

Fiscal Projections Town Trends

For Discussion

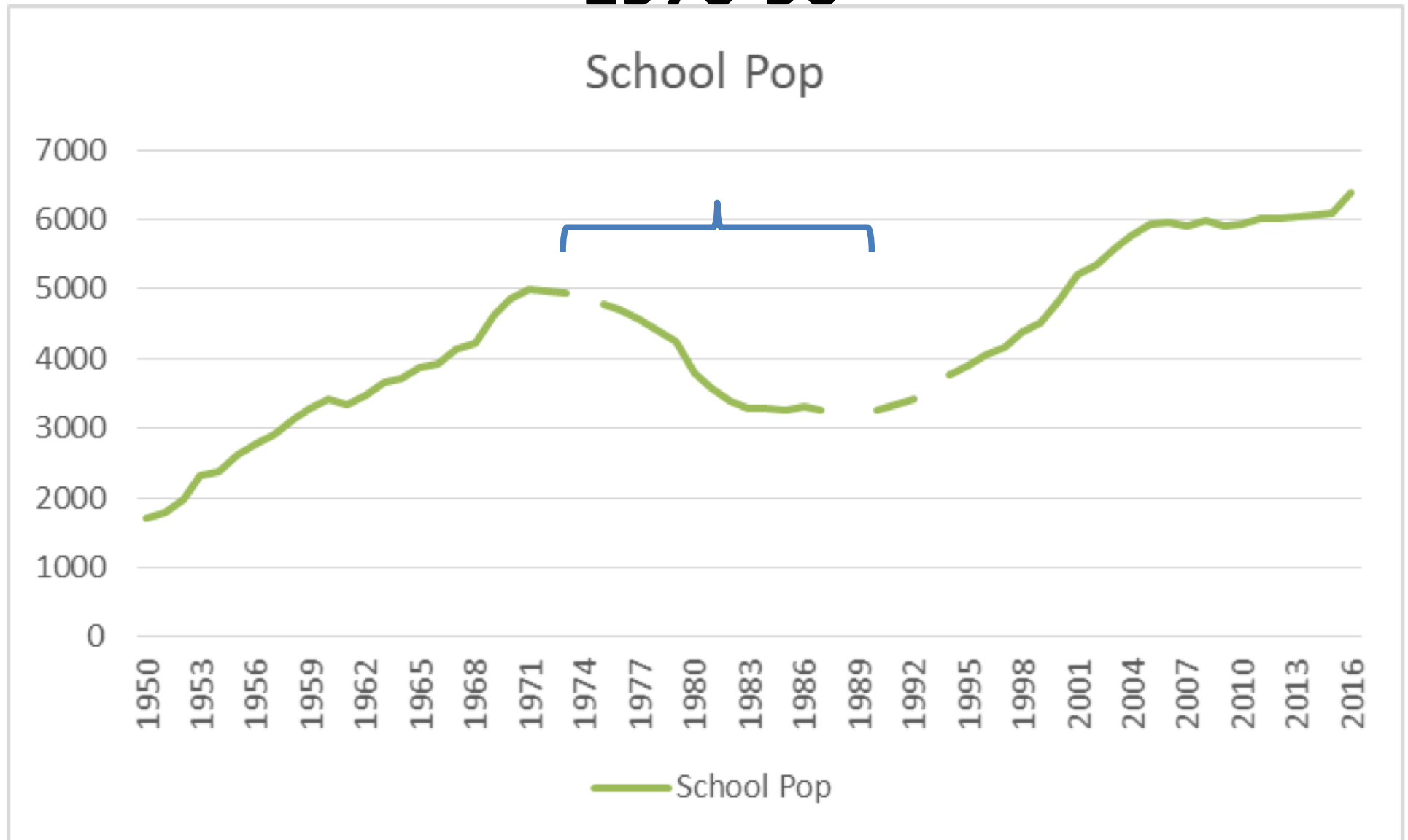
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Part 1

