

# SAYVILLE PUBLIC SCHOOLS

Introduction to Draft 1 of the  
2011-12 Proposed Budget

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# Introduction to the 2011-12 Budget

- Overview of the expenditure side of the budget
- Overview of the revenue side of the budget
- Provide a framework for some of the challenges we will be facing – in the 2011-12 school year and beyond

# Important Points to Remember!

- The Board of Education and Administration encourage your involvement in the budget process!
- You will probably hear many talking points over and over again.....  
.....this is because these are critical issues that will possibly change education as we know it!



We all need to work together.....

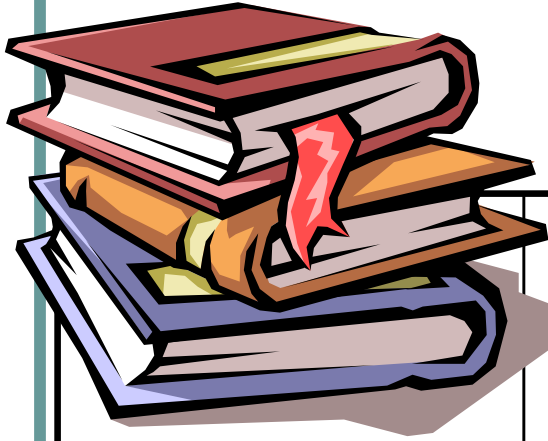
## **LET'S REMEMBER**

This is the ***beginning***  
of the budget process!



**Our Combined Goal:** at the end of the process we should have a budget that preserves the integrity of our instructional & support programs at a cost the taxpayers can afford!

# PROPOSED 2011-2012 BUDGET



	BUDGET	BUDGET PERCENTAGE INCREASE	PROPOSED INCREASE ON TAX RATE
2011-12 Proposed Budget	<b>\$82,850,851</b>	<b>5.29%</b>	<b>10.23%</b>

# SAYVILLE PUBLIC SCHOOLS

## PROPOSED 2011 - 2012 BUDGET SUMMARY

	<u>2010-11</u> <u>CURRENT BUDGET</u>	<u>2011-12</u> <u>PROPOSED BUDGET</u>	<u>INCREASE /</u> <u>(DECREASE)</u>	
Salaries	39,429,775	41,065,264	1,635,489	4.15%
Fringe Benefits	17,243,576	19,191,490	1,947,914	11.30%
Total Salary & Benefits:	<u>56,673,351</u>	<u>60,256,754</u>	<u>3,583,403</u>	<u>6.32%</u>
Debt Service	5,458,207	5,452,154	(6,053)	-0.11%
Contractual Expenditures (4000 object codes)	5,552,536	5,687,989	135,453	2.44%
BOCES (excluding transportation)	5,963,407	6,378,812	415,405	6.97%
Supplies	1,258,675	1,288,038	29,363	2.33%
Textbooks/Workbooks	226,632	231,117	4,485	1.98%
Transportation	3,175,371	3,274,399	99,028	3.12%
Transfers to:				
Capital Fund	0	0	0	0.00%
Special Aided Fund	300,000	150,000	(150,000)	-50.00%
Equipment	127,274	131,588	4,314	3.39%
<b>TOTAL GENERAL FUND BDGT:</b>	<b><u><u>78,735,453</u></u></b>	<b><u><u>82,850,851</u></u></b>	<b><u><u>4,115,398</u></u></b>	<b><u><u>5.23%</u></u></b>

# Salaries: Did you know that.....

- Salaries & fringe benefits comprise 73% of the overall budget!
- The Administrator's, Teacher's and Unaffiliated / Confidential Staff have taken a half-year wage freeze for both the 2010-11 and 2011-12 school years!
- This has resulted in budgetary savings over \$2 million in salary and fringe benefit costs!
- Our current salary costs for the 2010-11 school year are less than the prior year.
- This is just one more example of controlling costs!

