

CLOSING THE GAP

17. What was the difference between the original bottoms-up budget proposal and the base budget adopted by the School Committee?

The initial total spending proposal to the School Committee, presented on 10/28/04, totaled \$9,227,399. This was larger than the base spending proposal of \$8,891,162 adopted by the School Committee on January 13, 2005, which reflects the addition of \$315,913 of revenues and \$336,237 in reductions to proposed spending.

18. How did you close the gap?

The difference between funds originally requested and funds available was closed through two methods. The School Committee and Administration looked at various revenue sources and ascertained that additional money held in revolving accounts and special revenue accounts could be tapped in order to further supplement the funding provided through local tax appropriations. These scenarios were explored in detail with the Finance Committee, which gave its approval to the application of these additional revenue sources. A key event was receipt of clarification from the state Department of Education allowing us to expend the so-called Special Education circuit breaker reimbursements over multiple years rather than restricting them to be used in the year in which they are received. The amount of additional revenue added as a result of these discussions was \$315,913.

These actions have the effect of having a greater proportion of the school budget be funded by sources that are outside of the Town's direct control than in past years, although the vast majority (approximately 90%) of the school funding continues to come from local taxes. This is a double-edged sword. On one hand, it provides a way to fund our high quality program with less impact on property taxes. On the other hand, it increases our exposure to funding that is probably more volatile in its nature. The School Committee and Finance Committee both feel that the balance we are striking in the FY06 budget proposal is appropriate.

In addition, the School Committee and Administration collaborated to identify items in the original proposal that either would not be funded, or would be funded at a reduced level. In all such cases, the impact of such changes on students and education was explored with the school teams. The amount of reductions made from the initial spending plan was \$336,237. If the override request is approved by the voters, then \$118,400 of these reductions from the proposed spending plan will be restored.