

## **Confused? Here's a glossary of budget terms!**

### **Athletic Fees**

Needham High School athletes pay a fee of \$285 per athlete per sport, with a family cap of \$1140. Ice hockey players pay an additional \$250 because of the expense of ice rental and transportation. In FY 11, swimmers and skiers will also pay an additional fee because of the expense of pool rental, lift tickets, and transportation.

### **Base Budget**

The base budget is the amount of money it takes to fund the same programs and staff as the previous year. The base budget does not fund additional staff to accommodate increasing enrollment; therefore, base budget funding can result in increased class sizes in years with increasing enrollment. The base budget also does not include funding for new programs or services.

### **Capital Expenses and Operating Expenses**

A capital expense is a one-time expenditure, such as the purchase of a piece of equipment, the repair of a building, or the fee for a one-time service. Operating expenses are recurring costs such as salaries and utilities.

### **Full-time Equivalent (FTE)**

The School Department and the Town report their budgets in both dollars and full-time equivalents. In the School budget, a full-time equivalent is equal to the average salary of a full-time teacher.

### **Program Improvements**

Program improvements are new programs or services, programs or services not offered in the previous year.

### **Proposition 2 ½ Override**

*What is an override?*

In November 1980, Massachusetts voters approved referendum Proposition 2 ½, which requires that voters must be consulted and approve certain increases to the property tax levy. Prop. 2 ½ took its name from the twin limits it imposed on property taxes. The primary limitation is that the total tax levy of a city or town cannot exceed 2.5 percent of the full and fair cash value of all taxable property. A second limitation is that the increase in the annual tax levy beyond the 2.5 percent plus new construction requires voter approval.

A Proposition 2 ½ override gives Massachusetts cities and towns the opportunity to increase their level limits beyond the constraints of Proposition 2 ½. It allows a community to vote on the assessment of taxes in excess of the automatic annual 2.5 percent increase and any increase due to new growth. If an operational override is passed, a permanent increase is made to the level limit of a community, which, as part of the level limit base, increases at a rate of 2.5 percent each year.

*What is the difference between an operational override and a debt-exclusion override?*

Operational overrides permanently increase the tax rate to provide funds for a city's or town's operating budget. Operational overrides are frequently needed to help pay for the services that residents have come to expect to receive from their local government departments — services that might be compromised or lost if the override fails.

Debt-exclusion overrides enable a city or town to borrow money to pay for a capital project such as the construction or renovation of a town building (such as the library) or the purchase of a major piece of property. Taxes are raised only for a limited period, until the debt is repaid. The increase in taxes will vary over the period of loan. Generally, the tax increase will be small in the first few years, will rise to its peak over the next few years, and decrease in the last few years, disappearing entirely when the debt is repaid.

Debt-exclusion overrides are sometimes called capital overrides.

### **Specialist**

Specialist positions are teaching positions in physical education, fine and performing arts, media and technology, and foreign language.

### **Steps and Lanes**

The steps and lanes on the teacher salary schedule reward teachers for years of work experience and additional coursework: a teacher's years of work experience determine his step on the salary scale; the degrees he has earned or coursework he has completed determine his lane.