



# Worcester, Massachusetts

## City of Worcester Funding Public Education

- Worcester Regional Research Bureau & Worcester Education Collaborative
- November 12, 2014



# Prioritization of Annual Municipal Budget

- City Manager's annual budget recommendation is dictated by prioritization of municipal services of the City Council

## Historic Priorities

- Education (Net and Non Net School Spending)
- Public Safety (Police, Fire & Inspectional Services)
- Public Works (inclusive of snow plowing)
- Economic Development (inclusive of CIP)

# Required Education Funding

- Municipal Revenue Growth Factor(MGRF)
  - An estimate of the percentage change in a municipality's revenue growth for a fiscal year. It represents the combined percentage increase in the following revenue components: automatic 2 1/2 percent increase in the levy limit, estimated new growth, the change in unrestricted state aid categories, and the change in selected unrestricted local receipts.
    - » (Education Reform Act of 1993)



# Education Funding-MRGF

**Massachusetts Department of Revenue**  
**Division of Local Services**  
**Municipal Revenue Growth Factor (MRGF) Calculation, FY2015**  
**WORCESTER**

1. LEVY LIMIT BASE					
FY2014 Levy Limit prior to exclusion Overrides			260,880,705		
FY2014 Limit Adjusted for Overrides			260,880,705		
2. INCREASE IN LEVY LIMIT GROWTH DUE TO NEW GROWTH					
Fiscal year	Levy Without Exclusion Overrides	CH 653	Certi New Growth	New Growth Adjusted for 653	Percentage of Year's Limit
2010	219,534,515				
2011	228,293,315			3,270,437	1.49%
2012	239,679,557			5,678,909	2.49%
2013	250,134,942			4,463,396	1.86%
2014	260,880,705			4,492,389	1.80%
Average of Last Three Years					2.05%
Avg Lowest Three of Last Four Years					1.72%
Maximum, Last Three Years					2.49%
Average of Two Smaller Years					1.83%
Difference, Maximum Minus 2 Yr Average					0.66%
<b>Percent Increase in New Growth for MRGF</b>				<b>2.05%</b>	
*Adopted CH 653					

3. CHANGE IN REVENUE SHARING	Fiscal Year 2014 Cherry Sheet	Fiscal Year 2015 Estimates
Additional Assistance		
Lottery		
Unrestricted General Government Aid	35,980,899	36,978,717
State Owned Land	426,102	218,257
<b>TOTAL</b>	<b>36,407,001</b>	<b>37,196,974</b>
4. RECURRING LOCAL RECEIPTS	2013 Budget	2014 Budget
Motor Vehicle Excise	11,500,000	12,500,000
Other Excise	2,840,000	3,000,000
Penalties and Interest	2,333,000	2,700,000
Payments in Lieu	750,000	1,050,000
Fines and Forfeits	2,900,000	2,610,000
Investment Income	600,000	300,000
Miscellaneous Recurring	2,450,000	5,534,500
<b>TOTAL</b>	<b>23,373,000</b>	<b>27,694,500</b>
5. SUMMARY	Amount	Pct Chg
FY2014 MRGF Levy Limit	260,880,705	
FY2014 General Revenue Sharing	36,407,001	
FY2013 Budgeted Recurring Local Receipts	23,373,000	
<b>Total Base Municipal Revenues</b>	<b>320,660,706</b>	
FY2015 Estimated Levy Ceiling		
FY2014 Levy Limit * 1.025	267,402,723	
FY2015 Estimated New Growth	5,348,054	
<b>FY2015 Estimated Levy Limit</b>	<b>272,750,777</b>	
FY2015 General Revenue Sharing	37,196,974	
FY2014 Budgeted Recurring Local Receipts	27,694,500	
<b>Total Estimated Current Municipal Revenues</b>	<b>337,642,251</b>	
Change, Base to Current Revenues	16,981,545	5.30%
<b>FY2015 Municipal Revenue Growth Factor</b>		<b>5.30%</b>



