

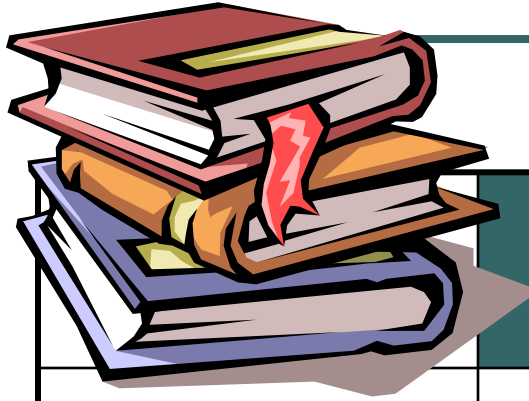
*SAYVILLE  
PUBLIC SCHOOLS*

Continued Review of the  
2013-14 Proposed Budget

**Presented by:  
John Belmonte  
Assistant Superintendent for Business**

**March 14, 2013**

# PROPOSED 2013-14 BUDGET

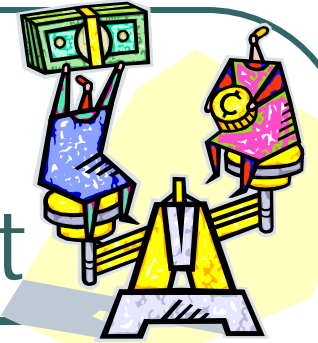


|  | BUDGET       | BUDGET PERCENTAGE INCREASE | PROPOSED INCREASE ON TAX RATE |
|--|--------------|----------------------------|-------------------------------|
| 2013-14 Proposed Budget <i>(Draft I)</i> | \$90,355,533 | 5.46%                      | 5.40%                         |
| Revised Budget <i>(Draft II)</i>         | \$89,461,217 | 4.42%                      | 3.81%                         |

**Draft 2**

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

|  | <u>2012-13<br/>CURRENT BUDGET</u> | <u>2013-14<br/>PROPOSED BUDGET</u> | <u>INCREASE/<br/>(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<br>(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%                     |
| <b>TOTAL GENERAL FUND BDGT:</b>  | <b><u><u>85,674,961</u></u></b>   | <b><u><u>89,461,217</u></u></b>    | <b><u><u>3,786,256</u></u></b>  | <b><u><u>4.42%</u></u></b> |



# Spending Side of the Budget

- So far to date, we have reviewed the spending side of the budget,
- We have reviewed each of the major expense categories and,
- Reviewed five year analysis trends for each category,
- For many contractual and discretionary spending categories, the five year trend analysis clearly showed that the District has controlled spending.

# REVENUES

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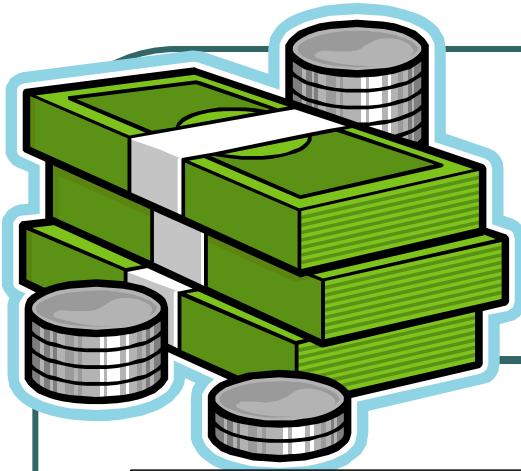


WILL SAYVILLE SCHOOLS  
RECEIVE ADDITIONAL STATE  
AID????????