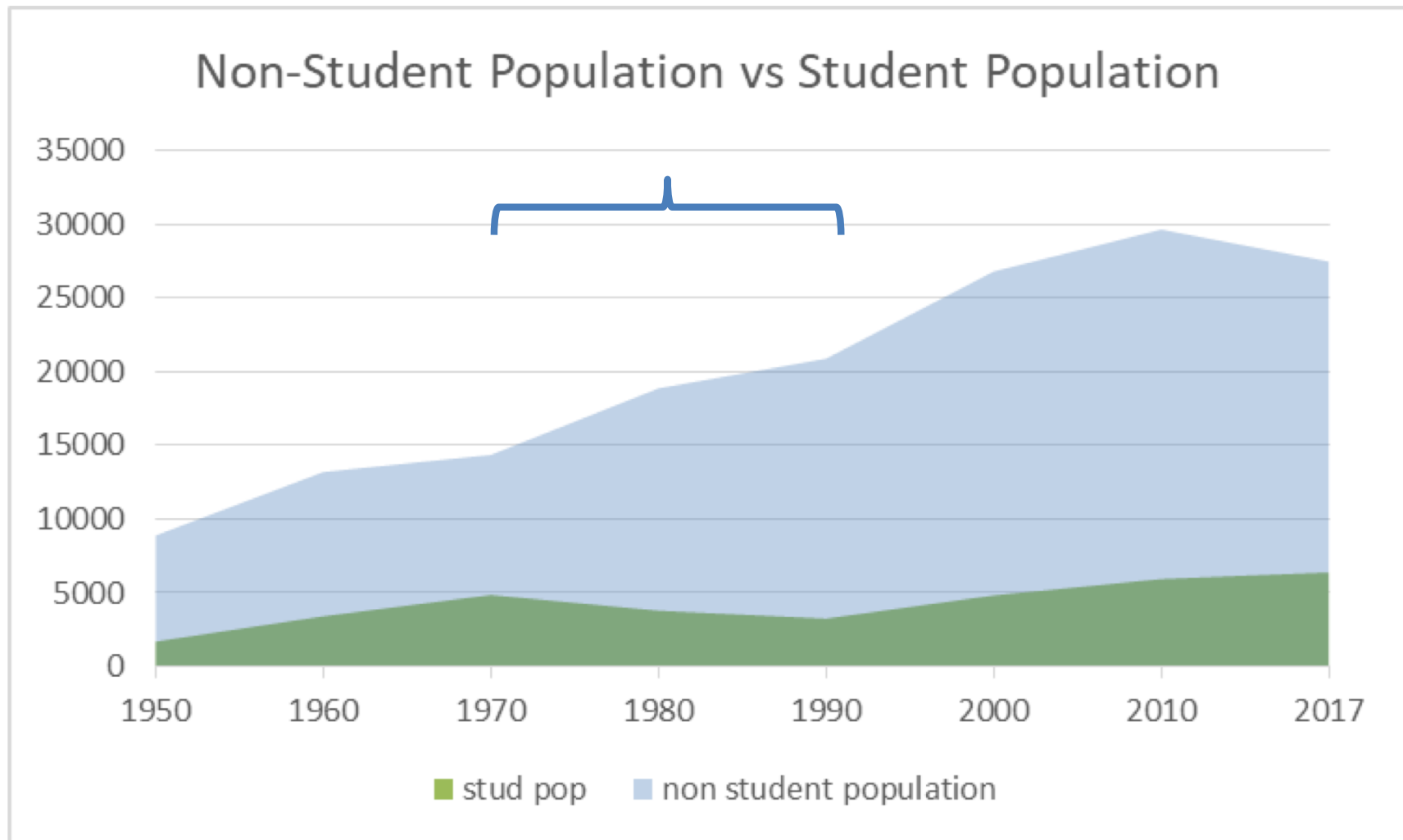
Proposition 2 ½ in historical context

- Implemented in 1982
- Holds property tax levy to 2 ½% increase for *current* property. There can be an overall increase beyond 2 ½% if there is new property coming online
- HOW DID SHREWSBURY AVOID AN OVERRIDE FOR OVER 30 YEARS????

