

SAYVILLE PUBLIC SCHOOLS

Continued Review of the 2013-14 Proposed Budget

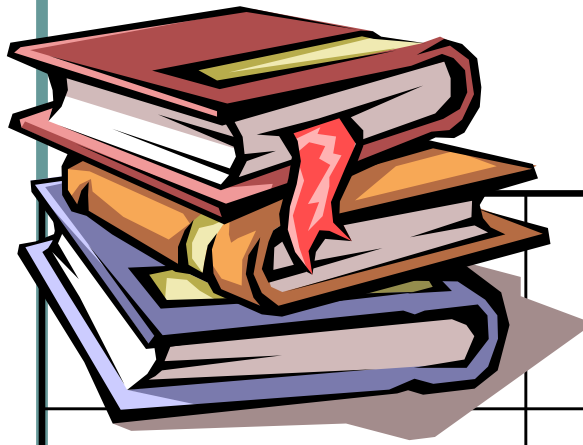
Presented by:
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Assistant Superintendent for Business

February 14, 2013

The Proposed 2013-14 Budget

- Continued review of the expenditure side of the budget
- Continued review of the revenue side of the budget
- Continued review of the 2% Property Tax Levy Cap

PROPOSED 2013-14 BUDGET



BUDGET

**BUDGET
PERCENTAGE
INCREASE**

**PROPOSED
INCREASE ON
TAX RATE**

**2013-14
Proposed
Budget (Draft I)**

\$90,355,533

5.46%

5.40%

**Revised
Budget
(Draft II)**

\$89,461,217

4.42%

3.81%

Draft 2 Budgetary Reductions

As we proceed through the budget development process, the staffing needs at the Elementary & Secondary levels are always being reviewed and ultimately finalized. Two key factors in determining staffing levels are - enrollments and scheduling.

Based on what we know as of 2/14/13, the following adjustments are being recommended in Draft 2 of the Proposed Budget:

2.00	Reduction of Elementary Postions through Attrition:	-267,846
1.00	Remove ' <i>New</i> ' Library Position that was Included in Draft 1:	-68,758
N/A	Replace 2.0 Retiring Art Staff with Replacements:	-143,167
N/A	Replace 1.0 Retiring Home & Careers Staff with Replacement:	-69,714
N/A	Replace 1.0 Retiring PE Staff with Replacement:	-60,196
3.00	Remove 3 ' <i>New</i> ' Special Aides that were provided in Draft 1:	-86,000
N/A	Reduction for Associated Fringe Benefit Costs:	<u>-198,636</u>
<i>TOTAL BUDGETARY REDUCTIONS DRAFT 2:</i>		<u><u>-894,317</u></u>

New In The Proposed Budget

Draft 2

Remaining New Staffing Positions:

7.0 4.0 Special Ed Aides for New PALS Program:	\$114,777
2.0 Special Ed Aides for Middle School:	\$57,389
1.0 Special Education Teacher for New PALS:	\$62,823
1.0 Librarian for Elementary School:	\$0
2.0 New Network Technicians:	<u>\$100,000</u>
TOTAL: 13.0 9.0 FTE's :	<u><u>\$334,989</u></u>

