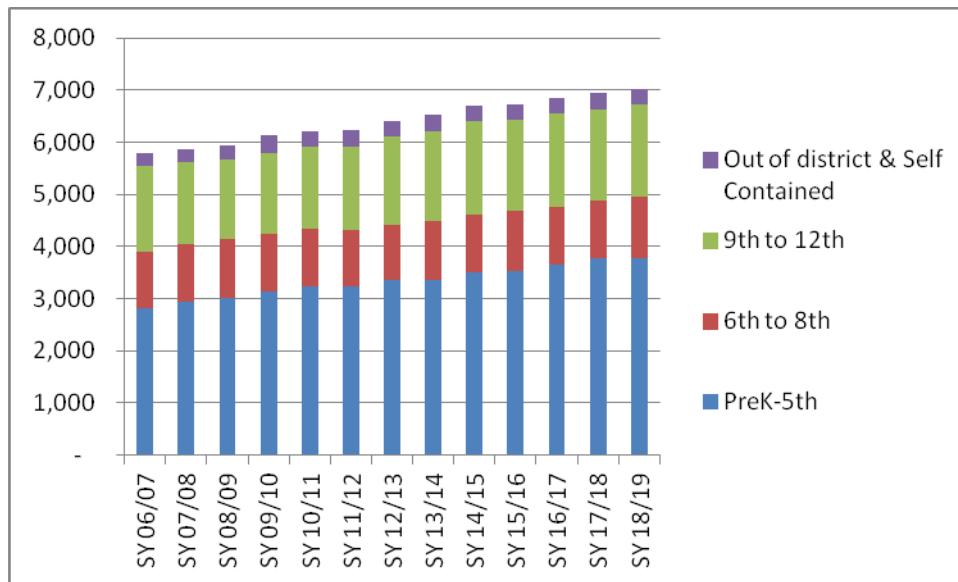
Enrollment for Grades 1-12 is projected using a five year weighted formula to calculate the average retention rate of students (i.e. students who progress to the next grade). The formula is structured such that the rate of retention between the most recent two years is given more weight than the rate of retention between years five and four and years four and three. Enrollment is projected both for the district as a whole and separately for each school. Kindergarten enrollment projections are based both on a percentage of births to Cambridge residents five year prior and on historical trends.

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. The table and graph below show historical data and projected trends in enrollment.

District Enrollment School Year 2006/07 to 2018/19

School Year	PreK-5th	6th to 8th	9th to 12th	Out of district & Self Contained	Total	Change from Prior Year	% Chg
SY 06/07	2,809	1,098	1,637	253	5,797		
SY 07/08	2,945	1,108	1,554	254	5,861	64	1.0%
SY 08/09	3,011	1,123	1,539	277	5,950	89	2.0%
SY 09/10	3,132	1,117	1,543	345	6,137	187	3.0%
SY 10/11	3,233	1,104	1,571	294	6,202	56	1.0%
SY 11/12	3,241	1,079	1,602	302	6,224	22	0.4%
SY 12/13	3,357	1,066	1,678	292	6,393	169	2.7%
SY 13/14	3,367	1,116	1,737	298	6,518	125	2.0%
PROJECTED							
SY 14/15	3,510	1,092	1,798	298	6,698	180	2.8%
SY 15/16	3,535	1,139	1,765	297	6,736	38	0.6%
SY 16/17	3,649	1,120	1,786	297	6,851	115	1.7%
SY 17/18	3,763	1,115	1,761	297	6,936	85	1.2%
SY 18/19	3,787	1,160	1,785	297	7,029	93	1.4%

District Enrollment School Year 2006/07 to 2018/19



B. 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 stipulated in the collective bargaining agreement with the Cambridge Educator's Association. Per the collective bargaining 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 average class size in grades kindergarten through eighth grade remains favorable. The chart below shows the average class sizes projected for SY 2014/15 compared to the average class size in the current school year.

Elementary and Upper School Average Class Size

Average K-8 Class Size	Current SY 13/14	Projected SY 14/15	Average Montessori Class Size	Current SY 13/14	Projected SY 14/15
Kindergarten	18	19	Children's House	22	23
Gr. 1 - 5	19	19	Lower Elementary	20	20
Gr. 6 - 8	21	20	Upper Elementary	21	20

Note: Does not include Sheltered English Immersion classrooms or self-contained special education classrooms.

