



Overview of City/School Finances

Jay Picone -Director of Finance and
Administrative Affairs

Patrick Dello Russo-CFO/City Auditor

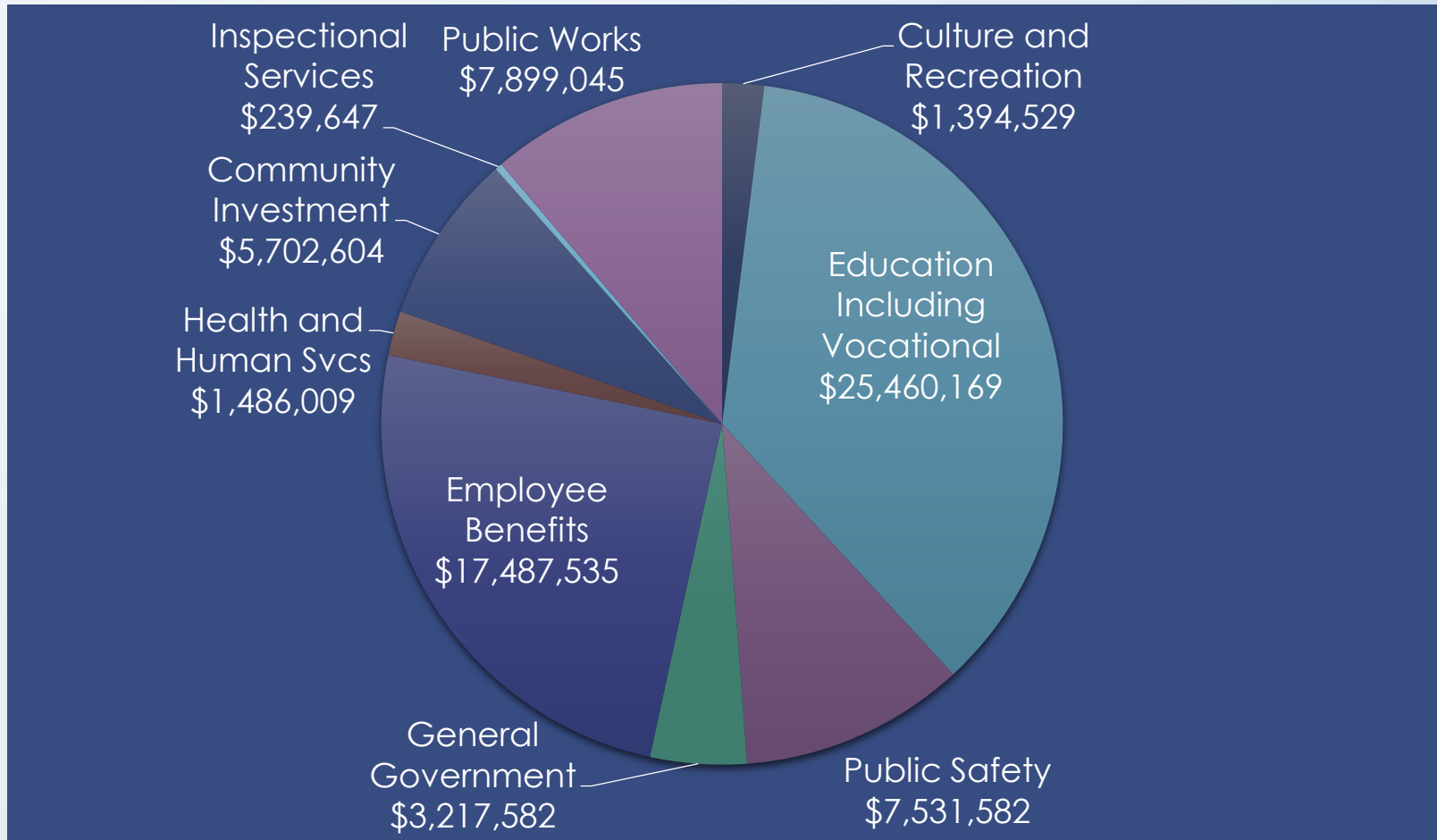
Part I: The City of Melrose Budget



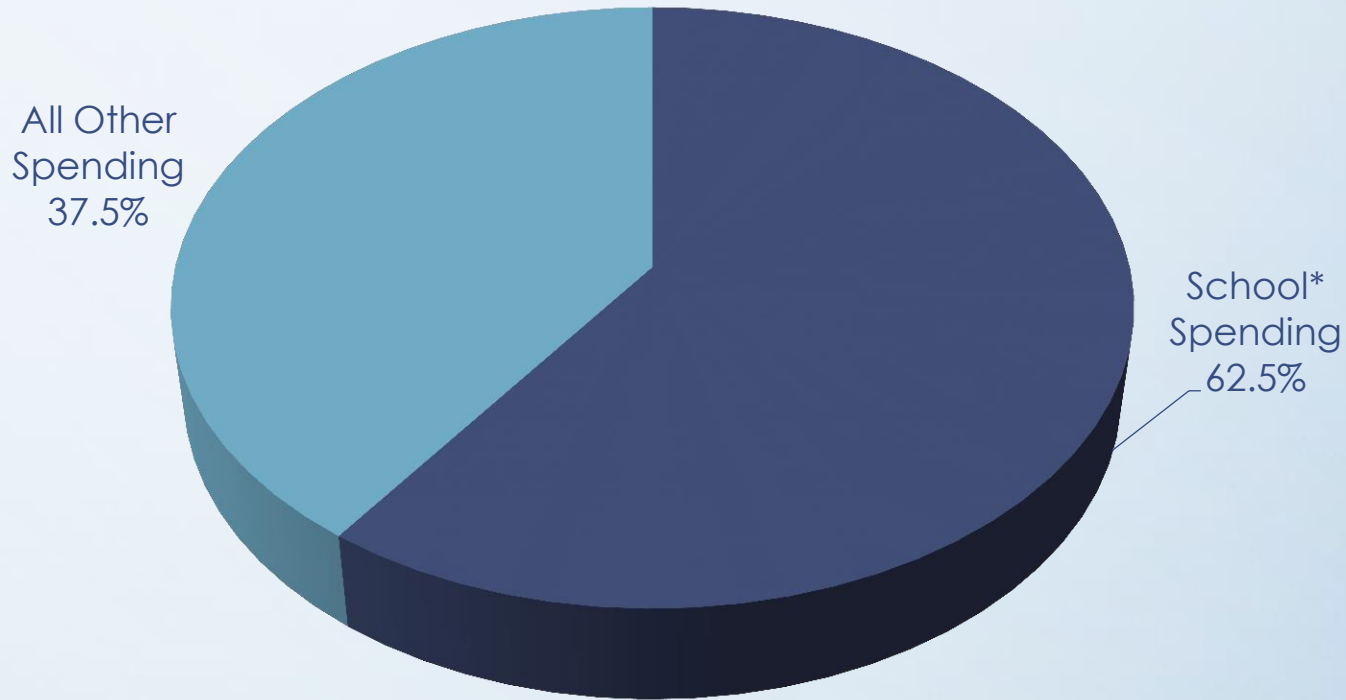
2015 Municipal Budget

Total Budget: \$70,418,701

School Spending: 36%

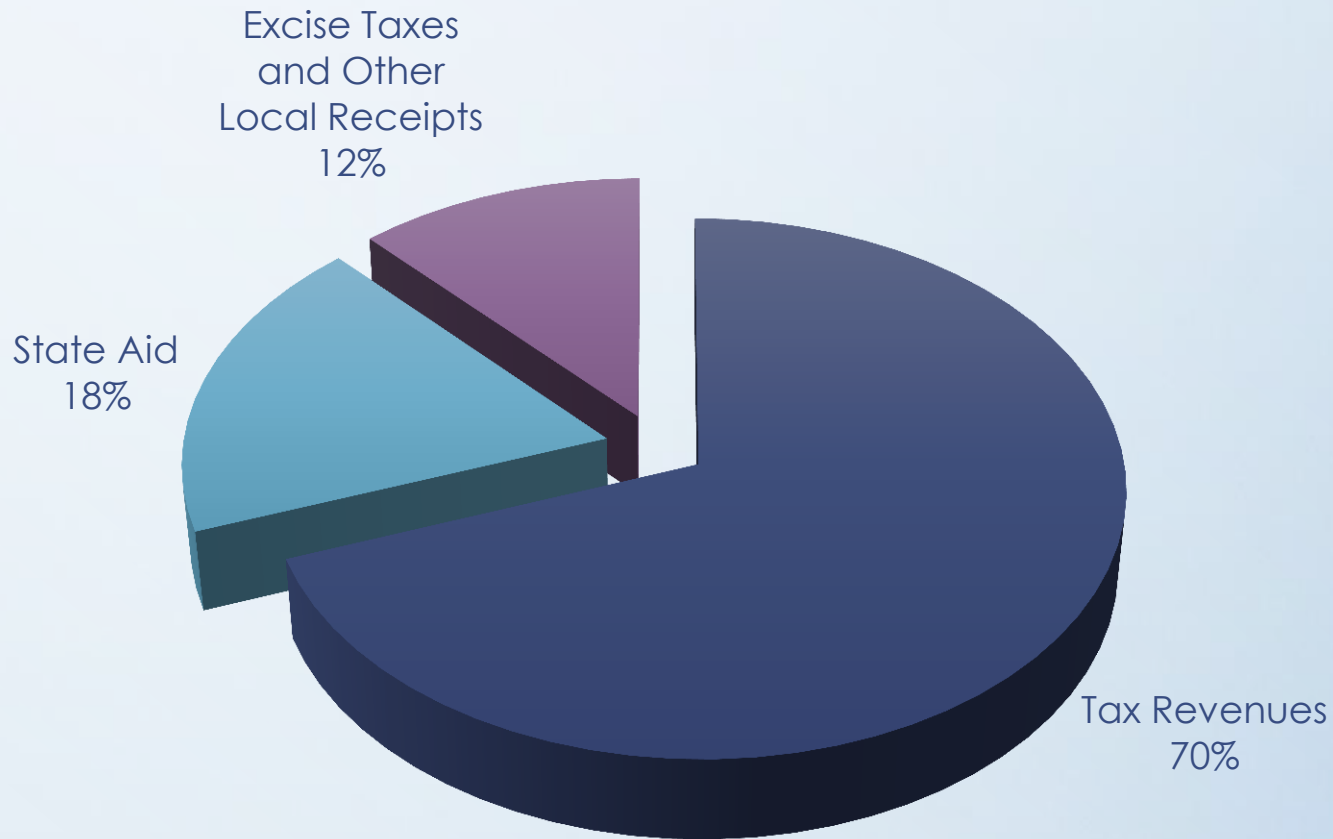


Total Spending on Public Schools

