

School Budget Overview – Fiscal Year 2010

Superintendent's Introductory Summary

William J. Cameron, Jr.
Superintendent of Schools

The fiscal turmoil in our country includes declining revenues for the Commonwealth of Massachusetts and a state budget situation that is accordingly unsettled. This has resulted in understandable local uncertainty about the fiscal outlook for the City of Salem as of July 1, 2009, which in turn has raised the question of the extent to which the City will be able to support its schools' operation in FY 2010.

The school system's business manager, John Danizio, and I have held extensive discussions over many weeks with Mayor Driscoll and Richard Viscay, the City's finance director. A budget development process has been going on throughout that period. The process involved, first of all, principals and other administrators; then parent and teacher advisory councils were involved. The School Committee then received a proposed budget, which it has been reviewing for three weeks. On June 8, 2009, the Committee is scheduled to vote on my recommendation that the budget to be adopted that evening reflect level funding for FY 2010.

The Salem School Committee's approved budget for FY 2009 is \$45,876,000. That same figure - \$45,876,000 -- represents the sum of the budget which the School Committee will vote at its June 8 meeting.

Many measures have been taken and many economies have been made to close the approximately \$1.6 million gap that exists between a level-service budget, under which staffing and services would be maintained at FY 2009's levels, and the level funded budget that the Committee will consider on June 8. About \$1 million of that gap is created by salary inflation. This inflation is the result of agreements collectively bargained. The remainder is due principally to increase costs projected, based on information we have received from the Commonwealth of Massachusetts, for students who are educated out-of-district due to their handicapping conditions and the services called for in the individualized educational plans (IEPs).

Some school system costs are being shifted for FY 2010 to additional federal funds made available for special education purposes through the 2009 American Recovery and Reinvestment Act (ARRA). Primary among these are special education summer programming and contingency funds intended to cover changes due to the special needs student population's numbers and changes made by IEP teams in the special education services due to students during the course of the school year. The final steps needed to close this substantial gap are reductions in force. The FY 2010 budget that goes before the School Committee on June 8 cuts 8.0 full-time equivalent (FTE) teaching positions, eight paraprofessional positions, and one non-bargaining unit position.

Despite this glum news new initiatives are underway for FY 2009. Among them is a new schedule for Grade 9 students at Salem High School who have been identified as possibly having attendance issues and who show other factors associated with dropping out of school. This carefully crafted plan, which was developed by Salem High School and Collins Middle school administrators and teachers, will better enable Grade 9 staff, working with administrators who

knew the students well in Grade 8, to monitor this special population's academic progress, attendance, and behavior issues. In addition, Saltonstall School's transition to a Kindergarten-Grade 8 school will be completed in September 2009 as an eighth grade is introduced there. A further initiative, which is early in the planning stage, is a project whereby one of Salem's public schools to participate in Governor Patrick's "Readiness School" program, where Massachusetts colleges and universities work in close and well-defined partnership with one or more local public schools to improve student learning. At the high school level Salem High School will introduce a Grade 11 Advanced Placement (AP) English course this year. And Grades 6-9 throughout the district have been planning for a pre-AP accelerated learning program, which will be introduced in 2009-10.

These truly are difficult times for us all. Despite so much uncertainty the Salem Public Schools is fortunate to have strong community support, and to be staffed by competent, talented, and dedicated men and women who can see us through these difficult times and greatly benefit the children of this city.

A complete copy of the School Budget can be found at :

http://saalem.k12.ma.us/Pages/SPS_DistAdmin/finance/0910Budgetdraft

School Financing

Chapter 70 Program

FY10 Preliminary Chapter 70 Aid and Net School Spending Requirements

January 28, 2009

Pursuant to section 6 of chapter 70 of the General Laws, the Commissioner of Elementary and Secondary Education is issuing the preliminary estimates of Chapter 70 school aid and net school spending requirements for FY10. These estimates are based on House 1, Governor Patrick's proposed state budget for the coming fiscal year. In an extremely difficult budget year, when other local aid is experiencing deep cuts, House 1 level-funds each district's Chapter 70 aid at its FY09 amount.