Draft 2

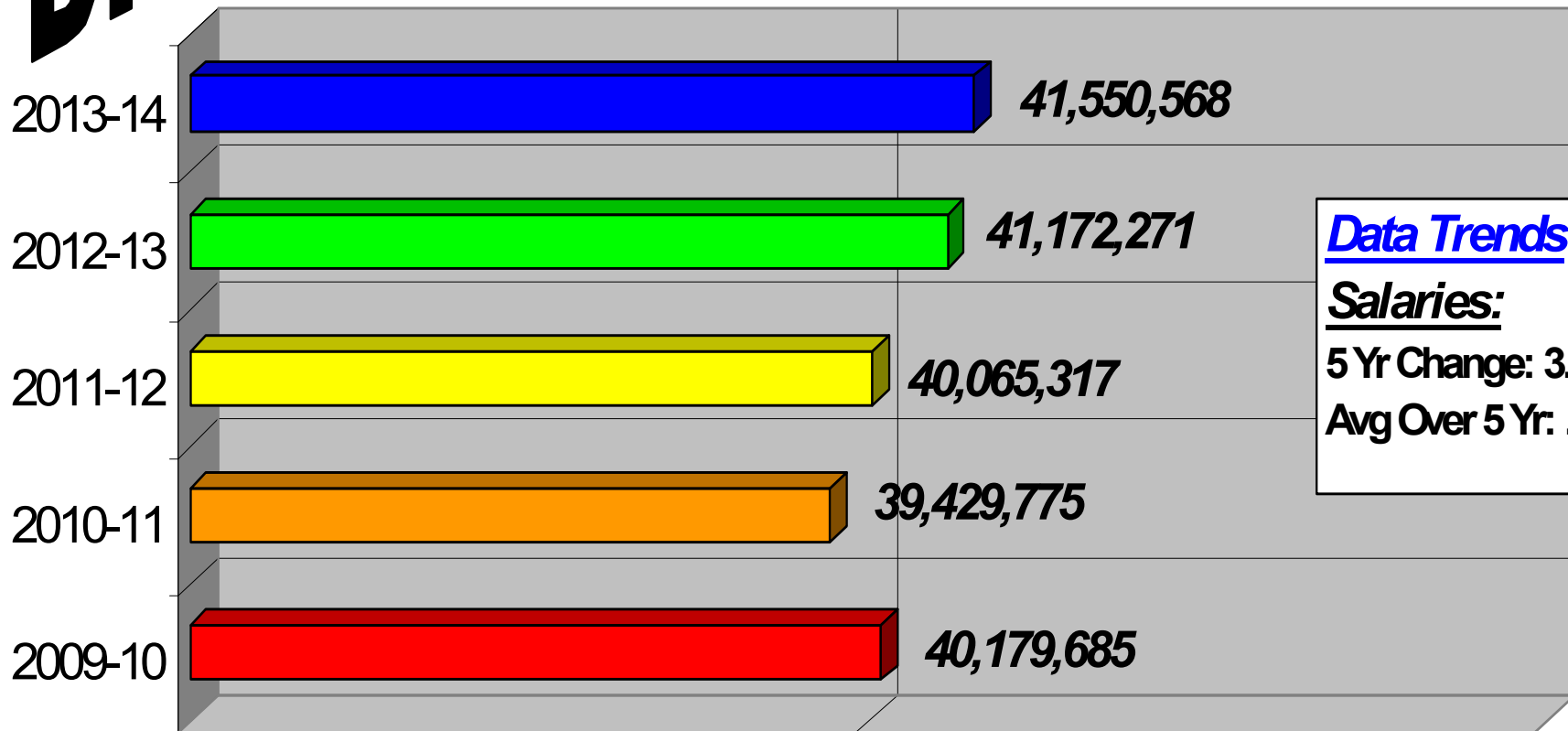
**SAYVILLE PUBLIC SCHOOLS
PROPOSED 2013 - 2014 BUDGET SUMMARY**

	<u>2012-13 CURRENT BUDGET</u>	<u>2013-14 PROPOSED BUDGET</u>	<u>INCREASE/ (DECREASE)</u>	
Salaries	41,172,271	41,550,568	378,297	0.92%
Fringe Benefits	20,157,913	22,967,222	2,809,309	13.94%
Total Salary & Benefits:	<u>61,330,184</u>	<u>64,517,790</u>	<u>3,187,606</u>	<u>5.20%</u>
Debt Service	6,054,723	5,857,174	(197,549)	-3.26%
Contractual Expenditures (4000 object codes, excluding Trans.& BOCES)	5,789,331	6,139,648	350,317	6.05%
BOCES	6,764,184	6,961,025	196,841	2.91%
Supplies	1,304,140	1,351,946	47,806	3.67%
Textbooks/Workbooks	231,117	232,590	1,473	0.64%
Transportation	3,414,904	3,577,836	162,932	4.77%
Transfers to:				
Capital Fund	500,000	500,000	0	0.00%
Special Aided Fund	150,000	150,000	0	0.00%
Equipment	136,378	173,208	36,830	27.01%
TOTAL GENERAL FUND BDGT:	<u><u>85,674,961</u></u>	<u><u>89,461,217</u></u>	<u><u>3,786,256</u></u>	<u><u>4.42%</u></u>

