

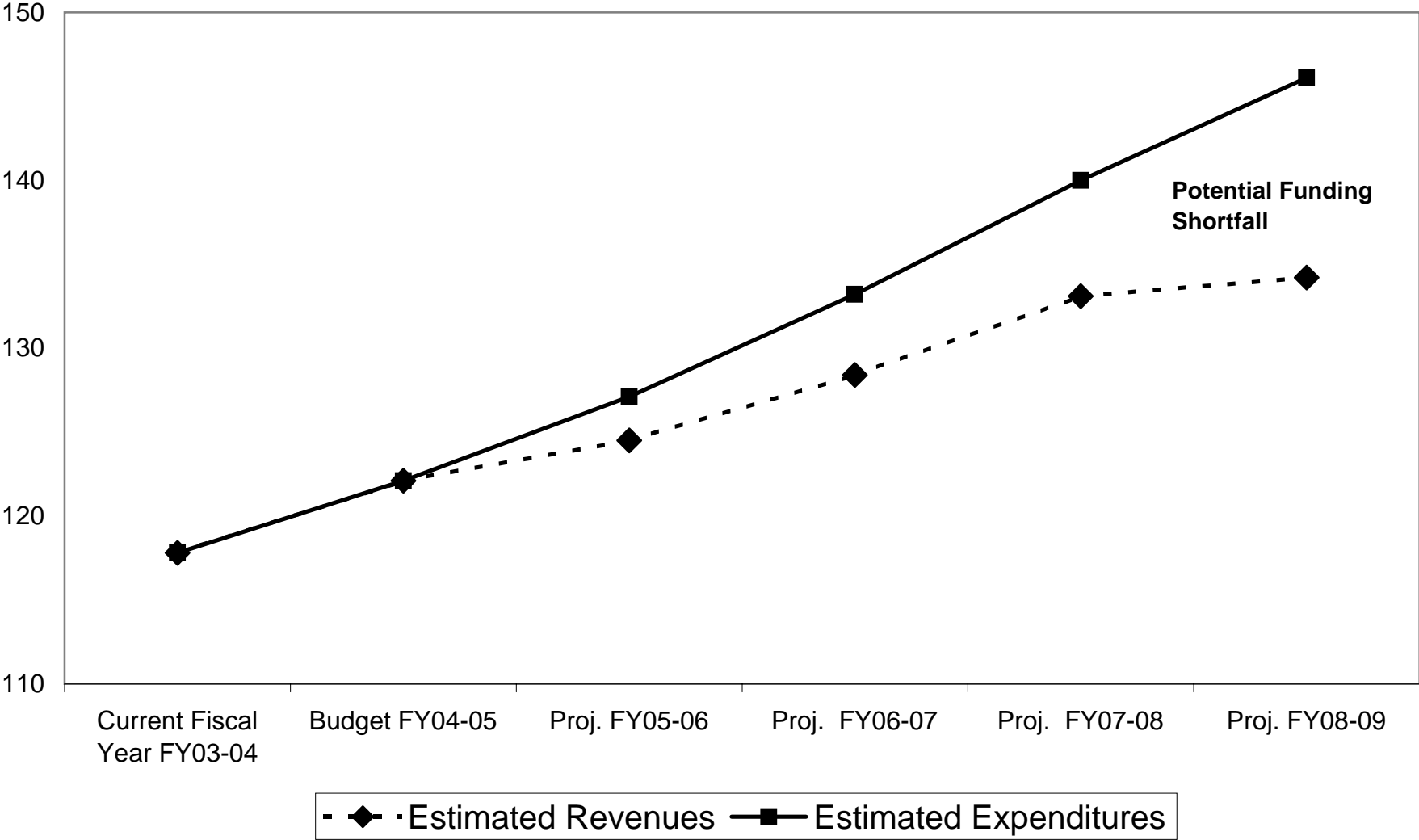
Cambridge Public Schools
Five-Year Financial Estimates

Presentation to School Committee

December 2, 2003

Summary - Projected Revenues vs. Projected Expenditures

(Millions of \$)