Here are some of the key points about the proposal.

- All foundation budget factors have been increased by 4.5%. While the federal government's price deflator index for state and local government expenditures was 6.75%, Chapter 70 statutory language caps the amount at 4.5%.
- FY10 continues the phase-in of the aggregate wealth model for calculating required local contributions. Each municipality's target contribution has been updated using 2008 property values and 2006 personal income data. For municipalities with required contributions above their targets, the requirement is reduced by 25% of the gap (compared to 33% last year). The lower percentage may stretch out the phase-in period beyond FY11, but it does continue progress towards the effort goal.
- For communities making less than their target level of effort, a one-time adjustment raises the local spending requirement to the lesser of their target contributions or 95% of their actual local spending for schools in FY08.
- For each district Chapter 70 aid is set at the amount it received last year.
- 153 operating districts have FY10 net school spending requirements that fall short of their foundation budgets, by a total of \$168 million. The federal economic stimulus bill currently under discussion in Washington may contain some supplemental funding to assist local schools during these difficult economic times. We are hoping that at least some of the funds will be available to help support the foundation budget targets.

These are preliminary estimates subject to change as the House and Senate deliberate on the budget. Our purpose in providing these estimates at this time is to assist cities and towns in their own budget preparations for FY10. We advise you to construct your local budgets with sufficient flexibility to accommodate the changes that typically occur in the state budget process. The Commissioner will issue the final, official school spending requirements as soon as the Governor and Legislature approve either the FY10 state budget or an earlier local aid resolution. Those final numbers will then match the FY10 cherry sheets to be issued by the Department of Revenue.

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_10p_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_10p_reg.xls

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

http://finance1.doe.mass.edu/chapter70/chapter_10p_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_10p.xls

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

Roger Hatch rhatch@doe.mass.edu 781-338-6527

Jeff Wulfson jwulfson@doe.mass.edu 781-338-6500

Massachusetts Department of Education FY08 Chapter 70

258 SALEM

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

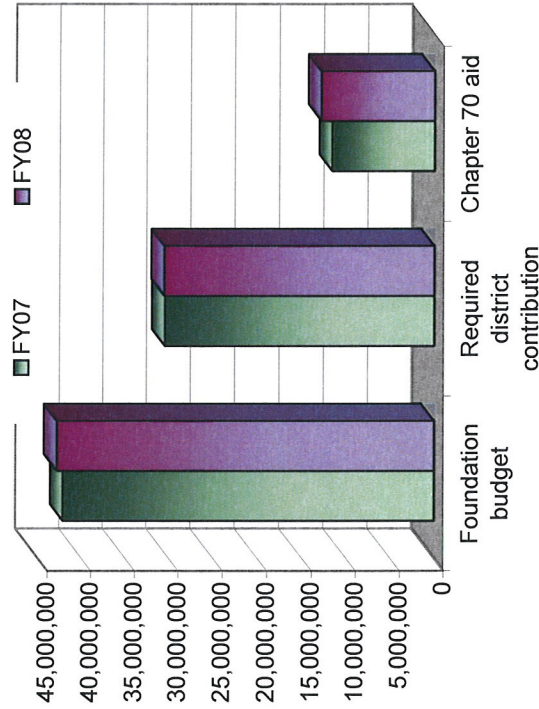
sum of line 1,5,9,13,16 minus line 17

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 **Determination of City and Town Total Required Contribution FY08**