# FY15 Budget Allocation-WPS

	FY14 Budget	FY15 Budget	FY14 to FY15 Gen Fund Revenue Increase	% of Change
Tax Levy Base	239,690,683	250,808,527	11,117,844	4.64%
2.5% Allowable Increase	6,253,374	6,522,018	268,644	4.30%
Use Of Excess Levy	372,081		(372,081)	-100.00%
New Growth	4,492,389	4,100,000	(392,389)	-8.73%
Overlay	(3,202,509)	(3,000,000)	202,509	-6.32%
<b>Total Real Estate Revenues</b>	<b>247,606,018</b>	<b>258,430,545</b>	<b>10,824,527</b>	<b>4.37%</b>
State Aid - General Aid	35,980,899	36,978,717	997,818	2.77%
State Aid - Other	3,137,016	1,937,914	(1,199,102)	-38.22%
MSBA Reimbursement	15,203,377	11,575,058	(3,628,319)	-23.87%
<b>Total General State Aid</b>	<b>54,321,292</b>	<b>50,491,689</b>	<b>(3,829,603)</b>	<b>-7.05%</b>
State Aid - Education	219,897,733	220,569,583	671,850	0.31%
Charter School Reimbursement	2,366,405	2,734,532	368,127	15.56%
<b>Total Education Aid</b>	<b>222,264,138</b>	<b>223,304,115</b>	<b>1,039,977</b>	<b>0.47%</b>
Local Receipts	39,965,732	40,993,295	1,027,563	2.57%
Other Funds	1,214,792	1,971,013	756,221	62.25%
<b>Net Revenues (Available for Appropriation)</b>	<b>565,371,972</b>	<b>575,190,657</b>	<b>9,818,685</b>	<b>1.74%</b>
	FY14 Budget	FY15 Budget	FY14 to FY15 Gen Fund Revenue Increase	% of Revenue Inc.
WPS Budget (1)	299,045,585	299,045,585		
plus Minimum Contribution		4,711,086	4,711,086	47.98%
plus Additional Contribution MRGF		345,240	345,240	3.52%
<b>plus Additional Contribution</b>		<b>1,100,000</b>	<b>1,100,000</b>	<b>11.20%</b>
	<b>299,045,585</b>	<b>305,201,911</b>	<b>6,156,326</b>	<b>62.70%</b>



# Allocation of Municipal Budget

## FY15 Municipal Revenues

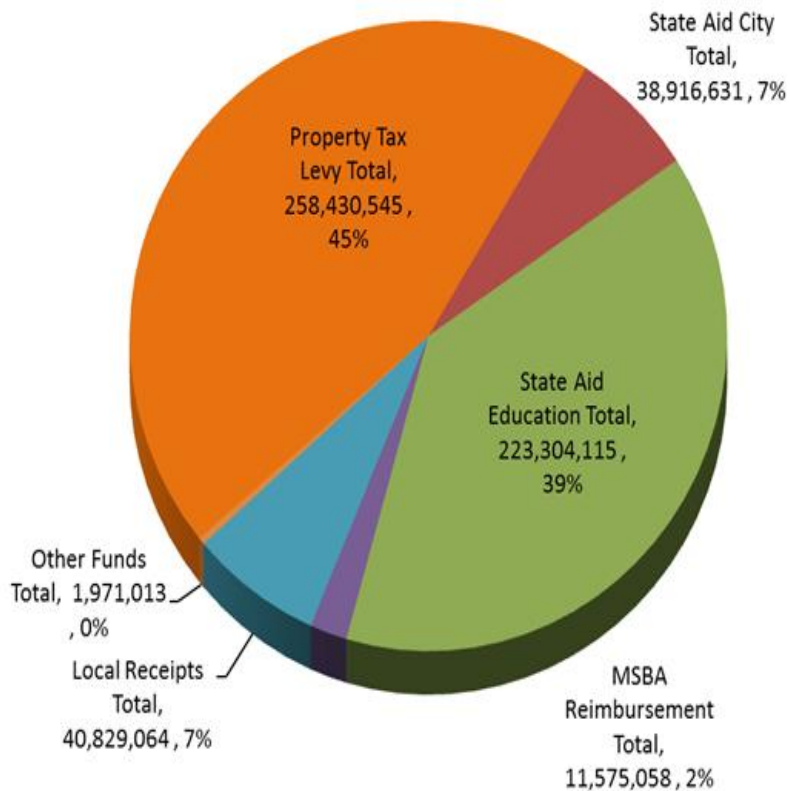
Category	FY14 Budget	FY15 Budget	Change	% Change
Property Tax	247,606,018	258,430,545	10,824,527	4.37%
Local Receipts	39,965,732	40,993,295	1,027,563	2.57%
State Aid Education	222,264,138	223,304,115	1,039,977	0.47%
State Aid Unrestricted	35,980,899	36,978,717	997,818	2.77%
State Aid MSBA and Other	18,340,393	13,512,972	(4,827,421)	-26.32%
Other Funds	1,214,792	1,971,013	756,221	62.25%
<b>Total- Revenues</b>	<b>565,371,972</b>	<b>575,190,657</b>	<b>9,818,685</b>	<b>1.74%</b>