School Population Fell between 1970-90

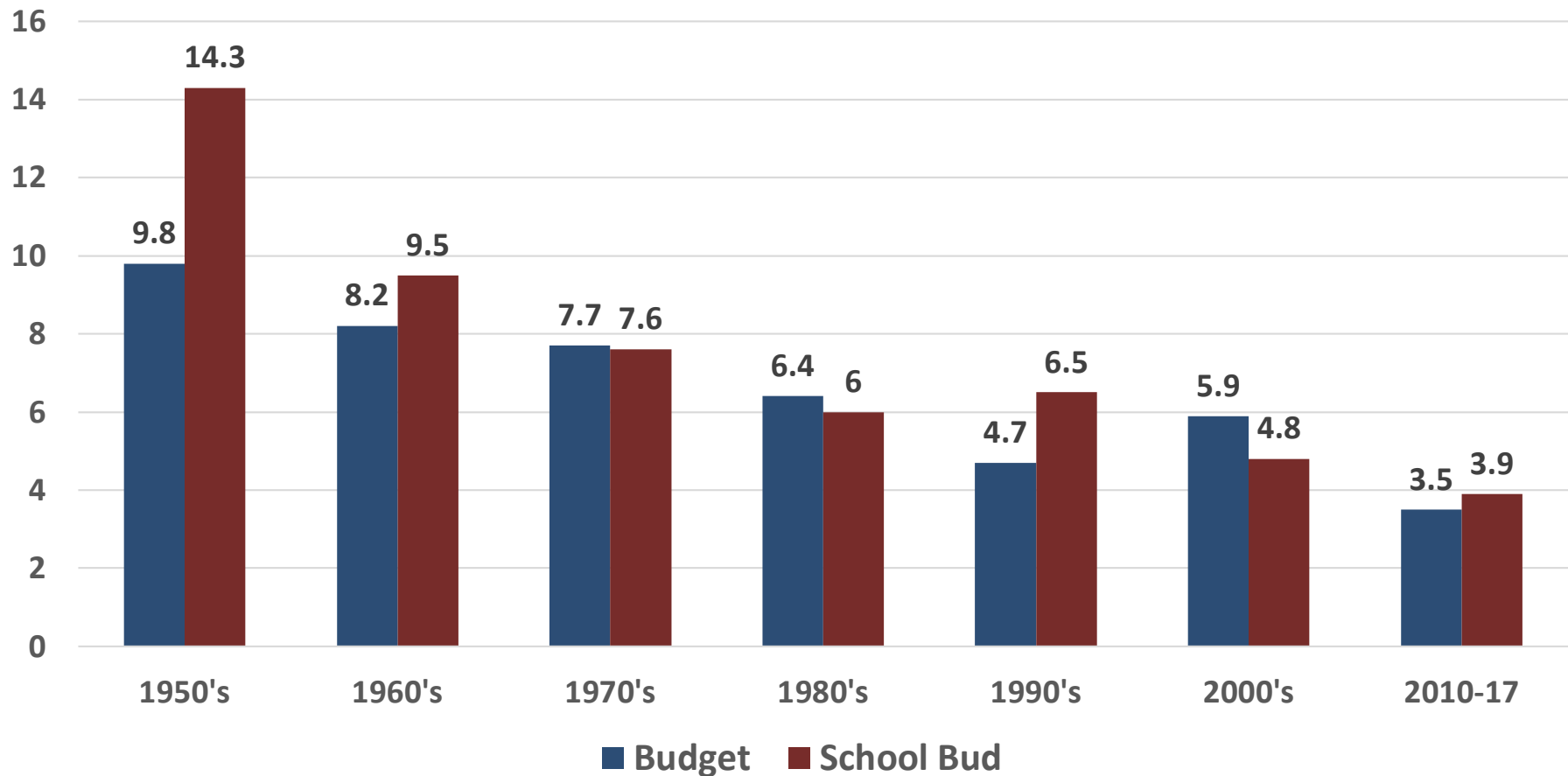


1970-90 town was growing while the student population was shrinking



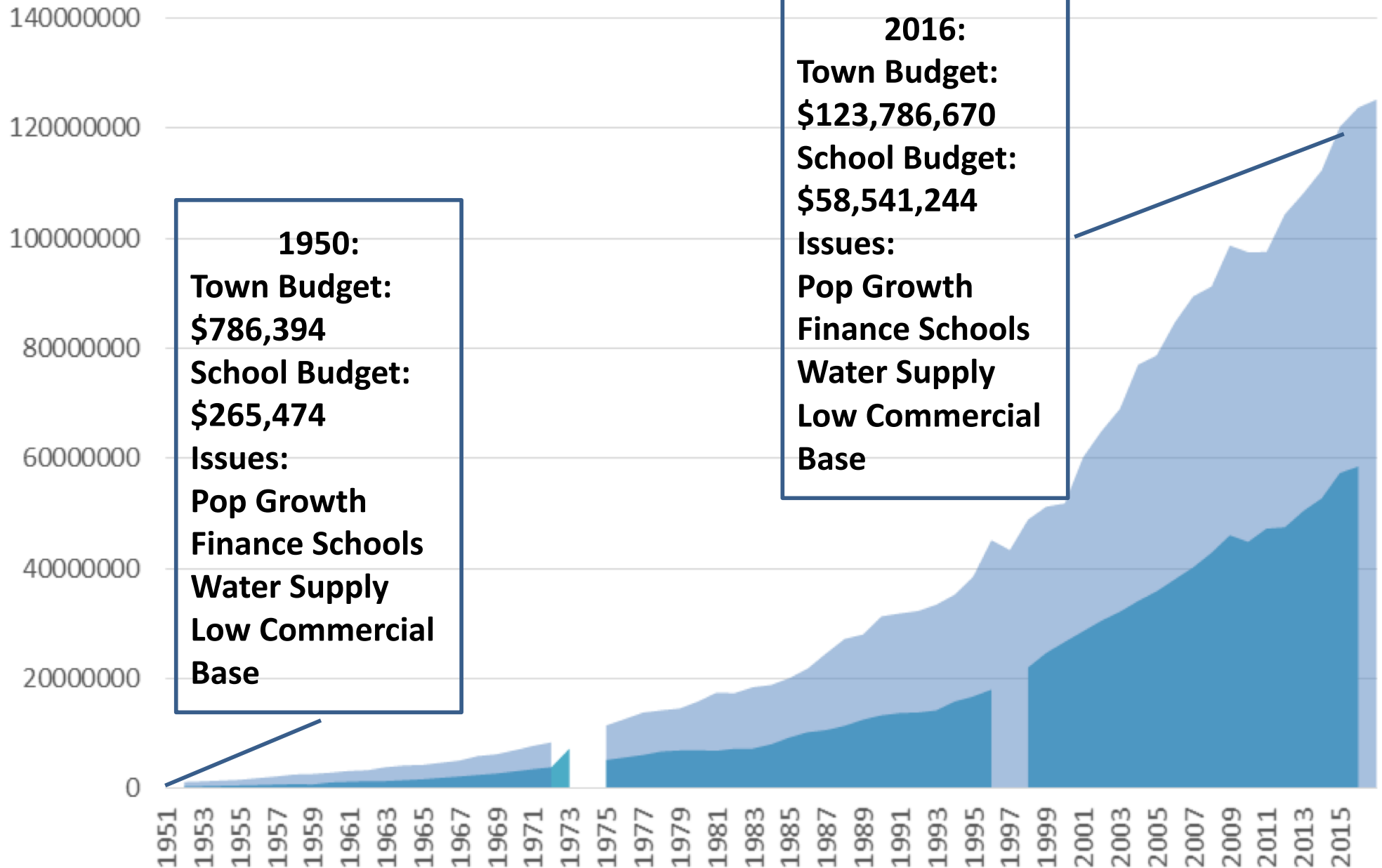
Tax levy was actually growing by ~5-6%/yr during the 80's & 90's (<2 ½% 4X from 1982-2018)