258 SALEM

<u>Effort Goal</u>		<u>FY08 Increments Toward Goal</u>	
1) 2006 equalized valuation	4,923,330,400	13) Required local contribution FY07	31,850,774
2) Property percentage	0.2943%	14) Municipal revenue growth factor (DOR)	4.13%
3) Local effort from property wealth	14,487,659	15) FY08 preliminary contribution (13 x 14)	33,166,211
4) 2004 income	875,668,000	16) Preliminary contribution pct of foundation (15/8)	74.13%
5) Income percentage	1.5779%	<i>If preliminary contribution is above the target share:</i>	
6) Local effort from income	13,816,783	17) Excess local effort (15 - 10)	4,861,769
7) Combined effort yield (row 3+ row 6)	28,304,442	18) 25% reduction toward target (17 x 25%)	1,215,442
8) Foundation budget FY08	44,741,250	19) FY08 required local contribution (15 - 18)	31,950,769
9) Maximum local contribution (82.5% * row 8)	36,911,531	20) Contribution as percentage of foundation (19 / 8)	71.41
10) Target local contribution (lesser of row 7 or row 9)	28,304,442	<i>If preliminary contribution is below the target share:</i>	
11) Target local share (row 10 as % of row 8)	63.26%	21) Shortfall from target local share (11 - 16)	
12) Target aid share (100% minus row 11)	36.74%	22) Shortfall in dollars	
		23) Added increment toward target (13 x 1% or 2%)*	
		*1% if shortfall is between 5% and 10%; 2% if shortfall > 10%	
		24) FY08 required local contribution (15 + 22)	
		25) Contribution as percentage of foundation (24 / 8)	

See a listing of all 351 communities

Massachusetts Department of Education FY08 Chapter 70

Apportionment of Local Contribution Across School Districts

258 SALEM	SALEM	NORTH SHORE	ESSEX AGRICULTURAL	COMBINED TOTAL ALL DISTRICTS
Determination of total FY08 contribution				
1 FY07 required contribution	30,487,993	1,072,612	290,169	31,850,774
2 FY08 Municipal revenue growth factor				4.13%
3 FY08 Preliminary contribution (line 1 total raised by line 2)				33,166,211
4 Target local contribution (see municipal contribution sheet row 10)				28,304,442
5 Added increment toward target (see municipal contribution sheet row 18)				0
6 Reduction toward effort goal (see municipal contribution sheet row 22)				1,215,442
7 FY08 required local contribution (3 + 5 - 6)				31,950,769
Apportionment of FY08 contribution among community's districts				
8 Each district's share of FY07 required contribution in line 1	95.72%	3.37%	0.91%	100.00%
9 FY08 foundation budget (including member share at regional)	42,852,484	1,668,834	219,932	44,741,250
10 Each district's share of FY08 foundation budget in line 9	95.78%	3.73%	0.49%	100.00%
11 Disparity between FY08 foundation and FY07 contribution shares (	0.06%	0.36%	-0.42%	
12 Phased-in disparity reduction (100 percent of line 11)	0.06%	0.36%	-0.42%	
13 Allocation percentage for FY08 (8 + 12)	95.78%	3.73%	0.49%	100.00%
14 FY08 required local contribution allocated to each district (13 x 7)	30,601,957	1,191,753	157,059	31,950,769
15 Essex Agricultural adjustment	-45,831	-1,785	47,616	0
16 Required district contribution FY08 (14 + 15)	30,556,126	1,189,968	204,675	31,950,769

The goal of this regional allocation method is to equalize a community's local effort at the districts to which it belongs so that contributions better reflect shifts in enrollment. This approach has been phased in over a four year period; in FY05 the disparity reduction was 25 percent; in FY06 it was 50 percent; and in FY07 it was 75 percent. In FY08, the phase-in of the disparity reduction is complete. A city or town's contribution will be 100 percent proportional to its foundation budget at each district it belongs to.

