

SAYVILLE PUBLIC SCHOOLS

Introduction to the 2013-14 Proposed Budget

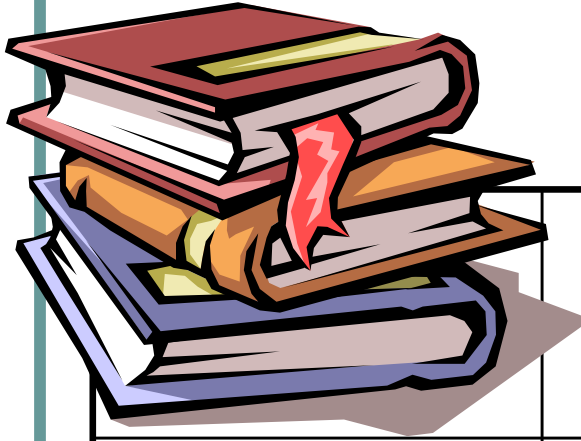
Presented by:
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Assistant Superintendent for Business

February 7, 2013

Introduction to the 2013-14 Budget

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

PROPOSED 2013-14 BUDGET



	BUDGET	BUDGET PERCENTAGE INCREASE	PROPOSED INCREASE ON TAX RATE
2013-14 Proposed Budget	\$90,355,533	5.46%	5.40%

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	42,246,249	1,073,978	2.61%
Fringe Benefits	20,157,913	23,165,857	3,007,944	14.92%
Total Salary & Benefits:	<u>61,330,184</u>	<u>65,412,106</u>	<u>4,081,922</u>	<u>6.66%</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>85,674,961</u>	<u>90,355,533</u>	<u>4,680,572</u>	<u>5.46%</u>

What's New In The Proposed Budget

New Staffing Positions:

7.0 Special Ed Aides for New PALS Program	\$200,861
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:	\$68,758
2.0 New Network Technicians:	<u>\$100,000</u>
TOTAL: 13.0 FTE's:	<u><u>\$489,831</u></u>

