

School Budget Overview – Fiscal Year 2009

Superintendent's Introductory Summary

William J. Cameron, Jr.
Superintendent of Schools

On May 20, 2008, the School Committee approved a budget for FY 2009 totaling \$44,376,000. This represents an increase of 3.1% over the \$43,040,189 that the School Committee approved for FY 2008, and that was subsequently appropriated by the City Council for the operation of the Salem Public Schools from July 1, 2007 through June 30, 2008.

In fact, because of undisclosed deficit spending in FY 2006 and FY 2007, and because of an FY 2008 budget that was seriously unbalanced, the Salem Public Schools spent at a level in FY 2008 that was considerably in excess of the appropriated sum. Due mainly to two factors -- the extraordinary generosity of Salem's citizens and of segments of the city's business, academic, not-for-profit, and charitable communities; and the enactment of special legislation that Gov. Duval Patrick signed into law on January 31, 2008 -- the Salem Public Schools operated at an eventually approved FY 2008 funding level of \$44,555,484. With this as the basis for comparison, the FY 2009 budget approved by the School Committee on May 19, 2008, represents a *decrease of 0.04%* from FY 2008's actual expenditure level.

The adjustment to a fiscally realistic, balanced budget has not been painless. Some of what the district has had will now be lost. This includes elementary, middle, and high school teaching positions, central office and building-level administrative positions, and support positions at all levels. Also lost is a sizable share of what was set aside for instructional materials and supplies in FY 2008. Most of what was lost in mid-winter budget cuts has not been restored. Yet through "zero-based" administrative budgeting, and by scrutinizing all proposed expenditures in all areas of the budget, the School Committee has been able to realize savings that, despite requiring reductions, *preserve all programs and keep class sizes within reasonable bounds*. The development of the FY 2009 budget has been greatly facilitated by close cooperation between the Mayor and the Superintendent of Schools, the City's Director of Finance, the school system's Business Officer, central office administrators, and building principals.

Among the significant highlights of the FY 2009 Salem Public Schools budget are:

- Further improvement of special education programming district-wide
- Further improvement in mathematics instruction at the elementary level
- Maintenance of high quality art and music programs at all levels
- Maintenance of high quality athletic programs at middle and high school
- Maintenance of Advanced Placement courses at Salem High School

The Salem Public Schools will continue to work as efficiently as possible to offer programming that improves student learning and that offer students opportunities for personal growth and for development as responsible, self-governing citizens.

The school budget document presented in Section 8 – Budget Detail, is a line-item summary of the school budget. The complete budget document presented to the School Committee can be found at http://salem.k12.ma.us/Pages/SPS_DistAdmin/finance/0809Budgetdraft.

School Financing

Chapter 70 and Net School Spending

FY09 Preliminary Chapter 70 Aid and Net School Spending Requirements

The following information is from the DOE website. You can view this information by going to http://finance1.doe.mass.edu/chapter70/chapter_09p.html.

March 24, 2008

Pursuant to section 6 of chapter 70 of the General Laws, the Commissioner of Education issued the preliminary estimates of Chapter 70 school aid and net school spending requirements for FY09, on January 23, 2008. These estimates were based on House 2, Governor Patrick's proposed state budget for the coming fiscal year. House 2 provides \$3.948 billion in Chapter 70 school aid for FY09, an increase of \$223 million (6.0%) over FY08.

On March 20, 2008 the legislature finalized a local aid resolution for FY09. The Chapter 70 numbers are in complete accord with the Governor's House 2 proposal. **This commitment means that the preliminary aid and spending requirements published here can be relied upon by local officials as they prepare their FY09 budgets.**

Here are highlights of the proposed FY09 Chapter 70 program:

All foundation budget factors have been increased by 5.18%, using the federal government's price deflator index for state and local government expenditures. Budget language overrides the statutory cap of 4.5%.

FY09 is the third year of the planned five-year phase-in of the aggregate wealth model for calculating required local contributions. Each municipality's target contribution has been updated using 2006 property values and 2005 personal income data. For municipalities with required contributions above their targets, the requirement is reduced by 33% of the gap (compared to 25% last year).

- Foundation aid is fully funded.
- Down-payment aid is calculated using 33 percent of the target, compared to 30% last year.
- Growth aid provides aid to districts whose foundation budgets are growing due to inflation or enrollment.
- Minimum aid guarantees every district a minimum increase of at least \$50 per pupil.

