

**Aquidneck Island Study**

**Revenue and Expenditure Forecast for  
Middletown, Newport, and Portsmouth**

**October 2007**

## **I. Introduction**

In cooperation with the Aquidneck Island Advisory Group, RIPEC and Ninigret Partners developed a revenue and expenditure forecast for schools and municipalities. The forecast includes an analysis and projection of school and municipal expenditures in order to identify the factors driving school and municipal spending. Revenue and expenditure projections included all items currently included in each community's annual operating budget. The forecast was designed in a manner that will permit some degree of sensitivity analysis based on the assumptions used.

RIPEC and Ninigret Partners collected information and evaluated the various aspects of each major expenditure and revenue activity in the municipal budgets, including school expenditures with the cooperation of the Advisory Group and the finance and business managers. This included interviews with key officials as well as a review of a wide range of documentation. Examples of key documents reviewed included, but were not limited to:

- Operating Budgets
- Annual Financial Reports and Auditor's Reports and Management Letters
- Existing employee labor agreements
- State aid documents and Rhode Island Office of Municipal Affairs reports

In order to ensure the forecast reflected local needs, RIPEC and Ninigret Partners asked the Advisory Group to:

- Review and assess assumptions used in the forecast;
- Discuss and evaluate preliminary forecasts; and
- Review and comment on final forecast.

The following analysis represents the findings of the work presented to the Aquidneck Island Advisory Group. Apart from this introduction, the analysis includes:

- Revenue and expenditure forecast for Middletown, Newport, Portsmouth (pages 3 – 11)
- Projected general fund balances (pages 12 - 15)
- Municipal and school budget drivers (pages 16 - 18)
- Next Steps (page 19)
- Appendix (pages 20 - 22), including  
    Aquidneck Island collaborative programs,  
    Revenues and expenditures by community, and  
    Comparison of teacher steps

There are some challenges when working with budget documents from multiple communities. For example, differences in financial reporting and budgeting practices make inter-town comparisons difficult. However, it was not the intent of this project to make recommendations regarding reporting practices. Whenever possible, the presentation of the expenditures and revenues was kept consistent with town budget documents.

## **II. Forecast**

The following section provides a financial projection for Middletown, Newport, and Portsmouth to give school and municipal policymakers a tool to identify fiscal issues that may arise in the near future. The forecast is designed to provide a baseline fiscal outlook for taxpayers of these communities.

### Forecast Assumptions

While a forecast is a useful benchmark to assess various policy options, one should use caution when interpreting the data presented in recognition of the risks inherent in forecasting, e.g., the economic outlook, external actions (State tax policy, non-local aid distributions and school funding decisions), and city and school district policies (contract negotiations and debt management). For example, historically, State education aid increased on average annually by 3.0 percent. However, the General Assembly in 2007 level-funded education and municipal aid. Given the financial constraints the State is facing it is difficult to predict the level the State will be funding municipalities in the future. Furthermore, if any additional bonds are issued there will obviously be an impact on future debt service that is not captured in the forecast.

Clearly, the economy is a moving target in that changes occur often. A forecast cannot anticipate future actions taken by the State or Federal government or how they might affect each community's revenues and expenditures. Finally, the school districts and municipalities could enact policies or redirect resources to a range of priorities. Contract agreements and bond proposals will also impact each municipality's financial position.

The following forecast uses a number of key variables to develop a more comprehensive picture of the revenue and expenditure structure of the three Aquidneck Island communities.

### Revenues

#### **Methodology Revenue Forecasting**

*Property Tax Levy* – The certified property tax levy for the base year FY 2008 was provided by the Rhode Island Office of Municipal Affairs. This forecast assumes a property tax levy increase that is at the cap, as provided under the Property Tax Relief Act of 2006 (S 3050). This act places restrictions on the amount the tax levy can grow annually. In FY 2008, the levy can grow by 5.25 percent and then decreases 0.25 percentage points each year until FY 2013 where it reaches 4.0 percent. However, to provide the communities with a range of scenarios for the purpose of general fund balances, three different models have been developed that take different growth rates in the property tax levy into account (see section III, general fund balances, page 12).

*State Aid* – State aid – both municipal and education – plays a fundamental role in how local services are financed. The amount of State aid received also has an impact on the relative burden placed on local property taxpayers. How the State will handle State aid in the near future is difficult to forecast. In the current FY 2008, the State froze municipal and education aid at 2007 levels. Given estimated operating deficits at the State level for the forecast period, it is unlikely that the State will direct significant new revenues to the cities and towns. If State aid in future years should fall below the assumptions included in this forecast, there will be a direct impact on the communities’ budgets and the projected general fund balances.

*a. State School Aid* –Since FY 1995, the State has distributed school aid on an annual, ad-hoc basis, with little predictability in the amount and method for distribution. While the State has increased State education aid over the past decade by more than \$260.0 million, the rate of increase has begun to slow. In FY 2008, the State level-funded education aid at FY 2007 levels. This forecast assumes an average annual increase of State education aid of 1.0 percent. However, it also shows the incremental value of an increase in education aid from 1.0 percent to 3.0 percent.

*b. Intergovernmental Aid* –This category includes aid, such as the PILOT (Payment In Lieu Of Taxes) program, general revenue sharing, motor vehicle tax phase-out, public service, hotel tax, and meal tax. The forecast assumes an average annual increase of 2.0 percent for this category. As stated before, given estimated operating deficits at the State level for the forecast period, it is unlikely that the State will direct significant new revenues to the cities and towns. One should note that the hotel and meal tax are locally generated, but are distributed at the State level. The amounts the communities generate from these taxes vary greatly (see table below).

**Table 1**  
**FY 2008 Hotel and Meal Tax (\$million)**

<b>Category</b>	<b>Middletown</b>	<b>Newport</b>	<b>Portsmouth</b>
Hotel Tax	0.5	1.7	0
Meal Tax	0.5	1.5	0.2
<b>Total</b>	<b>\$1.0</b>	<b>\$3.2</b>	<b>\$0.2</b>

