

*Office of the Superintendent*  
Acton Public Schools  
Acton-Boxborough Regional School District  
(978) 264-4700 x 3211  
<http://ab.mec.edu>

TO: Acton Public School Committee Members  
FROM: Stephen Mills  
ON: November 18, 2010  
RE: **ADDENDUM**

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3.0 APPROVAL OF MINUTES

- a. October 21, 2010 (revised from first addendum draft)
- b. November 4, 2010 (revised from packet draft)

6.0. UNFINISHED BUSINESS

- 6.1 ALG Report – *Xuan Kong*
  - c. Draft Budget Planning Calendars, 11/18/10
  - d. Draft Spreadsheet, 11/18/10
- 6.2 Acton Finance Committee Report – *Xuan Kong*  
Draft FinCom Point of View for FY'12
- 6.6 Policy Revisions
  - c. Recommendation to Approve Revised School Committee Policy on the Kindergarten and First Grade Entrance (File: JEB) – **FIRST READING** – *Marie Altieri*
- 6.7 Class Size Subcommittee Update - *Terry Lindgren*

7.0. NEW BUSINESS

- 7.1 2011-2012 School Calendar Process Update – *Steve Mills*
  - c. Parent/Staff Surveys

8.0 FOR YOUR INFORMATION

- 8.2 FY '11 Monthly APS Financial Reports
  - a. Budget Status Summary
  - b. Budget Status Summary – Merriam
  - c. Budget Status Summary – Special Education

# Class Size - Solution Analysis

- Basic Assumptions

- Based on the literature, the optimal class size is 15 students per teacher
- Given current economic conditions, there is neither the will nor the funds to hire and sustain sufficient staff to achieve the above goal
- Space limitations create certain barriers to significantly reducing class size

# Class Size – Solution Analysis

- Reducing class size will require “out-of-the-box” thinking
- It is important to get input from as many stakeholders as possible:
  - Teachers
  - Administrators
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  - Students
  - Parents
  - Other school districts

# Class Size – Solution Analysis

- Preliminary Plan of Action
  - Meet with principals of seven schools (two already completed)
  - Meet with teachers
    - Teacher forum? Suggestion box?
  - Parent forums
  - Student forums
  - PTSO's
- Prepare preliminary compilation of suggestions

<b>Town of Acton Revenues</b>		<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
		Town Meeting	Town Meeting		
<b>A. Revenues (GROSS)</b>					
Tax Levy (excluding debt exclusion)		\$60,193	\$62,182	\$64,546	\$66,675
State Aid		\$12,458	\$12,092	\$10,479	\$10,479
Local Receipts		\$4,210	\$3,835	\$3,825	\$3,825
Debt Exclusion		\$3,036	\$3,098	\$3,071	\$3,020
SBAB Reimbursement		\$1,009	\$1,009	\$1,009	\$1,009
<b>Total Revenues (including debt)</b>		<b>\$80,906</b>	<b>\$82,216</b>	<b>\$82,931</b>	<b>\$85,008</b>
<b>B. Use of Reserves (TOTAL)</b>					
		\$1,952	\$2,219	\$0	\$0
<b>C. Debt Exclusion Debt Service</b>					
APS School Debt Exclusion				\$611	\$615
Public Safety Facility Debt Exclusion				\$483	\$473
Municipal Debt Exclusion				\$384	\$339
JHS/SHS Debt Exclusion				\$1,593	\$1,593
SBAB Reimbursement-Parker/Damon				\$1,009	\$1,009
<b>Total Debt Exclusion/SBAB</b>				<b>\$4,080</b>	<b>\$4,029</b>
<b>D. Available Town Revenues (NET) (A + B - C)</b>					
		<b>\$78,813</b>	<b>\$80,328</b>	<b>\$78,851</b>	<b>\$80,979</b>
<b>Town of Acton Expenditures</b>					
Town of Acton Municipal Allocation		\$24,276	\$24,545	\$25,689	\$26,867
+ Transfer to Muni for APS Debt			\$309	\$309	\$309
+ Transfer to Muni for COPS			\$70	\$70	\$70
<b>Total Municipal Allocation</b>		<b>\$24,276</b>	<b>\$24,924</b>	<b>\$26,068</b>	<b>\$27,246</b>
Acton Public Schools Allocation		\$25,754	\$26,289	\$26,712	\$27,726
- Transfer to Muni for APS Debt			(\$309)	(\$309)	(\$309)
- Transfer to Muni for COPS			(\$70)	(\$70)	(\$70)
<b>Total APS Allocation</b>		<b>\$25,754</b>	<b>\$25,910</b>	<b>\$26,333</b>	<b>\$27,347</b>
Town of Acton Portion of ABRSD Allocation		\$28,073	\$28,849	\$29,039	\$30,245
Total Minuteman Allocation		\$711	\$646	\$934	\$957
<b>E. Town of Acton Expenditures (NET)</b>					
		<b>\$78,814</b>	<b>\$80,329</b>	<b>\$82,374</b>	<b>\$85,795</b>
<b>F. Total Town of Acton Projected Balance</b>					
		<b>(\$1)</b>	<b>(\$1)</b>	<b>(\$3,524)</b>	<b>(\$4,816)</b>