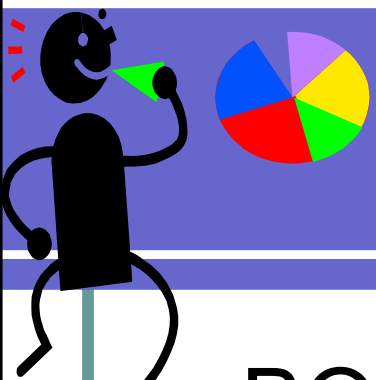
# Fringe Benefits: Did you know that...

- The District has no input or control in setting TRS or ERS retirement rates!
- TRS rates have increased:
  - **39% in 2010-11**
  - **33% in 2011-12**
- ERS Rates have increased:
  - **64% in 2010-11**
  - **39% in 2011-12**
- We can expect more of the same in 2012-13!



# Debt Service: Did you know that....

- The District's building aid ratio is 68% of 'approved' construction costs!
- Translated – we receive up to 68 cents back on every dollar spent!
- For 2011-12, out of the \$4.4 million in school district debt service we are expected to pay, we will receive over \$3.0 million back in building aid!
- Spending in highly reimbursable area's generates the biggest bang for the buck!



# BOCES: Did you know that...

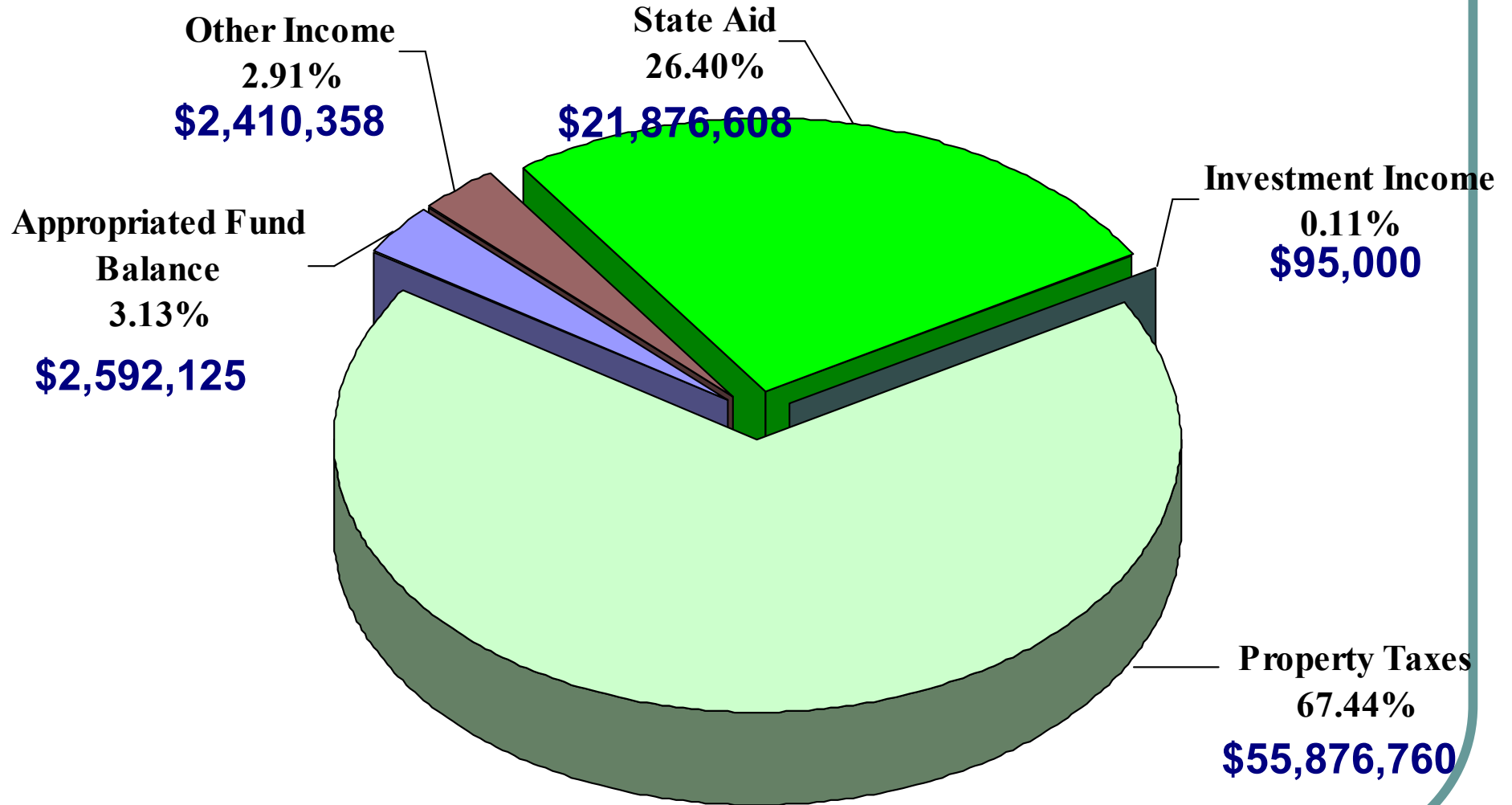
- BOCES provides many different types of instructional and support 'shared' services!
- Services are shared among school districts to achieve cost efficiencies!
- Many of these services are aidable:
  - Boces Aid
  - Transportation Aid
  - High Cost Aid for Special Ed services