Source: Municipal budgets for hotel and meal tax

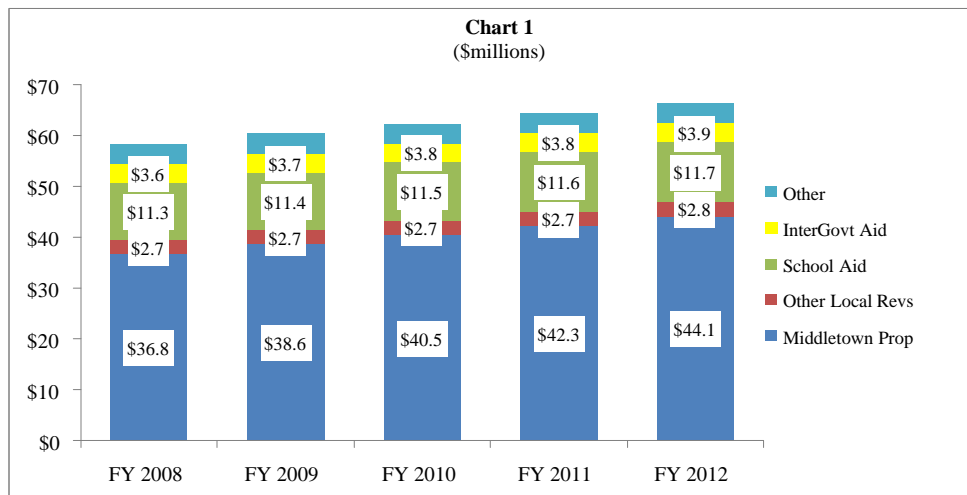
*Other Local Revenues* – This category includes revenues such as licenses, permits, fees, investment income, and real estate transfers. For Portsmouth it also includes the tuition the town receives from Little Compton (\$1.1 million in FY 2008). For Newport other local revenues include service charges to enterprise funds for the provision of management services. It also includes PILOT payments from public housing and GMH military housing. This category was projected to increase by 0.5 percent, if not otherwise specified by the individual communities.

*Other Revenues* – For Portsmouth this category includes the Federal impact aid. For Middletown it includes restricted school and municipal funds that were budgeted in the general fund. This category was projected to stay at 2008 levels.

Projected Revenues

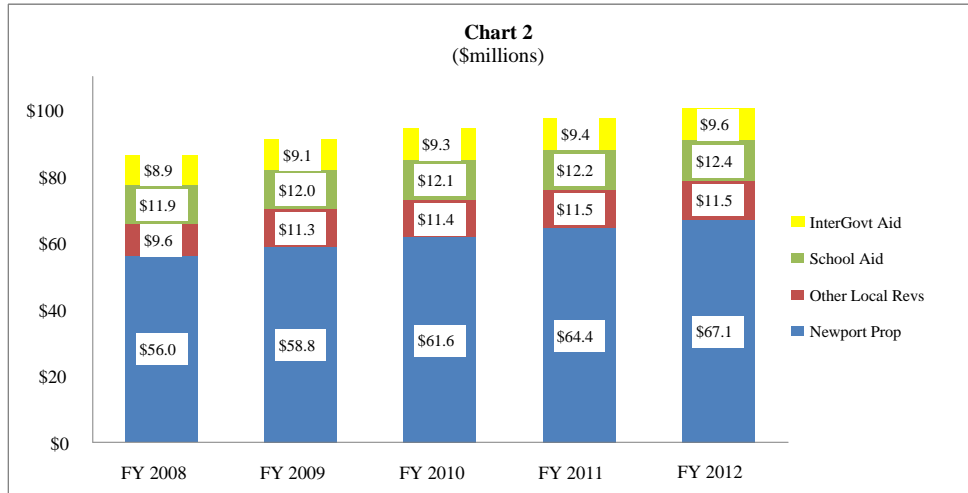
As stated before, the following projected revenues assume a property tax levy increase that is at the cap, as provided under the Property Tax Relief Act of 2006. To provide communities with a range of scenarios, two other models have been developed that take different growth rates in the property tax levy into account (see section III projected general fund balances, page 12).

*Projected Revenues for Middletown*



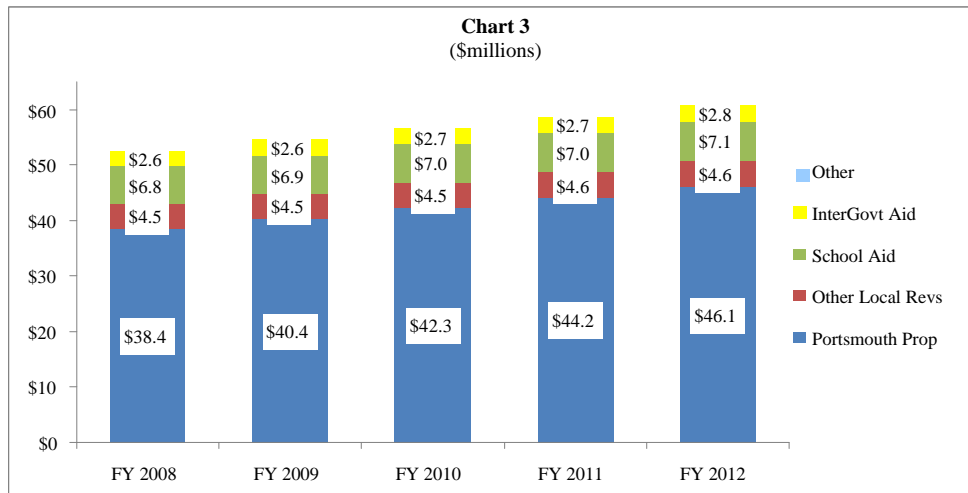
Revenues for Middletown are projected to increase from \$60.3 million in FY 2009 to \$66.4 million in FY 2012, an average annual increase of 3.2 percent. The single largest source of revenue is property taxes. If Middletown increases its property tax revenues by the amount the cap allows, property taxes are projected to account for 66.4 percent of all revenues in FY 2012.