Massachusetts Department of Education

Office of School Finance

FY08 Chapter 70 Foundation Budget

258 SALEM

----- Base Foundation Components -----														--- Incremental Costs Above The Base ---					TOTAL *
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)						
Pre-School	Half-Day	Full-Day	Kindergarten	Elementary	Middle	Jr High/School	ELL PK	ELL K Half	ELL KF - 12	Vocational	Special Ed In District	Special Ed Out of Dist	Elem	Other					
Foundation Enrollment	136	1	319	1,513	1,063	1,210	0	0	394	199	178	45	1,222	649	4,767				
1 Administration	21,340	157	100,109	474,810	333,591	379,722	0	0	123,645	62,450	385,536	97,467	0	0	1,978,825				
2 Instructional Leadership	38,542	283	180,809	857,568	602,508	685,828	0	0	223,319	112,793	0	0	0	0	2,701,652				
3 Classroom and Specialist Teachers	176,729	1,299	829,068	3,932,181	2,431,150	4,069,617	0	0	1,542,155	1,137,816	1,272,178	0	2,857,329	1,146,439	19,395,964				
4 Other Teaching Services	45,326	333	212,636	1,008,520	510,059	483,359	0	0	209,998	79,495	1,187,814	1,490	0	0	3,739,029				
5 Professional Development	6,992	51	32,803	155,612	118,514	130,801	0	0	54,853	35,567	61,369	0	62,884	33,398	692,844				
6 Instructional Equipment & Tech	25,579	188	119,995	569,130	399,858	728,251	0	0	148,207	209,597	53,566	0	0	0	2,254,370				
7 Guidance and Psychological	12,859	95	60,323	286,108	267,600	381,828	0	0	99,186	62,796	0	0	0	0	1,170,794				
8 Pupil Services	5,115	38	24,002	170,742	195,943	514,323	0	0	44,463	84,587	0	0	0	0	1,039,211				
9 Operations and Maintenance	49,076	361	230,219	1,091,917	831,712	917,942	0	0	384,950	282,538	430,666	0	441,289	234,367	4,895,037				
10 Employee Benefits/Fixed Charges	44,235	325	207,513	984,267	657,497	719,055	0	0	322,434	192,059	487,889	0	290,042	154,040	4,059,356				
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	925,402	0	0	925,402				
12 Total	425,793	3,131	1,997,476	9,530,856	6,348,433	9,010,725	0	0	3,153,210	2,259,699	3,879,017	1,024,358	3,651,544	1,568,244	42,852,484				
13 Wage Adjustment Factor	100.0%																		
Foundation Budget Per Pupil															8,989				

* Total foundation enrollment does not include columns 11 through 14, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Low income headcounts are the number of pupils in columns 1 through 10 who are eligible for free or reduced lunch.

