

EDUCATIONAL SPENDING AND TAXING CAPACITY

April 2017

Taxing Capacity Overview

- Spending + Real Estate Trends + Taxing Capacity = Financial Constraints
- Prop 2 ½ set a statutory maximum property tax rate of \$25 per \$1000

School Spending as a % of Taxing Capacity

Town	Spend / Student	State Aid / Student	Tax Base / Student	% of Max Tax after State Aid
Holliston	\$14,889	\$2,786	\$763,000	63%
Medfield	\$14,690	\$2,274	\$926,000	54%
Sudbury*	\$18,770	\$1,615	\$995,000	69%
Wayland	\$18,489	\$1,379	\$1,219,000	56%
Sherborn*	\$21,513	\$1,439	\$1,227,000	65%
Concord*	\$20,394	\$1,232	\$1,799,000	43%
Westwood	\$17,366	\$1,520	\$1,274,000	50%
Carlisle*	\$20,394	\$1,443	\$1,303,000	58%
Lincoln*	\$18,770	\$1,351	\$1,391,000	50%
Lexington	\$18,635	\$1,432	\$1,530,000	45%
Needham	\$16,820	\$1,574	\$1,813,000	34%
Dover*	\$21,513	\$1,350	\$2,109,000	38%
Wellesley	\$19,589	\$1,542	\$2,095,000	38%
Weston	\$25,305	\$1,287	\$2,542,000	34%

* Cost reflects K-12, after consolidating expenses for all districts in region.

Sources:
Spending, state aid, and enrollment data from DESE.

Total assessed valuations from DOR. Tax base adjusted if commercial and industrial property taxed at a multiple higher than residential tax rate set by each town.



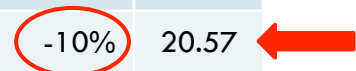
School Spending as % of Taxing Capacity

- Sherborn, Holliston and Sudbury are the *only* districts where adjusted per student spending is > **60%** of the max statutory taxing capacity
- Sherborn net school spending consumes 65% of statutory maximum
- Compared to our regional partner Dover, Sherborn incurs...
 - ▣ Higher per capita public school enrollment
 - ▣ Significantly lower average property assessment
 - ▣ Over past 3 decades, Sherborn household income and property values lagged significantly behind other affluent MetroWest communities
- Towns with similar budget constraints make financial decisions that impact:
 - ▣ Teacher contracts
 - ▣ Average salaries
 - ▣ Student-teacher ratio / classroom size

Real Estate Price Inflation – Past 10 Years

Town	Median 2016	10 Yr Change	Tax Rate
Essex	\$781K	54%	15.77
Lexington	\$1,073K	49%	14.60
Needham	\$912K	38%	11.54
Belmont	\$1,010K	35%	12.56
Wellesley	\$1,290K	33%	11.83
Lincoln	\$1,208K	28%	13.99
Wayland	\$720K	27%	17.34
Westwood	\$669K	22%	14.66
Medfield	\$688K	18%	16.25
Weston	\$1,440K	15%	12.16

Town	Median 2016	10 Yr Change	Tax Rate
Dover	\$1,064K	13%	12.88
Walpole	\$470K	13%	15.56
Manchester	\$926K	12%	11.07
Concord	\$950K	9%	13.92
Holliston	\$421K	7%	18.79
Acton	\$599K	5%	19.23
Boxborough	\$615K	4%	16.36
Sudbury	\$700K	4%	17.80
Carlisle	\$812K	2%	17.20
Sherborn	\$746K	-10%	20.57



Sherborn & Dover School Spending

- Sherborn residential taxes have consistently ranked 2nd highest in the state
- Sherborn net school spending is 65%
- No support from Sherborn and Dover Boards of Selectman and Finance Committees to increase property taxes via override process
- Dover-Sherborn spending per student is second highest in this comp group
- Increasing operating budgets and pressure on maximum taxing capacity may lead to choices including
 - ▣ Reduction or changes in town services
 - ▣ Reduction or changes to school staffing and programing