*Projected revenues for Newport*



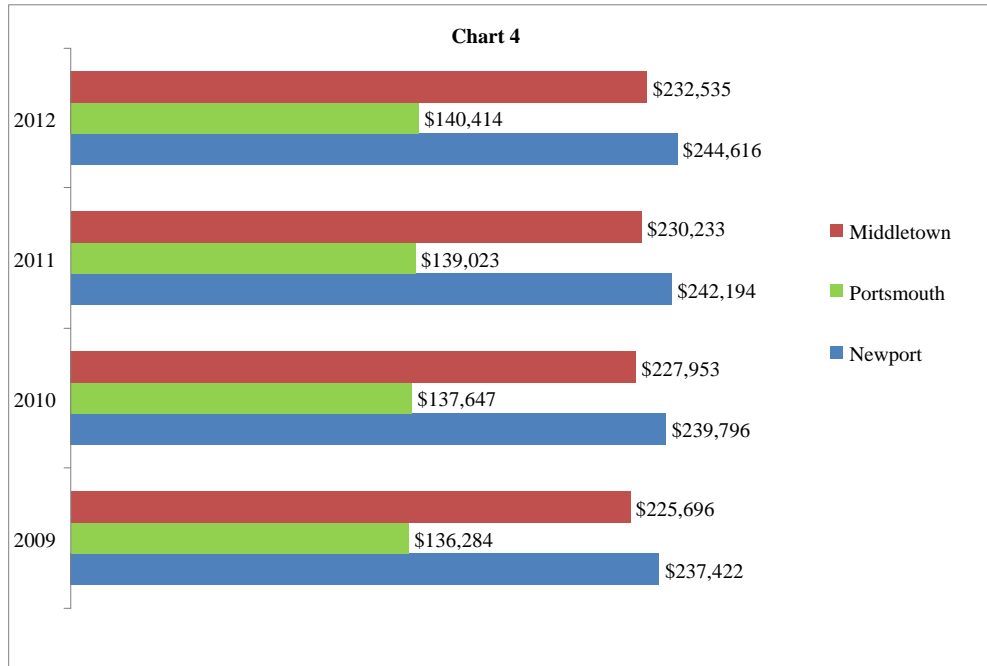
Revenues for Newport are projected to increase from \$91.2 million in FY 2009 to \$100.6 million in FY 2012, an average annual increase of 3.3 percent during that time period. If the city maxes out the cap, property tax revenues would account for 66.7 percent of all revenues in FY 2012.

*Projected revenues for Portsmouth*



Revenues for Portsmouth are projected to increase from \$54.6 million in FY 2009 to \$60.8 million in FY 2012, an average annual increase of 3.7 percent. If the town maxes out the cap, property tax revenues would account for 75.7 percent of all revenues in FY 2012. This is the highest percentage among the three communities.

The above projected revenues assume an average annual increase in State education aid of 1.0 percent. The chart below shows the additional incremental value per year if education aid were to increase by 3.0 percent, instead of the assumed 1.0 percent. For example, Newport would receive an additional \$237,422 in FY 2009 bringing its projected school aid of \$12.0 million in FY 2009 to \$12.2 million.



## **Expenditures**

### **Methodology for expenditure forecasting**

- Forecast assumes current services, meaning no expansions (e.g., additional fire or police stations) were factored in
- The school department's assumptions for student enrollment in FY 2008 were used and no adjustments for student enrollment during the forecast period were made
- Pay steps for teachers were taken into consideration
- Growth factors accounted for include:
  - Salaries: Based on contract language or estimates provided by municipal or school officials (where not provided 3.0 percent was used)
    - Teacher steps reflect anticipated exits and entrants
  - Benefits: 7.0 percent per year blended rate
    - Health insurance: 8.3 percent
    - Retirement: payroll growth, for FY 2008 and FY 2009 includes contribution rate based on State Employees' Retirement System data; FY 2010-2012 assumes FY 2009 contribution rate
    - FICA/Medicare: payroll growth and assumes no change in rate of contribution
  - Purchased Services 3.0 percent
  - Inflation 2.8 percent

*Public Safety* – This category includes expenditures for fire and police services. In Portsmouth it also includes expenditures for the harbormaster, Prudence Island Special Services and Animal Control.

*Legacy costs* – This category includes Other Post employment Benefits (OPEB) and retirement liabilities. These expenditures were based on footnotes to the annual financial audits or were provided by the municipality.

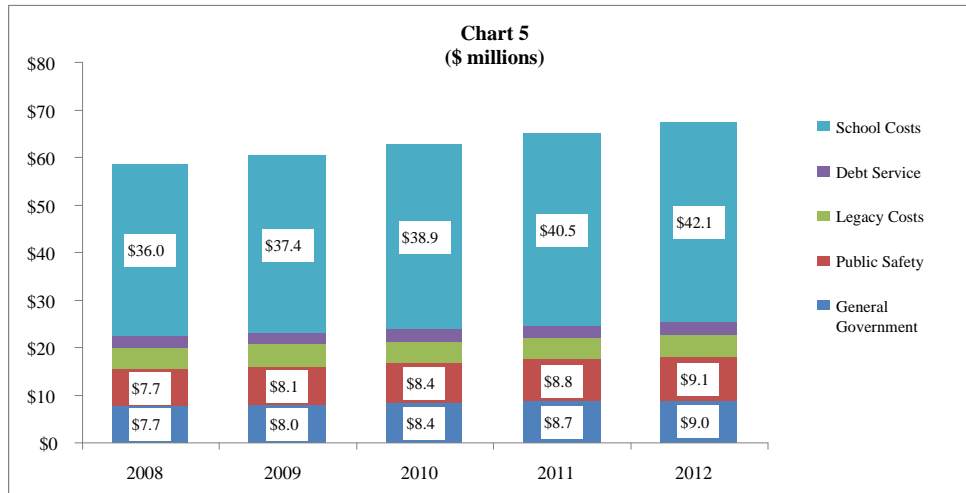
*Principal and interest costs* – This category includes principal and interest costs for both the school department and the municipality. These expenditures are based on audit reports or were provided by the municipality.

*School costs* – This includes school expenditures as stated in the municipal budgets.

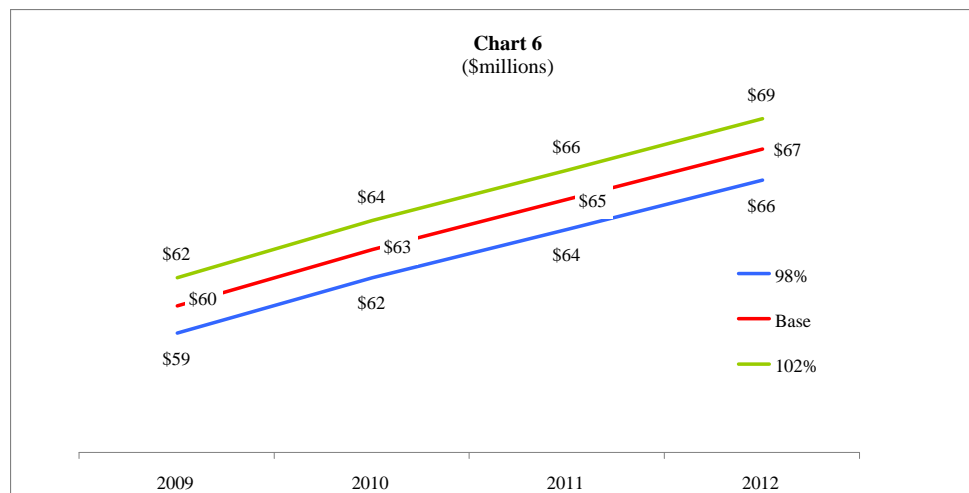
*General government* – This includes all other municipal expenditures not included in any of the above stated categories.



