

A photograph of a wooden bridge with a stone abutment and a statue on top, set against a background of trees. The bridge is made of light-colored wood and has a curved railing. The stone abutment is on the right side, and a statue is perched on top of it. The background shows a line of trees with green and yellow leaves, suggesting an autumn setting. The overall scene is peaceful and scenic.

Finance Committee Metrics to inform Guidelines for Fiscal Year 2025

Concord, Massachusetts

September 7, 2023

- **The Finance Committee reviewed and discussed potential metrics that should be used when considering Fiscal Year (FY) 2025 budget requests and determining FY 2025 guidelines for the Town, Concord Public Schools, and Concord-Carlisle Regional School District.**
- **After considering a variety of approaches and options, the Finance Committee unanimously voted to adopt three metrics for the FY 2025 budget requests and guidelines.**
- **The following two slides provide additional information about the metrics and how they will be used by the Finance Committee.**

Overview of metrics the Finance Committee will employ to inform guidelines

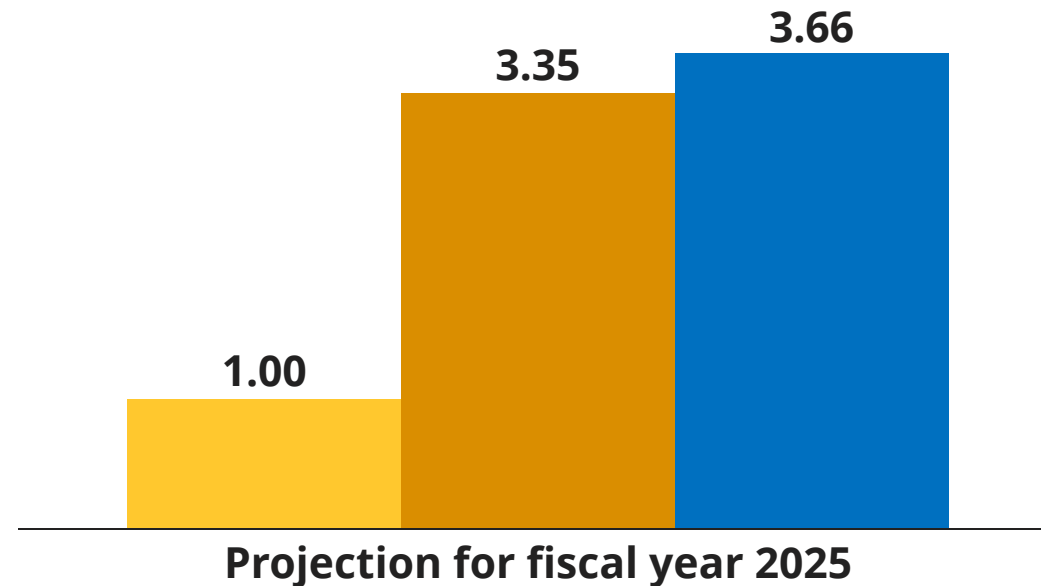
- **Metrics aim to reflect residents' ability to pay as well as inflation for Concord's expenses, as follows:**
 - **Ability to pay recognizes projected growth in residents' personal income:**
 - (1) Nominal personal income growth per capita; *and*
 - (2) Real personal income growth per capita.
 - **Inflation for Concord's expenses recognizes projected cost growth of School and Town budgets:**
 - Employment cost index (ECI), private wages and salaries.
 - Chained weighted consumer price index urban (CPI-U) for goods and services.
 - (3) Blended rate (80% ECI / 20% CPI-U) to reflect projected cost breakdown for Concord.
- **Metrics are not guidelines. Metrics and guidelines are separate but the metrics are objective measures that should inform the final overall guidelines. Metrics are a tool to inform the establishment of a guidelines number(s).**



Metrics to inform guidelines that the Finance Committee will use for FY2025 include **projected real and nominal personal income growth per capita**, and **projected inflation relevant to Concord's expenses**

Metrics to inform guidelines for fiscal year 2025, %

- Projected real personal income growth per capita
- Projected nominal personal income growth per capita
- Projected inflation relevant to Concord's school and town expenses



Sources and notes: All data sourced from Congressional Budget Office Budget and Economic Outlook projections as of July 2023 (most recent available). Quarterly data converted to state/town fiscal year.

- Projected real personal income growth per capita: Projected growth in personal income growth per capita net of projected inflation.
- Projected nominal personal income growth per capita: Projected growth in personal income growth per capita unadjusted for projected inflation.
- Projected inflation relevant to Concord's town and school expenses: Blended rate (to reflect Concord's projected cost breakdown) of Employment cost index (ECI), private wages and salaries (80%) and chained weighted consumer price index urban (CPI-U) for goods and services (20%).