Revenues	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
<b>Tax Levy</b>				
Base	\$ 58,969	\$ 61,043	\$ 62,782	\$ 65,146
FY11 Unused Levy Capacity			\$ 287	
2 1/2%	\$ 1,474	\$ 1,239	\$ 1,577	\$ 1,629
New Growth	\$ 600	\$ 500	\$ 500	\$ 500
Overlay	\$ (850)	\$ (600)	\$ (600)	\$ (600)
<b>Total Tax Levy (excluding debt exclusion)</b>	<b>\$ 60,193</b>	<b>\$ 62,182</b>	<b>\$ 64,546</b>	<b>\$ 66,675</b>
<b>Debt Exclusion</b>	<b>\$ 3,036</b>	<b>\$ 3,098</b>	<b>\$ 3,071</b>	<b>\$ 3,020</b>
<b>Total Tax Levy (including debt exclusion)</b>	<b>\$ 63,229</b>	<b>\$ 65,280</b>	<b>\$ 67,617</b>	<b>\$ 69,695</b>

**Revenues**

	FY10	FY11	FY12	FY13
Town Meeting		Town Meeting		
State Aid				
Cherry Sheet	\$ 6,641	\$ 6,320	\$ 5,142	\$ 5,142
Regional Revenue (Acton Share)	\$ 5,817	\$ 5,772	\$ 5,337	\$ 5,337
Total State Aid	\$ 12,458	\$ 12,092	\$ 10,479	\$ 10,479