*Projected expenditures for Middletown*

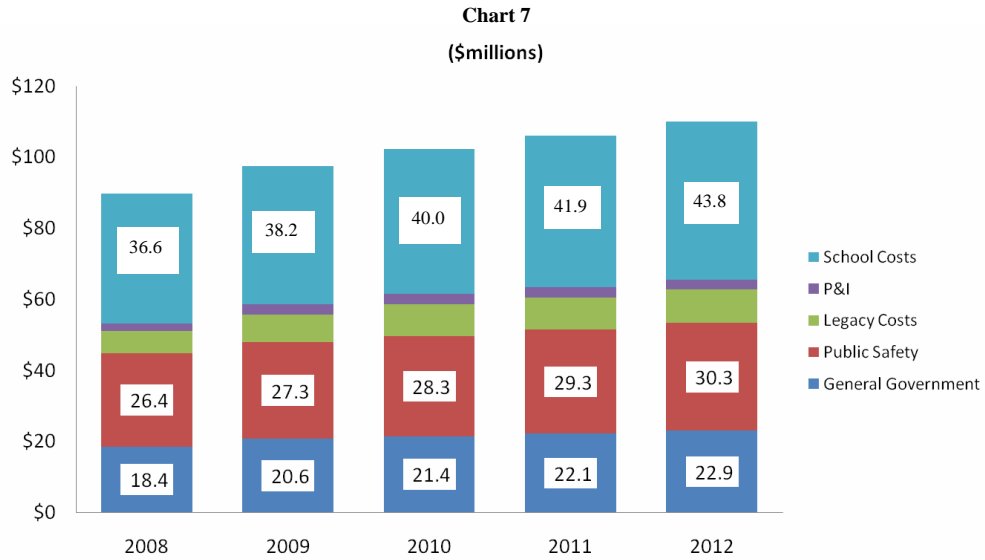


Expenditures for Middletown are projected to increase from \$60.5 million in FY 2009 to \$67.3 million in FY 2012, an increase of 11.4 percent during that time. As is the case for the other communities, education expenditures are the largest single component of the town budget – projected to account for 62.5 percent of all spending in FY 2012.

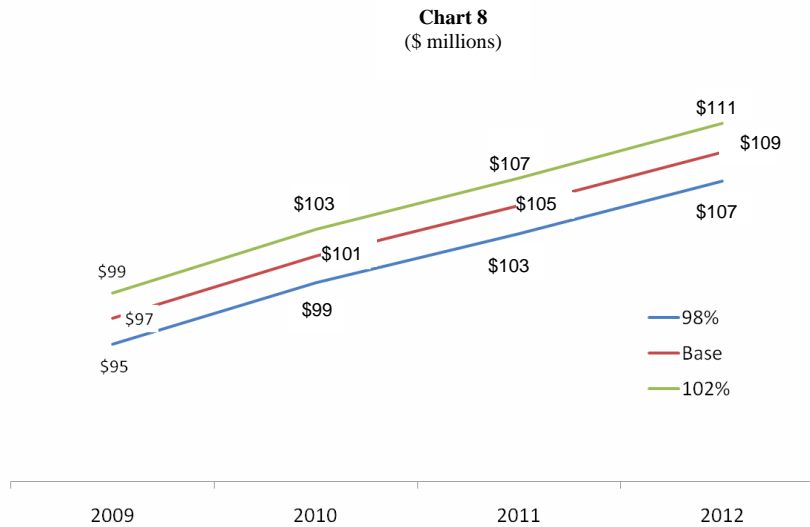


An expenditure projection band was developed to give decision makers a tool to evaluate the implications of a change in expenditures in out-years (the above chart shows an expenditure projection band for Middletown). The base expenditures (red line) assume the above outlined planning variables. The green line assumes expenditures 2.0 percent above the base line. In Middletown’s case, expenditures are projected to increase from \$62 million in FY 2009 to \$69 million in FY 2012. The blue line assumes expenditures would be 2.0 percent below the baseline. In this scenario, expenditures would increase from \$59 million in FY 2009 to \$66 million in FY 2012.

Projected expenditures for Newport

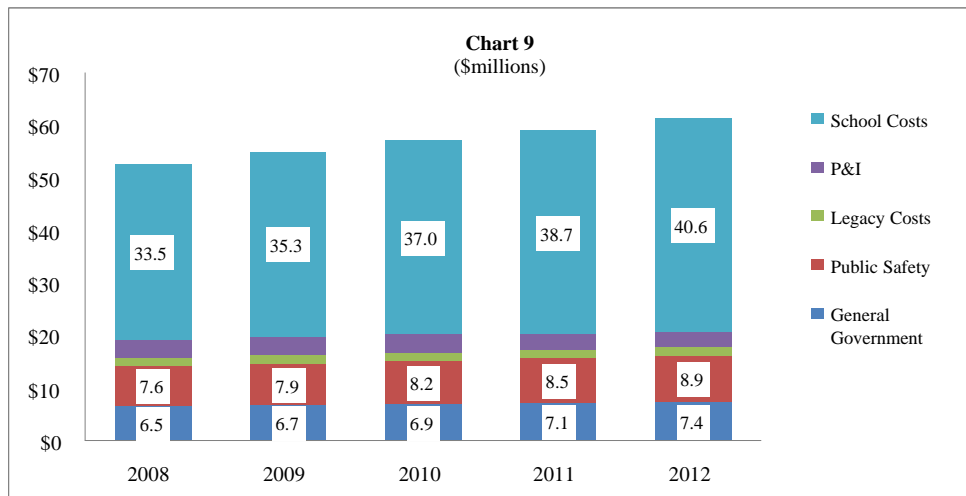


Expenditures for Newport are projected to increase from \$96.6 million in FY 2009 to \$109.2 million in FY 2012, an increase of 13.0 percent. As was the case in Middletown, education expenditures are the largest single component of the city’s budget – projected to account for 40.1 percent of all spending in FY 2012.

