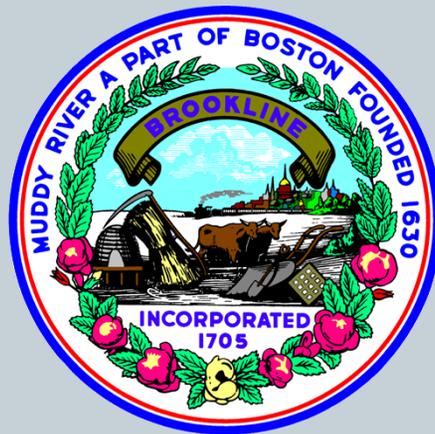


Town Administrator's Presentation FY 2015 Bridge Budget Concept



BOARD OF SELECTMEN- 01/14/2014
OVERRIDE STUDY COMMITTEE- 01/15/2014

Background



- Proposition 2½ limits revenue capacity and has contributed to a “Structural Gap” in Municipal Budgeting (the rate of expenditures exceeds revenue growth)
- Overrides of Proposition 2½ are a logical and cyclical phenomenon of municipal budgeting
- Our job is to extend the period of times between Tax Overrides and to limit the impact on taxpayers whenever an Override is required
- Brookline’s last Override was for Fiscal Year 2009
- During the intervening years, Brookline was able to balance its budget without an Override
 - Conservative and prudent budgeting
 - Controlling the Health Insurance budget buster
 - Consolidating and “rightsizing” services
 - Economic forces limited the effect of inflation
 - Tweaking the Town School Partnership Formula

FY 2015 Budget Projection



- Cumulative effects of structural gap (primarily upon the School Department) resulting in a projected \$1.25 million shortfall
- Additional needs identified for School support services based on high enrollment increases (non-teaching support staff)
 - Guidance Personnel
 - Nursing and Psychiatric Staff
 - Specialists
 - Administration (Vice Principals and Department Heads)
- Proposal to implement a comprehensive Technology Plan

The Override Study Committee



- Appointed jointly by the Board of Selectmen and the School Committee and charged with “determining whether substantially more revenue capacity than what is currently anticipated will be necessary to maintain desired levels of services and fund future liabilities of the Town and the Public Schools, and therefore, whether a voter-approved override or overrides of Proposition 2 ½ will be necessary to raise that revenue.”
 - Comprehensive and objective analysis developed through a subcommittee process
 - March 1 deadline for initial phase
- My observation is that the necessary analysis and, more importantly, the consensus necessary to present a tax override proposal cannot be achieved by that date
- Led me to propose a Bridge Budget Concept for Fiscal Year 2015

The Bridge Budget Concept



- The magnitude of the problem requires a more substantial adjustment than prior “tweaking”
- The Bridge Budget creates an interim solution that becomes part of the more permanent solution as proposed by the Override Study Committee next year
 - Avoids major reductions in educational programs and services
 - Stems the erosion of support staffing/services
 - Provides a beginning to the technology initiative

Principles of a Bridge Budget



- Is sustainable (becomes part of a base budget for the future)
- Retains the Town School Partnership formula in the long term
- Limits major policy decisions better considered as part of an Override Process
- Builds upon preliminary recommendations of the Override Study Committee
 - Non-Tax revenue enhancement
 - Expenditures/Efficiencies
- Coordinated with capital related decisions of an Override

Components of the FY 2015 Bridge Budget



- Non-tax general revenue support that would be allocated in a one-time formula change
- Review of conservative budget projections (Chapter 70 Aid, Health Insurance Premiums, and Collective Bargaining reserves)
- School Department generated fees for service
- Use of School Department reserves or outside budget sources
- Implementation of Budget Efficiencies

Summary and Next Steps



- **Consideration by Board of Selectmen, School Committee, Advisory Committee and the Override Study Committee**
- **Further Direction and Modification of Schedule to the Override Study Committee**
- **Review with Town School Partnership**
- **Presentation of FY 2015 Budget on February 15**