	FY09 Cherry Sheet	FY10 Cherry Sheet	FY11 Cherry Sheet	FY12 Cherry Sheet - EST	
<b>Acton</b>					
Chapter 70	\$5,228,141	\$5,123,578	\$5,160,527	\$4,286,186	
SFSF Stimulus	\$0	\$357,131			
<b>Subtotal Ed Aid</b>	<b>\$5,228,141</b>	<b>\$5,480,709</b>	<b>\$5,160,527</b>	<b>\$4,286,186</b>	
Charter Tuition Reimbursements	\$11,331	\$5,967	\$3,880	\$3,104	Assumes 20% decrease from final FY11 Cherry Sheet
School Lunch	\$12,013	\$12,013	\$9,996	\$7,997	Assumes 20% decrease from final FY11 Cherry Sheet
Lottery, Beano & Charity Games	\$1,484,039	\$0	\$0	\$0	Assumes 20% decrease from final FY11 Cherry Sheet
General Fund Supplemental to Hold Harmless Lottery	\$227,222	\$0	\$0	\$0	Assumes 20% decrease from final FY11 Cherry Sheet
Additional Assistance	\$29,696	\$0	\$0	\$0	Assumes 20% decrease from final FY11 Cherry Sheet
Unrestricted General Government Aid	\$0	\$1,232,453	\$1,183,155	\$946,524	Assumes 20% decrease from final FY11 Cherry Sheet
Police Career Incentive	\$118,000	\$18,748	\$9,245	\$7,396	Assumes 20% decrease from final FY11 Cherry Sheet
Veterans Benefits	\$8,286	\$20,782	\$35,498	\$28,398	Assumes 20% decrease from final FY11 Cherry Sheet
Exemptions: Vets, Blind, Surviving Spouses & Elderly	\$38,932	\$37,687	\$38,099	\$30,479	Assumes 20% decrease from final FY11 Cherry Sheet
State Owned Land	\$62,997	\$56,752	\$51,904	\$41,523	Assumes 20% decrease from final FY11 Cherry Sheet
Public Libraries	\$33,363	\$25,937	\$25,729	\$20,583	Assumes 20% decrease from final FY11 Cherry Sheet
<b>Subtotal-Other</b>	<b>\$2,025,879</b>	<b>\$1,410,339</b>	<b>\$1,357,506</b>	<b>\$1,086,095</b>	
Mosquito Control Projects	(\$52,897)	(\$53,264)	(\$52,842)	(\$54,956)	Assumes 4% increase from final FY11 Cherry Sheet
Air Pollution Districts	(\$6,571)	(\$6,601)	(\$6,749)	(\$7,019)	Assumes 4% increase from final FY11 Cherry Sheet
Metropolitan Area Planning Council	(\$6,034)	(\$6,159)	(\$6,270)	(\$6,521)	Assumes 4% increase from final FY11 Cherry Sheet
R/W Non-Renewal Surcharge	(\$8,820)	(\$9,740)	(\$8,860)	(\$9,214)	Assumes 4% increase from final FY11 Cherry Sheet
MBTA	(\$107,610)	(\$108,703)	(\$107,508)	(\$111,808)	Assumes 4% increase from final FY11 Cherry Sheet
Regional Transit	(\$22,908)	(\$23,481)	(\$24,068)	(\$25,031)	Assumes 4% increase from final FY11 Cherry Sheet
Special Education	\$0	(\$1,056)	\$0	\$0	Assumes 4% increase from final FY11 Cherry Sheet
School Choice Sending Tuition	(\$15,000)	(\$7,650)	(\$15,000)	(\$15,600)	Assumes 4% increase from final FY11 Cherry Sheet
<b>Subtotal-Less Assessments</b>	<b>(\$219,840)</b>	<b>(\$225,654)</b>	<b>(\$221,297)</b>	<b>(\$230,149)</b>	
<b>Net Cherry Sheet-Town of Acton</b>	<b>\$7,034,180</b>	<b>\$6,665,394</b>	<b>\$6,296,736</b>	<b>\$5,142,042</b>	
<b>Acton/Boxborough</b>					
Chapter 70	\$5,413,736	\$5,305,461	\$5,476,216	\$4,941,371	Assumes FY12 foundation budget with 1.85% inflation factor, then 10% decrease
Regional School Transportation	\$622,353	\$488,864	\$480,849	\$432,764	Assumes 10% decrease
Charter Tuition Reimbursements	\$113,901	\$63,297	\$87,707	\$87,707	79%
Charter School Sending Tuition	(\$328,937)	(\$281,507)	(\$309,151)	(\$309,151)	79%
School Lunch	(\$13,419)	(\$14,645)	(\$12,909)	(\$12,909)	84%
School Choice Receiving Tuition	\$280,550	\$272,692	\$198,860	\$198,860	79%
Special Education	(\$12,163)	(\$129)	(\$1,225)	(\$1,225)	79%
School Choice Sending Tuition	(\$18,774)	(\$15,405)			
<b>Net Cherry Sheet-Acton Portion of Acton/Boxborough</b>	<b>\$6,057,246</b>	<b>\$5,818,628</b>	<b>\$5,920,349</b>	<b>\$5,337,419</b>	

Assumes FY12 foundation budget with 1.85% inflation factor, then 10% decrease

Assumes 20% decrease from final FY11 Cherry Sheet  
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Acton Portion  
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 79%

**Revenues****Local Receipts**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Excise Taxes	\$ 2,730	\$ 2,595	\$ 2,595	\$ 2,595
Fees	\$ 1,080	\$ 940	\$ 1,087	\$ 1,087
Investment Income	\$ 400	\$ 300	\$ 143	\$ 143
<b>Total Local Receipts</b>	<b>\$ 4,210</b>	<b>\$ 3,835</b>	<b>\$ 3,825</b>	<b>\$ 3,825</b>

	FY08 Recap	FY09 Recap	FY10 Budget	FY11 Budget	FY12 Budget
Motor Vehicle Excise	\$2,690,300	\$2,865,000	\$2,595,200	\$2,595,200	\$2,595,200
Fees	\$1,004,000	\$1,171,500	\$1,086,273	\$1,086,273	\$1,087,273
Investment Income	\$723,700	\$360,750	\$142,658	\$142,658	\$142,658
Miscellaneous Recurring	\$0	\$0	\$0	\$0	\$0
<b>Local Receipts-TOTAL</b>	<b>\$4,418,000</b>	<b>\$4,397,250</b>	<b>\$3,824,131</b>	<b>\$3,824,131</b>	<b>\$3,825,131</b>



**Debt Exclusion & SBAB Income**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Debt on APS	\$607	\$619	\$611	\$615
Debt on JHS/SHS	\$1,516	\$1,593	\$1,593	\$1,593
Municipal Debt Incurred	\$412	\$394	\$384	\$339
Debt on PSF	\$501	\$492	\$483	\$473
<b>Total Debt Exclusions</b>	<b>\$3,036</b>	<b>\$3,098</b>	<b>\$3,071</b>	<b>\$3,020</b>
<b>SBAB Reimbursement - Parker Damon</b>	<b>\$1,009</b>	<b>\$1,009</b>	<b>\$1,009</b>	<b>\$1,009</b>
<b>Total Debt Exclusions + SBAB Reimb</b>	<b>\$4,045</b>	<b>\$4,107</b>	<b>\$4,080</b>	<b>\$4,029</b>