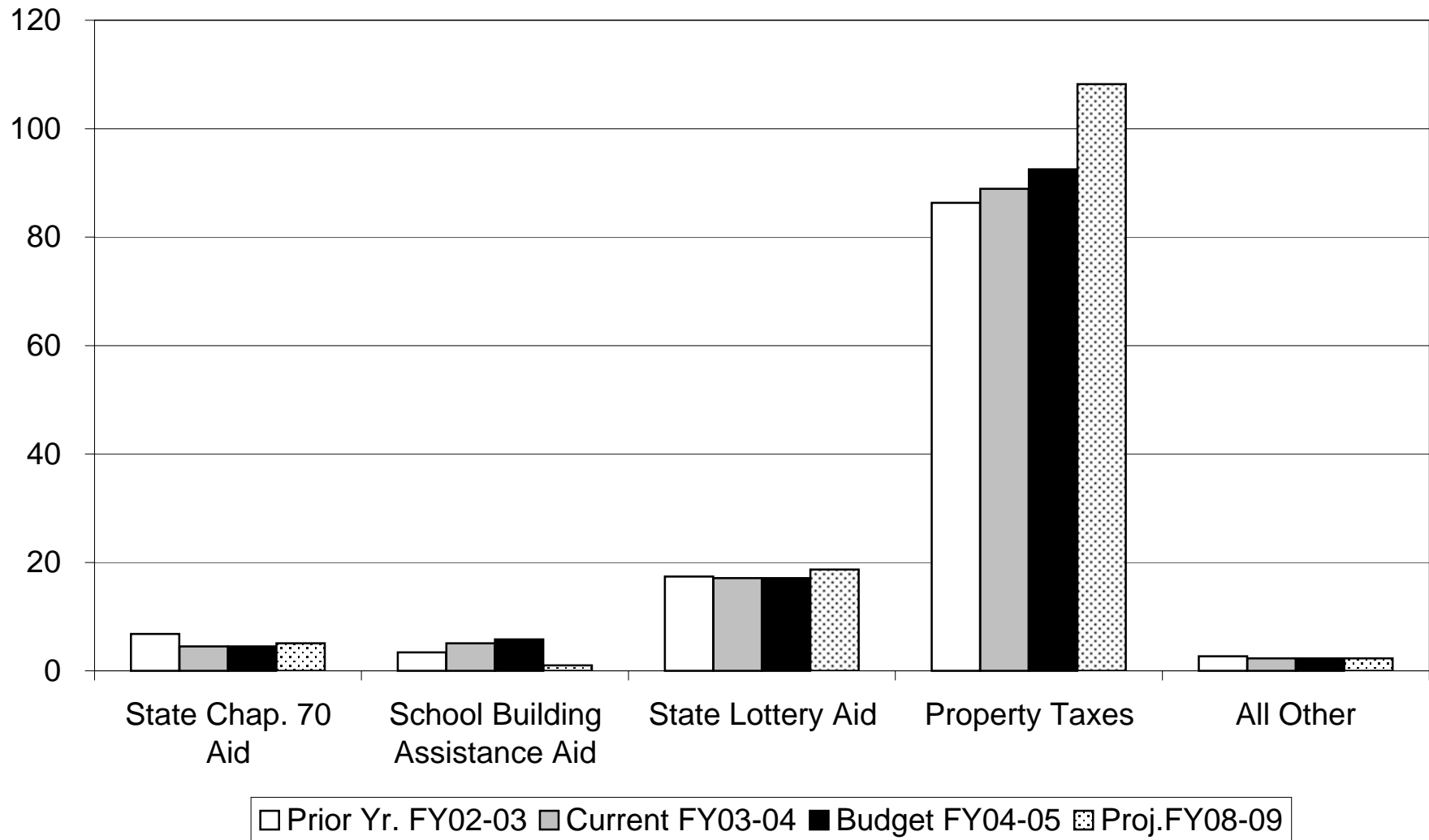
Projected Revenues vs. Projected Expenditures - General Fund Budget

		<u>Current Fiscal Yr. FY03-04</u>	<u>Budget FY04-05</u>	<u>Budget FY05-06</u>	<u>Budget FY06-07</u>	<u>Budget FY07-08</u>	<u>Budget FY08-09</u>		
Estimated Revenues	<i>% incr.</i>	1.1%	3.7%	2.0%	3.1%	3.7%	0.8%	avg.	2.7%
Estimated Expenditures	<i>% incr.</i>	1.1%	3.7%	4.1%	4.8%	5.1%	4.4%		4.4%
Difference		0.0%	0.0%	-2.1%	-1.7%	-1.4%	-3.6%		-1.8%
Potential Funding Shortfall (Millions)		\$ -	\$ -	\$ (2.6)	\$ (4.8)	\$ (6.9)	\$ (11.9)		

