



# GDRSD BUDGET AND THE OVERRIDE

Town Meeting  
April 26, 2010

## Groton Finance Committee

# School Budget and the Override

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- Finance Committee and Town Manager Budgets Provide for \$463,500 increase in GDRSD operating funding
- 76% of new Town revenue
- 3.3% Increase over FY2010
- Municipal Operating Budget up only 0.66%

# School Budget and the Override

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In May 2007:

- ☐ Groton Fincom warned that, despite falling enrollment, school costs were growing faster than the town could afford
- ☐ Dr. Genovese predicted that state aid would decrease by more than \$2.5 million over the next five years
- ☐ The present unsustainable situation was foreseen, predictable and predicted

# Master Plan Warrant Article

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- GDRSD is seeking a total of \$1,855,000 in increased funding from Groton and Dunstable
- Groton's increase is: \$1,460,000
- GDRSD Revenue (Ch. 70, Ch. 71, Charter School Aid):
  - FY2008: \$11,736,000                      Total Operating Revenue: \$30,611,000
  - FY2009: \$10,979,000                      Total Operating Revenue : \$30,092,000
  - FY2010: \$11,992,000                      Total Operating Revenue : \$31,607,000
  - FY2011: \$11,086,000                      Total Operating Revenue : \$32,239,000 (with override)
  - Total Operating Revenue : \$30,934,000 (no override)
- FY2009 was a down year (Ch. 70); FY2010 was peak revenue and Ch. 70 year
- This year's "reductions" in aid are magnified by last year's revenue
- Combined Ch. 70 + Ch. 71 aid were essentially equal in FY2009 and FY2011
- *Non-override* revenue is up 2.8% over FY2009;
- *Override* revenue is up 7.1% over FY2009
- Assessments (\$17,761,000 in FY2009; \$19,975,000 in FY2011) are up 12.5%
- With the handwriting on the wall, why didn't GDRSD tighten its belt, especially given that enrollment remains flat to down???

# School Budget and the Override



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- ❑ Groton and Dunstable budgeted \$549,000 in increased FY2011 GDRSD funding – 3% over FY2010
- ❑ GDRSD is seeking \$1,855,000 in increased funding, a 10.2% increase in assessments over FY2010
- ❑ Total additional increase to all taxpayers: \$1,306,000
- ❑ Increase to Groton taxpayers: \$996,000 above the \$463,500 already in the non-override budget
  - ❑ Non-override budget: \$64 tax increase on average home
  - ❑ Override budget: \$320 tax increase on average home

# School Budget and the Override



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## What's driving the increase???

- ❑ Wage increases: \$816,000
- ❑ Benefits cost increases: \$415,000
- ❑ Total: \$1,231,000 – essentially all of the requested \$1,306,000 increase in funding
- ❑ \$774,000 of the increases (95%) are for teachers
- ❑ Average Groton teacher salaries:
  - ❑ FY2010: \$65,719
  - ❑ FY2011: \$68,935 a 4.9% increase

# Master Plan Warrant Article



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## “Community Equity”

- Average wage increase in U. S., February 2009 to February 2010: 1% (Source: BLS, US Dept. of Labor)
- Groton Social Security recipients received 0% increase
- In 2007 Groton teachers received an average wage increase of around 6.5%; FY2011 is proposed to be 4.9%; similar increases in intervening years

# Master Plan Warrant Article



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## “Community Equity”

- We can't afford these outsized increases year-after-year
- Both the Town Manager and Finance Committee predict a continuing series of override requests unless there are significant changes in how our schools operate and compensate.
- If the GDRSD operating budget increases by 3% each year, it will require additional funding of *\$1,000,000 or more every year from now on*; that's more than the total new revenue that we can expect to generate
- Municipal increases, benefits and pension funding (the “800 pound gorilla”) must respect community equity and be subject to prevailing economic conditions



# School Budget and the Override



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- We knew this was coming and not enough was done
- GDRSD “Think Tank Committee” proposed a variety of initiatives – eleven in total – such as use of “virtual classrooms”, outsourcing and “regionalization” of certain school initiatives
- Initiatives driven from outside the system have produced positive results
- When approached, GDRSD staff is often cooperative and enthusiastic about fostering change

# School Budget and the Override



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- Our school budget should be affordable – educating our kids must be the first priority; compensation and benefits must fit within this framework, not vice versa.
- We CAN have a first-class school, affordable, school system
- We CAN'T act in fear of perceived consequences or threats

# School Budget and the Override

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IF WE NEVER TRY  
ANYTHING  
DIFFERENT,  
NOTHING WILL EVER  
CHANGE