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

Massachusetts Department of Education FY09 Chapter 70, Preliminary

258 SALEM

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

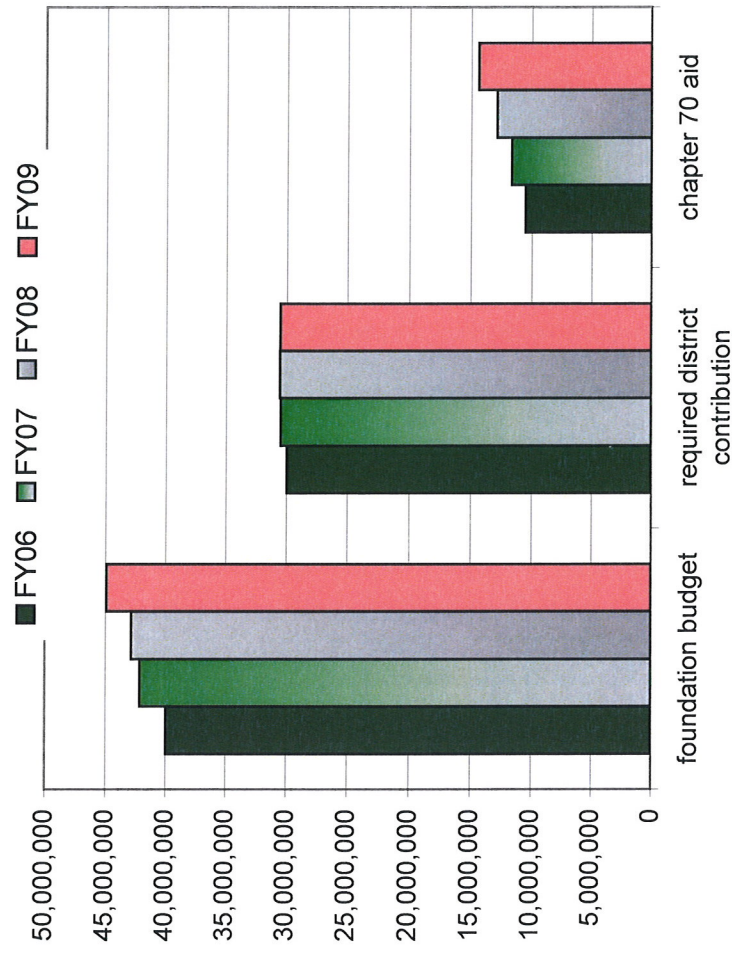
Chapter 70 Aid FY09

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%		



Massachusetts Department of Education

Determination of City and Town Total Required Contribution FY09

258 SALEM

Effort Goal

1) 2006 equalized valuation	4,923,330,400
2) Property percentage	0.3106%
3) Local effort from property wealth	15,294,278
4) 2005 income	914,721,000
5) Income percentage	1.5561%
6) Local effort from income	14,233,677
7) Combined effort yield (row 3+ row 6)	29,527,955
8) Foundation budget FY09	46,820,950
9) Maximum local contribution (82.5% * row 8)	38,627,284
10) Target local contribution (lesser of row 7 or row 9)	29,527,955
11) Target local share (row 10 as % of row 8)	63.07%
12) Target aid share (100% minus row 11)	36.93%

FY09 Increments Toward Goal

13) Required local contribution FY08	31,950,769
14) Municipal revenue growth factor (DOR)	3.48%
15) FY09 preliminary contribution (13 x 14)	33,062,656
16) Preliminary contribution pct of foundation (15/8)	70.62%
<i>If preliminary contribution is above the target share:</i>	
17) Excess local effort (15 - 10)	3,534,701
18) 33% reduction toward target (17 x 33%)	1,166,451
19) FY09 required local contribution (15 - 18)	31,896,205
20) Contribution as percentage of foundation (19 / 8)	68.12

If preliminary contribution is below the target share:

21) Shortfall from target local share (11 - 16)	
22) Shortfall in dollars	
23) Added increment toward target (13 x 1% or 2%)*	
*1% if shortfall is between 5% and 10%; 2% if shortfall > 10%	
24) FY09 required local contribution (15 + 23)	
25) Contribution as percentage of foundation (24 / 8)	

[See a listing of all 351 communities](#)

Massachusetts Department of Education

FY09 Preliminary Chapter 70

Apportionment of Local Contribution Across School Districts

258 SALEM	SALEM	NORTH SHORE	ESSEX AGRICULTURAL	COMBINED TOTAL ALL DISTRICTS
<u>Prior Year (FY08) Allocation Percentage (for comparison purposes)</u>				
1 FY08 foundation enrollment	4,767	128	17	4,912
2 FY08 foundation budget	42,852,484	1,668,834	219,932	44,741,250
3 Each district's share of municipality's combined FY08 foundation	95.78%	3.73%	0.49%	100.00%
4 FY08 required contribution	30,556,126	1,189,968	204,675	31,950,769
<u>Apportionment of FY09 contribution among community's districts</u>				
5 FY09 total unapportioned required contribution ("municipal contribution" sheet row 19 or 24)				31,896,205
6 FY09 foundation enrollment	4,731	117	20	4,868
7 FY09 foundation budget	44,915,008	1,633,518	272,424	46,820,950
8 Each district's share of municipality's total FY09 foundation	95.93%	3.49%	0.58%	100.00%
9 FY09 required contribution apportioned using row 8 percentages	30,597,805	1,112,814	185,586	31,896,205
10 Essex Agricultural adjustment	-53,983	-1,963	55,946	0
11 Required district contribution FY09 (9 + 10)	30,543,822	1,110,851	241,532	31,896,205
12 Change FY08 to FY09 (11 - 4)	-12,304	-79,117	36,857	-54,564