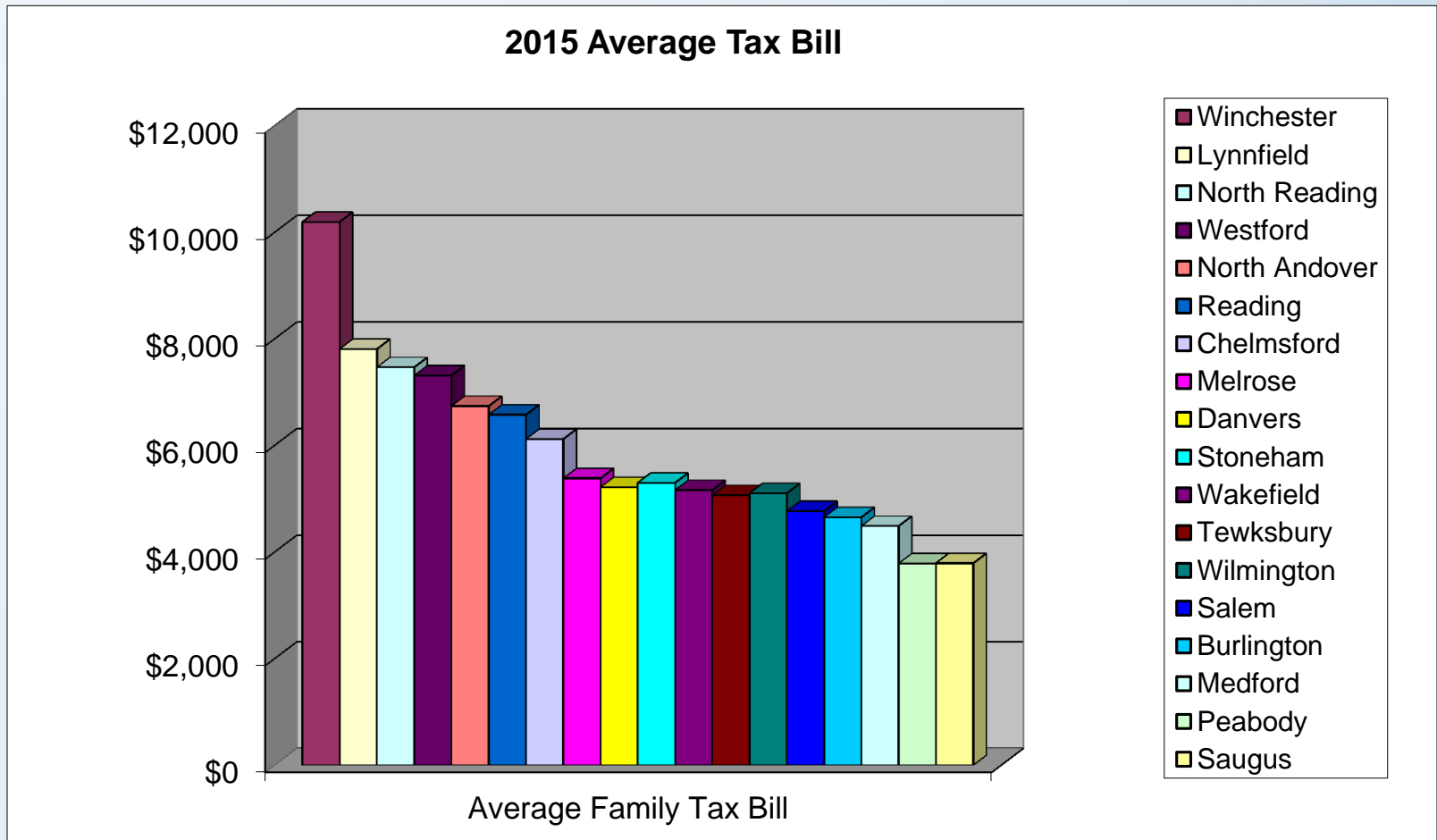


*Including capital investment, retirement contributions, health insurance, school nurses, maintenance, and charter school tuition

City Funding Sources



Property Taxes: Melrose in the Middle

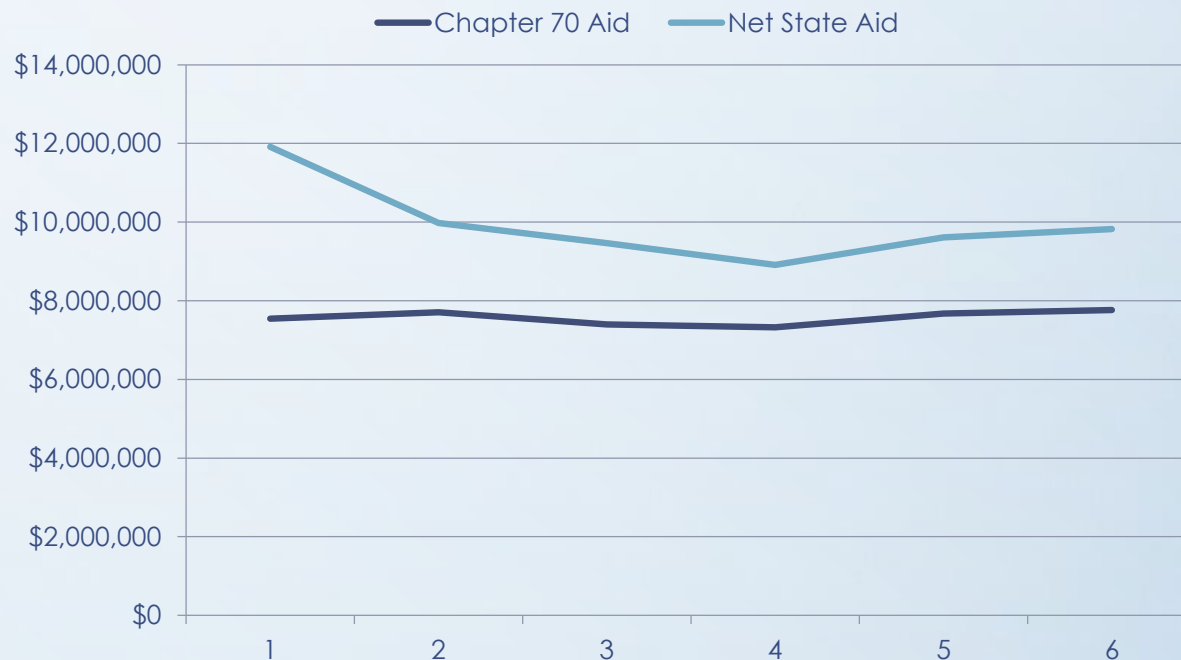


State Aid

- State aid is the second largest funding source
- State aid to education is called “Chapter 70” aid.
- Chapter 70 aid has been minimally increasing in recent years.
- Sounds like good news, but...

State aid – Part 2

Chapter 70 Aid vs. Net State Aid, 2009-2015



Net state aid to Melrose is down \$1.9 million between FY 09 and FY 15.

Federal Aid-ARRA funding

- The Melrose Public Schools has lost over \$3 million dollars in ARRA funding since FY09.

FY09 Total	\$793,121
FY10 Total	\$767,544
FY11 Total	\$1,337,719
FY12 Total	\$28,697
FY13 Total	\$37,655
FY14 Total	\$46,295
FY15 Total	\$0
Total ARRA	\$3,011,031



To summarize

- Property taxes are capped, by law
- Net state aid is down from 2009 levels
- Major loss of ARRA funding
- This is the challenge faced by the Mayor, the Board of Aldermen, and the School Committee every fiscal year, because
- **The City budget must be balanced – by law!**