5-Year Revenue Estimates

- State CH 70 Education Aid level for next 2 years, then increasing by 3% annually
- Assumes current level of Charter School enrollments
- School Building Assistance declining from \$5.1 mil. to \$0 by FY08-09
- General state aid to City level for next 2 years, then increasing by 3% annually.
- Property taxes funding increases by 4% in FY04-05, and 4% thereafter
- No changes in other revenues

Estimated Revenues In Millions

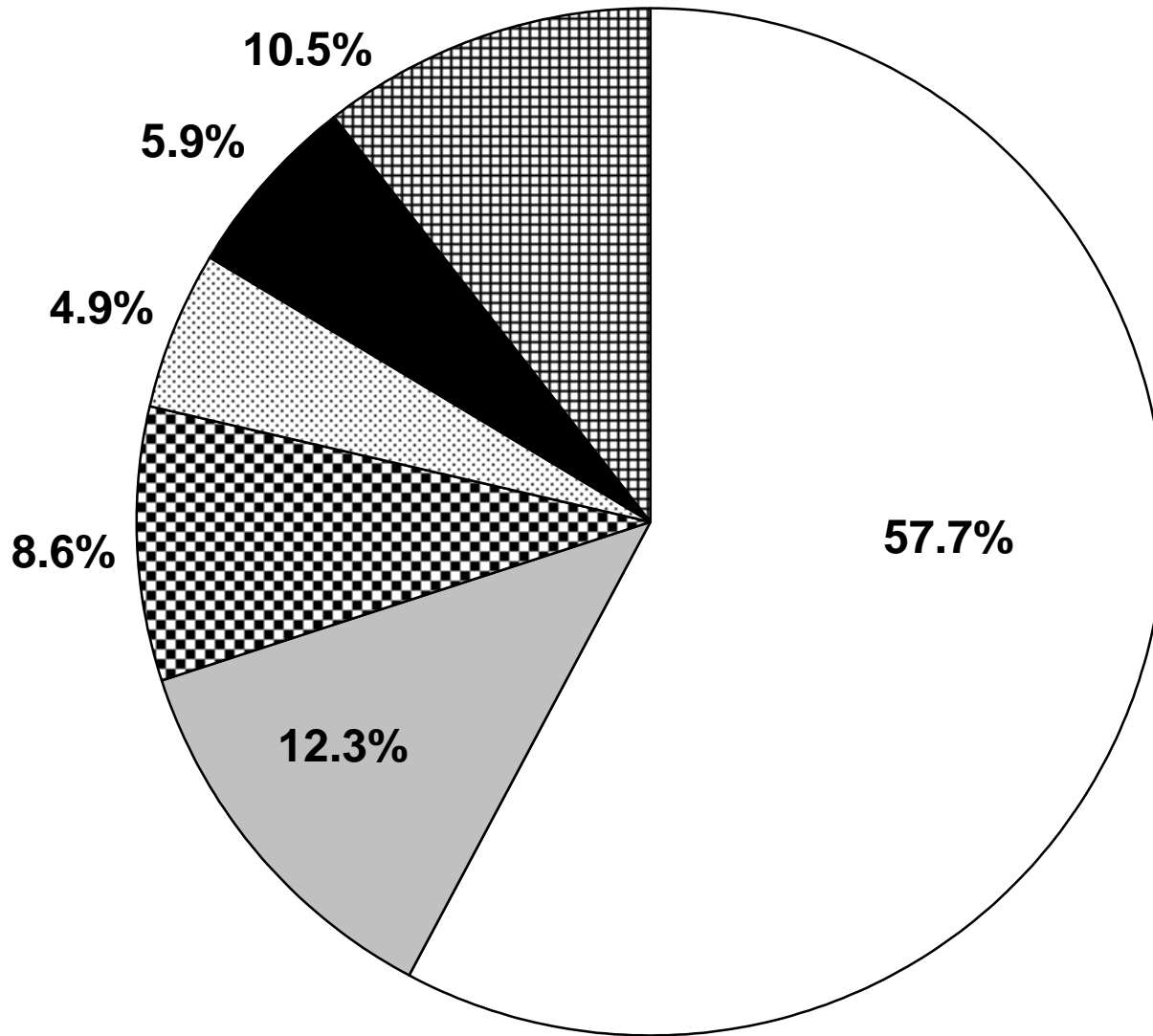


Estimated Revenues - Selected Items Impacting the Budget									
		Prior Yr.	% of	Current	% of	Budget	% of	Proj.	% of
		<u>FY02-03</u>	<u>Bgt</u>	<u>FY03-04</u>	<u>Bgt</u>	<u>FY04-05</u>	<u>Bgt</u>	<u>FY08-09</u>	<u>Bgt</u>
1.	State Chap. 70 Aid less Charter Sch. Tuition	\$ 6.8 mil	5.8%	4.5	3.8%	4.5	3.7%	5.1	3.8%
2.	School Building Assistance Aid	3.4	2.9%	5.1	4.3%	5.8	4.7%	0.0	0.0%
3.	State Lottery Aid	17.4	14.9%	17.1	14.5%	17.1	14.0%	18.7	13.9%