Massachusetts Department of Education

Office of School Finance

FY09 Chapter 70 Foundation Budget, Preliminary

258 SALEM

----- Base Foundation Components -----										---- Incremental Costs Above The Base -----					TOTAL *
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
Pre-School	Half-Day	Kindergarten	Full-Day	Elementary	Jr High/Middle	High School	ELL PK	ELL K Half	ELL KF - 12	Vocational	Special Ed In District	Special Ed Out of Dist	Elem	Other	
Foundation Enrollment	96	1	331	1,545	979	1,236	0	0	461	130	177	46	1,234	739	4,731
1 Administration	15,844	165	109,256	509,974	323,148	407,979	0	0	152,167	42,910	403,229	104,794	0	0	2,069,466
2 Instructional Leadership	28,616	298	197,329	921,067	583,641	736,854	0	0	274,830	77,501	0	0	0	0	2,820,135
3 Classroom and Specialist Teachers	131,212	1,367	904,818	4,223,335	2,355,014	4,372,399	0	0	1,897,868	781,801	1,330,560	0	3,034,850	1,373,040	20,406,264
4 Other Teaching Services	33,652	351	232,064	1,083,200	494,092	519,318	0	0	258,437	54,621	1,242,324	1,601	0	0	3,919,658
5 Professional Development	5,191	54	35,801	167,138	114,807	140,533	0	0	67,504	24,439	64,186	0	66,796	40,002	726,451
6 Instructional Equipment & Tech	18,991	198	130,960	611,279	387,341	782,437	0	0	182,395	144,015	56,024	0	0	0	2,313,641
7 Guidance and Psychological	9,547	99	65,836	307,301	259,220	410,241	0	0	122,064	43,148	0	0	0	0	1,217,455
8 Pupil Services	3,798	40	26,195	183,392	189,809	552,591	0	0	54,721	58,120	0	0	0	0	1,068,665
9 Operations and Maintenance	36,436	380	251,252	1,172,763	805,668	986,241	0	0	473,742	194,134	450,430	0	468,710	280,694	5,120,451
10 Employee Benefits/Fixed Charges	32,843	342	226,474	1,057,151	636,908	772,549	0	0	396,806	131,964	510,279	0	308,056	184,484	4,257,855
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	994,968	0	0	994,968
12 Total	316,128	3,293	2,179,986	10,236,598	6,149,647	9,681,143	0	0	3,880,532	1,552,654	4,057,031	1,101,363	3,878,413	1,878,220	44,915,008
13 Wage Adjustment Factor	100.0%														
Foundation Budget Per Pupil															9,494

* Total foundation enrollment does not include columns 11 through 14, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Low income headcounts are the number of pupils in columns 1 through 10 who are eligible for free or reduced lunch.

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

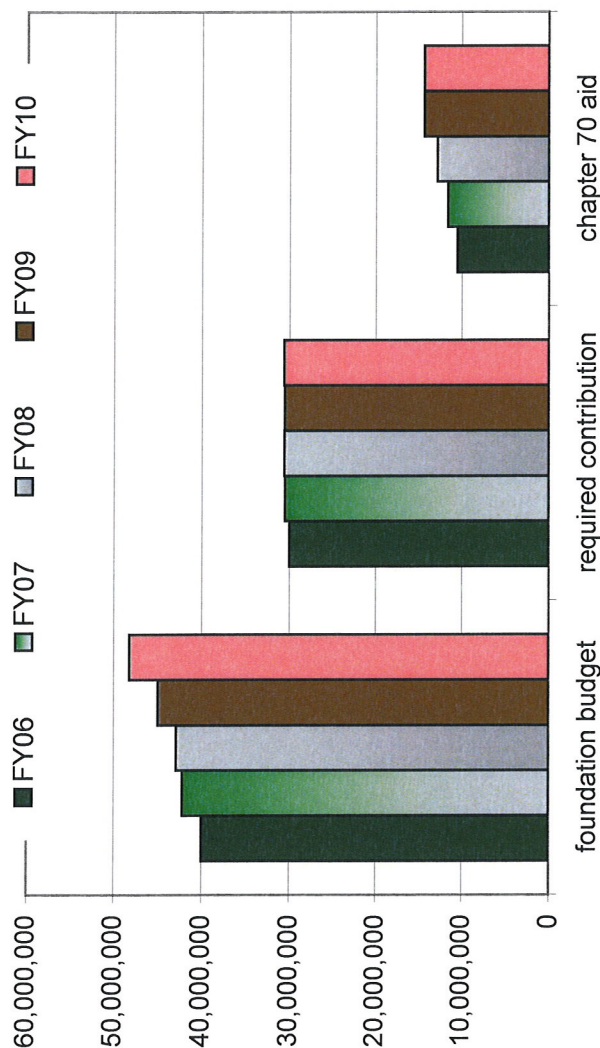
Massachusetts Department of Elementary and Secondary Education FY10 Chapter 70, Preliminary