**Reserves****Net Position**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$ 2,334	\$ 3,466	\$ 3,716	\$ 3,966
NESWC	\$ 4,469	\$ 3,661	\$ 3,661	\$ 3,661
Regional E&D - Acton Share	\$ 1,183	\$ 1,256	\$ 1,406	\$ 1,556
<b>Total Reserve Position</b>	<b>\$ 7,986</b>	<b>\$ 8,383</b>	<b>\$ 8,783</b>	<b>\$ 9,183</b>

**Reserves****Use of Reserves**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$1,142	\$856		
NESWC	\$455	\$808		
Regional E&D - Acton Share	\$355	\$555		
<b>Total Use of Reserves</b>	<b>\$1,952</b>	<b>\$2,219</b>	<b>\$0</b>	<b>\$0</b>

**Reserves****Assumption of Replenishment**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$250	\$250	\$250	\$250
Unused Warrant Articles, Land Titles		\$1,738		
NESWC	\$455	\$0	\$0	\$0
Regional E&D - Acton Share	\$150	\$150	\$150	\$150
One-time change in Transportation		\$478		
<b>Total Use of Reserves</b>	<b>\$855</b>	<b>\$2,616</b>	<b>\$400</b>	<b>\$400</b>

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Special Education	(\$12,163)	(\$129)			
School Choice Sending Tuition	(\$18,774)	(\$15,405)	(\$1,225)	(\$1,225)	79%
Net Cherry Sheet-Acton Portion of Acton/Boxborough	\$6,057,246	\$5,818,628	\$5,920,349	\$5,337,419	

Assumes FY12 foundation budget with 1.85% inflation factor, then 10% decrease

Assumes 20% decrease from final FY11 Cherry Sheet  
 Assumes 20% decrease from final FY11 Cherry Sheet  
 Assumes 20% decrease from final FY11 Cherry Sheet  
 Assumes 20% decrease from final FY11 Cherry Sheet  
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Assumes 4% increase from final FY11 Cherry Sheet  
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 Assumes 4% increase from final FY11 Cherry Sheet  
 Assumes 4% increase from final FY11 Cherry Sheet

Acton Portion  
 79%  
 81%  
 79%  
 79%  
 84%  
 79%  
 79%



**Revenues****Local Receipts**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Excise Taxes	\$ 2,730	\$ 2,595	\$ 2,595	\$ 2,595
Fees	\$ 1,080	\$ 940	\$ 1,087	\$ 1,087
Investment Income	\$ 400	\$ 300	\$ 143	\$ 143
<b>Total Local Receipts</b>	<b>\$ 4,210</b>	<b>\$ 3,835</b>	<b>\$ 3,825</b>	<b>\$ 3,825</b>

	FY08 Recap	FY09 Recap	FY10 Budget	FY11 Budget	FY12 Budget
Motor Vehicle Excise	\$2,690,300	\$2,865,000	\$2,595,200	\$2,595,200	\$2,595,200
Fees	\$1,004,000	\$1,171,500	\$1,086,273	\$1,086,273	\$1,087,273
Investment Income	\$723,700	\$360,750	\$142,658	\$142,658	\$142,658
Miscellaneous Recurring	\$0	\$0	\$0	\$0	\$0
<b>Local Receipts-TOTAL</b>	<b>\$4,418,000</b>	<b>\$4,397,250</b>	<b>\$3,824,131</b>	<b>\$3,824,131</b>	<b>\$3,825,131</b>

**Debt Exclusion & SBAB Income**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Debt on APS	\$607	\$619	\$611	\$615
Debt on JHS/SHS	\$1,516	\$1,593	\$1,593	\$1,593
Municipal Debt Incurred	\$412	\$394	\$384	\$339
Debt on PSF	\$501	\$492	\$483	\$473
<b>Total Debt Exclusions</b>	<b>\$3,036</b>	<b>\$3,098</b>	<b>\$3,071</b>	<b>\$3,020</b>
<b>SBAB Reimbursement - Parker Damon</b>	<b>\$1,009</b>	<b>\$1,009</b>	<b>\$1,009</b>	<b>\$1,009</b>
<b>Total Debt Exclusions + SBAB Reimb</b>	<b>\$4,045</b>	<b>\$4,107</b>	<b>\$4,080</b>	<b>\$4,029</b>