Annualized growth



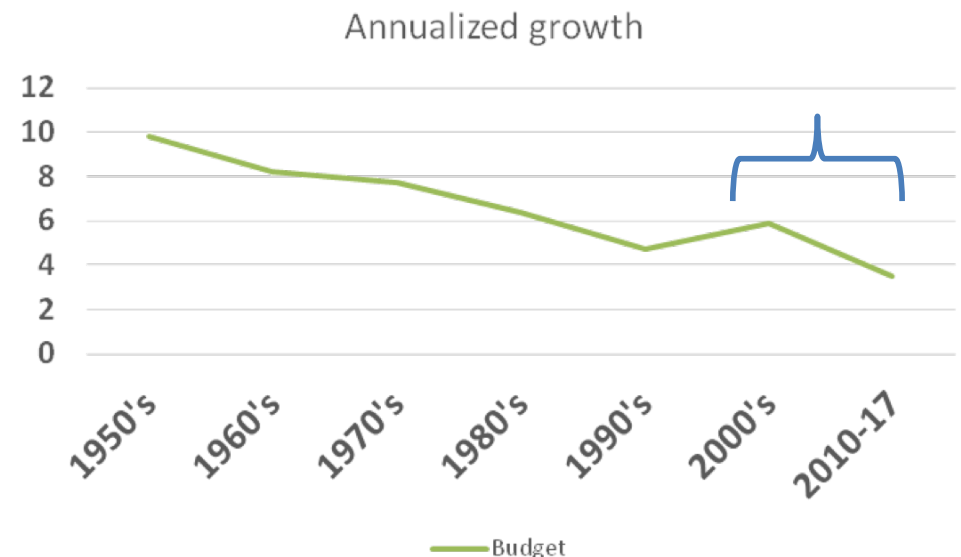
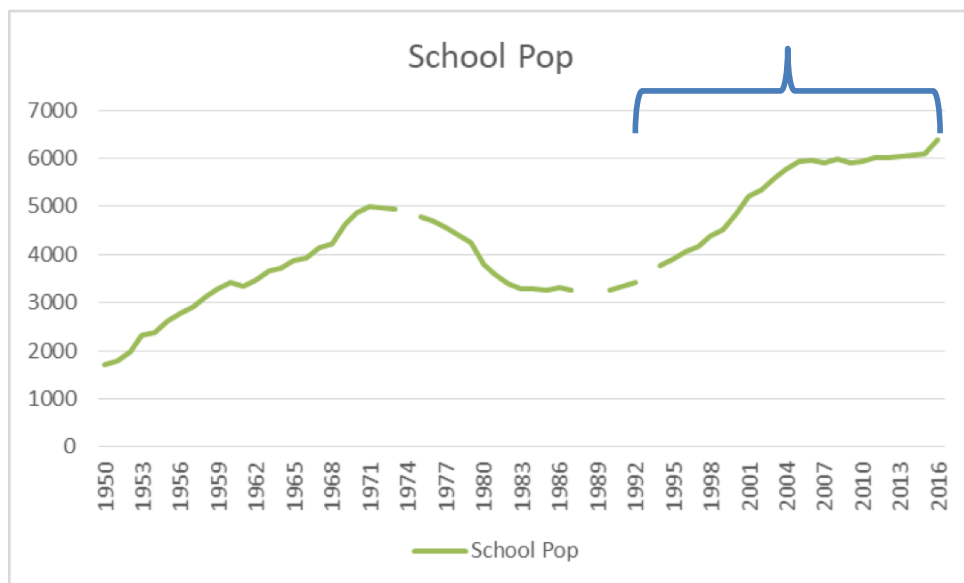
Town Budget & Appropriated School Budget over time

