

Cambridge Public Schools

FY07-08 Budget

Five-Year Financial Estimates

Presentation to School Committee

January 30, 2007

5-Year Revenue Estimates

-	State CH 70 Education Aid estimated to remain level
-	School Building Assistance level in FY07-08 but declining from \$3.9 mil. to \$0 in FY08-09
-	General state aid to City estimated to remain level
-	Property taxes funding increases by 3.5% in FY07-08, and 4% thereafter
-	Assumes increase in Charter School enrollments to reflect growth of Cambridge Community Charter School - loss of additional <u>\$1.1million</u> in state aid in FY07-08 due to Charter School tuition cost increases. Increasing to <u>\$10.4 million</u> by FY11-12.
-	Assumes partial use of Debt Stabilization Fund in FY08-09 thru FY10-11 to offset cost of unreimbursed school construction bonds.
-	No changes in other revenues

<u>Estimated Revenues - Selected Items Impacting the Budget</u>							
<i>(amounts in \$million)</i>							
	Prior Yr.	Current		Budget	Proj.		Proj.
	<u>FY05-06</u>	<u>FY06-07</u>		<u>FY07-08</u>	<u>FY08-09</u>	<u>FY11-12</u>
1. State Chap. 70 Aid	\$ 7.1	7.8		7.8	7.8		7.8
2. State School Building Assistance	4.6	3.9		3.9	0.0		0.0
3. State Lottery Aid	14.4	13.8		13.8	13.8		13.8
4. Local Taxes	96.2	99.5		102.9	106.9		119.6
less Charter Sch. Tuition	(0.5)	(1.8)		(2.9)	(4.5)		(8.0)
5. Debt Stabilization	0.0	0.0		0.0	2.2		0.0
6. All Other	<u>2.2</u>	<u>2.2</u>		<u>2.2</u>	<u>2.2</u>		<u>2.2</u>
Total	\$ 124.0	\$ 125.4		\$ 127.7	\$ 128.4		\$ 135.4
Percentage Change		1.13%		1.83%	0.55%		

5-Year Expenditure Estimates - Major Changes

1.	Salary increases each year for next 5 years - 2% mid-year in FY07-08 (\$1.7 million), 2.9% (\$2.9 million) in FY08-09, and 3% thereafter.
2.	Salary step & degree increments increase approximately 1.3% per year, but longevity payments declining due to previous negotiated phase-out over several years.
3.	Budget reduction - elimination of funding for 1-time FY06-07 bonus payments (\$520k)
4.	Health insurance & benefits increase - 9% in FY07-08 (\$1.3 million), and 10% thereafter
5.	Special Education tuition increases of 5% per year (\$427,000 in FY07-08) less 1-time FY06-07 savings of \$1.5 million due to reduced FTE and "Circuit-Breaker" reimb.
6.	Transportation annual cost increases of 7%, and Energy cost increases of 5-6%.
7.	Minuteman tuition costs decline by \$129,000 in FY07-08 due to reduced enrollment.
8.	Non-recurring costs eliminated in FY07-08: \$200,000 in start-up materials for new TERC math curriculum purchased in FY06-07, and \$25,000 in 1-time discretionary funds for new CRLS principal.
9.	Debt Service current costs decline by \$3.6 million over 5 years, from \$3.7 mil to \$500K, offset by level funding debt budget at \$2.0 million for future projects.

Estimated Expenditure Increases & Decreases - Selected Items Impacting the Budget							
Base Bgt <u>FY06-07</u>	% of Bgt.	(Amounts in Thousands)	<i>Estimated Increases and Decreases</i>			Projected Total <u>FY11-12</u>	% of Bgt.
			Budget <u>FY07-08</u>	Proj. <u>FY08-09</u>	Proj. <u>FY11-12</u>		
\$ 74,880	59.7%	1. Salaries & Wages (incl. step & degree incr.)	2,018	3,672	3,014	89,425	59.8%
17,686	14.1%	2. Health Insur. & Fringe	1,310	1,513	1,997	25,838	17.3%
6,022	4.8%	3. Energy & Facilities	221	234	307	7,322	4.9%
8,647	6.9%	4. Special Educ. Tuitions	(967)	430	502	9,540	6.4%
577	0.5%	5. Technical/Career Ed. Tuit.	(129)	59	26	646	0.4%
3,920	3.1%	6. Transportation	274	294	360	5,499	3.7%
2,341	1.9%	7. Educational Mat/Supp/Svcs	(200)	-	-	2,341	1.6%
4,205	3.4%	8. Debt Service Costs	(173)	(1,353)	-	2,000	1.3%
<u>7,084</u>	<u>5.7%</u>	9. All Other	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>6,857</u>	<u>4.6%</u>
\$ 125,362	100%	Total	2,329	4,849	6,206	\$ 149,468	100%