C. Growth in Sheltered English Immersion and Special Start Programs

The number of students enrolled in the district's Junior Kindergarten to Grade 8 Sheltered English Immersion (SEI) program has increased 93% since SY 2006/07 (from 86 students to 163 students). In SY 2012/13, the district increased the total number of SEI JK-8 classrooms to nine in order to accommodate growing enrollment and to providing single grade classrooms for students in this program. Due to continued enrollment increases, particularly in the lower grades, the district added staff for a second kindergarten classroom and a fourth teacher for the Upper School SEI program at Vassal Lane to the FY 2014 budget. Despite the second kindergarten classroom, student enrollment during the fall exceeded available seats and two additional classrooms (kindergarten and 1st grade) have been added since the start of the school year. These additional classrooms will continue to be necessary next year, and the cost of staff for these classrooms is included in the preliminary budget estimate. The high school has also experienced an increase in students enrolled in SEI classes and may require additional staff if the trend continues.

Enrollment in the district's preschool program for students with special needs has also increased significantly during the past several years. Since SY 2006/09, the number of Special Start classrooms has increased from 7 to 12. In January 2014, the district will open a 13th classroom. Based on projections for next year, the district will continue to need the 13th classroom in SY 2014/15. The cost of staff for this classroom is included in the preliminary budget estimate.

III. Budget Growth Estimates for FY 2015 through FY 2019

An average annual growth rate of 3.8% is projected for total general fund expenditures during the four-year period FY 2016 through FY 2019.

- Salaries: Although collective bargaining agreements are not negotiated for FY 2016 through 2019, a 2% increase is assumed. An additional 1% is assumed for step and degree increments.
- Annual increases to health and dental insurance of 9% and 5% respectively; pension cost increases of 5%.
- Increases in energy costs of 3% and transportation costs of 3%.
- Special education tuition estimates assume a 2.5% increase in tuition and a 3% increase in Circuit Breaker Reimbursement for the period FY 2016 through FY 2019.
- Revenue assumptions include a 4.5% increase to the gross property allocation less an increase of \$1 million per year in charter school assessment.
- Elimination of transfer from Debt Stabilization in FY 2019
- No material change to other revenue sources.

Projected Expenditures and Revenues

FY 2015 – FY 2018

	Projected FY16	Projected FY17	Projected FY18	Projected FY19
Projected Expenditures	\$ 162,.8	\$ 169.1	\$ 175.7	\$ 182.1
<i>Expenditure Percent Increase</i>	3.9%	3.8%	3.9%	3.6%
Projected Revenues	\$ 162.3	\$ 168.5	\$ 175.1	\$ 181.4
<i>Revenue Percent Increase</i>	3.6%	3.8%	3.9%	3.6%
<i>Shortfall Revenues vs. Expenditures</i>	(\$.5)	(\$.5)	(\$.6)	(\$.7)

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 2014/15 Enrollment Projection by School and Grade

Five Year Financial Forecast
REVENUE PROJECTIONS

TABLE I

	Adjusted FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18
Property Taxes					
Real Estate Taxes	\$ 127,261,830	\$ 132,889,923	\$ 138,869,970	\$ 145,119,118	\$ 151,649,478
Less: Net Charter School impact	\$ (700,000)	\$ (700,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
Subtotal: Net Property Tax Levy	\$ 126,561,830	\$ 132,189,923	\$ 137,869,970	\$ 144,119,118	\$ 150,649,478
Intergovernmental Revenue					
State Ch70 Education Aid	\$ 9,053,610	\$ 9,053,610	\$ 9,053,610	\$ 9,053,610	\$ 9,053,610
State School Lunch Aid	\$ 29,280	\$ 29,280	\$ 29,280	\$ 29,280	\$ 29,280
General State Aid	\$ 12,522,055	\$ 12,522,055	\$ 12,522,055	\$ 12,522,055	\$ 12,522,055
Federal Medicaid Reimbursement	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Subtotal: Intergovernmental Revenue	\$ 22,804,945	\$ 22,804,945	\$ 22,804,945	\$ 22,804,945	\$ 22,804,945
Miscellaneous Revenue					
Hotel/Motel Excise Tax	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000	\$ 936,000
Fines & Forfeits - Parking Fines	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
McKinney-Vento Transportation Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Debt Stabilization Fund	\$ 586,667	\$ 563,767	\$ 540,867	\$ 517,967	\$ 495,067
Subtotal: Miscellaneous Revenues	\$ 1,622,667	\$ 1,599,767	\$ 1,576,867	\$ 1,553,967	\$ 1,531,067
COMCAST		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
PROJECTED REVENUE BUDGET	\$ 150,989,442	\$ 156,669,635	\$ 162,326,782	\$ 168,553,030	\$ 175,060,490
<i>Percent Increase</i>	4.1%	3.8%	3.6%	3.8%	3.9%
Difference	\$ 6,001,737	\$ 5,680,193	\$ 5,657,147	\$ 6,226,249	\$ 6,507,460