■ Approp. School Budget ■ Total Receipts

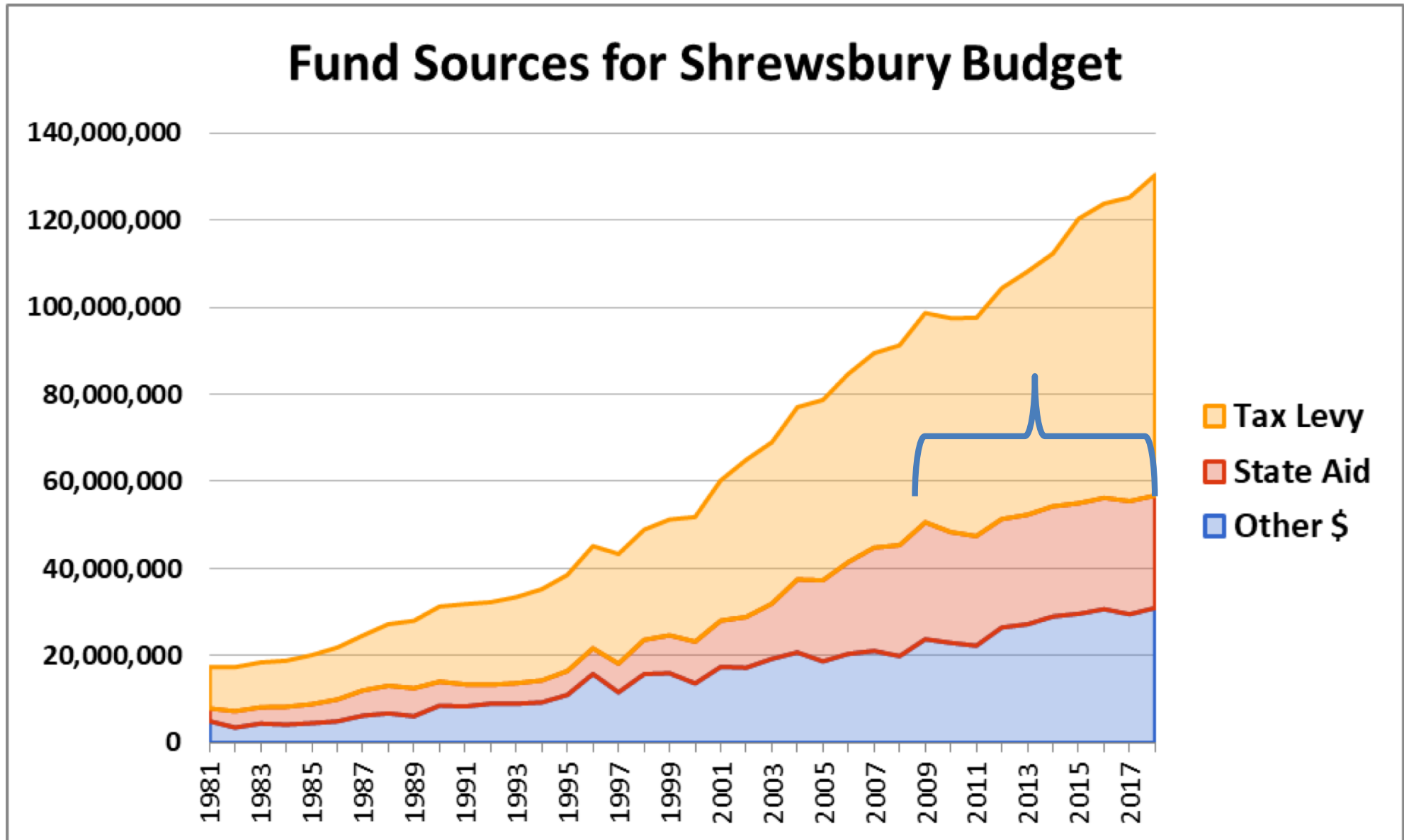


The tide began turning in the 90's

- Student growth began in 1990
- Revenue growth began to taper in 2010
- State began tapering aid and shifting costs to town in 2008



**Note that Starting in 2008 outside funding sources
have not kept up with growth in budgets**



In Massachusetts, Prop 2 ½ was a taxpayer revolt!

- People weren't doing well in the 1970's
 - Unemployment up to 10.7%
 - Inflation up to 13%
- Across the state town governments felt to be poorly managed & unaccountable
 - Irregular property assessments
 - Taxed at 40% value
 - Shrewsbury rate up to ~\$47.60/\$1,000 in 70's (up to \$76 in 1964)!
 - School Committee autonomy

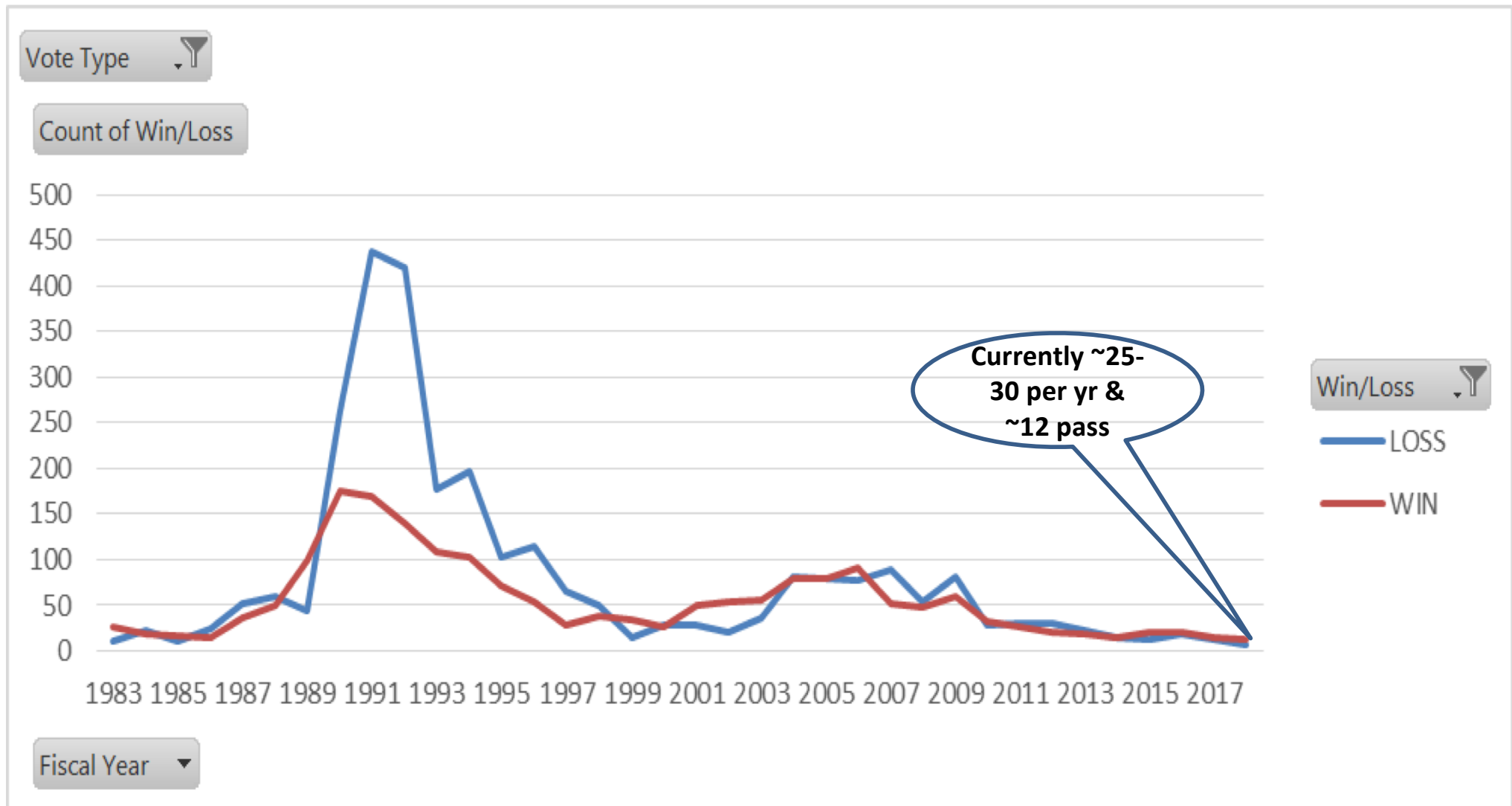
Several goals of 2 ½

- Require taxpayer approval for increases in spending: overrides & exclusions were to be expected
- Decrease dependence on property tax
- Push for greater state support of education
- Force state and towns to diversify sources of tax revenue

Across MA how have towns responded to 2 ½?

