

The Superintendent's and Financial Manager's 2011 Budgetary Narrative Statement

Our 2010-2011 proposed budget request would provide for a level serviced budget plus a contingency account of \$155,629. The original 2009-2010 budget of \$16,179,105 was reduced by two mid-year cuts, one of \$186,974 and a second of \$194,367, for a total reduction of \$381,341. The current 2009-2010 net budget current appropriation stands at \$15,797,764. We recommend a return of the \$381,341 reductions for the 2010-2011 school year to go towards funding both the teacher contractual salary increases for step and lane adjustments of \$217,712 and a contingency account of \$155,629 to be prepared to deal with the potential of additional future mid-year cuts. This would return the school department appropriation to \$16,179,105 where it started the 2009-2010 year. This budget recommendation is "Option 1" of the four options presented under the summary and the detail tabs of the budget book.

Under those same tabs are presented three other budget options numbered 2, 3 & 4. Option 2 represents a level serviced budget without the \$155,629 contingency account. Option 3 represents a level funded budget, with level funding meaning the reduced end of the year current appropriation of \$15,797,764 plus reductions of \$217,712 to cover the contractual step and lane salary increases. Option 4 represents additional reductions to the current reduced budget appropriation of \$1,007,600 to fund both the teacher contractual salary increases for step and lane adjustments of \$217,712 and a 5% reduction to the current appropriation of \$789,888. In order to be able to balance a budget with this level of additional reductions, we project cuts to positions of 18.2 FTE's. It goes without saying that such cuts would devastate the schools current services and programs.

When we went for an over-ride last year we requested and received additional funding of \$565,000 from the community and we wish to take this opportunity to say thank you once more for those much needed funds. However, we also wish to point out that the schools additional funding of \$565,000 was reduced by town revenue shortfalls of \$370,000 so that the schools beginning appropriation was only increased by \$195,000. When you take into consideration that the schools sustained mid-year cuts of \$381,341, the schools are currently funded \$186,341 less than they were before the over-ride. This outcome was anticipated into the school plans and built into the budget in the form of the contingency account. We believe the school department has been a good partner co-operating with Town Hall and that we have shared our share of the Towns financial burden.

We will continue to look for all potential benefits to be gained through the implementation of more efficient and effective use of resources and remain open to creative methods to offset the effects of continuous cuts. We know we may continue to rely on the efforts of our dedicated and loyal employee base. However, as we had warned over the past two years the deep cuts already made have had a significant negative impact and this year we appear to be approaching the threshold point where further cuts to the school appropriation will be limited by state law. The Commonwealth's school finance statute, Chapter 70 of the General Laws, establishes an annual "net school spending" (NSS) requirement for each Massachusetts school district. Failure to comply with this requirement may result in non-approval of a municipality's tax rate, enforcement action by the Attorney General, or loss of state aid. The net school spending

formula includes spending from all sources of funding, not just the town budget appropriation. It should also be noted that the formula computes each district's NSS based upon a complex weighted formula that looks at many different attributes to arrive at each districts spending requirement.

Once again in preparation of this year's budget request we have tried to balance the education needs of the student body with the Community's ability and means to provide funding. While we believe this budget request is appropriate under the current economic circumstances, we do not believe it provides funding for all that Winthrop's pupils deserve.

Dr. Steven F. Jenkins
Superintendent of Winthrop Public Schools

Kevin C. Meagher
Director of Finance