## FY15 Municipal Expenses

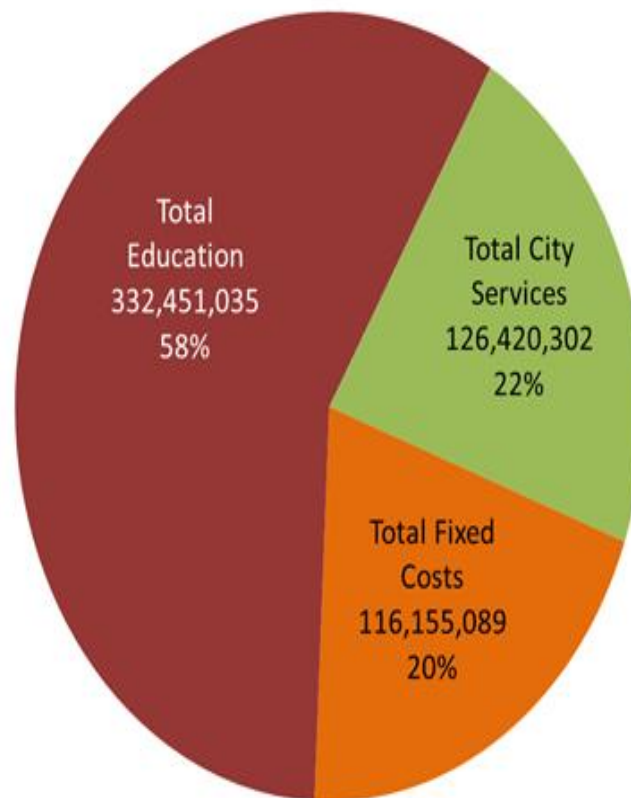
Budget Area	FY14 Budget	FY15 Budget	FY14/15 Change	% Change
WPS Budget	299,045,854	305,201,911	6,156,057	2.06%
Operations	123,830,047	121,980,644	(1,849,403)	-1.49%
Fixed	99,702,067	102,989,694	3,287,627	3.30%
Charter/Choice Assessment	26,872,210	27,413,355	541,145	2.01%
FivePoint Plan	15,005,794	13,605,053	(1,400,741)	-9.33%
Contingency	916,000	4,000,000	3,084,000	336.68%
<b>Total</b>	<b>565,371,972</b>	<b>575,190,657</b>	<b>9,818,685</b>	<b>1.74%</b>

# FY 15 Municipal Revenues & Expenses

**FY15 Budget**



**FY2015 Budget**





# Education Funding FY16 and beyond

- Education Funding shall continue to be one of the highest priorities of the City Manager and City Council with the formulation of the Fiscal Year 16 and subsequent City Budgets