



CAMBRIDGE PUBLIC SCHOOLS

Five Year Financial Forecast Fiscal Years 2010 – 2014

Presentation to School Committee

December 16, 2009



Purpose of Five Year Financial Forecast

- Financial estimate for five year period allows for long-range financial planning
- Planning tool for developing the annual School Department operating budget



FY 2010 Financial Forecast Summary

	Revenues	Expenditures	Difference
FY 2009 Adopted Budget	\$130.7	\$130.7	
FY 2010 Estimated Increase	<u>3.0</u> (2.32%)	<u>7.1</u> (5.4%)	<u>(\$4.1)</u>
FY 2010 Projected Budget	\$133.7	\$137.8	(\$4.1)



Assumptions

- Current level of services to students and staff is maintained
- Flexible funding in School budgets (SIP funds, PDP funds, base rates) is maintained
- Projections are a snapshot of a point in time, before we respond with measures such as staffing changes and changes in flexible non-salary spending.



FY 2010 Revenue Assumptions

General Fund Revenues

Property Tax - 4% increase \$4.1M	\$108.1
Reduction of FY 2009 Add'l Allotment	\$ (1.0)
Hotel/Motel—level funded	\$.9
Fines & Forfeitures—level funded	\$.1
SUBTOTAL	\$108.2

Intergovernmental Revenues

Chpt 70 Education Aid & Lottery, level funded	\$ 22.4
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Miscellaneous Revenues

Free cash—level funded	\$.3
Debt Stabilization fund	\$ 2.8
TOTAL REVENUE BUDGET	\$133.7



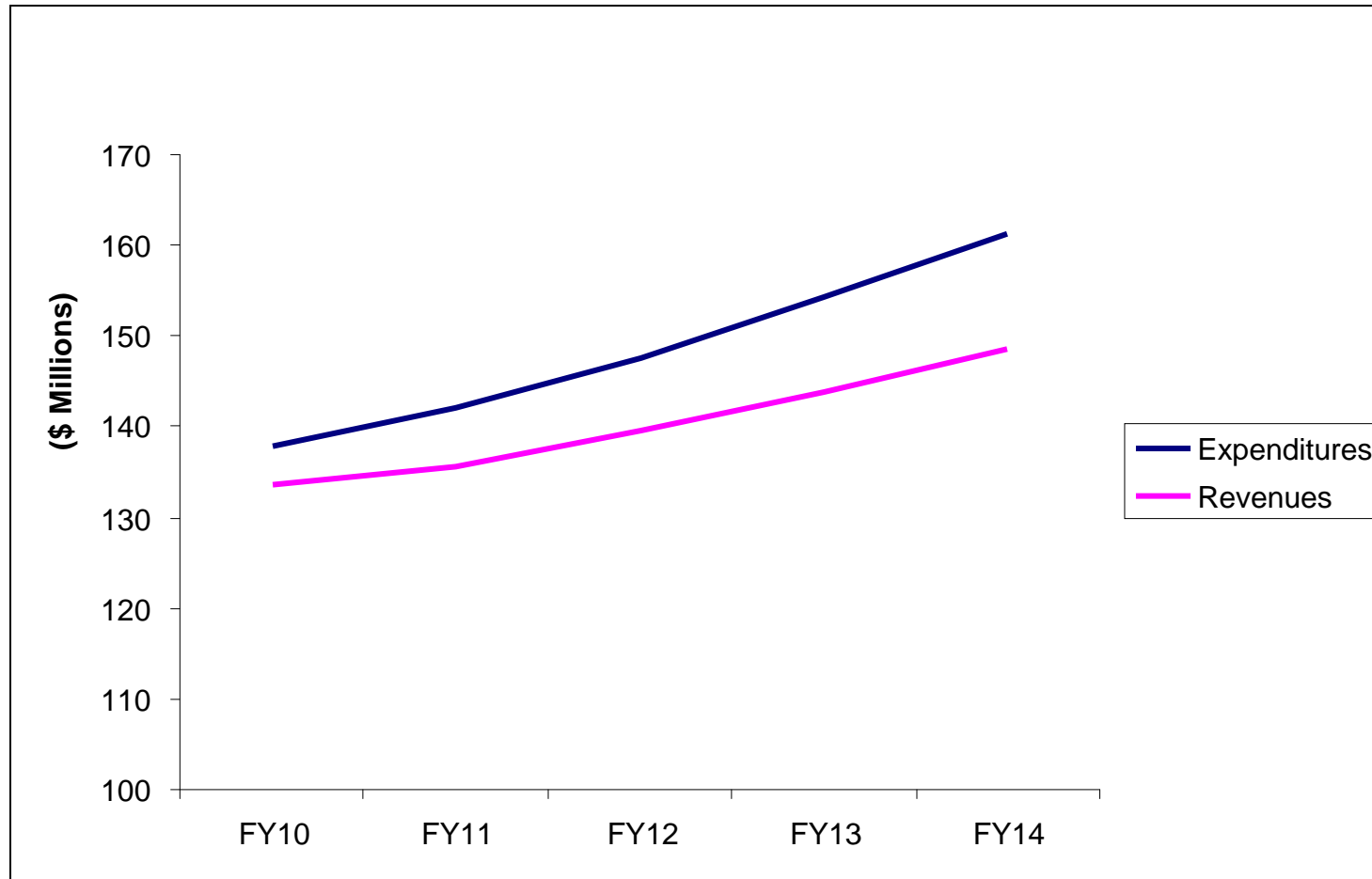
Projections for FY 2011 – 2014

Revenue average rate of growth:
2.77%

Expenditure average rate of growth:
4.22%



FY 2010 - 2014 Expenditure and Revenue Gap





Assumptions for FY 2011 – 2014

- GAP between projected revenues and expenditures:
 \$6.7M in FY 2011
 \$12.6M in FY 2014
- Projections reflect cumulative effect of differences between estimated revenues and expenditures over the five year period
- State law requires a balanced budget
- Steps taken to resolve the budget shortfall in FY 2010 may modify projected shortfalls in following years