Budget Pulse – 5 Year Trend

District Wide Salaries

Draft 2

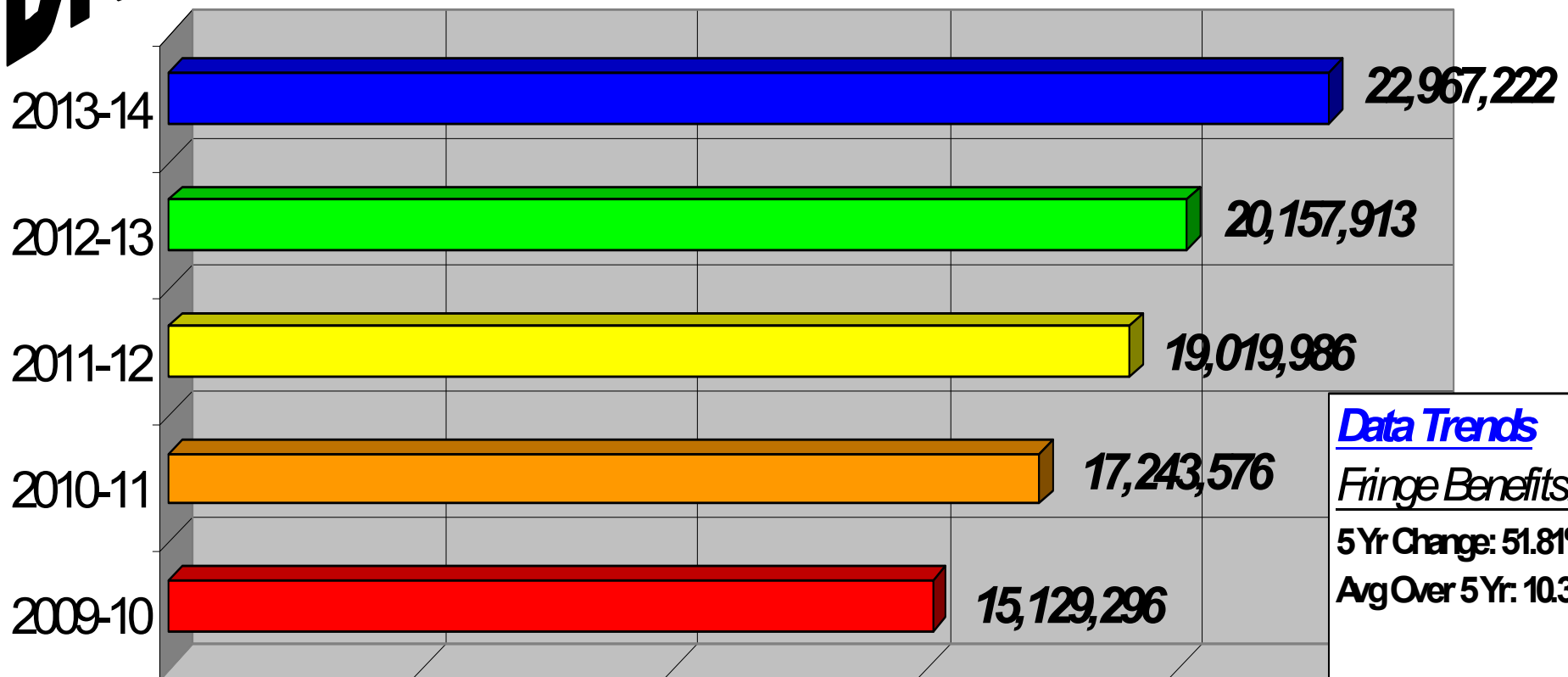


Data Trends
Salaries:
5 Yr Change: 3.28%
Avg Over 5 Yr: .66%

Budget Pulse – 5 Year Trend

Fringe Benefits

Draft 2



Data Trends

Fringe Benefits:

5 Yr Change: 51.81%

Avg Over 5 Yr: 10.37%

The Real Cost Drivers for 2013-14

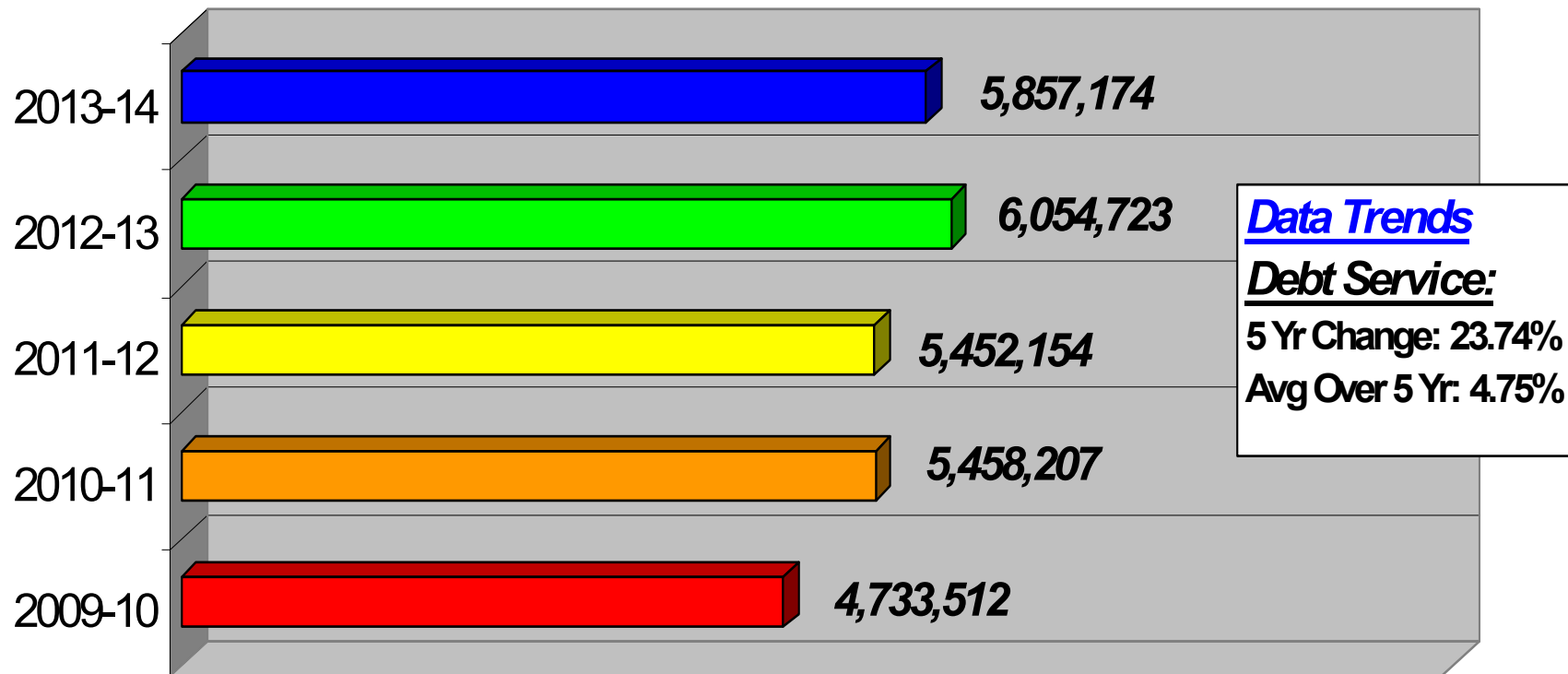
Draft 2

Fringe Benefits:	2012-13	Rate	2013-14	Rate	Difference	
1. ERS:	1,544,565	18.90%	1,783,442	20.90%	238,877	15.47%
2. TRS:	4,072,744	11.84%	5,159,126	16.25%	1,086,382	26.67%
3 Health Insurance	10,290,353	10% Incr.	11,907,123	15% Incr.	1,616,770	15.71%
Totals:	15,907,662		18,849,691		2,942,029	18.49%

Observation: The overall Draft I budget increase is \$3,786,256. Of that increase, 77.70% comes from Fringe Benefits.