# Overall Spending: Did you know that.....

- In developing the current 2010-11 budget to arrive at the 1.8% spending increase we reduced \$3,625,247 from the Draft 1 budget!
- So far, we have manage to significantly reduce costs, while maintaining the integrity of our Instructional & Support programs; however,
  - Our budgets have already been reduced to bare bones!
- ***CONCLUSION: THIS IS NOT A SPENDING PROBLEM!!!!!!***

# SAYVILLE PUBLIC SCHOOLS

## Proposed Revenues 2011 – 2012



**Proposed Revenues: \$82,850,851**

# Sayville Public Schools

## Projected Revenue and Tax Rate Schedule for 2011-12

	<u>2010-11</u>	<u>2011-12</u>	<u>Difference</u>	<u>Percent</u>
STATE AID	22,764,171	21,216,802	(1,547,369)	-6.80%
MTA Tax	142,828	139,559	(3,269)	-2.29%
Federal Jobs Monies	0	520,247	520,247	0.00%
<u>OTHER INCOME:</u>				
Adult Education	124,942	135,000	10,058	8.05%
Summer School	5,000	5,000	0	0.00%
Trips	0	0	0	0.00%
Admissions	10,000	10,000	0	0.00%
Use of Pool	98,078	98,078	0	0.00%
Custodial Services	20,000	20,000	0	0.00%
Health Services	125,000	125,000	0	0.00%
Interest Income	175,000	95,000	(80,000)	-45.71%
Rentals/Organizations/Individuals/Gov't	34,000	34,000	0	0.00%
Rentals/BOCES	332,382	337,035	4,653	1.40%
Rentals/Old Jr. High	321,038	325,832	4,794	1.49%
Rentals/Public Library	1,031,188	1,038,313	7,125	0.69%
Sale of Materials	100	100	0	0.00%
Insurance Recoveries	2,000	2,000	0	0.00%
Medicaid Reimbursement - SSEHP Part D	145,000	150,000	5,000	3.45%
Fines & Forfeitures	4,000	4,000	0	0.00%
Refunds - BOCES/Prior Year/Other	10,000	10,000	0	0.00%
Misc Income	60,000	60,000	0	0.00%
Tuition - Other Districts/Staff	56,000	56,000	0	0.00%
Commissions	0	0	0	0.00%
<b>TOTAL OTHER INCOME</b>	<b>2,553,728</b>	<b>2,505,358</b>	<b>(48,370)</b>	<b>-1.89%</b>
<b>TOTAL OTHER INCOME/ STATE AID / MTA TAX</b>	<b>25,460,727</b>	<b>24,381,966</b>	<b>(1,078,761)</b>	<b>-4.24%</b>
APPROP. FUND BALANCE	2,500,000	2,500,000	0	} 0.00%
ADD'L APPROP. F/B - Capital Fund	0	0	0	
APPROP. RESERVE FOR DEBT SERVICE	85,000	92,125	7,125	
	<b>2,585,000</b>	<b>2,592,125</b>	<b>7,125</b>	
<b>PROPERTY TAXES*</b>	<b>50,689,726</b>	<b>55,876,760 *</b>	<b>5,187,034</b>	<b>10.23%</b>
<b>TOTAL REVENUE/BUDGET</b>	<b>78,735,453</b>	<b>82,850,851</b>	<b>4,115,398</b>	<b>5.23%</b>