**Reserves****Net Position**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$ 2,334	\$ 3,466	\$ 3,716	\$ 3,966
NESWC	\$ 4,469	\$ 3,661	\$ 3,661	\$ 3,661
Regional E&D - Acton Share	\$ 1,183	\$ 1,256	\$ 1,406	\$ 1,556
<b>Total Reserve Position</b>	<b>\$ 7,986</b>	<b>\$ 8,383</b>	<b>\$ 8,783</b>	<b>\$ 9,183</b>

**Reserves****Use of Reserves**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$1,142	\$856		
NESWC	\$455	\$808		
Regional E&D - Acton Share	\$355	\$555		
<b>Total Use of Reserves</b>	<b>\$1,952</b>	<b>\$2,219</b>	<b>\$0</b>	<b>\$0</b>

**Reserves****Assumption of Replenishment**

	FY10	FY11	FY12	FY13
	Town Meeting	Town Meeting		
Free Cash	\$250	\$250	\$250	\$250
Unused Warrant Articles, Land Titles		\$1,738		
NESWC	\$455	\$0	\$0	\$0
Regional E&D - Acton Share	\$150	\$150	\$150	\$150
One-time change in Transportation		\$478		
<b>Total Use of Reserves</b>	<b>\$855</b>	<b>\$2,616</b>	<b>\$400</b>	<b>\$400</b>

**Suggested Calendar for Budget Planning for FY11 - DRAFT**

Issue	ALG Discussion	ALG Preliminary Consensus	Back to Boards	Final ALG Consensus	Confirmation by Boards
Revenue projections	10/21/2009	10/21/2009	BOS - 11/2, 11/16; Fincom - 10/26, 2/10; SC - 11/5	11/18/2009	After 11/18/2009
Override? No Override?	10/21/2009	10/21/2009	BOS - 11/2, 11/16; Fincom - 10/26, 2/10; SC - 11/5	11/18/2009	After 11/18/2009
Split allocation - school debt and police	10/21/2009		BOS - 11/2, 11/16; Fincom - 10/26, 2/10; SC - 11/5		
Minuteman Capital funding source - year 1	11/18/2009	11/18/2009	BOS - 12/7; Fincom - 11/24, 12/8; SC - 11/19, 12/3	12/16/2009	After 12/16/2009
Any further work on split allocation?	11/18/2009	11/18/2009	BOS - 12/7; Fincom - 11/24, 12/8; SC - 11/19, 12/3	12/16/2009	After 12/16/2009
Any further revision of revenues?	12/16/2009		BOS - 12/21, 1/11; Fincom - 12/22, 1/12; SC - 12/17, 1/7		
Any further revision of revenues?	1/13/2009	1/13/2010	BOS - 1/25, 2/8; Fincom - 1/26, 2/9; SC - 1/21, 2/4	2/10/2010	After 2/10/2010
Assumptions for 3-year plan	12/16/2009	11/18/2009	BOS - 12/21, 1/11; Fincom - 12/22, 1/12; SC - 12/17, 1/7	2/10/2010	After 2/10/2010
1/13/2009	1/13/2010	1/13/2010	BOS - 1/25, 2/8; Fincom - 1/26, 2/9; SC - 1/21, 2/4	2/10/2010	After 2/10/2010
11/18/2009	11/18/2009	11/18/2009	BOS - 12/7; Fincom - 11/24, 12/8; SC - 11/19, 12/3		
12/16/2009	12/16/2009	12/16/2009	BOS - 12/21, 1/11; Fincom - 12/22, 1/12; SC - 12/17, 1/7	1/13/2010	After 1/13/2010
<b>Other Important Dates:</b>			<b>ALG Meeting Dates:</b>		
Manager's Budget Due	12/27/2009		10/21/2009		
Municipal Budget Saturday	1/9/2010		11/18/2009		
BOS Vote Budget	1/25/2010		12/16/2009		
BOS MUST Vote Budget for Fincom	2/4/2010		1/13/2010		
ABRSC Budget Hearing	2/4/2010		2/10/2010		
APS Budget Hearing	2/25/2010		3/10/2010		
Warrant to Printer This Week	3/1/2010				
Post Warrant	3/16/2010				
Town Election	3/30/2010				
Town Meeting Begins	4/5/2010				