Budget Pulse – 5 Year Trend

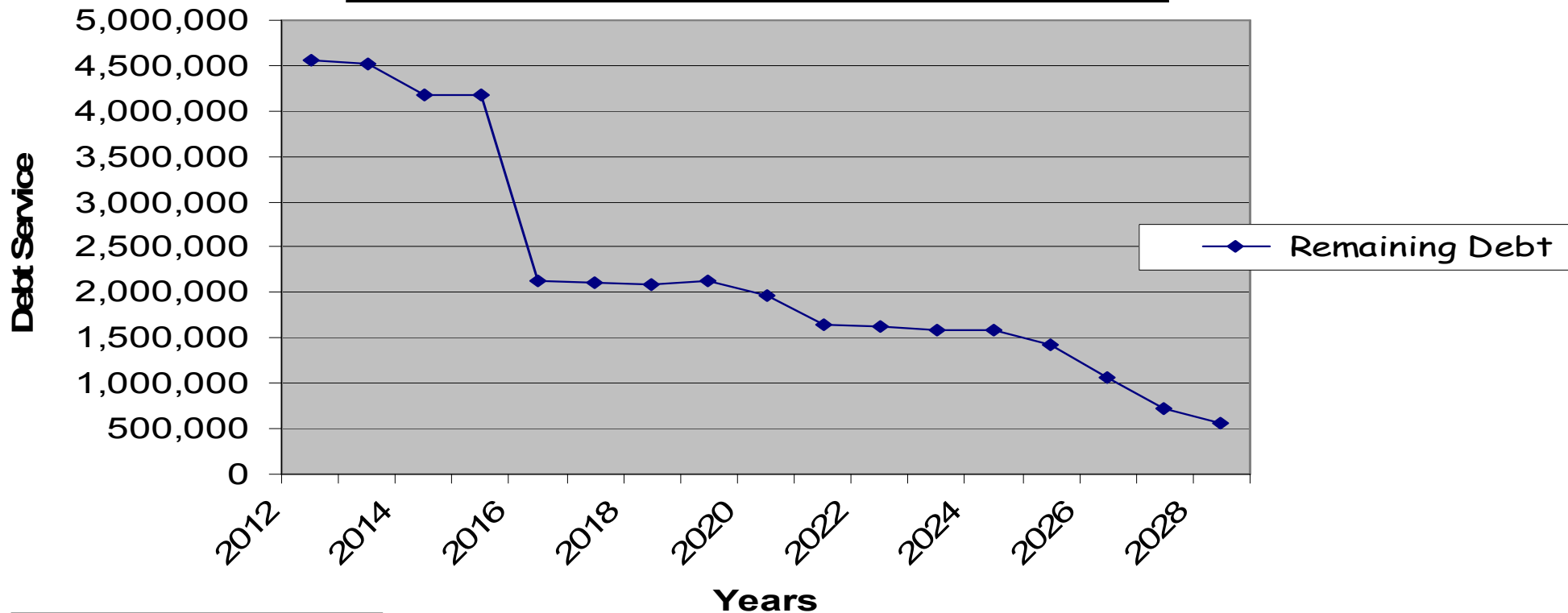
Debt Service



Debt Service Analysis

Sayville Public Schools

Analysis of Remaining Debt Service*



*Excluding Library Debt

In November 2012 we refinanced of a portion of District's outstanding debt, saving \$743,589 over a nine year period.

Draft 2

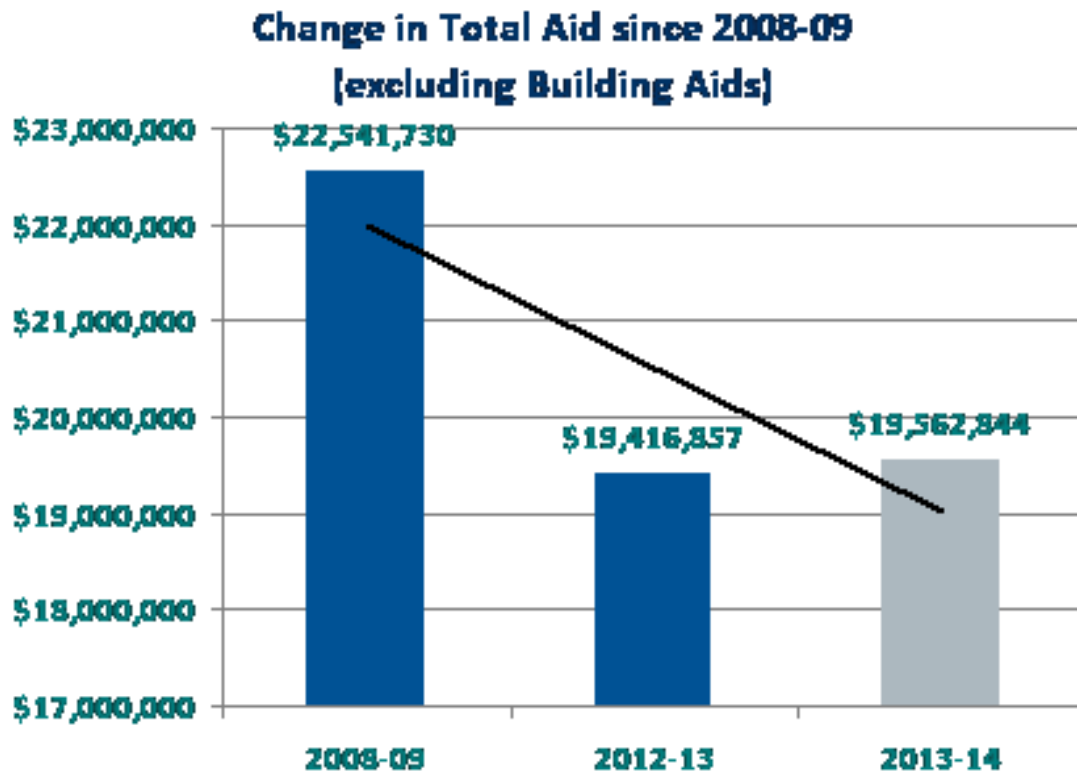
Sayville Public Schools Projected Revenue and Tax Rate Schedule for 2013-14

