



Melrose Public Schools

Melrose, Massachusetts 02176

FY2010 Budget

DRAFT 1

February 24, 2009

Joseph F. Casey, Superintendent of Schools
Gregory Zammuto, Business Manager

**MELROSE PUBLIC SCHOOLS
FY2010 BUDGET**

DRAFT 1

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**MELROSE PUBLIC SCHOOLS
OFFICE OF THE SUPERINTENDENT
MELROSE, MA 02176**

TO: Melrose School Committee
FROM: Joseph F. Casey
Superintendent of Schools
RE: Analysis of FY2010 Budget Draft 1
DATE: February 24, 2009

I. GENERAL INFORMATION

The Melrose Public Schools FY2010 Budget process began in early October and reflects the district's commitment to develop a balanced budget. More than any time in recent memory, the budget reflects the fiscal realities of the city, state, nation and the world. The atypical downturn in the worldwide economy does present challenges; however, we are confident that we will be able to continue to offer high quality instruction and a wide range of extracurricular activities to the students and families of Melrose. The budget recommendations for FY10 reflect cutbacks and revenue adjustments needed to balance the budget.

During the past five months (October through February) our budget holders assessed their needs and presented a needs-based budget. Working with the administrative team, we have further reviewed and revised their budget requests and continued discussions with budget holders focused on identifying the least harmful reductions, while continuing to strengthen and support our students' academic needs.

Each year the School Department budget is made up of a combination of revenue from the city, school applied funds and grants. This budget is based on anticipated revenue and reflects adjustments to expenses to meet the level of anticipated revenue. It is important to note that the FY10 Budget doesn't include any increases to current tuition and fee based programs.

At present, the Melrose Public Schools FY10 Budget is \$27,528,759 which is based on anticipated revenue (includes City Appropriation, Applied Funds and Grants) and represents an increase of \$722,062 (2.69%). In addition to this the School Department will receive federal and state grants that fund programs and services outside of the regular budget. These service supplement and do not supplant current budgeted programs. However, at this time we have \$27,810,881 as requested expense, with this there is a current budget shortfall of \$282,302. We will continue to work with budget holders to identify adjustments so that a balance budget can be presented.

2008/2009 Budget	\$26,806,517
2009/2010 Budget	\$27,528,579
(+\$722,062)		

The following chart breaks out the combination of local funds, applied account funds and grants that made up the school budget for FY09 and is anticipated to make up the school budget for FY10.

Melrose School Department Major Budget Components FY2009-FY2010			
Line Item Description	FY2009	FY2010	Difference FY09-FY10
City Appropriation	\$23,413,788	\$23,913,788	+\$500,000
Applied Funds	\$3,180,688	\$3,360,688	+\$180,000
METCO Grant	\$212,041	\$254,103	+\$42,062
Total	\$26,806,517	\$27,528,579	+\$722,062

II. MAJOR INCREASES BY CATEGORY FROM FY2009 TO FY2010

The following chart identifies areas of the Draft 1 budget in which increases are required by contract(s), law(s), mandate(s) and/or anticipated price escalations.

LINE ITEMS WITH UNCONTROLLABLE INCREASES			
Line Item Description	FY2009	FY2010	Difference FY09-FY10
Salary Accounts	\$20,689,199	\$21,487,246	\$798,047
Plant Accounts	\$2,209,750	\$2,303,418	\$93,668
Special Education (Non Salary)	\$2,703,913	\$2,864,348	\$160,435
Total	\$25,602,862	\$26,655,012	\$1,052,150

Conclusion: The total FY2010 Budgeted Revenue to fund Expenses is **\$27,534,035**. The budget increase is currently **\$722,062** above the FY2009 Budget and we have **\$1,052,150** due to uncontrollable costs. This means that other reductions had to be made to cover these costs.

Currently, we have a budget expense of \$27,810,881 and revenue in the amount of \$27,528,579. With this there is a budget shortfall of **\$282,302**.

The School Department will continue to review the proposed budget to identify further reductions in all areas of the budget and to identify possible means to increase revenues.

III. STRATEGY TO ADDRESS DRAFT 1 BUDGET GAP OF \$282,302

- Continue to review staffing levels and determine if further adjustments can be made
- Continue to monitor SPED in an effort to identify adjustments in services and tuitions
- Continue to seek additional revenue
- Continue to evaluate all expenses to determine if there are additional way to consolidate or combine services
- ***Important:*** Additional attrition of existing staff (retirements and resignations) would allow salaries to be downsized, which would produce additional savings to the FY2010 budget. As personnel notify us of their intent to retire and/or resign, salaries built into the Draft 1 Budget will be reduced.

cc: File
City Financial Officer/Auditor