Revised ALG Calendar for Budget Planning for FY12 - Version #2						
Issue	ALG Discussion	ALG Preliminary Consensus	Back to Boards	Final ALG Consensus	Confirmation by Boards	
Revenue projections	10/28/2010	11/18/2010	BOS - 11/8, 11/22; Fincom - 11/9, 11/30; SC - 11/4, 11/18	12/2/2010	After 12/2/2010	
Override? No Override?	11/18/2010	11/18/2010	BOS - 11/22, 12/6; Fincom - 11/30, 12/14; SC - 12/2, 12/16	12/2/2010	After 12/2/2010	
Split allocation	11/18/2010	11/18/2010	BOS - 11/22, 12/6; Fincom - 11/30, 12/14; SC - 12/2, 12/16	12/2/2010	After 12/2/2010	
Turnbacks?	11/18/2010	11/18/2010	BOS - 11/22, 12/6; Fincom - 11/30, 12/14; SC - 12/2, 12/16	12/2/2010	After 12/2/2010	
Reserves use	11/18/2010	11/18/2010	BOS - 11/22, 12/6; Fincom - 11/30, 12/14; SC - 12/2, 12/16	12/2/2010	After 12/2/2010	
Minuteman Capital-funding source - year +				12/16/2009	After 12/16/2009	
Any further work on split allocation?	12/16/2010	12/16/2010	BOS - 12/20, 1/10; Fincom - 12/14, 1/11; SC - 12/18, 1/6	1/13/2011	After 1/13/2011	
	1/13/2011	1/13/2011	BOS - 1/24, 2/14; Fincom - 1/25, 2/8; SC - 1/20, 2/3	2/10/2011	After 2/10/2011	
Any further revision of revenues?	12/16/2010	12/16/2010	BOS - 12/20, 1/10; Fincom - 12/14, 1/11; SC - 12/18, 1/6	1/13/2011	After 1/13/2011	
	1/13/2011	1/13/2011	BOS - 1/24, 2/14; Fincom - 1/25, 2/8; SC - 1/20, 2/3	2/10/2011	After 2/10/2011	
Assumptions for 3-year plan	1/13/2011	1/13/2011	BOS - 1/24, 2/14; Fincom - 1/25, 2/8; SC - 1/20, 2/3	2/10/2011	After 2/10/2011	
	2/10/2011	2/10/2011	BOS - 2/14, 2/28; Fincom - 2/22, 3/1; SC - 2/17, 3/3	3/24/2011	After 3/24/2011	
<b>Other Important Dates:</b>						
Fincom Draft POV	11/9/2010		<b>ALG Meeting Dates:</b>			
ABRSC Mtg - Superintendent Budget	12/2/2010		10/26/2010			
Manager's Budget Due	12/20/2010		11/18/2010			
Municipal Budget Saturday	1/8/2011	?	12/2/2010			
AB/APS Budget Workshop	2/5/2011	?	12/16/2010			
BOS Vote Budget	1/24/2011		1/13/2011			
BOS must Vote Budget for Fincom	2/1/2011		1/27/2011			
ABRSC Budget Hearing	2/3/2011		2/10/2011			
APS Budget Hearing	2/17/2011		2/17/2011			
Warrant to Printer This Week	3/1/2011	?				
Post Warrant	3/11/2011	?	3/24/2011			
Town Election	3/29/2011					
Town Meeting Begins	4/4/2011					

### Fincom Discussion of Recommendations for Budget Planning for FY12

Issue		ALG Discussion		ALG Preliminary Consensus
Revenue projections		10/28/2010		11/18/2010
	Chapter 70 - Reduce 10% from FY11 level			
	Other local aid - Reduce 20% from FY11 level			
	Local receipts - 0% change from FY10 level			
	New growth ~ \$600K			
Override? No Override?		11/18/2010		11/18/2010
Split allocation		11/18/2010		11/18/2010
Turnbacks?		11/18/2010		11/18/2010
Reserves use		11/18/2010		11/18/2010

# Waterfall Policy: Past, Present, Future

Xuan Kong

November 18, 2010

# Purposes of This Presentation

- The Past
  - Why did we need a waterfall proposal?
  - How did the proposal become a policy?
  - What assumptions were made on funding sources for the waterfall policy?
- The Present
  - APS School Committee vote (11/04/2010)
  - Acton Finance Committee position (POV, 11/10/2010)
  - Consensus from ALG (11/18/2010)
  - Local revenue variance
- The Future
  - Tax rate setting for FY2011 (BOS, 12/06/2010)
  - Budget for FY2012 and beyond



# Why We Needed a Proposal?

- December 2009 Budget Assumptions
  - 10% Chapter 70 reduction from previous year
  - Level budgets for all operating entities
- January 2010 Superintendent Presentation
  - Outlined very aggressive cost-saving initiatives (Level 1 to Level 4)
  - FY2011 budget still called for \$735K increase over FY2010 budget (and \$379K APS Debt/COPS not accounted for)
  - Level 5 personnel cut must be implemented in order to balance budget