	<u>2012-13</u>	<u>2013-14</u>	<u>Difference</u>	<u>Percent</u>
STATE AID	22,867,286	22,735,572	(131,714)	-0.58%
<u>OTHER INCOME:</u>				
Adult Education	135,000	135,000	0	0.00%
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	50,000	50,000	0	0.00%
Rentals/Organizations/Individuals/Gov't	34,000	34,000	0	0.00%
Rentals/BOCES	347,146	354,089	6,943	2.00%
Rentals/Old Jr. High	334,077	340,759	6,682	2.00%
Rentals/Public Library	1,044,625	1,025,125	(19,500)	-1.87%
Sale of Materials	100	100	0	0.00%
Insurance Recoveries	2,000	2,000	0	0.00%
Medicaid Reimbursement - SSEHP Part D	150,000	150,000	0	0.00%
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%
TOTAL OTHER INCOME	2,485,026	2,479,151	(5,875)	-0.24%
TOTAL STATE AID & OTHER INCOME	25,352,312	25,214,723	(137,589)	-0.54%
APPROP. FUND BALANCE	4,000,000	4,000,000	0	0.00%
APPROP. RESERVE FROM TAX RESERVE	0	250,000	250,000	100.00%
APPROP. RESERVE FOR ERS	52,000	1,440,000	1,388,000	0.00%
APPROP. RESERVE FOR UNEMPLOYMENT	75,000	75,000	0	0.00%
APPROP. RESERVE FOR WORKERS COMP	0	150,000	150,000	0.00%
APPROP. RESERVE FOR DEBT SER - Library	98,438	98,438	0	0.00%
	4,225,438	6,013,438	1,788,000	
PROPERTY TAXES*	56,097,211	58,233,056 *	2,135,845	3.81%
TOTAL REVENUE/BUDGET	85,674,961	89,461,217	3,786,256	4.42%

	<u>2010/11</u>	<u>2011/12</u>	<u>Difference</u>	<u>Percent</u>
Tax Rate Per \$100	17.877	18.558	0.681	3.81%
Home Assessed @ 40,000	7,151	7,423	272	3.81%

*Property Taxes also include revenue from STAR repayments.

The State Aid Reality Check!



History of aid lost to Gap Elimination Adjustments

2010-11:	(\$2,064,648)
2011-12:	(\$3,777,104)
2012-13:	(\$3,403,822)
Total To date:	(\$9,245,574)
2013-14 (Proposed):	(\$3,239,486)

**Change in Total Aid, 2008-09 to 2012-13
(excluding Building Aids):** **(\$3,124,873)** **-13.9%**

SOURCE: Compiled by the Council from NYS Education Department School Aid data; data for years prior to 2012-13 are as estimated at time state budget was enacted.

Use of Fund Balance

Draft 2

	2012-13	2013-14	Difference	
APPROP. FUND BALANCE	4,000,000	4,000,000	0	0.00%
APPROP. RESERVE FROM TAX RESERVE	0	250,000	250,000	100.00%
APPROP. RESERVE FOR ERS	52,000	1,440,000	1,388,000	0.00%
APPROP. RESERVE FOR UNEMPLOYMENT	75,000	75,000	0	0.00%
APPROP. RESERVE FOR WORKERS COMP	0	150,000	150,000	
APPROP. RESERVE FOR DEBT SER - Library	98,438	98,438	0	0.00%
	4,225,438	6,013,438	1,788,000	

Fund Balance applied for 2013-14 represents 6.72% of our total revenues

What Will it Cost?