258 SALEM

Comparison to FY09

	FY09	FY10	Change	Pct Chg
Enrollment	4,731	4,756	25	0.53%
Foundation budget	44,915,008	48,185,714	3,270,706	7.28%
Required district contribution	30,543,822	30,599,161	55,339	0.18%
Chapter 70 aid	14,371,186	14,371,186	0	0.00%
Required net school spending	44,915,008	44,970,347	55,339	0.12%

C70 target aid share of foundation 36.93% 39.33%
 C70 actual pct of foundation 32.00% 29.82%
 NSS as pct of foundation 100.00% 93.33%



Massachusetts Department of Elementary and Secondary Education

Determination of City and Town Total Required Contribution FY10

258 SALEM

Effort Goal

FY10 Increments Toward Goal

1) 2008 equalized valuation	5,168,060,200	13) Required local contribution FY09	31,896,205
2) Property percentage	0.3003%	14) Municipal revenue growth factor (DOR)	1.77%
3) Local effort from property wealth	15,519,368	15) FY10 preliminary contribution (13 x 14)	32,460,768
4) 2006 income	983,403,000	16) Preliminary contribution pct of foundation (15/8)	64.67%
5) Income percentage	1.5189%	If preliminary contribution is above the target share:	
6) Local effort from income	14,936,558	17) Excess local effort (15 - 10)	2,004,842
7) Combined effort yield (row 3+ row 6)	30,455,926	18) 25% reduction toward target (17 x 25%)	501,211
8) Foundation budget FY10	50,195,507	19) FY10 required local contribution (15 - 18)	31,959,558
9) Maximum local contribution (82.5% * row 8)	41,411,293	20) Contribution as percentage of foundation (19 / 8)	63.67
10) Target local contribution (lesser of row 7 or row 9)	30,455,926	If preliminary contribution is below the target share:	
11) Target local share (row 10 as % of row 8)	60.67%	21) Shortfall from target local share (11 - 16)	
12) Target aid share (100% minus row 11)	39.33%	22) Added increment toward target (13 x 1% or 2%)*	
		*1% if shortfall is between 5% and 10%; 2% if shortfall > 10%	
		24) Shortfall from target after adding increment (10 - 15 -	
		25) 95% of FY08 actual contribution (reg'l allocation sheet, row	
		26) Lesser of target or 95% of FY08 contribution (10 or 2	
		27) Increment to reach target or 95% of FY08 (26 - 15 - 2	
		28) FY10 required local contribution (15 + 22 + 27)	
		29) Contribution as percentage of foundation (28 / 8)	

**Massachusetts Department of Elementary and Secondary Education
FY10 Chapter 70, Preliminary**

Apportionment of Local Contribution Across School Districts

258 SALEM

COMBINED TOTAL ALL
DISTRICTS

SALEM NORTH SHORE ESSEX
AGRICULTURAL

Prior Year Data (for comparison purposes)

1 FY08 actual local contribution*	38,096,221	1,569,364	204,675	39,870,260
2 FY09 foundation enrollment	4,731	117	20	4,868
3 FY09 foundation budget	44,915,008	1,633,518	272,424	46,820,950
4 Each district's share of municipality's combined FY09 foundation	95.93%	3.49%	0.58%	100.00%
5 FY09 required contribution	30,543,822	1,110,851	241,532	31,896,205

Apportionment of FY10 contribution among community's districts

6 FY10 total unapportioned required contribution ("municipal contribution" sheet row 19 or 28)				31,959,558
7 FY10 foundation enrollment	4,756	109	27	4,892
8 FY10 foundation budget	48,185,714	1,620,665	389,128	50,195,507
9 Each district's share of municipality's total FY10 foundation	96.00%	3.23%	0.78%	100.00%
10 FY10 required contribution apportioned using row 9 percentages	30,679,920	1,031,880	247,758	31,959,558
11 Essex Agricultural adjustment	-80,759	-2,716	83,475	0
12 Required district contribution FY10 (lines 10 + 11)	30,599,161	1,029,164	331,233	31,959,558
13 Change FY09 to FY10 (12 - 5)	55,339	-81,687	89,701	63,353