1/7/2014

Five Year Financial Forecast
EXPENDITURES

TABLE II

	Actual FY13	Adopted Budget FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18	Projected FY19
Salaries and Benefits							
Permanent Salaries	\$ 85,844,872	\$ 90,486,609	\$ 94,342,299	\$ 97,172,568	\$ 100,087,745	\$ 103,090,377	\$ 106,183,089
Temporary & Other Salaries	\$ 5,112,315	\$ 4,713,650	\$ 4,713,650	\$ 4,831,491	\$ 4,952,279	\$ 5,076,085	\$ 5,202,988
Health	\$ 20,397,606	\$ 21,367,686	\$ 22,863,424	\$ 24,921,132	\$ 27,164,034	\$ 29,608,797	\$ 32,273,589
Dental	\$ 1,248,354	\$ 1,258,241	\$ 1,258,241	\$ 1,321,153	\$ 1,387,211	\$ 1,456,571	\$ 1,529,400
Pensions - City	\$ 3,517,783	\$ 3,723,573	\$ 3,941,402	\$ 4,177,886	\$ 4,428,559	\$ 4,694,273	\$ 4,975,929
Medicare	\$ 1,221,196	\$ 1,163,936	\$ 1,270,044	\$ 1,308,145	\$ 1,347,390	\$ 1,387,811	\$ 1,429,446
Other Fringe Benefits	\$ 127,765	\$ 72,000	\$ 72,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Subtotal:	\$ 117,469,891	\$ 122,785,695	\$ 128,461,060	\$ 133,807,376	\$ 139,442,217	\$ 145,388,915	\$ 151,669,440
			82%				
Other Expenditures							
Instructional Materials/Supplies/Services	\$ 1,827,651	\$ 1,788,098	\$ 1,788,098	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Professional & Technical Services	\$ 2,340,336	\$ 2,030,187	\$ 2,030,187	\$ 2,091,093	\$ 2,153,825	\$ 2,218,440	\$ 2,284,993
Other Supplies and Services	\$ 1,821,689	\$ 2,286,586	\$ 2,286,586	\$ 2,286,586	\$ 2,286,586	\$ 2,286,586	\$ 2,286,586
Special Educ and Vocational Tuition	\$ 6,764,227	\$ 7,776,692	\$ 7,776,692	\$ 8,043,177	\$ 8,264,761	\$ 8,531,836	\$ 8,784,523
Student Transportation	\$ 6,116,846	\$ 5,995,245	\$ 6,101,311	\$ 6,101,311	\$ 6,253,016	\$ 6,544,828	\$ 6,703,898
Energy/Fuel/Telephones	\$ 3,826,271	\$ 4,132,813	\$ 4,054,472	\$ 4,256,797	\$ 4,384,501	\$ 4,516,036	\$ 4,651,517
Facilities Maintenance	\$ 1,791,081	\$ 1,730,648	\$ 1,730,648	\$ 1,730,648	\$ 1,730,648	\$ 1,730,648	\$ 1,730,648
Technology	\$ 964,533	\$ 867,199	\$ 867,199	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Workshop stipends, Training, Conferences	\$ 789,638	\$ 890,160	\$ 890,160	\$ 890,160	\$ 890,160	\$ 890,160	\$ 890,160
Equipment	\$ 192,537	\$ 119,455	\$ 119,455	\$ 119,455	\$ 119,455	\$ 119,455	\$ 119,455
Debt Service	\$ 609,568	\$ 586,667	\$ 563,767	\$ 563,767	\$ 540,867	\$ 517,967	
Subtotal	\$ 27,044,377	28,203,750	\$ 28,208,575	28,982,994	29,523,820	30,255,957	30,351,781
Grand Total	\$ 144,514,267	\$ 150,989,445	\$ 156,669,635	\$ 162,790,370	\$ 168,966,038	\$ 175,644,872	\$ 182,021,221
<i>Total Expenditure Percent Increase</i>				3.9%	3.8%	4.0%	3.6%
Total Revenue	144,987,705	150,989,442	156,669,635	162,326,782	168,553,030	175,060,490	181,389,650
<i>Total Revenue Percent Increase</i>				3.6%	3.8%	3.9%	3.6%
<i>Variance Revenues to Expenditures</i>			\$ (0)	(463,589)	(413,008)	(584,382)	(631,571)