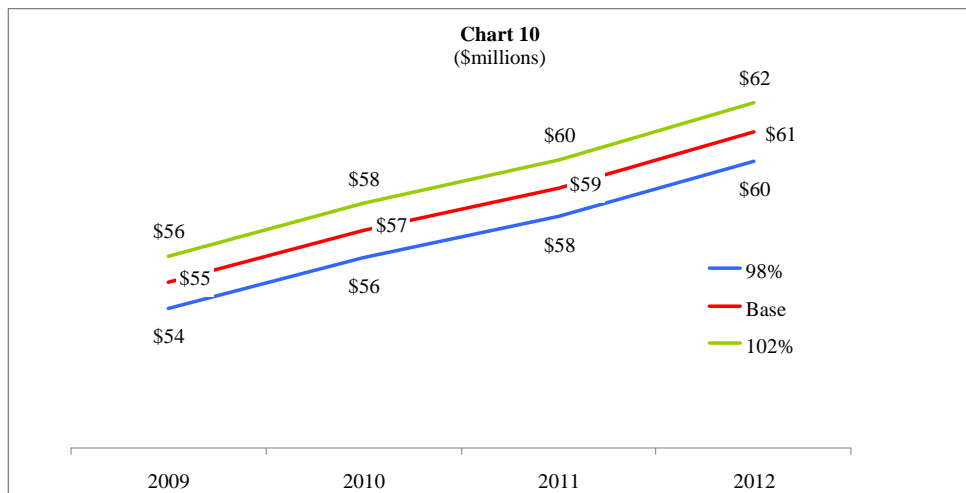


The expenditure projection band for Newport shows that, assuming a 2.0 percentage point increase above the base, expenditures would increase from \$99 million in FY 2009 to \$111 million in FY 2012. If expenditures would grow 2.0 percentage points below the base (blue line), expenditures would increase from \$95 million in FY 2009 to \$107 million in FY 2012.

*Projected expenditures for Portsmouth*



Expenditures for Portsmouth are projected to increase from \$54.9 million in FY 2009 to \$61.3 million in FY 2012, an increase of 11.5 percent during that time period. As was the case for Newport and Middletown, education expenditures are the largest single component of the town's budget – projected to represent 66.2 percent of all spending in FY 2012.



The expenditure projection band for Portsmouth shows that, assuming a 2.0 percentage point increase above the base (green line), expenditures would increase from \$56 million in FY 2009 to \$62 million in FY 2012. If expenditures were to grow 2.0 percentage points below the base (blue line), expenditures would increase from \$54 million in FY 2009 to \$60 million in FY 2012.

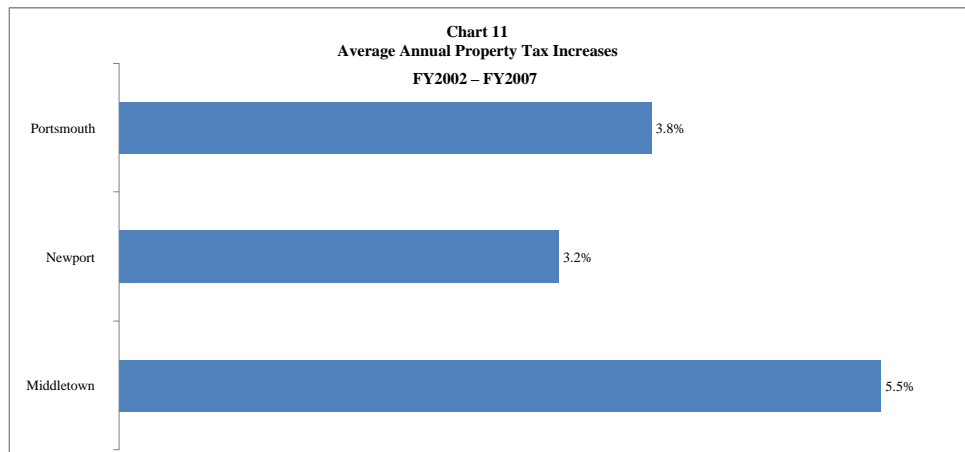
### **III. Projected general fund balances**

The projected general fund balances for each community assume three different models based on different growth rates in the levy as presented below.

Model 1 is based on the Property Tax Relief Act of 2006 (S 3050) which places restrictions on the amount the tax levy can grow annually. In FY 2008, the levy can grow by 5.25 percent. The cap then decreases 0.25 percentage points each year until FY 2013 when it will reach 4.0 percent.

Model 2 assumes an average annual growth rate that is 1.0 percentage point below the cap for each fiscal year during the forecast period. This means that the levy is projected to increase by 4.0 percent in FY 2009, 3.75 percent in FY 2012, 3.5 percent in FY 2011, and 3.25 percent in FY 2012.

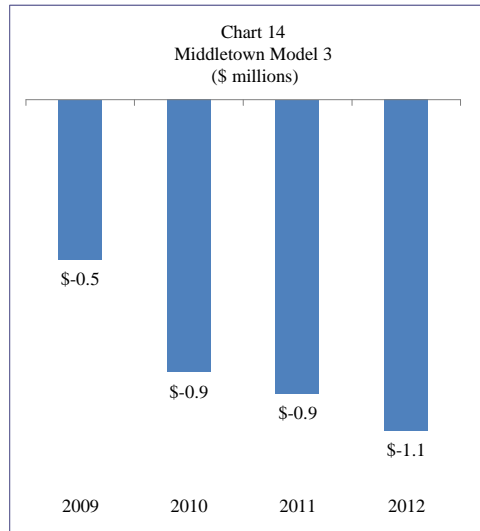
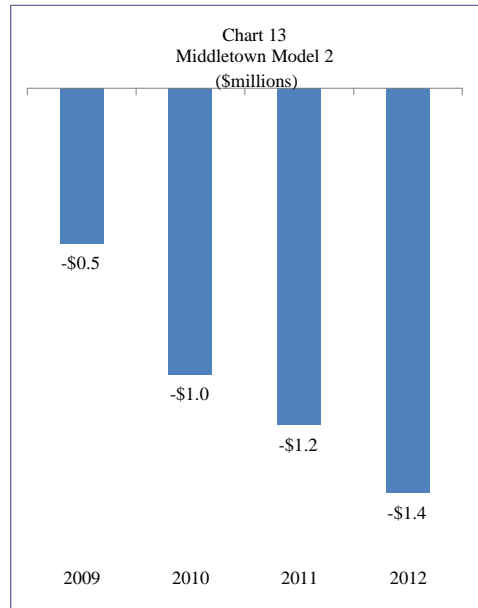
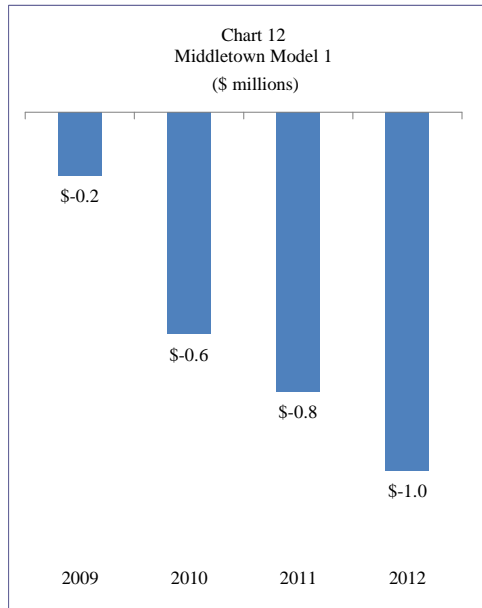
Model 3 is based on the average annual revenue growth rate between FY 2002 and FY 2007 (see chart below). Middletown was adjusted by 4.1 percent (average of FY 2005 through FY 2007).