- The power to decide on a raise in taxes has moved to the voters
 - 2 ½ % was not presented as a sustainable number, just a number below which the voters did not need to approve
- The process requires education of the public
- This is more than a \$ amount: we need to define services in an easily understood manner
- Most towns have not had the luxury of growth and have come to grips with this earlier

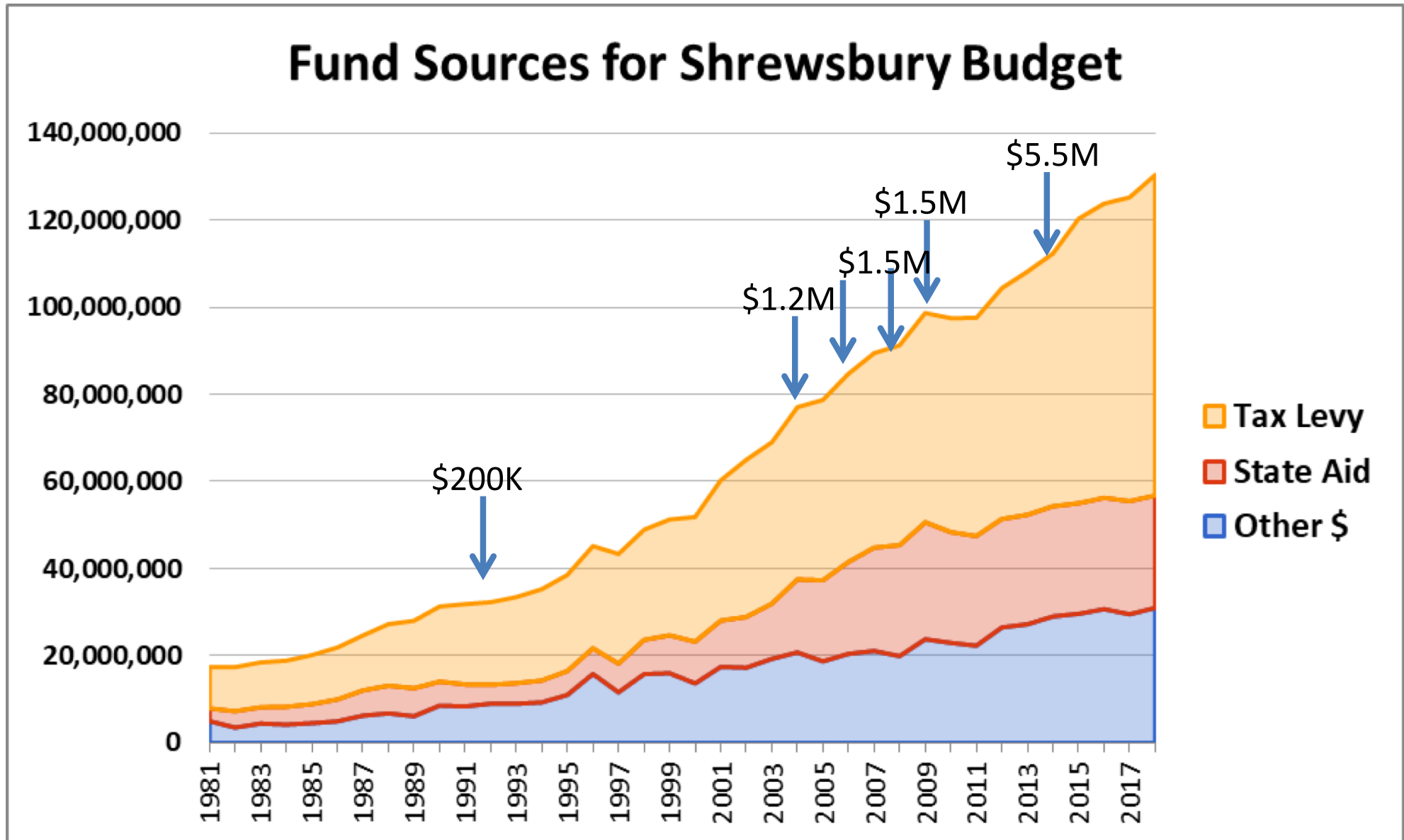
**Since 1983 there have been 4782 override
votes in 304 of 351 Towns, 1965 passed
(42%)**



Towns vary in Override profiles

- Median number of passed overrides was 5 since 1983 among the 308 cities and towns that had overrides
- Median amount was just \$175,000, but 155 were 1 million and up
- Often multiple overrides were proposed at once for a menu of items