	2010/11	2011/12	Difference	Percent
Tax Rate Per \$100	17.877	18.558	0.681	3.81%
Home Assessed @ 40,000	7,151	7,423	272	3.81%

**Property Taxes also include revenue from STAR repayments.*

Where we are today (2/14/13) in the budget process, 3.81% on the “Tax Rate” enables us to maintain program at a cost of \$272 for the year – that’s less than \$23 per month – before STAR exemptions.

Understanding NY's Property Tax Levy Cap

Although the new law has been referred to as a “2 percent Tax cap,” it does ‘not’ in fact restrict any proposed tax levy increase to 2 percent!

Understanding NY's Property Tax Levy Cap

This is a 'spending limit' on the
District's Tax Levy - **NOT** - Tax
Rate!



Draft 2012-13 Property Tax Levy Worksheet

DRAFT

SAYVILLE PUBLIC SCHOOLS 2013-14 Property Tax Limit Worksheet

Tax Levy Limit (Cap) Before Adjustments and Exclusions

Prior Year Tax Levy:	56,097,211	
Tax Base Growth Factor:	X <u>1.0017</u>	← Actual data received from NYS Dept Tax & Finance
	56,192,576	
Plus: Prior Year PILOT Payments:	+ <u>0</u>	Sayville does not currently receive any PILOT Payments
	56,192,576	
Prior Year Exemptions:		
Capital levy: 2012-13 Debt Service: w/o Library	4,553,730	
Projected/Actual Capital Expenses thru 6/30/13:	1,209,694	
Less: 2012-13 Bld Aid: (GEN, BLD TRA Reports 12/6/12)	<u>3,132,435</u> - 2,630,989	2012-13 Building Aid projected. Pending SED's adjustment for decrease in State interest rate
Adjusted prior Year Tax Levy:	53,561,587	
Allowable Levy Growth Factor:	<u>1.02</u>	Actual 2% Factor Based on CPI
	54,632,819	
Less: PILOT Payments for coming year:	- <u>0</u>	Sayville does not currently receive any PILOT Payments
Tax Levy Limit:	54,632,819	

Exclusions:

Tax levy necessary for expenditures arising out of tort orders/judgements over 5% FYE 2011 tax levy:	0	
Tax levy necessary for pension contribution expenditures caused by growth in the system average actuarial or normal contributions rate in excess of 2 percentage points:		
Employers Retirement System:	+ 0	As 1/12/13 SED believes there will be no exclusion for ERS
Teachers Retirement System:	+ 768,592	← Assumes 16.25% rate for 2013-14. 4.41% over current 11.84% rate
2013-14 Capital Tax levy:		
2013-14 Debt Service: w/o Library Debt	4,512,048	
Less: 2013-14 Building Aid: (Governor's Exec Bdgt)	3,132,435	← 2013-14 Building Aid Projected - Governor's Exec Bdgt - Pending Adj. Anticipate
Add: Anticipated 2013-14 Capital Project Expenses:	<u>500,000</u> + 1,879,613	
TOTAL ADJUSTED TAX LEVY LIMIT:	57,281,024	

56,097,211 2.11%

1,183,813

RECONCILIATION WITH TAX LEVY LIMIT

Tax Levy for 2013-14 Budget (Draft 2):		58,233,056
Less: 2013-14 Exemptions:		
Employers Retirement System	0	
Teachers Retirement System:	768,592	
<u>2012-13 Capital Tax levy:</u>		
2012-13 Debt Service: w/o Library Debt	4,512,048	
Less: 2012-13 Building Aid (Governor's Exec Bdgt)	-3,132,435	
Add: Anticipated 2012-13 Capital Project Expenses:	500,000	2,648,205
Proposed Levy Before Exemptions:		55,584,851
Tax Levy Limit:		54,632,819
Under/(Excess) Levy Over Cap Formula:		-952,032 *

* Requires 60% voter approval

DRAFT 2

Where Do We Go From Here?

Draft 2

- Key Talking Points –
 - Do we reduce spending and to what level?
(Remember that \$560,000 = 1% on the tax rate)
 - How do we increase our revenue stream?
 - How do we continue to achieve budgetary savings?
 - Do we reduce \$952,032 from the Proposed Budget to reach the Tax Levy Cap?
 - Do we reduce a lesser amount and pierce the Cap (requires 60% voter approval)?