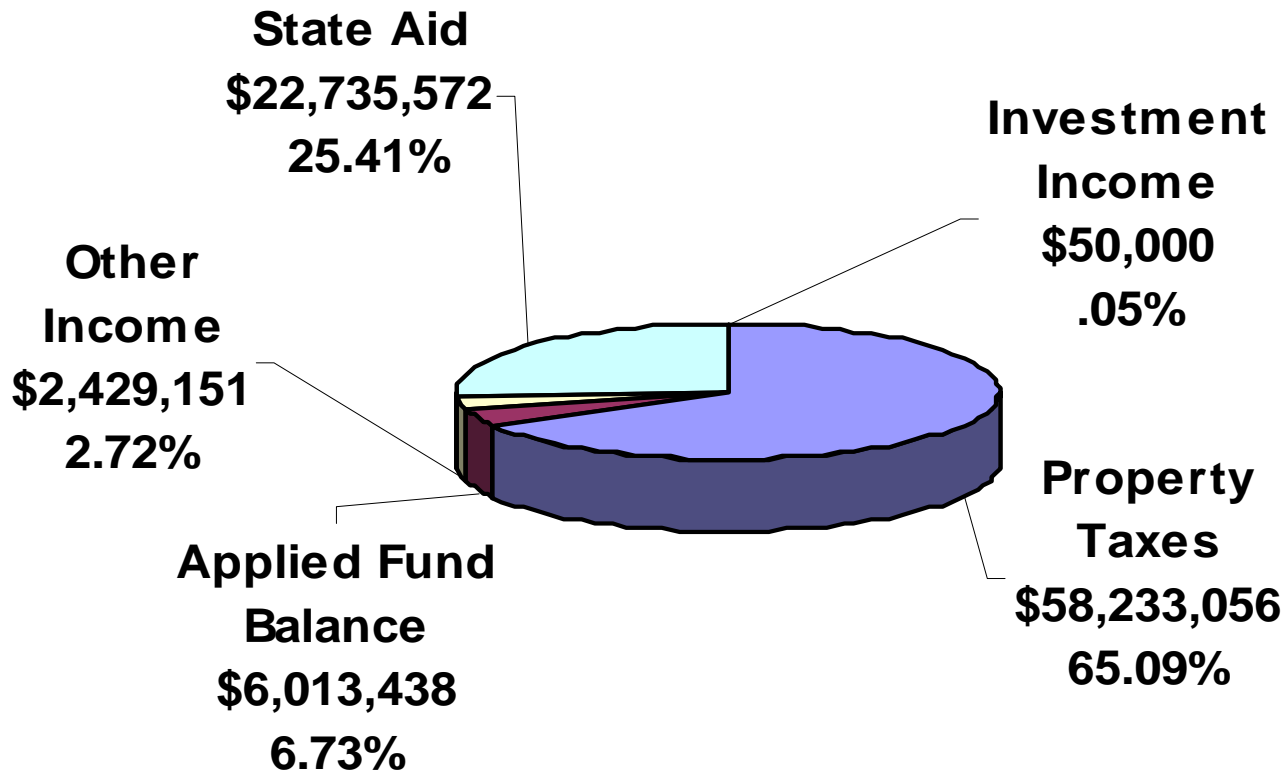
# 2013-14 PROPOSED REVENUE AND TAX RATE SCHEDULE

|   | <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%          |
| <b>TOTAL OTHER INCOME</b>                 | <b>2,485,026</b>  | <b>2,479,151</b>   | <b>(5,875)</b>    | <b>-0.24%</b>  |
| <b>TOTAL STATE AID &amp; OTHER INCOME</b> | <b>25,352,312</b> | <b>25,214,723</b>  | <b>(137,589)</b>  | <b>-0.54%</b>  |
| 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%          |
|   | <b>4,225,438</b>  | <b>6,013,438</b>   | <b>1,788,000</b>  |                |
| <b>PROPERTY TAXES*</b>                    | <b>56,097,211</b> | <b>58,233,056*</b> | <b>2,135,845</b>  | <b>3.81%</b>   |
| <b>TOTAL REVENUE/BUDGET</b>               | <b>85,674,961</b> | <b>89,461,217</b>  | <b>3,786,256</b>  | <b>4.42%</b>   |
|   | <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%          |