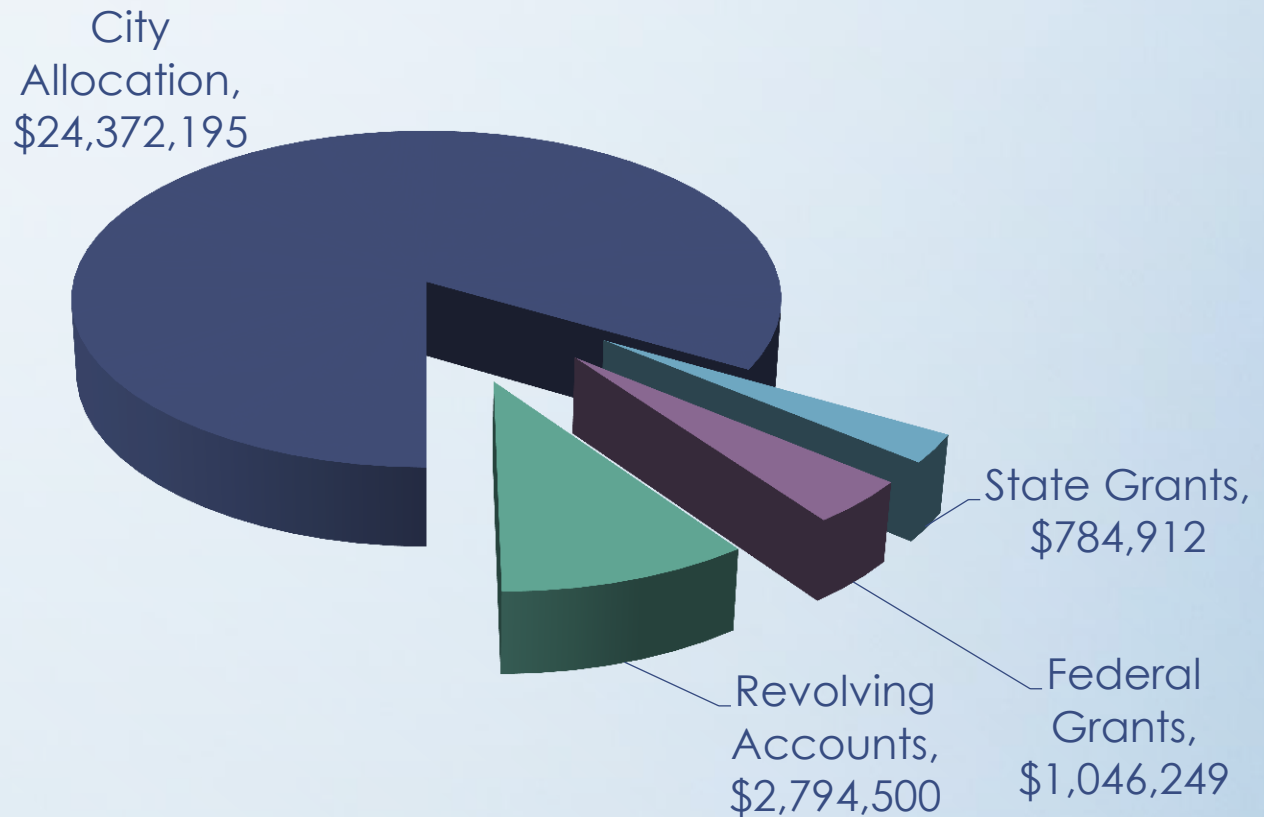
Part II: The School Budget



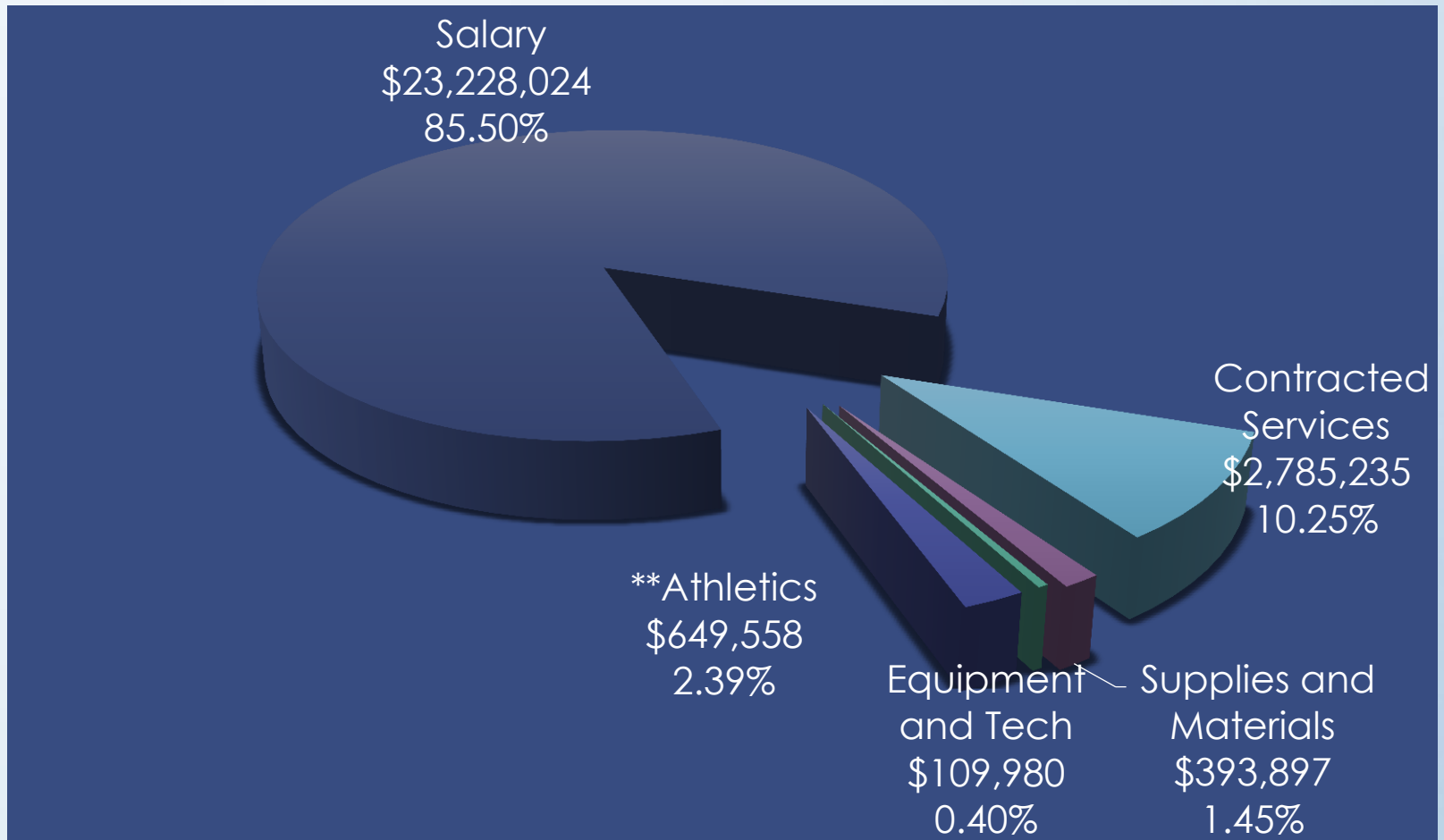
School Funding Sources

- \$24.3 million is allocated from the City Budget.
- State and federal monies for specific programs such as Title I and special education.
- Revolving funds fully or partially support some programs.