*actual contributions as reported to ESE on each district's End of Year Financial Report, Schedules 2 and 19

Massachusetts Department of Elementary and Secondary Education
Office of School Finance

FY10 Chapter 70 Foundation Budget, Preliminary

258 SALEM

----- Base Foundation Components -----										--- Incremental Costs Above The Base ---					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
Pre-School	Half-Day	Full-Day	Elementary	Jr High/Middle	High School	ELL PK	ELL K Half	ELL KF - 12	Vocational	Special Ed In District	Special Ed Out of Dist	Elem	Other	TOTAL *	
Foundation Enrollment	132	2	305	1,560	1,018	1,179	0	0	475	152	177	45	1,478	827	4,756
1 Administration	22,766	345	105,204	538,091	351,139	406,672	0	0	163,842	52,429	421,375	107,129	0	0	2,168,992
2 Instructional Leadership	41,117	623	190,012	971,864	634,204	734,505	0	0	295,920	94,694	0	0	0	0	2,962,940
3 Classroom and Specialist Teachers	188,536	2,857	871,263	4,456,234	2,559,028	4,358,445	0	0	2,043,502	955,239	1,390,436	0	3,798,504	1,605,687	22,229,730
4 Other Teaching Services	48,353	733	223,458	1,142,934	536,893	517,664	0	0	278,269	66,739	1,298,230	1,637	0	0	4,114,909
5 Professional Development	7,458	113	34,474	176,358	124,756	140,089	0	0	72,685	29,860	67,074	0	83,610	46,783	783,261
6 Instructional Equipment & Tech	27,287	413	126,102	644,982	420,892	779,944	0	0	196,389	175,964	58,545	0	0	0	2,430,518
7 Guidance and Psychological	13,719	208	63,394	324,246	281,681	408,936	0	0	131,433	52,721	0	0	0	0	1,276,337
8 Pupil Services	5,457	83	25,224	193,502	206,247	550,829	0	0	58,919	71,014	0	0	0	0	1,111,274
9 Operations and Maintenance	52,354	793	241,935	1,237,439	875,460	983,097	0	0	510,093	237,202	470,700	0	586,648	328,253	5,523,973
10 Employee Benefits/Fixed Charges	47,190	715	218,075	1,115,447	692,087	770,087	0	0	427,253	161,240	533,241	0	385,566	215,739	4,566,641
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	1,017,138	0	0	1,017,138
12 Total	454,236	6,882	2,099,141	10,801,097	6,682,386	9,650,268	0	0	4,178,304	1,897,104	4,239,600	1,125,905	4,854,328	2,196,462	48,185,714
13 Wage Adjustment Factor	100.0%														
										Foundation Budget Per Pupil					10,132

* Total foundation enrollment does not include columns 11 through 14, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Low income headcounts are the number of pupils in columns 1 through 10 who are eligible for free or reduced lunch.

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

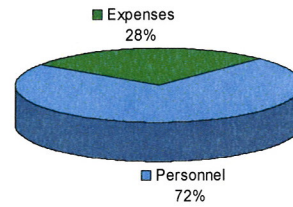
The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

ADOPTED BUDGET GENERAL FUND - SCHOOLS

FY 2009

GENERAL FUND

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



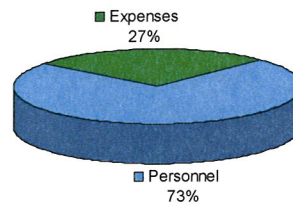
■ Personnel ■ Expenses

ADOPTED BUDGET GENERAL FUND- SCHOOLS

FY 2010

GENERAL FUND

• Personnel	\$33,877,056
• Expenses	11,998,944
• TOTAL	\$45,876,000



■ Personnel ■ Expenses