4.	Property Taxes	86.3	74.0%	88.9	75.4%	92.5	75.7%	108.2	80.6%
5.	All Other	<u>2.7</u>	<u>2.3%</u>	<u>2.3</u>	<u>2.0%</u>	<u>2.3</u>	<u>1.9%</u>	<u>2.3</u>	<u>1.7%</u>
	Total	\$ 116.6	100.0%	117.9	100.0%	122.1	100.0%	134.2	100.0%

5-Year Expenditure Estimates

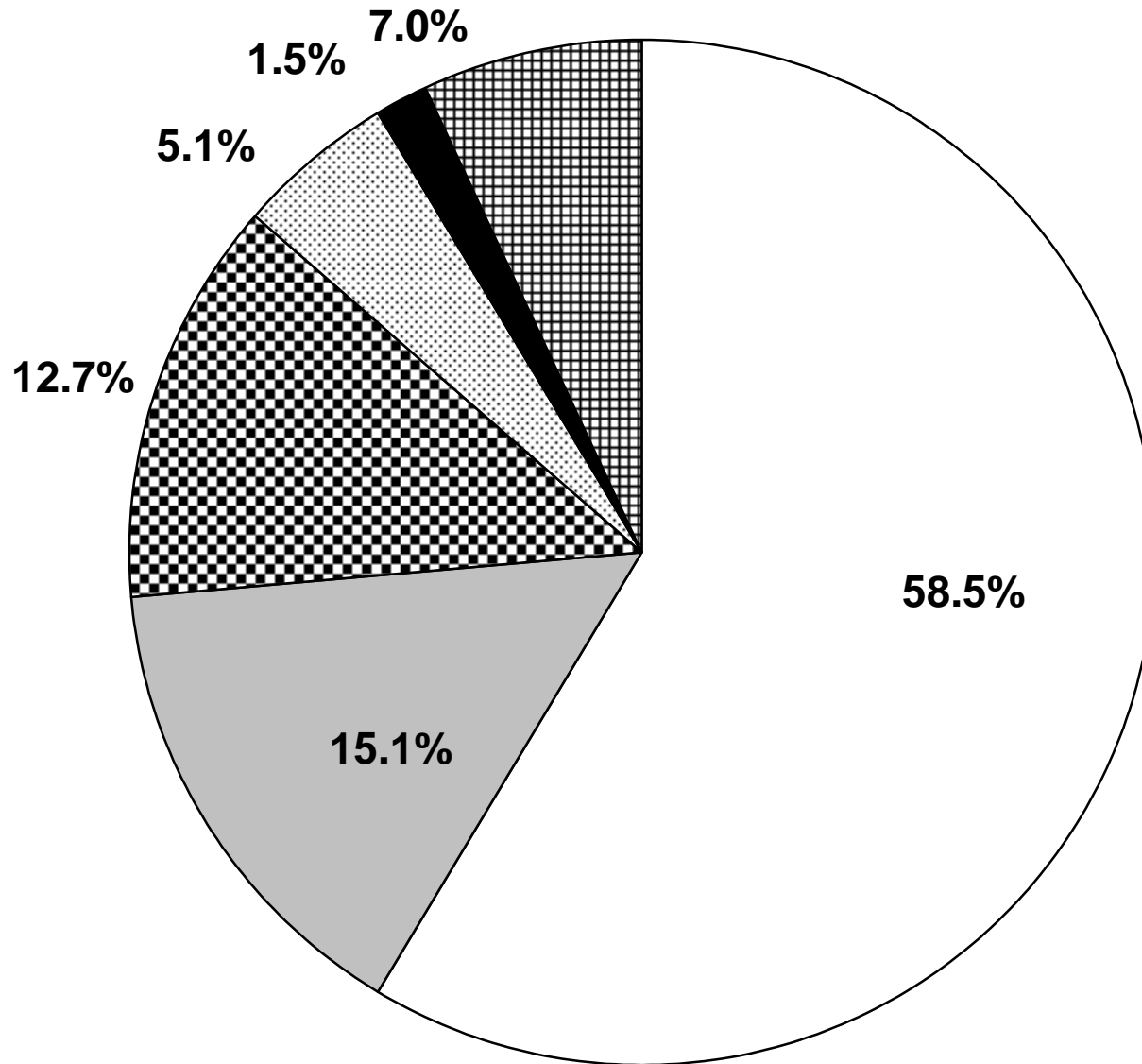
- Salary increases each year for next 5 years - 3% delayed in FY03-04 and FY04-05 and 4 1/4% in FY05-06, 3% thereafter
- Salary step & degree increments of approx. 1% per year
- Special Education tuition increases of 12% per year, plus impact of "Circuit-Breaker" underfunding (est \$475 K)
- Energy and Transportation cost increases of approx. 5.5% per year
- Health insurance and fringe benefits increases of 8.5 - 9% per year
- Debt Service costs decline by \$4.8 million over 5 years (68%)
- Minuteman tuition costs decline by \$1.5 million over next two years
- Consolidation Plan 1-time costs (\$940K) eliminated in FY04-05