6 attempts at Overrides in Shrewsbury since 1982, only 2014 succeeded



Priorities

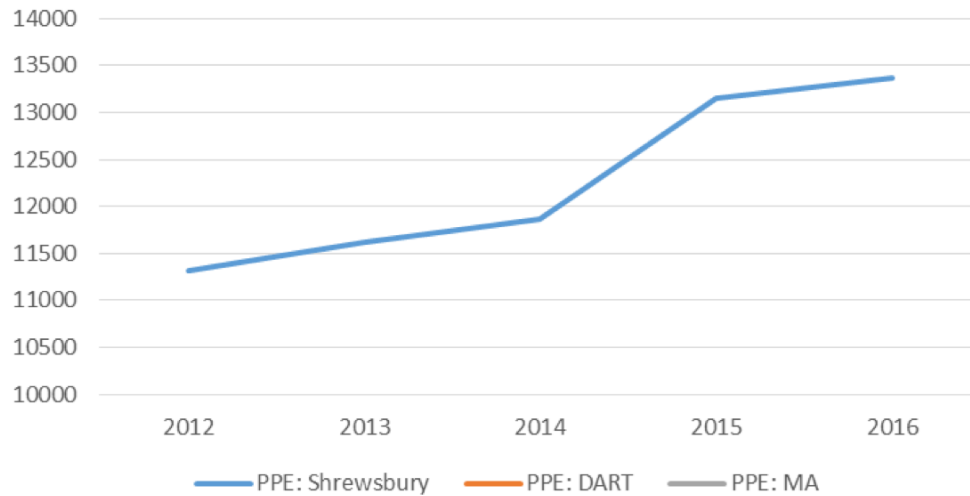
- The budget priorities should lead with at least maintaining services
- Year by year we should decide about making up revenue shortfalls to maintain services
- While it is nice to advocate for nonresidential growth, we should not be cutting services while we wait for this
- Adjusting on a year by year basis avoids large increases, avoids service cuts prior to the override and avoids trying to get enough for the future and being wrong

Dashboard: Cuts, additions, fees

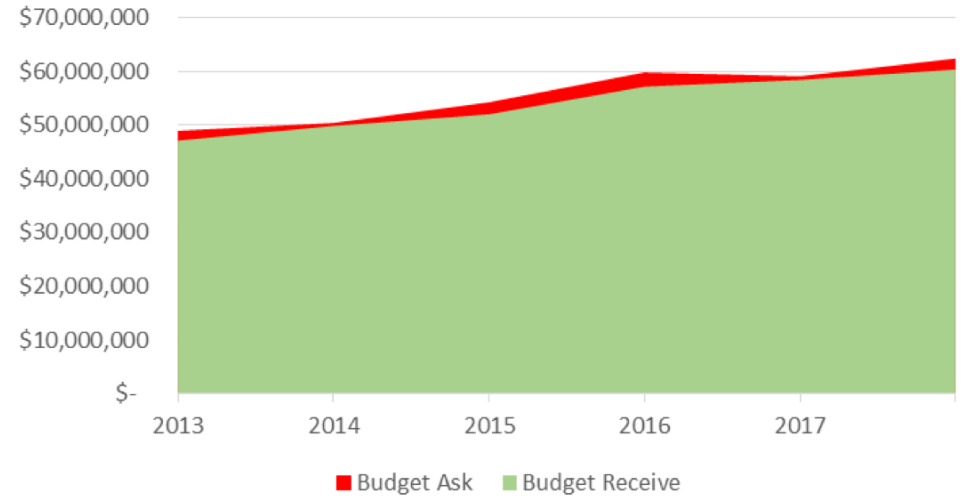
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Dashboard: PPE; Budget Gap; Class Size; Nursing visits for psych/social