	<u>2010/11</u>	<u>2011/12</u>	<u>Difference</u>	<u>Percent</u>
Tax Rate Per \$100	16.239	17.901	1.662	10.23%
Home Assessed @ 40,000	6,496	7,160	665	10.23%

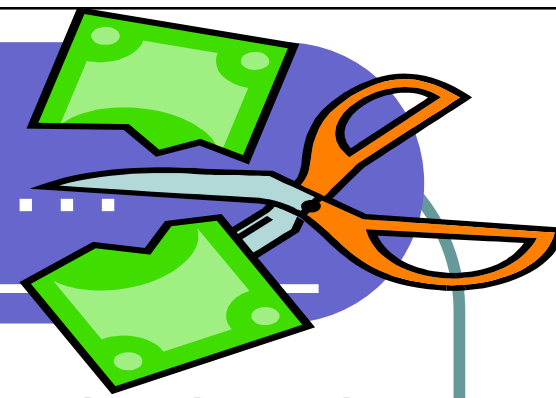
\*Property Taxes also include revenue from STAR repayments.



# State Aid: Did you know that.

- Under the Governor's Executive Budget for 2011-12 Sayville will lose (before Bld Aid) approximately \$4.2 million or 12.85% of its aid!
- In addition, last year Sayville loss 7% in aid!
- This leaves the District with some difficult choices and decisions:
  - **Try to make up some of the revenue shortfall!**
  - **Reduce costs by eliminating spending - programs and staff!**
  - **Shift the revenue shortfall to the tax rate!**
- **It takes more than \$500,000 to reduce the Tax Rate by 1%**
- **The community should be involved in the decision making process!!!!**

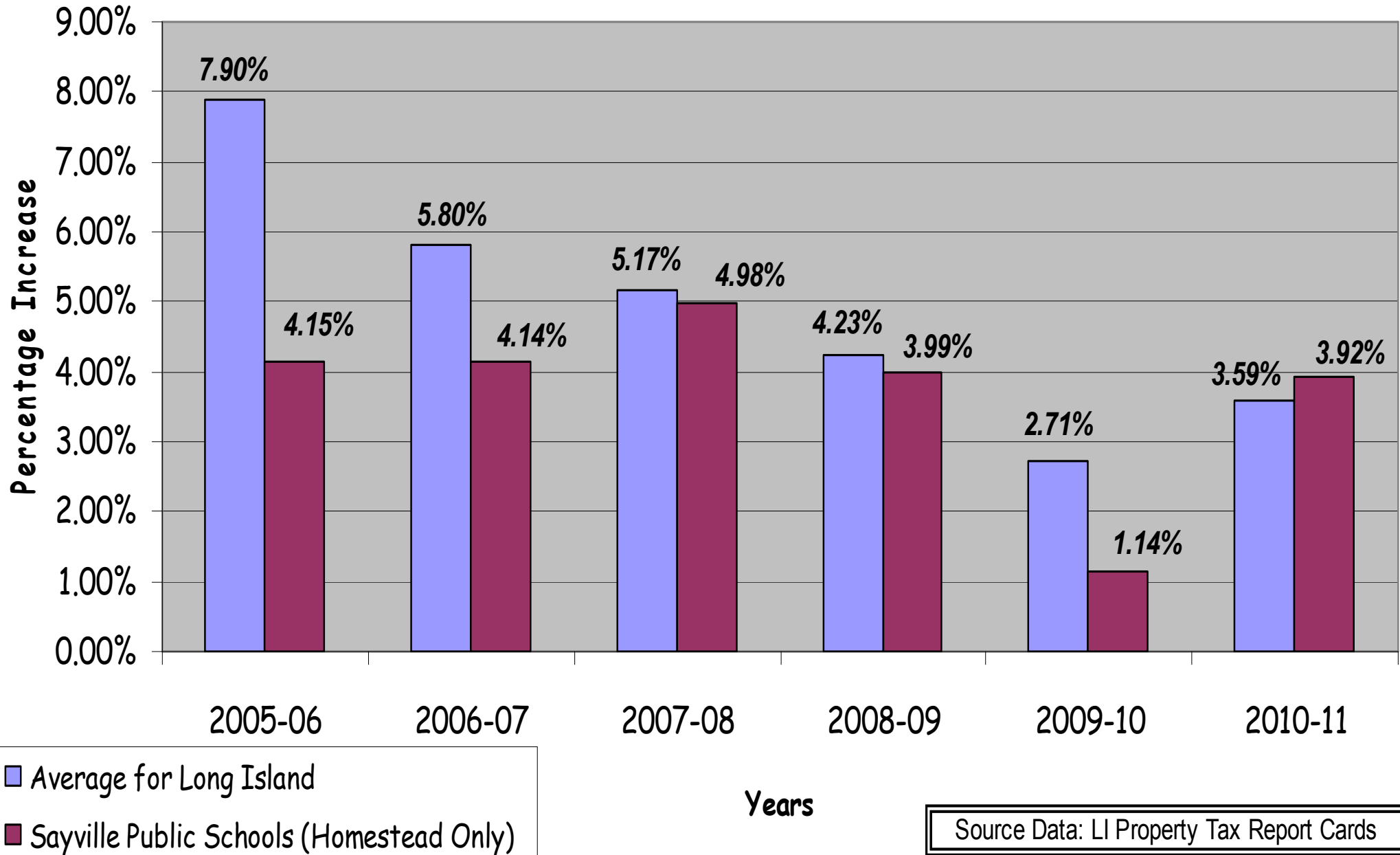
# Did you also know that.....