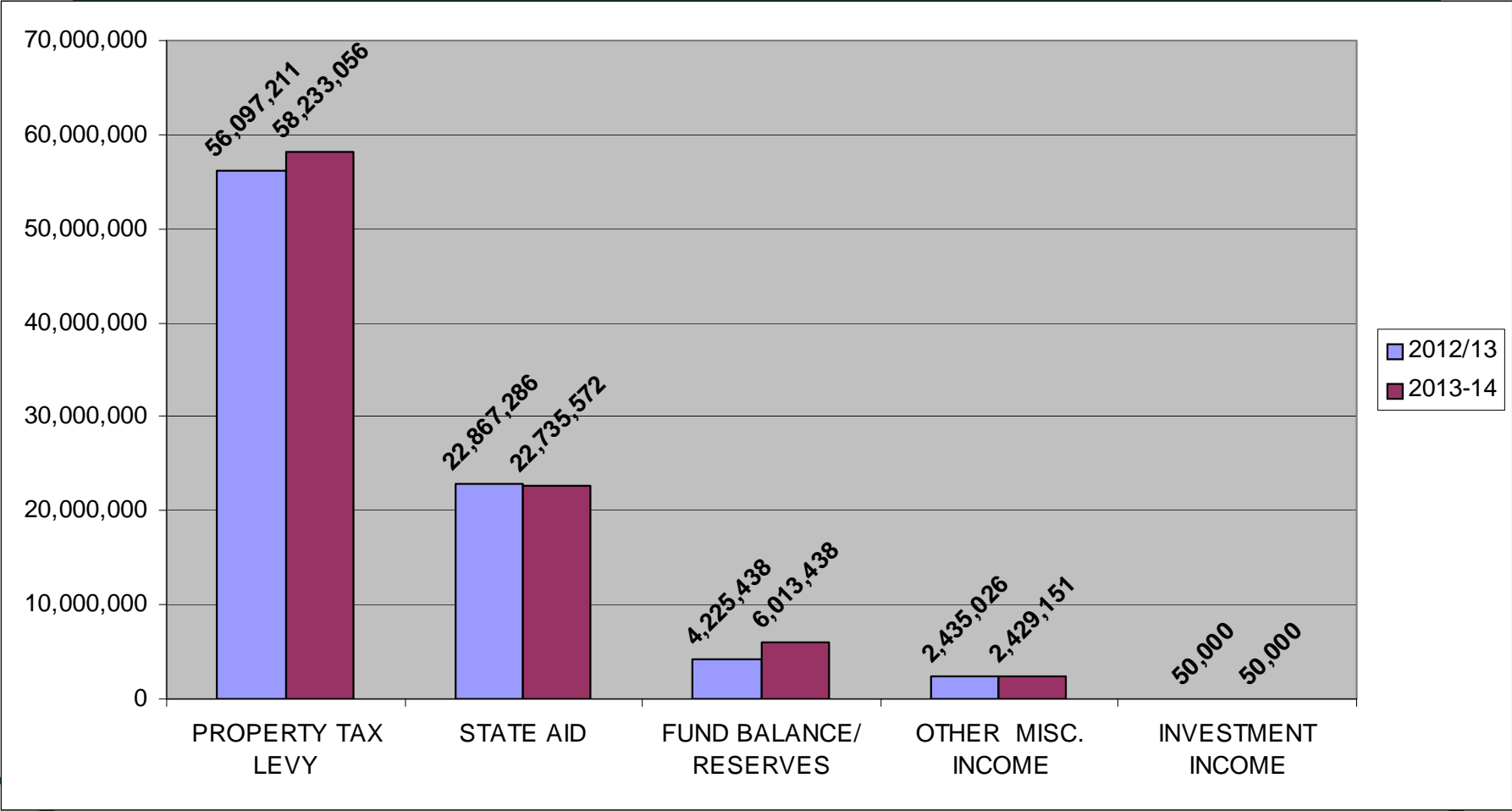
\*Property Taxes also include revenue from STAR repayments.