The Department of Elementary and Secondary Education has prepared the following materials to assist local officials in understanding the state aid calculations and local contribution requirements in this year's Chapter 70 program:

Summary chart showing foundation enrollment, foundation budget, Chapter 70 aid, and required local contributions for each school district can be found at :

http://finance1.doe.mass.edu/chapter70/chapter_09p_local.xls

Summary chart for regional school districts, showing foundation enrollment and required local contribution for each member of the district can be found at - http://finance1.doe.mass.edu/chapter70/chapter_09p_reg.xls

White paper describing the major components of the formula can be found at:

http://finance1.doe.mass.edu/chapter70/chapter_09p_explain.html

Complete formula spreadsheet showing the detailed calculations for each municipality and district can be found at - http://finance1.doe.mass.edu/chapter70/chapter_09p.xls

Questions about the Chapter 70 program should be addressed to either:

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Massachusetts Department of Education FY08 Chapter 70

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Aid Calculation FY08

Prior Year Aid

1 Chapter 70 aid FY07

11,648,162

Foundation Aid

2 Foundation budget FY08

42,852,484

3 Required district contribution FY08

30,556,126

4 Foundation aid (2 - 3)

12,296,358

5 Increase over FY07 (4 - 1)

648,196

Down Payment of Fully-Phased In Foundation Aid

6 Target Aid Percentage

36.74%

7 Foundation aid at full phase-in (6 x 2)

15,744,003

8 Share of increase over FY07 (30% x (7-1))

1,228,752

9 Full phase-in "down payment" (8 - 5)

580,556

Growth aid

10 Foundation budget FY07

42,136,155

11 Change in foundation FY07 to FY08 (2 - 10)

716,329

12 Target percentage times chg in foundation (6 x 11)

263,179

13 Growth aid (12 - 9 - 5)

0

\$50 Per Pupil Minimum Increase

14 Foundation enrollment FY08

4,767

15 Minimum increase (\$50 x row 14)

238,350

16 Additional aid to reach per pupil guarantee (15-13-9-5)

0

Non-Operating District Reduction to Foundation

17 Non-operating district reduction to foundation

0

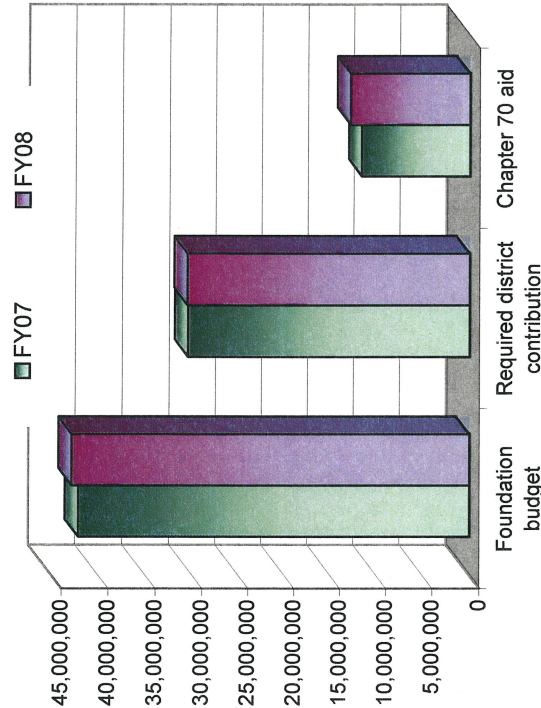
Chapter 70 Aid FY08

sum of line 1,5,9,13,16 minus line 17

12,876,914

Comparison to FY07

	FY07	FY08	Change	Pct Chg
Enrollment	4,932	4,767	-165	-3.35%
Foundation budget	42,136,155	42,852,484	716,329	1.70%
Required district contribution	30,487,993	30,556,126	68,133	0.22%
Chapter 70 aid	11,648,162	12,876,914	1,228,752	10.55%
Required net school spending	42,136,155	43,433,040	1,296,885	3.08%
Chapter 70 pct of foundation	27.64%	30.05%		
NSS as pct of foundation	100.00%	101.35%		