- Under the Governor's proposal that more reductions in aid are already built in for 2012-13! Another \$2.1B
- In addition to a proposed 2% Property Tax Cap!
- Plus, beginning in 2012-13 many of the state aid formulas, such as Summer Special Ed Aid, Building Aid, BOCES Aid will be based on wealth factors or lower percentages of reimbursements.
- For Sayville, this would mean an additional loss in state aid!!!!
- **LOOKING FORWARD AND BASED ON WHAT WE KNOW NOW.....2012-13 WILL BE AN EVEN MORE CHALLENGING YEAR!!!!!!**

# Sayville Public Schools

## Tax Rate Report Card





# Did you know that.....

- Over the last six years:
  - Average Tax Levy for Long Island: 4.90%
  - Average Tax Levy for Sayville Schools: 3.72%

# SAYVILLE PUBLIC SCHOOLS

## ANNUAL PROPERTY TAX RATE INCREASE ANALYSIS

Assessed Valuation*	Percentage of Tax Rate Increase**									
	2%		4%		6%		8%		10%	
	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly
30,000	\$98	\$8.17	\$195	\$16.25	\$292	\$24.33	\$390	\$32.50	\$487	\$40.58
35,000	\$114	\$9.50	\$228	\$19.00	\$341	\$28.42	\$455	\$37.92	\$568	\$47.33
40,000***	\$130	\$10.83	\$260	\$21.67	\$390	\$32.50	\$520	\$43.33	\$650	\$54.17
45,000	\$146	\$12.17	\$293	\$24.42	\$438	\$36.50	\$585	\$48.75	\$731	\$60.92
50,000	\$163	\$13.58	\$325	\$27.08	\$487	\$40.58	\$649	\$54.08	\$812	\$67.67
55,000	\$179	\$14.92	\$358	\$29.83	\$536	\$44.67	\$714	\$59.50	\$893	\$74.42
60,000	\$195	\$16.25	\$390	\$32.50	\$584	\$48.67	\$779	\$64.92	\$974	\$81.17

\* Does not include any Star or other tax exemptions.

\*\* Assumes 2010 Assessed Valuation and Base Allocation levels.