Overall, Newport is projected to experience the largest deficit in the out-years when compared to Middletown and Portsmouth. Depending on the model used, Newport's deficit ranges between \$8.6 million and \$9.2 million in FY 2012 (7.9 percent and 8.5 percent of all expenditures in FY 2012). Portsmouth's deficit is lowest among the three communities, ranging from \$0.4 million to \$0.9 million in FY 2012 (0.7 percent and 1.4 percent of expenditures), depending on the model. However, one should note that Portsmouth has not funded its OPEB liability. Starting in FY 2009, Portsmouth will be required to report its OPEB liability. If the town decides to fund all or a portion of this liability, there will obviously be an impact on the general fund balance.

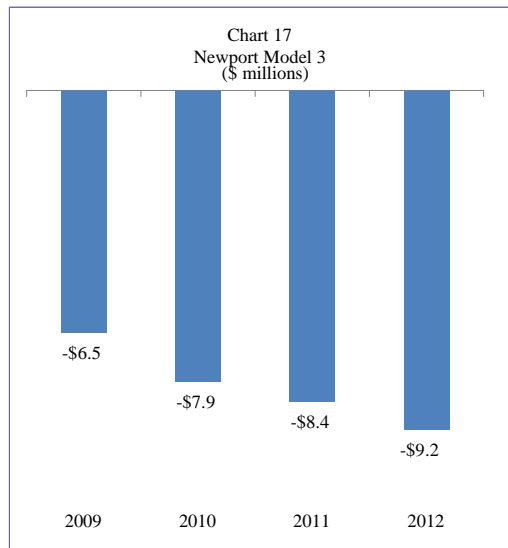
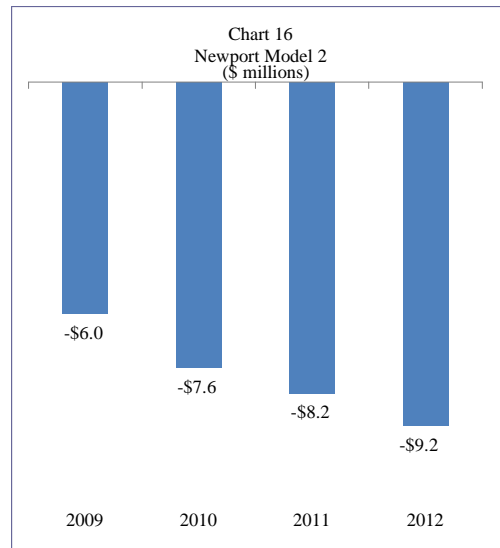
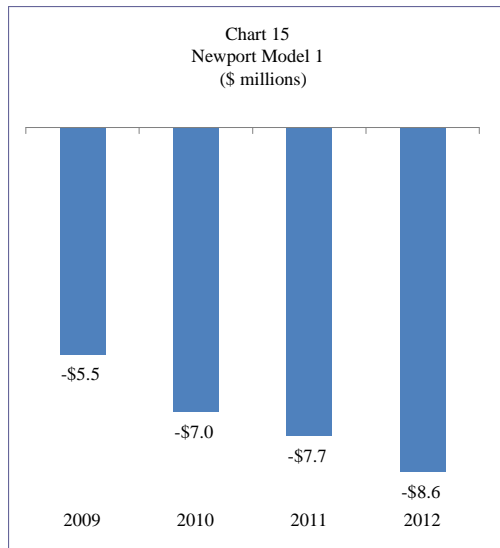
The following pages show projected general fund balances by community. One should note that any changes in the assumptions used in creating the forecast, such as additional debt service, will impact the general fund balance in the out-years.

**Projected general fund balance for Middletown**



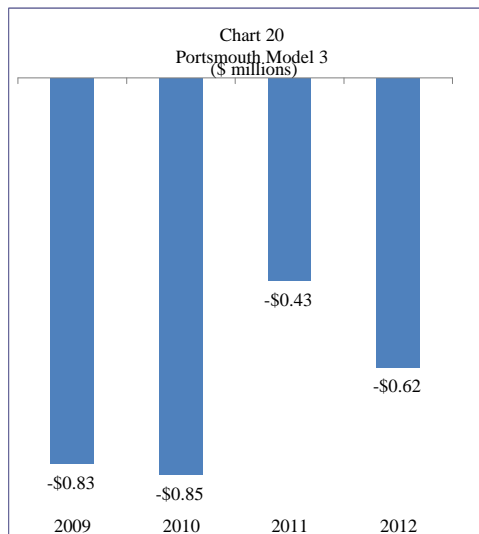
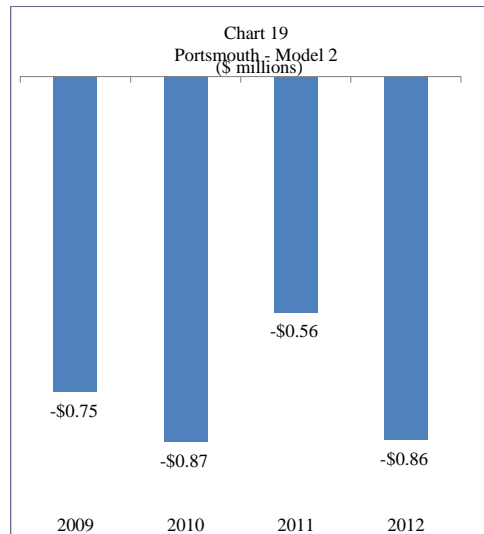
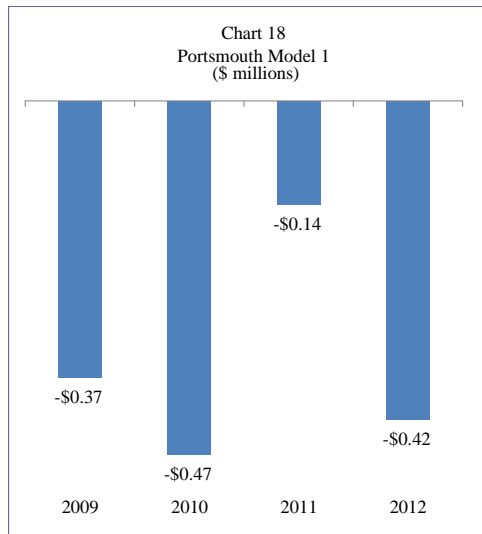
Middletown is projected to experience deficits under all three scenarios. The deficits are projected to range from \$1.0 million to \$1.4 million in FY 2012, accounting for 1.5 percent and 2.1 percent of expenditures respectively in FY 2012.