School Budget Resources, FY 2015

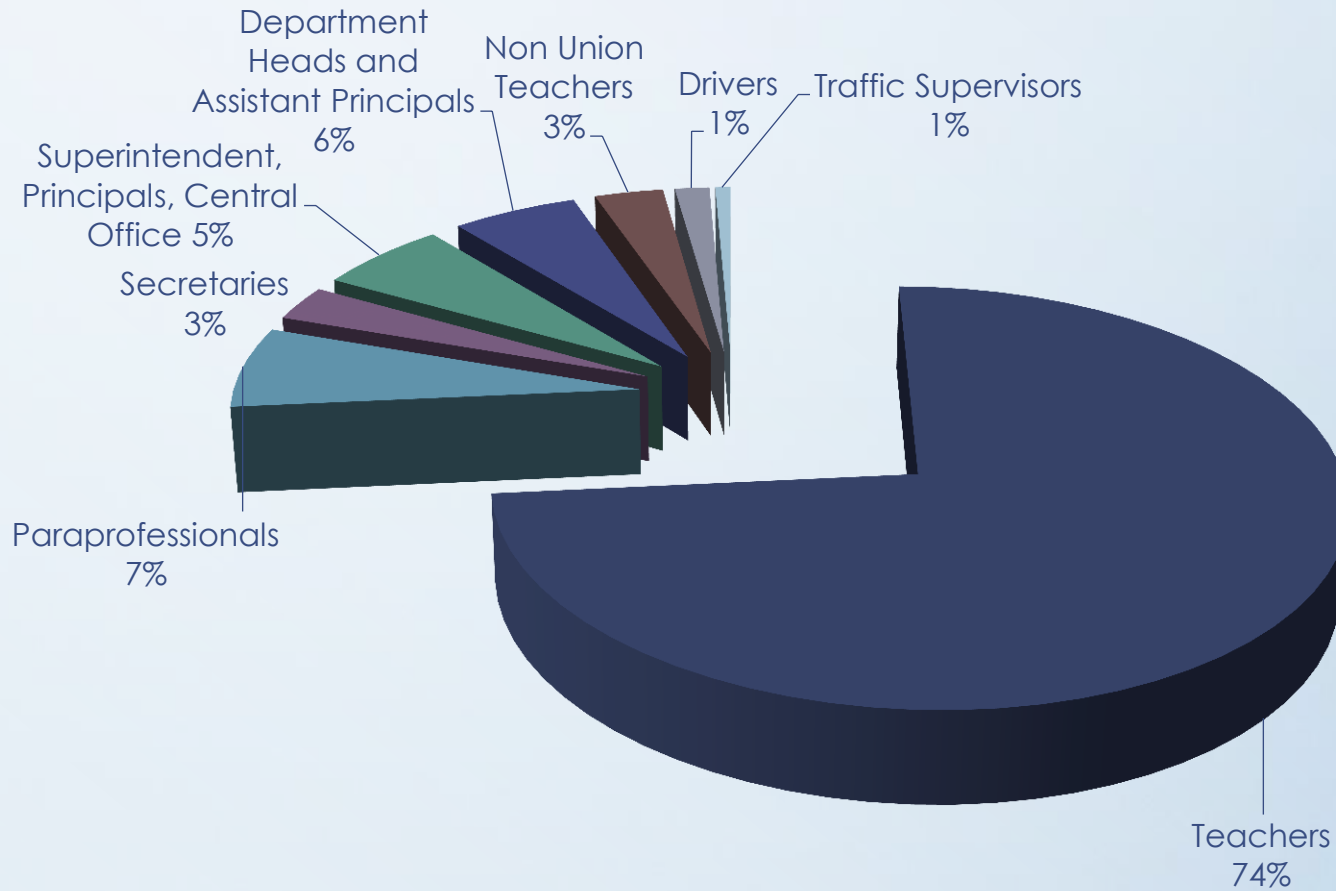


Where does the money go?



** Includes coaching salaries, officials, dues, and expenses

Investing in People



Other Issues Include...

- Increase in unfunded state and federal mandates, including RETELL, Educator Evaluation, curriculum alignment, district determined measures (assessments), and data collection and reporting.
- Technology for teaching and learning, including PARCC testing, hardware, licenses, and subscriptions.
- Increase in professional development to implement all the above.
- Ongoing need for updated curriculum materials.

Managing a Tight Budget

- The goal of the budget is to maintain a stable school operation and make improvements.
- DPW has taken over maintenance, utilities, repairs, etc. This is more efficient and allows the School Department to focus on running the schools.
- School Choice allows Melrose to accept students from other districts—and receive per-pupil funding from the state.
- Reorganization of paraprofessionals increased efficiency at the ECC.
- Programs such as Education Stations bring in added revenue.
- Fees for some programs, such as sports and music lessons, partially cover the expenses.
- Rental of school facilities to outside groups also brings in revenue.

Revolving Funds

- Revolving funds are so called because they don't close out at the end of the fiscal year but continue from year to year.
- The School Department uses revolving funds for programs that are supported by fees rather than the general operating budget.
 - Examples: Athletic fees, Education Stations.
- Those fees are deposited in a Revolving Fund and the money is used to support the program.
- In many cases, such as athletics, the fees only cover part of the costs of running a program.
- **All money that is collected goes to school programs.**

FY16 Revolving Fund Revenue Projections

	FY12	FY13	FY14	FY15	FY16
Revolving Accounts	Revenue Applied	Revenue Applied	Revenue Applied	Revenue Applied	Projected Revenue
Athletic Revolving	\$ 230,000	\$ 197,469	\$ 257,300	\$ 258,000	\$ 258,000
Circuit Breaker	\$ 585,130	\$ 744,951	\$ 380,000	\$ 440,000	\$ 460,000
Concessions	\$ 2,500	\$ 4,272	\$ 4,200	\$ 4,000	\$ 4,000
Computer - E-Rate	\$ 50,000	\$ 97,459	\$ 58,765	\$ 62,000	\$ -
Consumable Charge (Foods)	\$ 5,000	\$ 6,720	\$ 5,000	\$ 5,000	\$ -
Facilities	\$ 700,424	\$ 400,185	\$ 400,000	\$ 400,000	\$ 420,000
City Funds for Kindergarten (FY13)	\$ 499,392	\$ 497,425	\$ -	\$ -	\$ -
Medicaid Revolving (Includes Supplemental)	\$ 527,000	\$ 488,348	\$ 360,000	\$ 300,000	\$ 300,000
Music Revolving	\$ 50,000	\$ 60,841	\$ 34,000	\$ 34,000	\$ 40,000
Tuition/Trans. Revolving	\$ 301,000	\$ 341,043	\$ 130,000	\$ 141,500	\$ 141,500
Education Stations - After School Prog.	\$ 182,000	\$ 400,772	\$ 258,000	\$ 200,000	\$ 200,000
Total Applied	\$ 3,132,446	\$ 3,239,485	\$ 1,887,265	\$ 1,844,500	\$ 1,823,500
METCO	\$ 262,103	\$ 266,472	\$ 254,103	\$ 250,000	\$ 250,000
Total Applied + METCO	\$ 3,394,549	\$ 3,505,957	\$ 2,141,368	\$ 2,094,500	\$ 2,073,500
				change	\$ (21,000)