TABLE III

Ten Year Enrollment History																			Incr/(Decr) from Prior Yr.
Year	Births 5-yr's previous	Pre-K	MK	K	1	2	3	4	5	6	7	8	9	10	11	12	Self-Cont'd & Out of District	Tot	
2003-04		55		694	489	466	479	443	454	467	465	460	474	505	508	500	297	6756	(355)
	923																		
2004-05		50		708	461	462	441	445	398	440	420	438	433	471	506	499	278	6450	(306)
	1041																		
2005-06		52		730	408	421	430	407	412	387	350	375	417	441	454	440	277	6001	(449)
	946																		
2006-07		70		689	458	386	413	413	380	391	365	342	393	397	429	418	253	5797	(204)
	982																		
2007-08		74	37	761	432	443	397	391	410	371	377	360	394	385	378	397	254	5861	64
	1041																		
2008-09		93	38	763	490	414	415	401	397	388	367	368	429	378	376	356	277	5950	89
	1071																		
2009-10		92	40	813	494	471	412	416	394	371	383	363	436	391	376	340	345	6137	187
	998																		
2010-11		97	37	872	491	466	475	398	397	380	349	374	400	408	420	343	294	6202	65
	1127																		
2011-12		98	37	849	514	475	436	447	384	394	340	344	419	396	410	379	302	6224	22
	1194																		
2012-13		107	37	935	465	495	466	411	441	362	362	342	451	428	404	395	292	6393	169
	843																		
2013-14		138	35	888	565	444	459	440	398	404	336	376	451	450	451	385	298	6518	125
5 Year AVG Survival Rate		(PK) 1.00	1.000	(K) *	(K-1) 0.589	(1-2) 0.958	(2-3) 0.959	(3-4) 0.950	(4-5) 0.972	(5-6) 0.946	(6-7) 0.925	(7-8) 1.008	(8-9) 1.239	(9-10) 0.989	(10-11) 1.034	(11-12) 0.937	0.842		

Enrollment Projections SY 14-15 to SY 18-19

2014-15	1250	139	37	942	569	539	420	432	432	370	385	337	451	445	471	431	298	6698	180
	1180																		
2015-16		139	40	920	555	545	517	399	420	409	342	388	418	446	460	441	297	6736	38
	1275																		
2016-17		139	40	995	542	532	523	491	388	397	378	345	481	413	461	431	297	6851	115
2017-19		139	40	995	586	520	510	497	477	367	367	381	427	475	427	432	297	6936	85
2018-18		139	40	995	586	561	498	484	483	451	339	370	472	422	491	400	297	7029	94

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.

TABLE IV

**PROJECTED SY 14-15 Enrollment
by School and Grade**

School	SPED Self-																	SY14/15 PROJECTED	SY13/14 Current Yr
	Cont.	P/K	M/3	M/4	K	1	2	3	4	5	6	7	8	9	10	11	12	Oct 1 Enroll	Oct 1 Enroll
Amigos					75	47	46	40	38	26	24	31	21					348	343
Baldwin	6	30			75	48	45	41	41	44								330	323
Cambridgeport	3	23			75	48	47	37	38	31								302	280
Fletcher-Maynard Acad.	23	18			68	37	34	21	23	30								254	235
Graham & Parks	5	7			56	38	48	28	34	41								257	255
G & P SEI					20	21	24	14	13	14								106	104
School Total																		363	359
Haggerty					75	48	42	33	33	31								262	248
Kennedy/Longfellow		15			58	29	32	23	35	32								224	240
Kennedy/Longfellow SEI					20	11												31	15
School Total																		255	255
King					56	29	36	36	28	28								213	194
King Mandarin					40	25	17											82	73
School Total																		295	267
King Open	13				75	45	40	40	34	37								284	270
King Open Ola'					19	13	12	6	8	7								65	64
School Total																		349	334
Morse	27	18			75	46	38	31	35	34								304	281
Peabody		16			77	47	43	41	41	45								310	311
Tobin Montessori		12	37	39	39	37	35	29	31	32								291	287
Elem Sub-Total	77	139	37	39	903	569	539	420	432	432	24	31	21					3663	3523
Cambridge St. Upper School	12										85	86	73					256	267
Putnam Ave Upper School	18										85	80	68					251	246
Rindge Ave Upper School	8										78	91	83					260	282
Vassal Lane Upper School	22										90	80	77					269	258
Vassal Lane Upper School SEI											8	17	15					40	44
																		309	302
Upper Sub-Total	60										346	354	316					1076	1097
CRLS	2													445	431	453	409	1740	1688
High School Extension Prog.														6	14	18	22	60	51
Secondary Subtotal	2													451	445	471	431	1800	1739
Spec Ed Tuition-Out																		159	159
Total Projected Enrollment	139	139	37	39	903	569	539	420	432	432	370	385	337	451	445	471	431	6698	6518