\*\*\* Represents the average for the Sayville community



## Newsday Article February 9, 2011

**BECAUSE NEWSDAY DID NOT DO THEIR HOMEWORK.....**

**LETS US FILL IN THE BLANKS!**

- ✓ Superintendent's Experience: 38 years in education
- ✓ Superintendent's Salary (w/longevity) : \$225,700.
- ✓ Fringe Benefit Costs: \$22,479.  
*(2010-11 values, excludes any sick buy-out)*

**The Superintendent has taken a salary freeze in 2011-12!!!**



## Newsday Article February 9, 2011

### Reserves: Let us again fill in the blanks.....

#### IMPORTANT FACTS:

- “Every” school year, the District uses Reserves to reduce the tax rate!
- Having reserves AND using them in a fiscally responsibly way actually reduces budgetary costs and stabilizes the tax rate!  
(Example: Retirement Leave Pay)



# Newsday Article February 9, 2011

Reserves: Let us again fill in the blanks.....

MORE IMPORTANT FACTS:

- Having reserves/surplus allows the District to borrow less in Tax Anticipation Notes – and later in the school year - thus significantly reducing our annual interest costs!

**Example:**

In 1999-00 we spent \$507,000 on TAN interest!

In 2009-10 we spent \$9,967 on TAN interest!

***Result: the cumulative savings over the last 10 years has been re-allocated back into instructional programs!!!!***





# Newsday Article February 9, 2011

## THE MOST IMPORTANT POINT:

The Governor's office suggests that districts can use their reserves to offset their loss in state aid.

**Response:** Sayville's state aid run shows that we will lose **\$2,365,031 or 9.92%** in total aid (including building aid)! In Draft 1 of the 2011-12 Proposed Budget we are using **\$2,592,125 of reserves** to minimize the burden to the tax rate; **however our projected tax rate increase is still 10.23%!!!!!!**

## **NEWS FLASH FOR THE GOVERNOR:**

- 1) **District's have been using their reserves.**
- 2) ***If we had the \$2.5 million cut in aid, our Draft 1 proposed tax rate would be 5.57% not 10.23%!!!!***
- 3) ***Spending down Districts reserves will significantly impact the tax burden in the future. It is a SHORT TERM fix to a bigger problem.***

# Fiscal Year Comparison of School Budgets, State Aid and Homestead Tax Rate

Fiscal Year	School Budget	% Change Increase, (-)Decrease	State Aid	% Change Increase, (-)Decrease	Homestead Tax Rate (per \$100 of AV.)	% Change Increase, (-)Decrease
2004-05	\$61,196,149	<b>6.76%</b>	\$19,207,900	<b>2.67%</b>	13.0831	<b>7.2%</b>
2005-06	\$64,392,748	<b>5.22%</b>	\$19,707,900	<b>2.60%</b>	13.6258	<b>4.1%</b>
2006-07	\$68,256,228	<b>6.00%</b>	\$21,457,900	<b>8.88%</b>	14.1905	<b>4.1%</b>
2007-08	\$72,342,104	<b>5.99%</b>	\$23,067,000	<b>7.50%</b>	14.8978	<b>5.0%</b>
2008-09	\$75,989,590	<b>5.04%</b>	\$24,095,398	<b>4.46%</b>	15.4916	<b>4.0%</b>
2009-10	\$77,484,577	<b>1.97%</b>	\$24,658,144	<b>2.34%</b>	15.6715	<b>1.2%</b>
2010-11	\$78,735,453	<b>1.61%</b>	\$22,906,999	<b>-7.10%</b>	16.2390	<b>3.6%</b>

**7 Year Change:**

**28.66%**

**19.26%**

**24.12%**

**7 Year Average:**

**4.66%**

**3.05%**

**4.18%**

# Working With What We Know

- Preparing a budget with less revenues
- Reducing costs
- Can not count on “what if’s” and “maybe’s”
- Staying connected – We need your involvement
- The Board **MUST** adopt a Budget in April to present to the community.





# Future Budget Meetings

Please visit our web site at [www.sayville.k12.ny.us](http://www.sayville.k12.ny.us) for a complete listing of meeting dates.

- February 15, 2011 – Community Forum  
Location: High School Auditorium 7 p.m. – 9 p.m.
- The budget development process will continue at every scheduled Board Meeting through May 2011 (both workshop and business meetings).