FY16 Grant Funding Projections

			FY12 REVENUE	FY13 REVENUE	FY14 REVENUE	FY15 PROJECTED	FY15 ACTUAL	FY16 PROJECTED
STATE GRANTS								
State	317	METCO	\$ 576,960	\$ 604,832	\$ 628,863	\$ 622,574	\$ 634,792	\$ 622,096
State	632	Academic Support Services	\$ 10,000	\$ 14,800	\$ 13,330	\$ 12,664	\$ 9,400	\$ 9,400
State	701	Kindergarten Enhancement	\$ 148,192	\$ 131,741	\$ 151,186	\$ 149,674	\$ 146,800	\$ 146,800
State	011	Cultural (Lincoln School)	\$ -	\$ 1,900	\$ -	\$ -	\$ -	\$ -
TOTAL STATE GRANTS			\$ 735,152	\$ 753,273	\$ 793,379	\$ 784,912	\$ 790,992	\$ 778,296
FEDERAL GRANTS								
Federal	240	94-142 Main Grant	\$ 908,420	\$ 912,189	\$ 877,683	\$ 868,906	\$ 890,754	\$ 872,939
Federal	262	94-142 Early Childhood Allocatio	\$ 21,251	\$ 21,151	\$ 15,800	\$ 15,484	\$ 21,118	\$ 19,006
Federal	274	SPED Program Improvement	\$ 44,148	\$ 28,180	\$ 15,820	\$ -	\$ 30,281	\$ 27,253
Federal	305	Title I	\$ 127,056	\$ 117,305	\$ 108,219	\$ 102,808	\$ 114,842	\$ 109,100
Federal	140	Teacher Quality	\$ 64,503	\$ 64,735	\$ 62,159	\$ 59,051	\$ 61,347	\$ 60,734
Federal	201	Race to the Top	\$ 28,697	\$ 50,166	\$ 46,295	\$ -	\$ -	\$ -
TOTAL FEDERAL			\$ 1,194,075	\$ 1,193,726	\$ 1,125,976	\$ 1,046,249	\$ 1,118,342	\$ 1,089,031
ARRA Funds, ED Jobs, and State Stabilization			\$ 7,434	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL STATE AND FEDERAL			\$ 1,936,661	\$ 1,946,999	\$ 1,919,355	\$ 1,831,161	\$ 1,909,334	\$ 1,867,328
Amount of METCO used as an applied fund offset			\$ 266,472	\$ 254,103	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Amount Minus METCO applied fund offset			\$ 1,670,189	\$ 1,692,896	\$ 1,669,355	\$ 1,581,161	\$ 1,659,334	\$ 1,617,328
PRIVATE GRANTS								
Private		CASIT	\$ 12,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Private		MASS Bioteach	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -
TOTAL PRIVATE GRANTS			\$ 12,000	\$ 5,000	\$ 15,000	\$ -	\$ -	\$ -
GRAND TOTAL ALL GRANTS			\$ 1,948,661	\$ 1,951,999	\$ 1,934,355	\$ 1,831,161	\$ 1,909,334	\$ 1,867,328
							change	\$ (42,006)

Special Education

- Massachusetts requires all schools to provide a “free and appropriate education” to all students.
- Special Education costs are \$10.4 million in FY 15.
- Some students are served by attending specialized schools outside Melrose. In that case, Melrose pays for tuition and transportation.
- If several children have similar needs, we can create a program to serve them here in the community.
- Because no one can predict the needs of students from year to year, the budget needs to be flexible enough to accommodate a variety of different situations highlighting the importance of maintaining a healthy stabilization fund
- The Special Education budget is growing: The number of out-of-district placements is stable, but the cost is going up.

Charter School Funding

- Charter schools are public schools that run under a different set of rules than the school district.
- State aid is based on the number of students:
Melrose receives \$2,300 per student in Fiscal 2015.
- When students attend the charter school, the City not only loses the Chapter 70 aid for that student, it must pay per-pupil costs at the Charter School (an average of \$12,800 in FY 2015)
- Difference in assessment vs. reimbursement = net cost to Melrose: \$2.27 million in FY 2015 for 272 students.

Questions?