## Projected general fund balance for Newport



The above charts show that Newport is projected to experience a deficit between FY 2009 and FY 2012 under each scenario. The deficits range from \$8.6 million (Model 1) to \$9.2 million (Model 3) in FY 2012. This translates to between 7.9 percent and 8.5 percent of all expenditures in FY 2012.

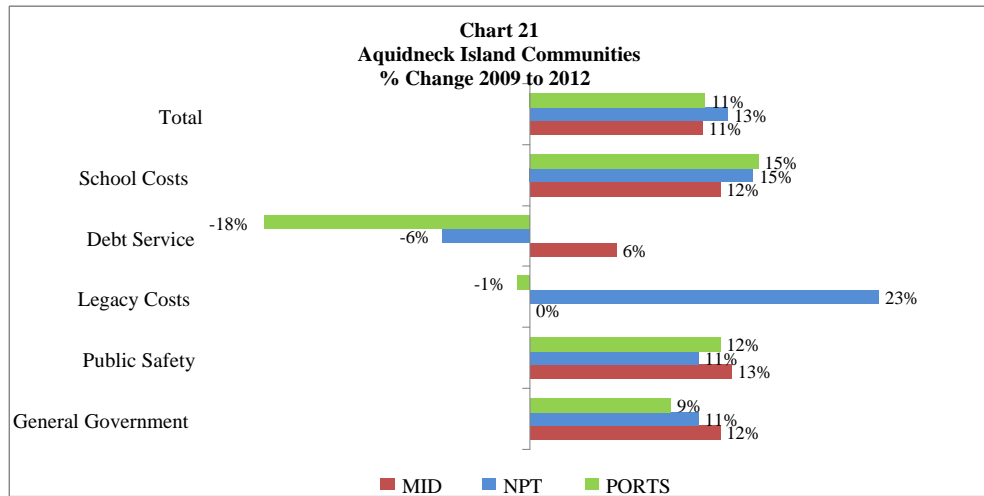
## Projected general fund balance for Portsmouth



Under all three scenarios, Portsmouth is projected to experience deficits, ranging from \$0.4 million to \$0.9 million in FY 2012 (0.7 percent and 1.4 percent of expenditures respectively).

One should note that the forecast for Portsmouth does not include the issuance of sewer bonds, or borrowings for open space and wind turbines. Any additional debt service will impact the general fund balance in out-years. In addition, at this point it is not clear what the tuition payments from Little Compton will be in FY 2008. This forecast includes \$1.1 million in payments from Little Compton in FY 2008. Any change in these payments would have an impact on the forecast as well.

#### IV. Municipal and school budget drivers



The chart above shows the percent change in expenditure categories between FY 2009 and FY 2012. While this chart provides information about expenditure categories within a community, it should be recognized that there are differences in budgeting practices between the three towns, making comparisons among communities difficult.

The primary area that will impact the communities' general fund balances are costs related to salaries and benefits for current and retired employees. One important area to look at is expenditures that stem from teacher steps. Education expenditures are the largest single component of the communities expenditures, projected to account for 40.6 percent of all spending in Newport in 2012, 62.5 percent of all spending in Middletown, and 66.2 percent of all spending in Portsmouth. The largest component of school spending is salaries and benefits. Expenditures for the teaching workforce are a function of base pay raises and the number of teachers moving through steps, combined with the position within each step. Teachers with less than ten years of experience receive two forms of compensation increases. The first is annual raises granted through the collective bargaining agreement. The second is tied to progression through a series of steps, which are tied to increases in experience (see also appendix).

It should be noted that there are step increases in other bargaining agreements, such as police and fire. These bargaining agreements include fewer steps than the 10 to 12 steps for teachers. However, other provisions in bargaining agreements for municipal employees also have an impact on costs.

Table 2 shows salaries for teachers with a bachelor's degree by community for steps 1, 5, and 10. Teachers who have a master's degree will receive an additional amount on top of the bachelor's basic scale (see column on the right hand side).



**Table 2**  
**2007-2008 Teacher Salaries**

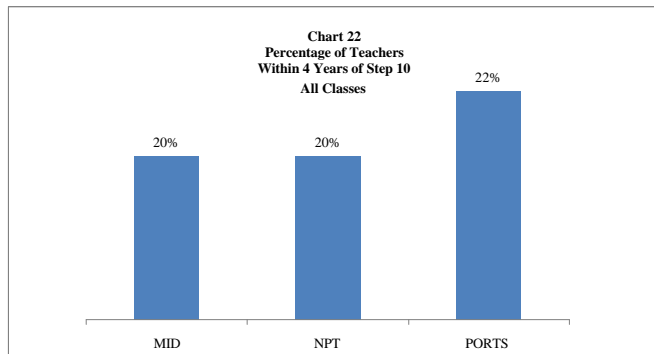
	Bachelor's Basic Scale			Master's*
	Step 1	Step 5	Step 10	
Middletown	\$ 37,892	\$ 49,059	\$ 69,279	\$ 2,752
Newport	37,691	47,782	67,263	3,769
Portsmouth	36,469	46,565	68,940	2,265

Note: Does not include longevity payments

\*The amount for a master's degree is paid on top of the salary for a bachelor's degree.

Source: Rhode Island Association of School Committees

The chart below shows the number of teachers in a community within four years of approaching Step 10.



Another important area for the communities to look at is pension costs and other post-employment benefits (OPEB). As the name suggests, OPEB relates to post-employment benefits other than pensions, namely health care benefits provided to retirees. In general, post-employment benefits are financed in one of two ways. Some communities follow an actuarial approach, which entails paying to a OPEB plan an amount that is expected to be sufficient, if invested now, to finance the benefits of employees after they are no longer working for the city or town. Other communities follow a pay-as-you-go approach, paying an amount each year equal to the benefits distributed or claimed in that year.

Based on the Governmental Accounting Standards Board (GASB), the new OPEB standards establish accounting and financial reporting standards with the objective to more accurately reflect financial effects of OPEB transactions. They do not mandate the funding of OPEB benefits.

As GASB points out, governments should account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. These amounts should be produced by actuarial valuations performed in accordance with parameters established by the GASB.