# ABRSD/APS Level 3 & 4 Reduced Budget (in thousands)

**\$735K Short**

	<b>APS</b>	<b>AB</b>	<b>K-12</b>
FY '10 Original	\$25,754	\$37,353	\$63,107
FY11 Budget with Levels 3 & 4 Cuts	\$25,844	\$37,998	\$63,842
% Change from FY '10 Orig	.35%	1.73%	1.16%

Slide 17 from School Committee Budget Presentation 01/07/2010 (Steve Mills)

# How Did It Become Policy?

- 01/22/2010: Governor announced level-fund Chapter 70
  - This represented almost \$2.2M\* increase from December 2009 budget assumption
- 02/06/2010: Waterfall proposal introduced during Saturday budget hearing
  - This proposal allowed APS/AB schools to avoid staff layoffs (level 5 cuts)
- 03/25/2010: Waterfall proposal approved at APS School Committee meeting

\*Include Boxborough share for regional school district

# ABRSD/APS Reduced Budgets (in thousands)

	APS	AB	Total
FY10 October 1 Cuts		\$494	\$494
FY11 Revised Levels 3 & 4	\$602	\$622	\$1,224
FY11 Level 5	\$249	\$791	\$1,040
	\$851	\$1,907	\$2,758

**FY11**

Old Chapter 70\*  
(In thousands)

AB	APS
\$6,044	\$4,611
<b>Total: \$10,655</b>	

\*10% reduction from FY10

**Difference of  
\$2.188M**

**FY11**

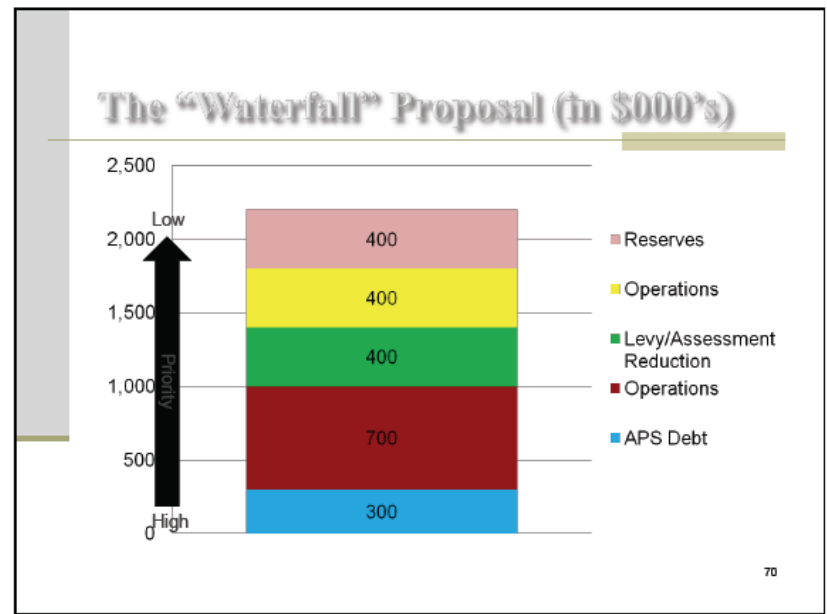
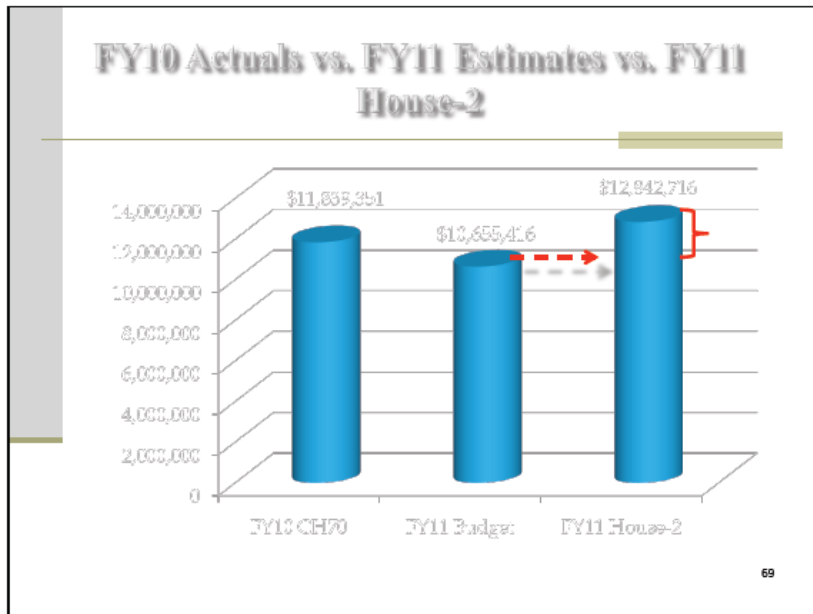
New Chapter 70\*\*  
(In thousands)