## *YOUR SCHOOL TAX DOLLAR REVENUES*

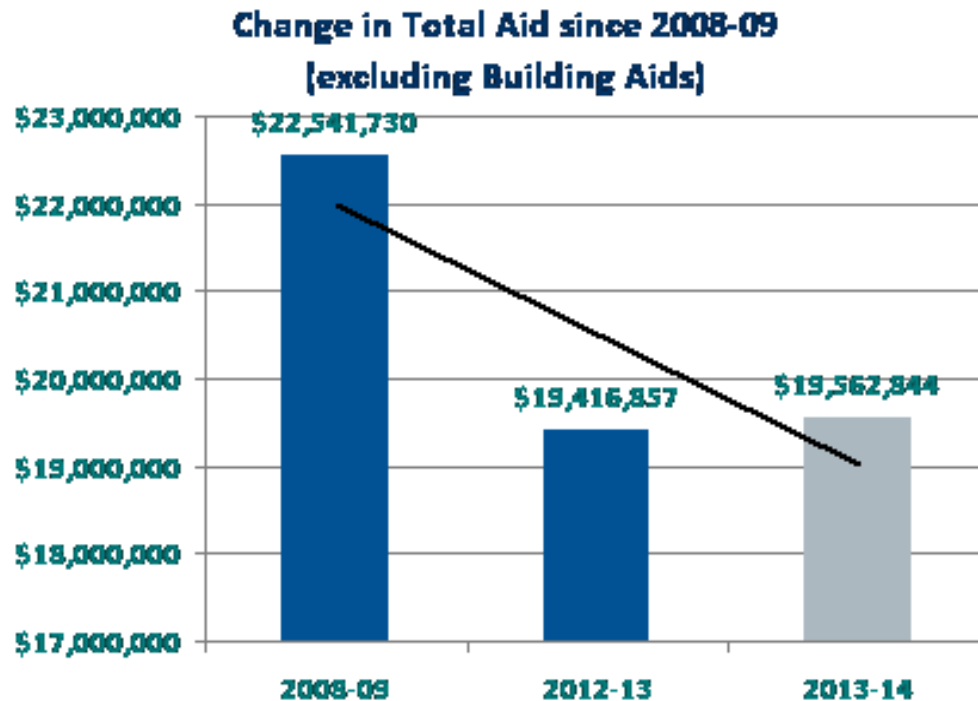


# REVENUE COMPARISON





# 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)        |
| <b>Total To date:</b>  | <b>(\$9,245,574)</b> |
| 2013-14<br>(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.

# FUND BALANCE/ RESERVE ANALYSIS



|  | Workers<br>Compensation | Unemployment      | Employee<br>Retirement System | Debt Service Library | EBLAR               | Tax Reserve         | Grand Totals         |
|--|-------------------------|-------------------|-------------------------------|----------------------|---------------------|---------------------|----------------------|
| <i>Projected Balances at July 1, 2013</i>  | \$ 1,856,631            | 800,403           | \$ 5,379,154                  | \$ 373,068           | 7,664,029.00        | 1,323,850           | \$ 17,397,135        |
| Anticipated Equity Transfers for 6/30/14<br>from Unappropriated Fund Balance           | \$ -<br>-               | \$ -<br>-         | \$ -<br>-                     | \$ -<br>-            | \$ -<br>-           | \$ -<br>-           | -                    |
| <b>Add: Estimated Revenues</b>   |                         |                   |                               |                      |                     |                     |                      |
| Sale of Building   |                         |                   |                               |                      |                     | 0                   |                      |
| Interest   | -                       | -                 | 15,000                        | 1,250                | 10,000              | -                   | -                    |
| Other  | -                       | -                 | -                             | -                    | -                   | -                   | -                    |
| Subtotal   | \$ -                    | \$ -              | \$ 15,000                     | \$ 1,250             | \$ 10,000           | \$ -                | \$ 26,250            |
| <b>Less: Estimated Expenditures/Appropriations<br/>from Reserve, whichever is less</b> | \$ (150,000)            | (75,000)          | \$ (1,440,000)                | \$ (98,438)          | (315,000.00)        | (250,000.00)        | (2,328,438)          |
| <i>Projected Balances at 6/30/14</i>   | <u>\$ 1,706,631</u>     | <u>\$ 725,403</u> | <u>\$ 3,954,154</u>           | <u>\$ 275,880</u>    | <u>\$ 7,359,029</u> | <u>\$ 1,073,850</u> | <u>\$ 15,094,947</u> |