Both Newport and Middletown have started to address the issue of funding the accrued liabilities of health care expenses for its retirees. Middletown is fully funding its Annual Required Contribution (ARC), and Newport makes annual contributions to the OPEB trust fund which will increase until the ARC of \$9.5 million is reached. Portsmouth is required to report its OPEB liability starting in FY 2009. Currently, the town funds its liability on a pay-as-you-go basis.

	OPEB		Total
	Trust	Other	
Middletown	\$1.65	\$2.90	\$4.55
Newport	1.75	4.50	6.25
Portsmouth	0	1.69	1.69

Another important factor is costs related to future decisions regarding debt service. Any additional debt service, for example the issuance of sewer bonds in Portsmouth, which is not included in this forecast, will impact the general fund balance in out years.

## **V. Next Steps**

All three Aquidneck Island communities are projected to experience deficits in the timeframe covered by this analysis. Unless there are reforms that will control the rate of growth in personnel expenditures the ability of communities to make long-term investments in infrastructure and other programs will be affected.

Currently, various citizen groups, and governmental and non-profit organizations, such as the Aquidneck Island Commission, established by the General Assembly, and the Aquidneck Island Planning Commission, are exploring the feasibility of various options to encourage cooperation between the Aquidneck Island communities in the delivery of public services. Therefore, it is in the interest of the communities to work with these groups to effectively coordinate their efforts to identify cost-sharing opportunities.

Moreover, the communities need to develop innovative solutions to address several of their ongoing liabilities. One should note that the communities from Aquidneck Island have taken steps to identify and implement opportunities for cooperation that go beyond borders and already have resulted in savings for each municipality (a list of the collaborative programs is provided in the appendix).

If the Aquidneck Island Advisory Group decides to move forward with addressing these potential budget deficits, RIPEC is ready to discuss how we can help to facilitate discussions to identify cost-sharing options, solicit ideas from each community and facilitate discussions on inter-local collaborative and cost-sharing opportunities.

## **VI. Appendix**

The following list of collaborative programs has been provided by the Aquidneck Island Advisory Group.

These collaborative programs include:

### Newport County Regional Special Education

- This is the largest collaboration, including the districts of Portsmouth, Middletown, Tiverton and Little Compton.
- Costs for special education staffing, transportation and related services are shared for approximately 1,682 students. Regional bidding provides further cost-savings.

### Governmental Health Group of Rhode Island (GHGRI)

- 14 schools and municipalities participate in group purchasing of health care
- Provides more competitive premium rates and lowers administrative costs

### RI Interlocal Risk Management Trust (The Trust)

- Combined savings for liability insurance including property, workmen's compensation, vehicles and transportation

### East Bay Educational Collaborative

- This program allows Portsmouth, Middletown, Newport and five other districts to share, coordinate and combine selected resources, including professional development for teachers, purchasing, high quality science education and many other opportunities for creative savings.

### Newport Area Career and Technical Center

- This program provides consolidated career and technical programs that otherwise would be very difficult to fund by individual districts

### State bids/Master Price Agreements

- Districts have negotiated a statewide bid with WB Mason for supplies
- Additional services are bid through the state for custodial supplies and other applicable services

The Aquidneck Island Advisory Group members plan to capitalize on these and other initiatives to achieve greater economies of scale among its members. Preparation of the Advisory Group's Revenue and Expenditure Forecast now provides the baseline for next-step opportunities for collaboration and savings, comprising an important input for Phase II of the Advisory Group's workplan.

**Table 4**  
**Middletown Projected Revenues and Expenditures (\$ million)**  
**(Based on Model 1)**

<b>Revenues</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Property Tax	\$38.6	\$40.5	\$42.3	\$44.1
Other Local Revenues	2.7	2.7	2.7	2.8
School Aid	11.4	11.5	11.6	11.7
InterGovt Aid	3.7	3.8	3.8	3.9
Other	3.9	3.9	3.9	3.9
<b>Total</b>	<b>\$60.3</b>	<b>\$62.3</b>	<b>\$64.4</b>	<b>\$66.4</b>
<b>Expenditures</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Government	\$8.0	\$8.4	\$8.7	\$9.0
Public Safety	8.1	8.4	8.7	9.1
Legacy Costs	4.6	4.6	4.6	4.6
Principal & Interest	2.4	2.7	2.6	2.5
School Costs	37.4	38.9	40.5	42.1
<b>Total</b>	<b>\$60.5</b>	<b>\$63.0</b>	<b>\$65.1</b>	<b>\$67.3</b>

**Table 5**  
**Newport Projected Revenues and Expenditures (\$ million)**  
**(Based on Model 1)**

<b>Revenues</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Property Tax	\$58.8	\$61.6	\$64.4	\$67.1
Other Local Revenues	11.3	11.4	11.5	11.5
School Aid	12.0	12.1	12.2	12.4
InterGovt Aid	9.1	9.3	9.4	9.6
Other				
<b>Total</b>	<b>\$91.2</b>	<b>\$94.4</b>	<b>\$97.5</b>	<b>\$100.6</b>
<b>Expenditures</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Government	\$20.6	\$21.4	\$22.1	\$22.9
Public Safety	27.3	28.3	29.3	30.3
Legacy Costs	7.6	8.8	9.1	9.4
Principal & Interest	3.0	2.9	2.8	2.8
School Costs	38.2	40.0	41.9	43.8
<b>Total</b>	<b>\$96.7</b>	<b>\$101.4</b>	<b>\$105.2</b>	<b>\$109.2</b>

**Table 6**  
**Portsmouth Projected Revenues and Expenditures (\$ million)**  
**(Based on Model 1)**

<b>Revenues</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Property Tax	\$40.4	\$42.3	\$44.2	\$46.1
Other Local Revenues	4.5	4.5	4.6	4.6
School Aid	6.9	7.0	7.0	7.1
InterGovt Aid	2.6	2.7	2.7	2.8
Other	0.3	0.3	0.3	0.3
<b>Total</b>	<b>\$54.6</b>	<b>\$56.7</b>	<b>\$58.8</b>	<b>\$60.8</b>
<b>Expenditures</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
General Government	\$6.7	\$6.9	\$7.1	\$7.4
Public Safety	7.9	8.2	8.5	8.8
Legacy Costs	1.7	1.7	1.7	1.7
Principal & Interest	3.3	3.3	2.9	2.8
School Costs	35.3	37.0	38.7	40.6
<b>Total</b>	<b>\$54.9</b>	<b>\$57.1</b>	<b>\$58.9</b>	<b>\$61.3</b>

*Comparison of teacher steps across communities*