AB	APS
\$7,362	\$5,481
<b>Total: \$12,843</b>	

\*\*House 1, Governor's Budget

Slide 9 from School Committee Budget Presentation 02/04/2010 (Steve Mills)

# Waterfall Proposal



\*Slides 69 and 70 as introduced by Jonathan Chinitz, Saturday Budget Hearing (02/06/2010)

# APS SC Adopted Waterfall Proposal

Approved Meeting Minutes of March 4<sup>th</sup>, 2010

## **1. Acton Finance Committee Update (continued)**

The Committee continued to discuss whether to commit to a version of the waterfall proposal or not. John Peteresen said that having just voted the two school budgets implies that the Committees want to fund them. He felt that this was a clear enough statement regarding what the budget numbers should be.

It was moved, seconded and

**VOTED: To endorse the waterfall proposal as originally presented on February 6, 2010.**

(Yes: Chinitz, Coppolino, Kong, Lindgren and McManus No: Petersen)

# Positive Impact of Waterfall on Schools

- Covered the APS Debt Services and COPS program: \$379K
- Restored APS/AB Level 5 Cuts: \$965K
  - A small percentage of the cuts were restored via fee increases

# What Assumptions Were Made?

- What were the “sources” of waterfall when we adopted the proposal?
  - Exclusively FY2011 Chapter 70 change?
    - \$1,216K (Acton Share)
  - All incremental revenue received in FY2011?
    - \$1,216K (Chapter 70)
    - \$491K (Transportation Catch Up)
    - \$541K (ARRA Federal Grant)
    - \$698K (EduJob Grant)



# Waterfall Proposal Text

2/22/10

Any way, here is the Waterfall Proposal.

1. Our budget called for a 10% reduction (roughly \$1.2mm) in Ch 70 money.
2. The Governor's budget calls for holding education funding even, state wide. For us, this results in an increase of \$1mm or a \$2.2mm swing.
3. Whether or not the Governor's budget ends up being approved or changed and whether or not the Ch 70 money increases, the following "waterfall" will be the protocol for the allocation of those funds:

# Where We Are Now?

- 11/04/2010: APS School Committee voted to re-affirm waterfall policy
- 11/10/2010: Acton Finance Committee position (Point of View)
- 11/18/2010: Consensus from ALG
- Local revenue variance

# Waterfall With Chapter 70 Only

	Baseline Assumption	FY2011 Final Budget
Acton	\$5,643	\$6,297
AB (Acton)	\$5,160	\$5,723
Subtotal	\$10,803	\$12,020
Change from Baseline (Waterfall fund)		\$1,217
Steps 1-2 (APS Debt and Restore Cuts)		\$1,000
Step 3 (Property Tax Relief)		\$217

Extracted from Finance Committee Meeting Handout (September 28, 2010)

# Local Revenue Variance

- Local revenue consists of
  - Property Tax
  - Excise Tax and Fees
  - Investment Income
- Department of Revenue rules cap certain revenue for FY2011 based on FY2010 actuals
  - We may have up to \$150K shortfall of local revenue (fees)

# Question In Front of Boards

- Should expected property tax relief of \$217K + \$45K\* (=\$262K)
  - Option 1: Be reduced by \$150K due to local revenue variance?
  - Option 2: Be maintained by adjusting E&D reserve use (lowered assessment)?

\*lowered assessment from ABRSD due to transportation revenue catch up

# What Are Next Steps?

- 12/06/2010: BOS will have FY2011 tax rate setting hearing
  - School committee decisions must be made prior to that in order to affect FY2011 tax rate
- Budget for FY2012 and beyond
  - We may face similar uncertainty in this and future years
  - How we handle the implementation of FY2011 Waterfall Policy would have lasting impact on our budget process

# To Summarize

- Waterfall solution was proposed to address the uncertainty of CH70 state aid so we didn't have to implement staff layoff
- Waterfall policy was adopted by school committee and other town boards
- APS/AB are the primary beneficiaries of the policy
- Funding Waterfall to provide limited property tax relief is the right thing to do
- Funding Waterfall will NOT impact FY2011 services
- Funding Waterfall will have positive impact on our future budget process