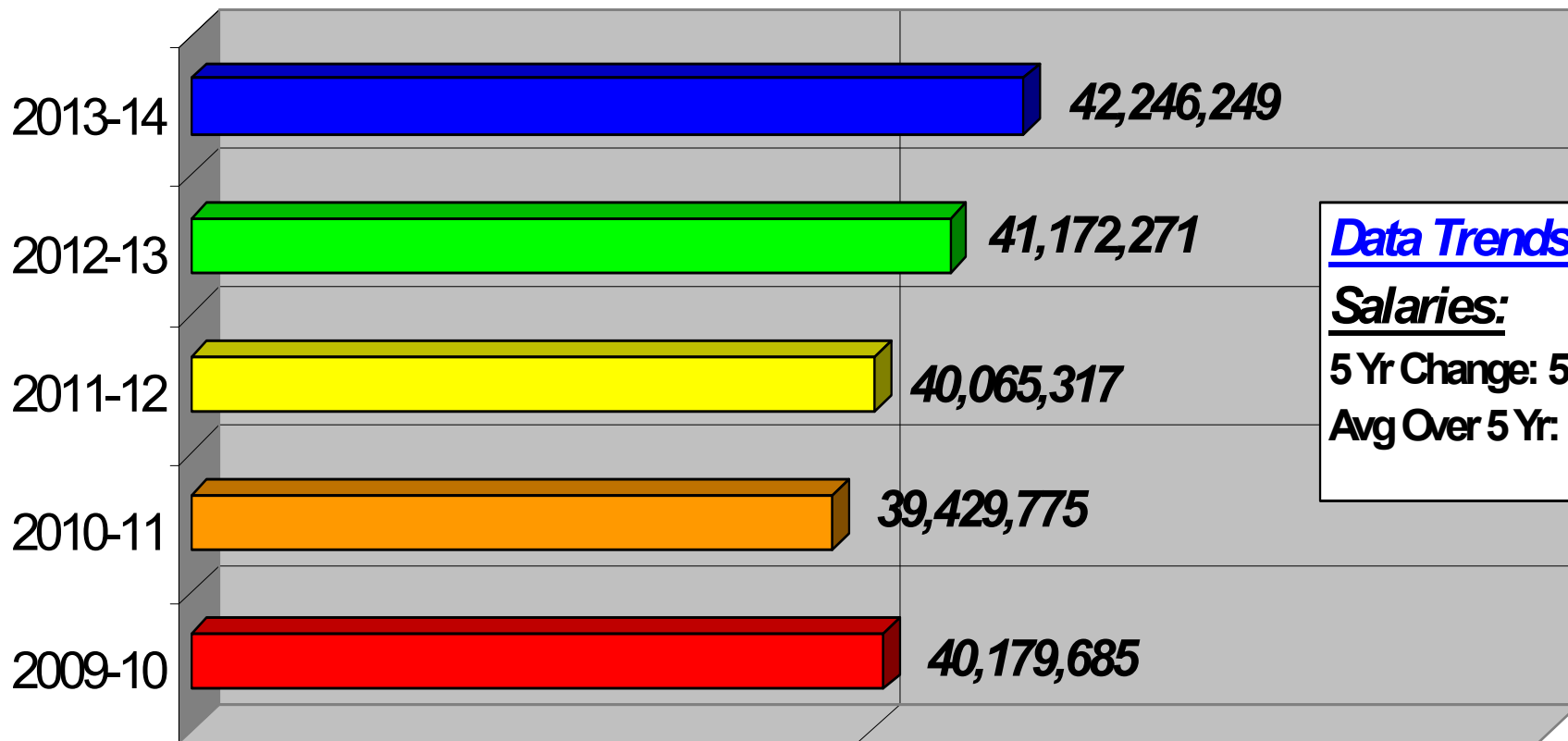
Other Staffing Modifications To Draft 1

- Retirements:
 - Teachers 6.0 fte
 - Administration 1.0 fte

Budgeted for replacements –
No positions eliminated through attrition

Budget Pulse – 5 Year Trend

District Wide Salaries



Data Trends

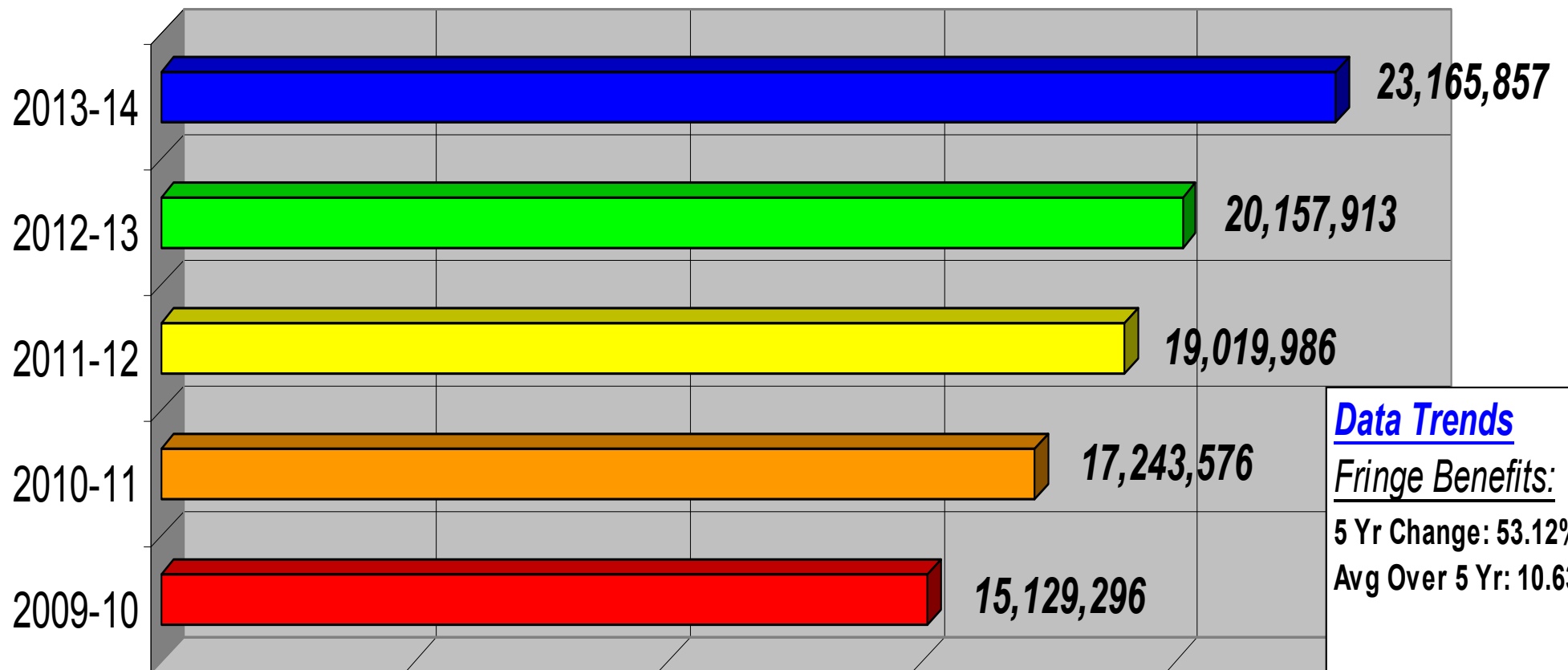
Salaries:

5 Yr Change: 5.14%

Avg Over 5 Yr: 1.03%

Budget Pulse – 5 Year Trend

Fringe Benefits



The Real Cost Drivers for 2013-14

Fringe Benefits:	2012-13	Rate	2013-14	Rate	Difference
1. ERS:	1,544,565	18.90%	1,789,435	20.90%	244,870 15.85%
2. TRS:	4,072,744	11.84%	5,270,179	16.50%	1,197,435 29.40%
3 Health Insurance	10,290,353	10% Incr.	11,935,493	15% Incr.	1,645,140 15.99%
Totals:	15,907,662		18,995,107		3,087,445 19.41%

Observation: The overall Draft I budget increase is \$4,680,572. Of that increase, 64.27% comes from Fringe Benefits.

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	59,127,372 *	3,030,161	5.40%
TOTAL REVENUE/BUDGET	85,674,961	90,355,533	4,680,572	5.46%

	<u>2010/11</u>	<u>2011/12</u>	<u>Difference</u>	<u>Percent</u>
Tax Rate Per \$100	17.877	18.843	0.966	5.40%
Home Assessed @ 40,000	7,151	7,537	386	5.40%

*Property Taxes also include revenue from STAR repayments.

2013-14 Emerging Trends



State Aid –

What You See is NOT What You Get!

- ➔ The Governor's Executive Budget shows Sayville Schools receiving only .82% increase in State Aid for an additional \$186,280.
- ➔ However, we learned that the State has never adjusted Building Aid for the Change in the State Wide Interest Rate from 4.5% to 2.375%. Therefore, Governor's reported State Aid figures are overinflated.
- ➔ In addition, Sayville is receiving \$411,161 less in State Aid for the current 2012-13 school year, from what the Governor's runs showed last March during the budget development process!
- ➔ ***LESSONS LEARNED: YOU CAN NOT RELY ON THE PROJECTED STATE AID RUNS. THESE ARE ESTIMATES AND THE FIGURES WILL CHANGE!***

NEVER TAKE YOUR STATE AID PROJECTED REVENUES TO THE WALL!

State Aid – Key Observations

- We will be actually getting 'Less' than what is currently in the Executive Budget Proposal.
- High Tax Aid – Governor reduced \$50M from this aid category
 - ***Sayville's reduction was \$656,933 - 38%!***

State Aid – Key Observations

- **Question:** On the State Aid Run, what is this GAP Elimination Adjustment figure of -3,403,822?
- **Answer:** It is an amount of categorical aid that the formula is generating that the State is unable to fund – so they show it as a minus or a reduction of aid.

Use of Fund Balance

	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 6.66% of our total revenues

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!



Other Key Elements of the Law

- The law allows communities of local school districts to override the annual spending cap.
- If override is approved, it is good for that fiscal year only.
- An override must be approved by at least 60% of budget voters
- If a district proposes a budget that requires a tax levy (before exemptions) above its 'Tax Levy Limit' it must include a statement on the ballot

Other Key Elements of the Law

- School district residents will still vote on the Proposed Budget on the third Tuesday in May
- Should the budget fail, the Board has the option of putting up the same or a revised budget for a revote, 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!

Draft 2012-13 Property Tax Levy Worksheet

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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 1.0017
56,192,576

← Actual data received from NYS Dept Tax & Finance

Plus: Prior Year PILOT Payments: + 0

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) 3,132,435 - 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: 1.02
54,632,819

Actual 2% Factor Based on CPI

Less: PILOT Payments for coming year: - 0

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
Add: Anticipated 2013-14 Capital Project Expenses: 500,000 + 1,879,613

← 2013-14 Building Aid Projected - Governor's Exec Bdgt - Pending Adj. Anticipate

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 (with Add'l aid):		59,127,372
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:		56,479,167
Tax Levy Limit:		54,632,819
Under/(Excess) Levy Over Cap Formula:		-1,846,348 *

* Requires 60% voter approval

DRAFT

Where Do We Go From Here?

- 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 \$1,846,348 from the Proposed Budget to reach the Tax Levy Cap?
 - Do we reduce a lesser amount and pierce the Cap (requires 60% voter approval)?