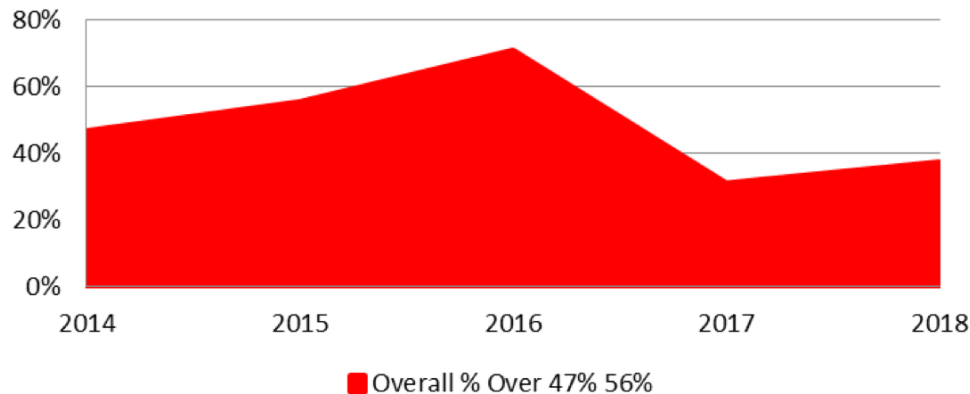
Per Pupil Expenses



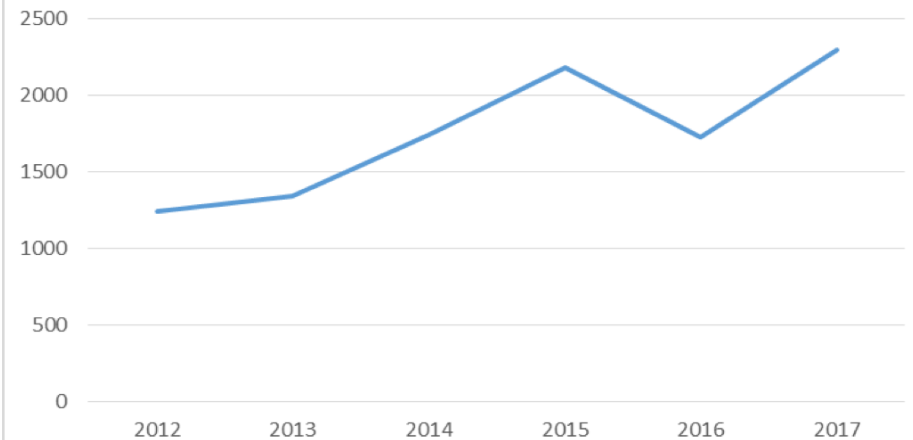
Budget gap: Ask vs Final



Overall % Over Guideline

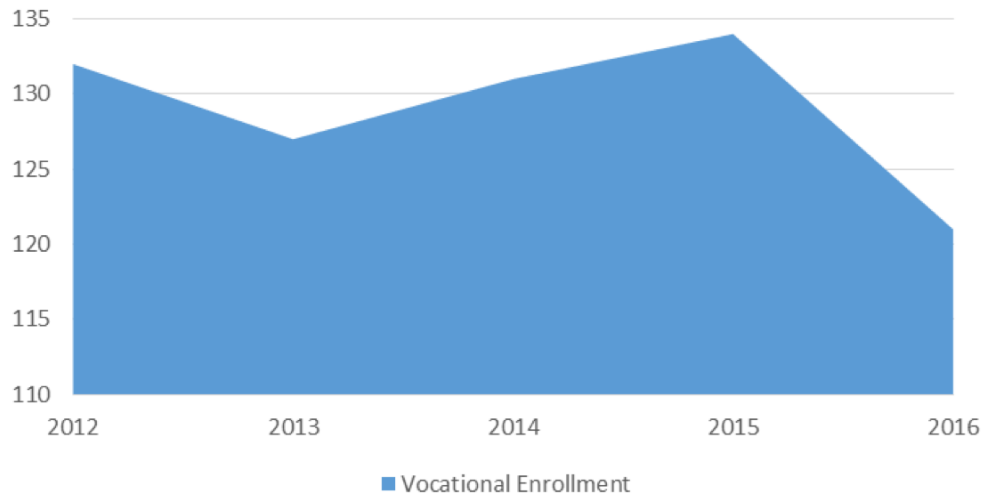


nursing visits for psych/social

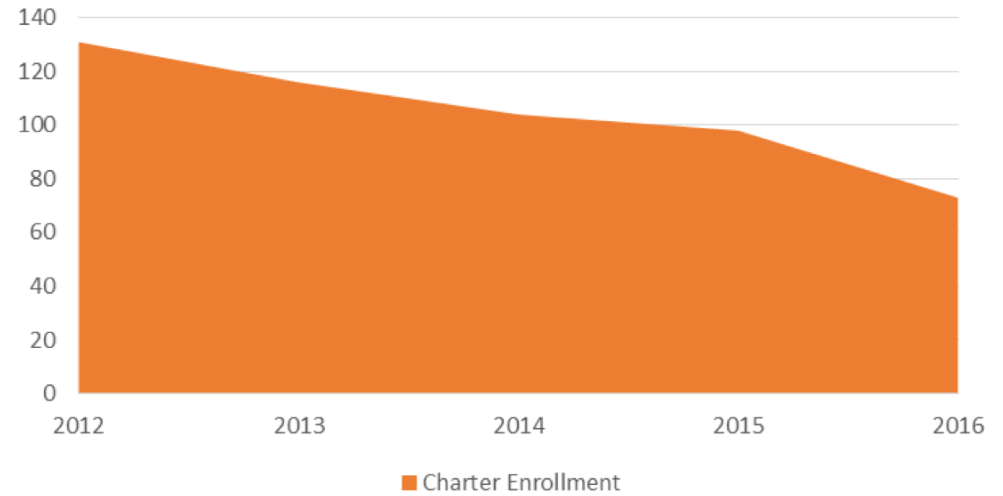


Dashboard: Out of District & MCAS

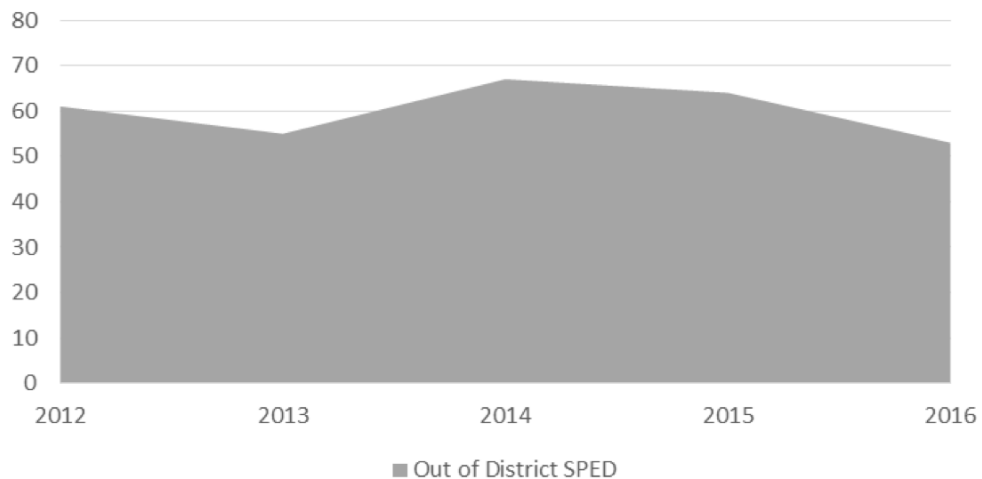
Out of District: Vocational



Out of District: Charter



Out of District: Special Ed



MCAS-2 Shrewsbury vs DART