Massachusetts Department of Education FY09 Chapter 70, Preliminary

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Aid Calculation FY09

Prior Year Aid

1 Chapter 70 aid FY08

12,876,914

Foundation Aid

2 Foundation budget FY09

44,915,008

3 Required district contribution FY09

30,543,822

4 Foundation aid (2 - 3)

14,371,186

5 Increase over FY08 (4 - 1)

1,494,272

Down Payment of Fully-Phased In Foundation Aid

6 Target Aid Percentage

36.93%

7 Foundation aid at full phase-in (6 x 2)

16,587,112

8 Share of increase over FY08 (33% x (7-1))

1,224,365

9 Full phase-in "down payment" (8 - 5)

0

Growth aid

10 Foundation budget FY08

42,852,484

11 Increase in foundation FY08 to FY09 (2 - 10)

2,062,524

12 Target percentage times chg in foundation (6 x 11)

761,690

13 Growth aid (12 - 9-5)

0

\$50 Per Pupil Minimum Increase

14 Foundation enrollment FY09

4,731

15 Minimum increase (\$50 x row 14)

236,550

16 Additional aid to reach per pupil guarantee (15-13-9-5)

0

Non-Operating District Reduction to Foundation

17 Non-operating district reduction to foundation

0

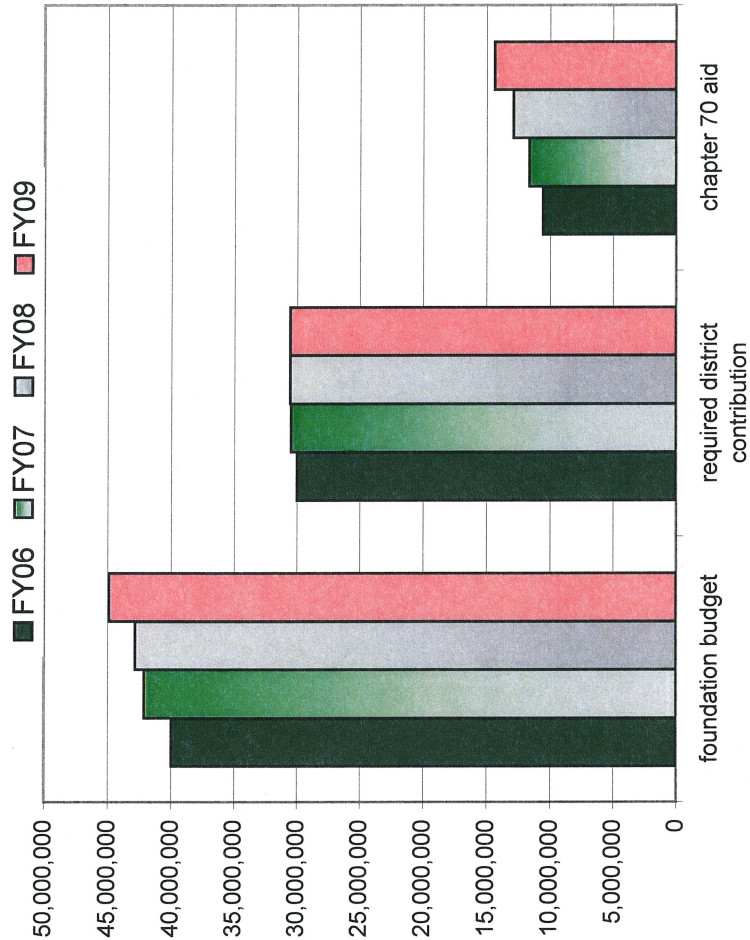
Chapter 70 Aid FY09

sum of line 1,5,9,13,16 minus line 17

14,371,186

Comparison to FY08

	FY08	FY09	Change	Pct Chg
Enrollment	4,767	4,731	-36	-0.76%
Foundation budget	42,852,484	44,915,008	2,062,524	4.81%
Required district contribution	30,556,126	30,543,822	-12,304	-0.04%
Chapter 70 aid	12,876,914	14,371,186	1,494,272	11.60%
Required net school spending	43,433,040	44,915,008	1,481,968	3.41%
Chapter 70 pct of foundation	30.05%	32.00%		
NSS as pct of foundation	101.35%	100.00%		

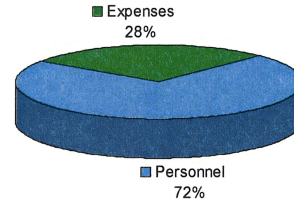


ADOPTED BUDGET GENERAL FUND - SCHOOLS

FY 2009

GENERAL FUND

• Personnel	\$32,789,050
• Expenses	12,586,950
• TOTAL	\$45,376,000



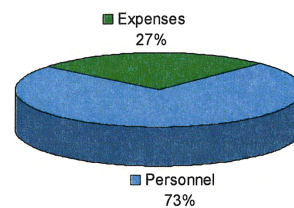
■ Personnel ■ Expenses

ADOPTED BUDGET GENERAL FUND- SCHOOLS

FY 2008

GENERAL FUND

• Personnel	\$31,577,910
• Expenses	11,462,279
• TOTAL	\$43,040,189



■ Personnel ■ Expenses