Major Budget Items as % of Budget
Base Budget FY03-04



- | | | |
|---------------------------|-----------------------------|-----------------------------|
| □ Salary Increases | ■ Health insurance & Fringe | ▣ Special Educ. Tuitions |
| ▤ Transportation & Energy | ■ Debt Costs Decrease | ▥ All Other - Incr. & Decr. |

Major Budget Items as % of Budget FY08-09 Projected



- | | | |
|---------------------------|-----------------------------|-----------------------------|
| □ Salary Increases | ■ Health insurance & Fringe | ▣ Special Educ. Tuitions |
| ▤ Transportation & Energy | ■ Debt Costs Decrease | ▥ All Other - Incr. & Decr. |

Estimated Expenditure Increases & Decreases - Selected Items Impacting the Budget

Base Bgt FY03-04	% of Bgt.	(Amounts in Thousands)	<i>Estimated Increases and Decreases</i>				
			Budget FY04-05	Proj. FY05-06	Proj. FY06-07	Proj. FY07-08	Proj. FY08-09
\$ 68,066	57.7%	1. Salary Increases (incl. step & degree incr.)	3,754	4,219	3,040	3,147	3,258
14,525	12.3%	2. Health insurance & Fringe	1,241	1,361	1,493	1,637	1,796
10,176	8.6%	3. Special Educ. Tuitions	1,896	1,368	1,532	1,716	1,922
5,745	4.9%	4. Transportation & Energy	293	317	341	369	398
7,009	5.9%	5. Debt Costs Decrease	(1,353)	(1,518)	(392)	(173)	(1,353)
2,136	1.8%	6. Minuteman Tuitions	(768)	(727)	32	33	35
1,000	0.8%	7. 1-Time Costs (Cons. Plan)	(940)	-	-	-	-
<u>9,215</u>	<u>7.8%</u>	8. All Other - Incr. & Decr.	<u>57</u>	<u>57</u>	<u>57</u>	<u>57</u>	<u>57</u>
\$ 117,872	100.0%	Total	\$ 4,180	\$ 5,077	\$ 6,103	\$ 6,786	\$ 6,113