

Finance Committee Minutes

5/11/2023

East Greenwich School Committee

Foils from the presentation [can be found here](#). Each of the nine panels is described below.

- [100 year residential property tax rate history](#). The [2023 residential property tax rate](#) is \$21.42 per thousand. The [1923 residential property tax rate](#) was \$21.50 per thousand. If you filter out noise from revaluations and boom-and-bust real estate cycles, the tax rate has been nearly constant for a century. This means operating expenses and assessed values have grown at the same rate for 100 years.
- In 1964, East Greenwich issued [\\$3.8 million in school construction bonds](#), which was 14% of the [\\$27 million assessed value](#) at a time when the tax rate was \$38 per thousand. The following year [the tax rate fell to \\$26](#) and assessed value nearly doubled to \$52 million.
- In 2018, the town took a number of drastic and unsustainable step to reduce the school appropriation including level-funding and raiding fund balance. This necessitated cuts to the school budget that threatened our accreditation. Yet, [the effect on the tax rate was very small](#), and the [levy was reduced by only 1.25%](#). That year, Barrington requested an exemption from the 4% cap and increased their levy by 9.13%.
- A graph of the [enrollment history back to 1949](#) reveals that recent forecasts reflect a continuation of recent trends. The [Cropper/McKibben analysis](#) used a more modern and sophisticated model than any previous projection. Forecast enrollment for 2023 exactly matched the October enrollment numbers.
- The [school appropriation history](#) shows that in 2010 there was a sharp reduction in the local tax support of public education. Year-over-year increases in the school appropriation dropped from \$1.5 million per year to \$730,000 per year, a reduction of more than half, despite continued enrollment growth. This was most likely a result of the deep recession and the completed phase-in of the 4% levy cap. In the last 15 years the annualized increase has averaged about 2%, far below the 4% cap. In addition to smaller incremental increases, East Greenwich reduced the transfer by almost \$2 million in 2010, by far the largest reduction of any district (only four districts experienced reductions that year).

- With the adoption of the current funding formula in 2013, [state education aid increased](#) for most districts, including East Greenwich. The long-term effect was roughly equivalent to a one-time \$1.5 million increase, with the level slowly increasing on average (with a fair amount of year-to-year variation) in the years since 2013. The increase in state aid does not come close to filling the gap left by the reduction in local tax support.
- While most districts experienced reductions in local tax support after 2010, [some districts have restored the annual increases](#) to something closer to pre-2010 levels.
- A graph of the [levy and school appropriation since 1949](#) shows that portion of the levy represented by the school department share is not increasing faster than the town share, which got a bump in 2014 when the Fire District was incorporated into the town budget.
- A graph of the [total levy since 1949 in the log scale](#) shows that the rate of increase in the levy is slowing, and the history contains no significant jumps in either direction. The red line is a parabola. A constant percentage increase in this scale would produce a straight line.

Minutes submitted by Eugene Quinn, Sub-committee Chair