**No Change**

Status Update:

## Two Percent Property Tax Levy Cap

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- ***Based on the 2013-14 Proposed Budget, on March 1, 2013 we filed Sayville's Property Tax Levy Cap information with the Office of the Comptroller. They will share this information with SED and all other applicable agencies,***
- ***Our Calculated Cap Percentage is now 2.20%,***
- ***Based on the Draft II Budget and known Revenues, we are currently OVER our calculated cap by \$899,633,***
- ***This means: to get to the cap, we would need to reduce spending by \$899,633 'or' hope to receive some additional State Aid,***
- ***Piercing the cap would require a simple majority vote of 60%.***

## OTHER FACTORS THAT MAY AFFECT SETTING OF THE TAX RATE

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- Anticipated receipt of 'Pilot Payments'
  - Project approved by the Town of Islip Industrial Development Agency – agreement expires November 1, 2045,
  - Current project: 96,136 sq ft consisting of approximately 134 assisted living units,
  - Generally, the owner of the development receives a property tax break for a period of 10 years,
  - The owner agrees to pay a sum certain each year in-lieu of taxes – called pilot payments. These Payments would be distributed to the various taxing entities.

## Pilot Payments – continued

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- Pilot Payments would be distributed each year from the Town to the District,
- These payments are not Tax levy Payments,
- For the 2013-14 School Year, we will see a reduction in the Districts overall Assessed Valuation and Base Allocations – with no Pilot Payments,
- Pilot Payments are expected to begin in the 2014-15 school year.

# *CONTINGENCY BUDGET*

What will it mean for  
Sayville Schools?

# Contingency Budgets: Key Elements of the Law

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- School District residents will vote on the Proposed Budget on the third Tuesday in May: (May 21, 2012),
- Should the budget fail, the Board has the option of putting up the same or a revised budget for a revote in June (6/18/13), or adopt a contingent budget,
- If the budget fails twice, the District must adopt a contingent budget with a '**ZERO**' percent increase on the current tax levy!



## Spending Limit - Part 1

If the budget fails twice, the District must adopt a contingent budget with a '**ZERO**' percent increase on the current tax levy!

### **Therefore:**

Proposed 2013-14 Tax Levy: \$58,233,056

Less: Current 2012-13 Tax Levy: \$56,097,211

**AMOUNT OF BUDGET CUTS: \$ 2,135,845**





## Spending Limit – Part 2

- Administrative Cap:
  - ✓ The ratio between the Administrative and Program Budget components, and
  - ✓ Will be the 'lesser' of the calculated Administrative Cap for 2012-13 or the defeated 2013-14 budget.

|                              | <b>Actual<br/>2012-13</b> | <b>Proposed<br/>2013-14</b> | <b>Contingent<br/>Budget</b> |
|------------------------------|---------------------------|-----------------------------|------------------------------|
| Administrative<br>Budget Cap | 14.21%                    | 14.22%                      | 14.21%                       |

# Where Would Reductions Come From?

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- Administrative Budget: \$ 210,000
- Instructional Budget: \$ 1,425,845
- Capital Budget: \$ 500,000



**Total Budget Reductions: \$2,135,845**

# What Types of Reductions Would Be Made?

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## *Non-Contingent Items*

- **Administrative Budget:**
  - Staffing, non-essential supplies, equipment, travel, etc.
  
- **Program Budget:**
  - Staffing, student supplies, new equipment, athletics, co-curricular, summer school, increased class size, etc.
  
- **Capital Budget:**
  - No Community Use of B & G (unless paid),
  - Staffing reductions, Capital Projects

## WHAT'S NEXT?



- We remain hopeful that the Governor and Legislature will have a State Budget in place by March 21,
- If additional aid is received, apply it to reduce the tax rate,
- Once the revenue side of the budget is settled, the Board will need to decide if we pierce the Tax Levy Cap (if necessary) or go back and cut program (*need to reduce approx \$900,000 to reach the cap*),
- Board will need to adopt the final budget at the April 11, 2013 Business Meeting.